

Matthews Asia Funds | Prospectus

February 2017



Société d'investissement à capital variable
Luxembourg



Matthews Asia

VISA 2017/106787-6496-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2017-03-03
Commission de Surveillance du Secteur Financier

IMPORTANT INFORMATION

MATTHEWS ASIA FUNDS is registered under part I of the Luxembourg law of 17 December 2010 on collective investment undertakings (the “2010 Law”). The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) under the European Council Directive 2009/65/EC of 13 July 2009, as amended.

NOTICE TO PROSPECTIVE INVESTORS

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

It is the responsibility of any persons in possession of this Prospectus and any person wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Shares are offered only on the basis of the information contained in this Prospectus and, as appropriate, the most recent report and accounts of the Fund. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in

connection with the offering of Shares in the Fund other than those contained in this Prospectus and in any subsequent annual report for the Fund and, if given or made, such information or representations must not be relied on as having been authorised by the Fund, the Directors, the Investment Manager, the Administrative Agent or the Depositary. Certain statements in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances, create any implication or constitute any representation that the affairs of the Fund have not changed since the date hereof.

All references herein to times and hours are to Luxembourg local time.

NOTICE TO U.S. SHAREHOLDERS

The Shares have not been registered under the United States Securities Act of 1933 nor the Investment Company Act of 1940 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.

NOTICE TO CANADIAN SHAREHOLDERS

The Shares will not be publicly offered in Canada. Any offering of Shares in Canada will be made only by way of private placement: (i) pursuant to a Canadian offering memorandum containing certain prescribed disclosure, (ii) on a basis which is exempt from the requirement that the Fund prepare and file a prospectus with the relevant Canadian securities regulatory authorities and pursuant to applicable requirements in the relevant Canadian jurisdictions, and (iii) to persons or entities that are “permitted clients” (as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and On-going Registrant Obligations).

Neither the Fund nor the Investment Manager is registered in any capacity in any jurisdiction in Canada and may rely on one or more

exemptions from various registration requirements in certain Canadian jurisdictions. If a Canadian-resident investor, or an investor that has become a Canadian-resident after purchasing Shares, is required to be a “permitted client” and does not qualify, or no longer qualifies, as a “permitted client”, the investor will not be able to purchase any additional Shares and may be required to redeem its outstanding Shares.

ADDITIONAL INFORMATION FOR INVESTORS IN SPECIFIC COUNTRIES

FRANCE

The Fund has notified its intention to publicly distribute certain Classes of Shares in France.

The Centralising Correspondent and Paying Agent for the Fund in France is

CACEIS Bank France
1-3 Place Valhubert
75013 Paris, France

Applications for subscription, redemption and conversion of Shares should be sent to the Transfer Agent but may also be sent to the Centralising Correspondent and Paying Agent for onward transmission to the Transfer Agent. Shareholders resident in France may request to have all payments (redemption proceeds, distributions and any other payments) to be made for their benefit through the French Centralising Correspondent and Paying Agent.

The Prospectus, KIIDS, Articles of Association, the audited annual report and unaudited semi-annual report of the Fund may be obtained free of charge and in paper form from the French Centralising Correspondent and Paying Agent. Any additional information which is available at the registered office of the Fund will also be available at the French Centralising Correspondent and Paying Agent.

Subscription prices, redemption prices and conversion prices are available at the offices of the Transfer Agent and the French Centralising Correspondent and Paying Agent.

Tax regulations and the practices of financial authorities are constantly subject to change. Because of the complexity of French tax law, it is recommended that investors contact a tax adviser regarding the effect on their individual tax situation.

GERMANY

The Fund has notified its intention to publicly distribute certain Classes of Shares in Germany.

The Paying and Information Agent for the Fund in Germany is:

BNP Paribas Securities Services S.C.A
Zweigniederlassung
Europa Allee 12
60327 Frankfurt am Main
Germany

Applications for subscription, redemption and conversion of Shares should be sent to the Transfer Agent but may also be sent to the German Paying and Information Agent for onward transmission to the Transfer Agent. Shareholders resident in Germany may request to have all payments (redemption proceeds, distributions and any other payments) to be made for their benefit through the German Paying and Information Agent.

The Prospectus, KIIDS, Articles of Association, the audited annual report and unaudited semi-annual report of the Fund may be obtained free of charge and in paper form from the German Paying and Information Agent. Any additional information which is available at the registered office of the Fund will also be available at the German Paying and Information Agent. Any notices to Shareholders will be published in the electronic Federal Gazette (www.bundesanzeiger.de).

Subscription prices, redemption prices and conversion prices are available at the offices of the Transfer Agent and the German Paying and Information Agent, as well as published at www.wmdaten.de and www.fundinfo.com.

Tax regulations and the practices of financial authorities are constantly subject to change. Because of the complexity of German tax law, it is recommended that investors contact a tax adviser regarding the effect on their individual tax situation.

ITALY

The Fund has notified its intention to publicly distribute certain Classes of Shares in Italy.

Investors should note that as at the date of this Prospectus, only the following Sub-Funds are authorised for public sale in Italy:

- Asia Dividend Fund

- Pacific Tiger Fund

Applications for subscription, redemption and conversion of Shares should be sent to the Transfer Agent.

The Prospectus, KIIDS, Articles of Association, the audited annual report and unaudited semi-annual report of the Fund may be obtained free of charge from the Transfer Agent. Any additional information which is available at the registered office of the Fund will also be available at the Transfer Agent.

Subscription prices, redemption prices and conversion prices are available at the offices of the Transfer Agent.

Tax regulations and the practices of financial authorities are constantly subject to change. Because of the complexity of Italian tax law, it is recommended that investors contact a tax adviser regarding the effect on their individual tax situation.

SINGAPORE

The offer or invitation which is the subject of this Prospectus does not relate to a collective investment scheme which is authorised under Section 286 of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”) or recognised under Section 287 of the SFA. The Fund is not authorised or recognised by the Monetary Authority of Singapore (the “MAS”) and Shares are not allowed to be offered to the retail public in Singapore. This Prospectus is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

As this Prospectus has not been registered as a prospectus with the MAS, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an accredited investor or other relevant person, and in accordance with the conditions, specified in Section 305 of the SFA, (ii) to an institutional investor specified in Section 304 of the SFA, or (iii) in accordance with the

conditions of any other applicable provisions of the SFA, as the same may be amended from time to time. Shares subscribed or purchased pursuant to Sections 304 or 305 of the SFA may only be transferred in accordance with provisions of Sections 304A and 305A of the SFA respectively.

Where the Shares are acquired under Section 305 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the Shares under Section 305 except:

- (a) to an institutional investor or to a relevant person as defined in Section 305(5) or arising from an offer under Section 275(1A) of the SFA;
- (b) where no consideration is given for the transfer; or
- (c) where the transfer is by operation of law.

Where the Shares are acquired under Section 305 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor, the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that trust has acquired the Shares under Section 305 except:

- (a) to an institutional investor or to a relevant person as defined in Section 305(5) of the SFA or arising from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) (or such other amount as may be prescribed under the SFA) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;

(b) where no consideration is given for the transfer; or

(c) where the transfer is by operation of law.

SPAIN

The Fund has notified its intention to publicly distribute certain Classes of Shares in Spain.

Applications for subscription, redemption and conversion of Shares should be sent to the Transfer Agent.

The Prospectus, KIIDS, Articles of Association, the audited annual report and unaudited semi-annual report of the Fund may be obtained free of charge from the Transfer Agent. Any additional information which is available at the registered office of the Fund will also be available at the Transfer Agent.

Subscription prices, redemption prices and conversion prices are available at the offices of the Transfer Agent.

Tax regulations and the practices of financial authorities are constantly subject to change. Because of the complexity of Spanish tax law, it is recommended that investors contact a tax adviser regarding the effect on their individual tax situation.

SWITZERLAND

The Fund has notified its intention to publicly distribute certain Classes of Shares in Switzerland.

Investors should note that as at the date of this Prospectus, only the following Sub-Funds are authorised for public sale in Switzerland:

- Asia Dividend Fund
- China Fund
- India Fund
- Pacific Tiger Fund

1. Representative

The representative in Switzerland is:

1741 Fund Solutions AG
Burggraben 16
9001 St. Gallen
Switzerland

2. Paying agent

The paying agent in Switzerland is:

Notenstein La Roche Private Bank Ltd
Bohl 17

9004 St. Gallen
Switzerland

3. Location at which the relevant documentation is available

The Prospectus, KIIDS, Articles of Association, as well as the annual and semi-annual reports may be obtained free of charge from the Swiss Representative.

4. Publications

- (a) Publications concerning the foreign collective investment scheme are made in Switzerland on fundinfo AG (www.fundinfo.com).
- (b) Each time units are issued or redeemed, the issue and redemption prices or the net asset value together with a reference stating “excluding commissions” are published daily for all share classes on fundinfo AG (www.fundinfo.com).

5. Payment of retrocessions and rebates

- (a) The Fund Company and its agents may pay retrocessions as remuneration for distribution activity in respect of fund units in or from Switzerland. This remuneration may be deemed payment for the following services in particular:
 - Administrative services;
 - On-going operational support;
 - Recordkeeping;
 - Sub-accounting;
 - Dividend payment processing;
 - Proxy voting;
 - Tax reporting;
 - Shareholder communications;

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

(b) In the case of distribution activity in or from Switzerland, the Fund Company and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that:

- They are paid from fees received by the Fund Company and therefore do not represent an additional charge on the fund assets;
- They are granted on the basis of objective criteria;
- All investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Fund Company are as follows:

- The volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- The amount of the fees generated by the investor;
- The investment behavior shown by the investor (*e.g.* expected investment period);
- The investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Fund Company must disclose the amounts of such rebates free of charge.

6. Place of performance and place of jurisdiction

In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the representative.

7. Language

The English version of the prospectus and key investor information document may be translated into various languages. In amendment of the general provision on page 5 of the

Prospectus, exclusively the text of the signed German prospectus and key investor information document, as they were submitted to FINMA, prevail in the legal relationship between the foreign collective investment scheme and the holders of the units distributed in Switzerland or from Switzerland.

UNITED KINGDOM

The Fund is categorized as a “recognised scheme” in the United Kingdom under Section 264 of the Financial Services and Markets Act 2000, as amended (“FSMA”).

In connection with the Fund's recognition under Section 264 of FSMA, the Fund has appointed the following UK Facilities Agent to maintain the facilities required of the operator of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority (“FCA”) as part of the FCA's Handbook of Rules and Guidance:

BNP Paribas Securities Services
10 Harewood Avenue
London, NW1 6AA
United Kingdom

Applications for subscription, redemption and conversion of Shares should be sent to the Transfer Agent but may also be sent to the UK Facilities Agent for onward transmission to the Transfer Agent. Subscription prices, redemption prices and conversion prices are available at the offices of the Transfer Agent and the UK Facilities Agent. Fees and expenses of the UK Facilities Agent are charged at normal commercial rates.

Facilities will be maintained at the offices of the UK Facilities Agent so that any person who has a complaint to make about the operation of the Fund may submit the complaint for transmission to the Fund.

The Prospectus, KIIDS, Articles of Association, the audited annual report and unaudited semi-annual report of the Fund may be obtained free of charge from the UK Facilities Agent. Any additional information which is available at the registered office of the Fund will also be available at the UK Facilities Agent.

This Prospectus is issued in the United Kingdom by Matthews Global Investors (UK) Limited (FRN 667893), which is authorised and

regulated in the conduct of its investment business by the FCA.

Potential investors should be aware that some or all of the rules made under FSMA for the protection of retail clients will not apply to an investment in the Fund and compensation under the Financial Services Compensation Scheme will not generally be available. Any individual who is in doubt about an investment to which this Prospectus relates should consult an authorised person specialising in advising on investments of this kind.

The Fund will make available on an annual basis the reportable excess income of each Sub-Fund which may be subject to specific tax treatment in the United Kingdom. Shareholders resident in the United Kingdom may obtain this information on the Fund's website or by contacting the Administrator. For further information on applicable taxes in the United Kingdom, please see the section of the Prospectus entitled "*Taxation – UK Tax Consideration.*"

DATA PROTECTION

Pursuant to the Luxembourg Data Protection law of 2002 (as amended from time to time) any information that is furnished in connection with an investment in the Fund may be held on computer and processed by the Investment Manager, Global Distributor, Administrator, Depositary, Distributors (each as defined hereafter) or their delegates as Data Processor, as appropriate. Information may be processed for the purposes of carrying out the services of the Investment Manager, Global Distributor, Distributors or Administrative Agent and to comply with legal obligations, including legal obligations under applicable company law and anti-money laundering legislation as well as other applicable regulation like the FATCA Law and the CRS Law.. The information may be used in connection with investments in other investment fund(s) managed or administered by the Investment Manager and its affiliates ("Matthews"). Information shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as, but not limited to entities, whether situated in the United States or not, for the purpose of surveillance of market timing activities, auditors and regulators or agents of the Investment Manager, Global Distributor, Administrative Agent, Depositary or Distributors who process the data for, among

other things, anti-money laundering purposes or for compliance with foreign regulatory requirements.

Investors consent to the processing of their information and the disclosure of their information by the parties above in the parties' legitimate interest to Matthews including companies situated in countries outside of the European Economic Area, which may not have the same data protection laws as in Luxembourg. The transfer of data to the aforementioned entities may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Economic Area. Investors may request access to, rectification of or deletion of any data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection legislation.

Reasonable measures have been taken to ensure confidentiality of the personal data transmitted within Matthews. However, due to the fact that the information is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection regulation as currently in force in Luxembourg may not be guaranteed while the information is kept abroad.

Matthews will accept no liability with respect to any unauthorised third party receiving knowledge of or having access to such personal data, except in the case of negligence by Matthews.

Investors have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete by writing to the Fund at the following address:

Matthews Asia Funds
c/o Matthews International
Capital Management, LLC
Four Embarcadero Center, Suite 550
San Francisco, CA 94111
United States of America

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing.

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the

regulatory authorities of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version will always prevail.

Matthews and/or the Administrative Agent may use telephone recording procedures to record any conversation. Investors are deemed to consent to the tape-recording of conversations with Matthews and/or the Administrative Agent and to the use of such tape recordings by the Fund and/or Matthews and/or the Administrative Agent in legal proceedings or otherwise at their discretion.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing in the body of this Prospectus. Information in this summary is selective and should be read in conjunction with the full text of this Prospectus.

The Fund's Structure

Matthews Asia Funds is a self-managed investment company with variable share capital (“SICAV”) organised under the laws of Luxembourg in accordance with article 27 of the 2010 Law. It is registered under part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended, and qualifies as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) under the amended European Council Directive 2009/65/EC of 13 July 2009.

The Fund has an “umbrella” structure comprising a number of separate Sub-Funds each having a different portfolio of investments with specific investment objectives.

The Fund's Investment Objective

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 as detailed in the relevant Appendix.

The Sub-Fund's Investment Policy

The investment policy of each Sub-Fund is detailed in the relevant Appendix.

Classes of Shares

The Fund offers the following Classes of Shares in the Base Currency of the Sub-Funds as well as in other currencies described in the relevant Appendix. Shares may further be made available as accumulation or distribution Shares. Not all Classes of Shares are offered in all Sub-Funds.

- Class A Shares and Class A Hedged Shares, available to all investors;
- Class I Shares and Class I Hedged Shares, available only for investors who are approved by the Fund, including among others institutional investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors;
- Class C Shares, available only for institutional investors having a benevolent or philanthropic purpose;
- Class S Shares and Class S Hedged Shares, available only for investors who are approved by the Fund. Class S Shares will only be available until the total net assets of the Sub-Fund offering Class S Shares reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the “Seed Investment Limit”).

Subscription and Redemption of Shares

Shares may be subscribed for and redeemed on each Valuation Day as described in the relevant Appendix.

Investment Manager

Matthews International Capital Management, LLC, formed under the laws of Delaware and regulated by the U.S. Securities and Exchange Commission, acts as Investment Manager.

Administrative Agent and Depositary

Brown Brothers Harriman (Luxembourg) S.C.A acts as Administrative Agent and Depositary of the Fund.

Management Fees

The Investment Manager is entitled to a Management Fee as more fully described for each Sub-Fund in the relevant Appendix.

Other Fees

The Fund bears other operating expenses (including fees of the Administrative Agent and Depositary) which are more fully described in this Prospectus.

MATTHEWS ASIA FUNDS

Société d'Investissement à Capital Variable

Registered office: 80, route d'Esch

L-1470 Luxembourg

Grand Duchy of Luxembourg

R.C.S. Luxembourg B 151275

BOARD OF DIRECTORS

William J. Hackett (Chairman)

Chief Executive Officer

Matthews International Capital Management, LLC

Four Embarcadero Center, Suite 550

San Francisco, CA 94111

United States of America

Richard Goddard (Independent Director)

The Director's Office S.A.

19, rue de Bitbourg

L-1273 Luxembourg

Grand Duchy of Luxembourg

John P. McGowan

Head of Fund Administration

Matthews International Capital Management, LLC

Four Embarcadero Center, Suite 550

San Francisco, CA 94111

United States of America

Timothy B. Parker

Director, International Strategy, Product and Operations

Matthews International Capital Management, LLC

Four Embarcadero Center, Suite 550

San Francisco, CA 94111

United States of America

DELEGATES OF THE BOARD OF DIRECTORS

Richard Goddard

The Director's Office S.A.

19, rue de Bitbourg

L-1273 Luxembourg

Grand Duchy of Luxembourg

Timothy B. Parker

Director International Strategy, Product and Operations

Matthews International Capital Management, LLC

Four Embarcadero Center, Suite 550

San Francisco, CA 94111

United States of America

INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR

Matthews International Capital Management, LLC
Four Embarcadero Center, Suite 550
San Francisco, CA 94111
United States of America

INVESTMENT ADVISOR

Matthews Global Investors S.à r.l.
19, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

DEPOSITARY

Brown Brothers Harriman (Luxembourg) S.C.A.
80, route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

ADMINISTRATIVE AGENT, DOMICILIARY AGENT, REGISTRAR AND TRANSFER AGENT AND PAYING AGENT

Brown Brothers Harriman (Luxembourg) S.C.A.
80, route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

AUDITORS

Deloitte Audit S.à r.l.
560, rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISORS

Arendt & Medernach S.A.
41A, Avenue J.F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

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DEFINITIONS

In this Prospectus, in addition to words and phrases specifically defined elsewhere in this Prospectus, the following words and phrases have the meaning set forth below:

<i>2010 Law</i>	The Luxembourg Law of 17 December 2010 regarding undertakings for collective investment, as may be amended.
<i>Accounting Period</i>	Each period ending on 31 March with the first accounting period ending on 31 March 2011.
<i>Administrative Agent</i>	Brown Brothers Harriman (Luxembourg) S.C.A. or such other company as may for the time being be appointed as administrator to the Fund.
<i>Articles of Incorporation</i>	The Articles of Incorporation of the Fund.
<i>Base Currency</i>	The currency in which the accounts of the Fund and/or the Sub-Funds will be prepared.
<i>Board of Directors</i>	The board of directors of the Fund.
<i>Business Day</i>	A day on which banks in Luxembourg are open for business (excluding 24 December) unless otherwise defined in an Appendix.
<i>Class(es)</i>	Separate classes of shares within each Sub-Fund whose assets will be commonly invested but where a specific hedging policy, fee structure, minimum investment amount, taxation, distribution policy or other feature may be applied.
<i>Class Currency</i>	In respect of any Class of Shares, the currency in which Shares are issued.
<i>CRS</i>	Common Reporting Standard.
<i>Controlling Person</i>	The natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.
<i>Depository</i>	Brown Brothers Harriman (Luxembourg) S.C.A. or such other company as may for the time being be appointed as depository to the Fund.
<i>Directors</i>	The members of the Board of Directors of the Fund for the time being and any successors to such members as they may be appointed from time to time.
<i>Distributor</i>	Any entity appointed for the distribution of the Fund's Shares from time to time.
<i>Domiciliary</i>	Brown Brothers Harriman (Luxembourg) S.C.A. or such other company as may for the time being be appointed as domiciliary to the Fund.
<i>Eligible Market</i>	A Regulated Market in an Eligible State.

<i>Eligible State</i>	Any Member State or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
<i>FATCA</i>	Foreign Account Tax Compliance Act
<i>EU</i>	The European Union.
<i>EUR</i>	The single currency of participating member states of the European Monetary Union introduced on 1 st January 1999.
<i>Fund</i>	Matthews Asia Funds, an investment company organised under Luxembourg law as a <i>société anonyme</i> qualifying as a <i>société d'investissement à capital variable</i> (“SICAV”).
<i>GBP</i>	Great British Pound, the lawful currency of the United Kingdom.
<i>Hedged Share Class(es)</i>	A separate Class of Shares within each Sub-Fund that includes “Hedged” in its name.
<i>Institutional Investor</i>	An investor as defined in article 174 of the 2010 Law.
<i>Investment Advisor</i>	Matthews Global Investors S.à r.l. and/or such company or companies as may for the time being be appointed as investment advisor to the Fund. If such companies are appointed, this Prospectus will be updated accordingly.
<i>Investment Manager</i>	Matthews International Capital Management LLC, and/or such company or companies as may for the time being be appointed as investment manager to the Fund. If such companies are appointed, this Prospectus will be updated accordingly.
<i>JPY</i>	Japanese Yen, the lawful currency of Japan.
<i>KIIDs</i>	The Key Investor Information Documents.
<i>Member State</i>	As defined in the 2010 Law.
<i>Net Asset Value or NAV</i>	The total net asset value of a Sub-Fund or a Class calculated as described in this Prospectus.
<i>Net Asset Value per Share</i>	The net asset value per Share calculated as described in this Prospectus.
<i>Paying Agent</i>	Brown Brothers Harriman (Luxembourg) S.C.A. or such other company as may for the time being be appointed as paying agent to the Fund.
<i>Predominant Currency</i>	The currency in which all or most of the assets of the relevant Sub-Fund are denominated.
<i>Prospectus</i>	Refers to the present document.
<i>Registrar and Transfer Agent</i>	Brown Brothers Harriman (Luxembourg) S.C.A. or such other company as may for the time being be appointed as registrar and transfer agent to the Fund.
<i>Regulated Market</i>	A market within the meaning of Directive 2004/39CE on investment services in the transferable securities field and any other market which is regulated, operates regularly, is recognised and open to the public.
<i>Restricted Person</i>	Person as defined in section “ <i>Restrictions on issue and transfer of Shares</i> ”.

<i>Shareholder</i>	A holder of Shares.
<i>Shares</i>	Fully paid shares issued in relation to a Sub-Fund and Class.
<i>Sub-Fund(s)</i>	One or several compartments created within the Fund in accordance with article 181 of the 2010 Law which are distinguished mainly by their specific investment policy described in the Appendix to this Prospectus.
<i>Total Expense Ratio</i>	The ratio of a Sub-Fund's total expenses to its total assets. A Sub-Fund's total expenses includes the Management and Administrative Fees, administration charges, depositary charges, distribution charges, professional charges of the auditors and legal advisers, registration charges and duties. A Sub-Fund's total expenses do not include fees paid directly by an investor, such as subscription and redemption fees nor any commissions or other costs on portfolio transactions.
<i>UCI</i>	Undertakings for Collective Investment.
<i>UCITS</i>	Undertakings for Collective Investment in Transferable Securities.
<i>UCITS Directive</i>	Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, amended by Directive 2014/91/EU of the European Parliament and Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions and as may be further amended in the future.
<i>U.S. or United States</i>	The United States of America, its territories and possessions (including the States and the District of Columbia).
<i>USD</i>	United States Dollars, the lawful currency of the United States.
<i>U.S. Person</i>	The term "US Person" shall have the same meaning as in (i) Regulation S of the 1933 Act, as amended; (ii) as defined in CFTC rule 4.7 and/or (iii) as defined in any other applicable law, regulation or rule (including but not limited to FATCA). The Board of Directors may further define the term "US Person".
<i>Valuation Day</i>	Each day on which the Net Asset Value per Share is calculated as specified in the relevant Appendix to this Prospectus for each Sub-Fund.
<i>Valuation Point</i>	A time determined by the Board of Directors for each Valuation Day for the valuation of the assets.

INVESTMENT POLICIES AND RESTRICTIONS

1. The Fund

Matthews Asia Funds qualifies as a UCITS under the UCITS Directive. The Fund has adopted an “umbrella” structure that may comprise of different Sub-Funds.

In accordance with the requirements of the UCITS Directive and the correspondent provisions of the 2010 Law, all Sub-Funds invest in accordance with the principle of risk spreading in transferable securities and other permitted assets, which may comprise units of UCITS and UCIs, deposits with credit institutions, financial derivative instruments and money market instruments.

2. Specific Investment Policy for each Sub-Fund

The specific investment policy of each Sub-Fund is described in the relevant Appendix to this Prospectus.

The historical performance of the Sub-Funds will be published in the KIID for each Sub-Fund. Past performance is not necessarily indicative of future results.

3. Investment and Borrowing Restrictions

The Articles of Incorporation provide that the Board of Directors shall, based upon the principle of spreading of risks, determine the corporate and investment policy of the Fund and the investment and borrowing restrictions applicable, from time to time, to the investments of the Fund.

In order for the Fund to qualify as a UCITS under the 2010 Law and the UCITS Directive, the Board of Directors has decided that the following restrictions shall apply to the investments of the Fund and, as the case may be and unless otherwise specified for a Sub-Fund in the relevant Appendix, to the investments of each of the Sub-Funds:

- I (1) The Fund, for each Sub-Fund, may invest in:
- (a) Transferable securities and money market instruments admitted to or dealt in on an Eligible Market;
 - (b) Recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
 - (c) Units of UCITS and/or other UCI, whether situated in a Member State or not, provided that:
 - Such other UCIs have been authorised under the laws of any Member State or under the laws of those countries providing that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law and that cooperation between authorities is sufficiently ensured.
 - The level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
 - The business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - No more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their

constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

- (d) Deposits with credit institutions that are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- (e) Financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
 - The underlying consists of instruments covered by this section I(1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
 - The counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
 - The OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

and/or

- (f) Money market instruments other than those dealt in on an Eligible Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
 - Issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - Issued by an undertaking any securities of which are dealt in on Eligible Markets, or
 - Issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law.
 - Issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent above and provided that the issuer is a company whose capital and reserves amount to at least ten million EUR (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity

which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- (2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

II The Fund may hold ancillary liquid assets.

III (a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities and money market instruments issued by the same issuing body.

(ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body.

(iii) The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I (1) (d) above or 5% of its net assets in other cases.

(b) Moreover, where the Fund holds on behalf of a Sub-Fund, investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in sub-paragraph (a) the Fund may not combine for each Sub-Fund:

- Investments in transferable securities or money market instruments issued by a single body,
- Deposits made with a single body, and/or
- Exposures arising from OTC derivative transactions undertaken with a single body,
- In excess of 20% of its net assets.

(c) The limit of 10% laid down in sub-paragraph (a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its public local authorities, or by another Eligible State, or by public international bodies of which one or more Member States belong.

(d) The limit of 10% laid down in sub-paragraph (a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to

in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

- (e) The transferable securities and money market instruments referred to in sub-paragraphs (c) and (d) shall not be included in the calculation of the limit of 40% in sub-paragraph (b).

The limits set out in sub-paragraphs (a), (b), (c) and (d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III(a) to (e).

The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

- (f) **Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD, by a member State of the G20, by Singapore, Brazil, Russia, India or South Africa or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

- IV (a) Without prejudice to the limits laid down in paragraph V, the limits provided in paragraph III(a) to (e) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.

- (b) The limit laid down in sub-paragraph (a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V (a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

- (b) The Fund may acquire no more than:
- 10% of the non-voting shares of the same issuer;
 - 10% of the debt securities of the same issuer;
 - 10% of the money market instruments of the same issuer.

These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money

market instruments cannot be calculated.

The provisions of paragraph V (a) and (b) shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III(a) to (e), V(a) and (b) and VI.

- VI (a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I(1)(c), provided that no more than 10% of a Sub-Fund's net assets be invested in aggregate in the units of such UCITS or other UCIs, unless otherwise provided for in the relevant Appendix, in which case no more than 20% of a Sub-Fund's net assets will be invested in the units of a single UCITS or other UCI.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net asset of a Sub-Fund. .

For the purpose of the application of this investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- (b) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment and borrowing restrictions set forth under III (a) to (e) above.
- (c) When the Fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units of such other UCITS and/or UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the Fund as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 5% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- (d) The Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the net amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.

- VII (a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings (i) to be effected only on a temporary basis or (ii) to enable the acquisition of immovable property essential for the direct pursuit of its business.
- Where the Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its net assets in total.
- However, the Fund may acquire foreign currencies by means of back to back loans.
- (b) The Fund may not grant loans to or act as guarantor on behalf of third parties.
- This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I(1)(c), (e) and (f) which are not fully paid.
- (c) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
- (d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business, provided that the limits indicated in item a) above are complied with.
- (e) The Fund may not acquire either precious metals or certificates representing them.
- VIII (a) The Fund needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III(a) to (e), IV and VI(a) and (b) for a period of six months following the date of their creation.
- (b) If the limits referred to in sub-paragraph (a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.
- (c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III (a) to (e), IV and VI.
- (d) The Fund will comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed. Such additional restrictions will be disclosed in this Prospectus.

IX FINANCIAL DERIVATIVE INSTRUMENTS

As specified in section I (1) (e) above, the Fund may in respect of each Sub-Fund invest in financial derivative instruments.

The Fund shall ensure that the global exposure of each Sub-Fund relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund.

The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market

movements and the time available to liquidate the positions. This shall also apply to the following sub-paragraphs.

Each Sub-Fund may invest, as a part of its investment policy and within the limits laid down in section I (1)(e) and section III(e), in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections III. When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits laid down in section III. When a transferable security or money market instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of these instrument restrictions. The Sub-Funds may use financial derivative instruments for investment purposes and for hedging purposes, within the limits of the 2010 Law. Under no circumstances shall the use of these instruments and techniques cause a Sub-Fund to diverge from its investment policy or objective. The risks against which the Sub-Funds could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

- X Under the conditions and within the limits laid down by the 2010 Law, the Fund may, to the widest extent permitted by Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a “Feeder UCITS”) or as a master UCITS (a “Master UCITS”), (ii) convert any existing Sub-Fund into a Feeder UCITS or Master UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with paragraph II. above;
- financial derivative instruments, which may be used only for hedging purposes.

For the purposes of compliance with paragraph IX above, the Feeder UCITS shall calculate its global exposure relating to financial derivative instruments by combining its own direct exposure under the second indent of the preceding paragraph with either:

- the Master UCITS' actual exposure to financial derivative instruments in proportion to the Feeder UCITS' investment into the Master UCITS; or
- the Master UCITS' potential maximum global exposure to financial derivative instruments provided for in the Master UCITS' management regulations or instruments of incorporation in proportion to the Feeder UCITS' investment into the Master UCITS.

- XI A Sub-Fund (the “Investing Fund”) may subscribe, acquire and/or hold securities to be issued by one or more Sub-Funds (each, a “Target Fund”) without the Fund being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

- (a) the Target Fund does not, in turn, invest in the Investing Fund invested in this Target Fund; and
- (b) no more than 10% of the assets that the Target Fund whose acquisition is contemplated may, according to its investment policy, be invested in units of other UCITS or other UCIs; and
- (c) the Investing Fund may not invest more than 20% of its net assets in units of a single Target Fund; and

- (d) for as long as these securities are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- (e) to the extent required by applicable laws and regulations there is no duplication of management/subscription or redemption fees between those at the level of the Investing Fund having invested in the Target Fund, and this Target Fund.

Use of Techniques and Instruments relating to transferable securities and money market instruments

To the maximum extent allowed by, and within the limits set forth in, the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the 2002 Law and of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments (as these pieces of regulations may be amended or replaced from time to time) and (iii) CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS,, each Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks engage in securities lending transactions and enter, either as purchaser or seller, into optional as well as non optional repurchase transactions.

The counterparties to the transactions described below must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialised in this type of transaction.

Any transaction expenses in connection with any techniques and instruments referred to below will be met by the Sub-Fund concerned.

Repurchase/reverse repurchase agreements

Repurchase agreements, also known as “repos”, are financial instruments used in securities and money markets.

Each Sub-Fund may invest in securities subject to repurchase agreements concluded with high quality financial institutions specialised in this type of transactions. Under such agreements, the seller agrees with the buyer, upon entering into the contract, to repurchase the securities at a mutually agreed upon time and price, thereby determining the repo rate during the time of the agreement. This investment technique permits the buyer to earn a fixed rate of return independent from market fluctuations during such period. During the lifetime of a repurchase agreement, the buyer may not sell the securities which are the subject of the agreement either before the repurchase of the securities by the counterparty has been carried out or before the repurchase period has expired.

The Fund will ensure to maintain the importance of purchased securities subject to a repurchase obligation at a level such that it is able, at all times to meet redemption requests from its shareholders. In addition the Fund will ensure that all repurchase agreements may be terminated at any time and that the securities, object of such repurchase agreement, may be recalled at any time.

The Fund may act either as a seller (in a repo) or as a buyer (a reverse repo).

Securities lending

In relation to securities lending transactions, the Fund must in principle receive for the Sub-Fund concerned security of a value which at the time of the conclusion of the lending agreement must be at least equal to the value of the global valuation of the securities lent.

All securities lending transactions will be entered into on arms-length commercial terms. The written consent of the Board of Directors is required for any such transactions that are entered into with the Investment Manager or Investment Adviser or its connected persons. Collateral policy

In relation to securities lending transactions and in accordance with its collateral policy, the Fund will ensure that its counterparty delivers and each day maintains collateral of at least the market value of the securities lent. Such collateral must be in the form of:

- (i) liquid assets (*i.e.*, cash and short term bank certificates, money market instruments as defined in Council Directive 2007/16/EC of 19 March 2007) and their equivalent (including letters of credit and a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty);
- (ii) bonds issued or guaranteed by a Member State of the OECD or their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- (iii) shares or units issued by money market UCIs calculating a net asset value on a daily basis and assigned a rating of AAA or its equivalent;
- (iv) shares or units issued by UCITS investing mainly in bonds/shares satisfying the conditions under (v) and (vi) hereafter;
- (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or
- (vi) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.

When using OTC derivatives and/or efficient portfolio management techniques, assets provided as collateral by the counterparties to such transactions may take the form of the assets listed above and shall always comply with the criteria provided by the CSSF Circular 14/592 or any applicable laws or regulations. When exposure arising from OTC financial derivative transactions and efficient portfolio management techniques exceeds 10% of the net assets of a Sub-Fund, the level of collateral received shall at all times equal at least 100% (taking into account any haircut) of the exceeding counterparty exposure.

The income, net of direct and indirect operational costs, arising from securities lending transactions and efficient portfolio management transactions will revert to the Fund. Details of such amounts and the security clearing body or financial institution arranging the securities lending transaction will be disclosed in the financial report of the Fund.

As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such Sub-Fund in (a) shares or units issued by short-term money market undertakings for collective investment as defined in the CESR's Guidelines on a common definition of European money market funds (Ref.: CESR/10-049) and the ESMA Opinion 2014/1103, (b) short-term bank deposits, (c) high-quality government bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope, and (d) reverse repurchase agreement transactions according to the provisions described under section XII. Article 43. J) of ESMA Guidelines on ETFs and other UCITS issues released by the CSSF under CSSF Circular 14/592. Each Sub-Fund is also authorised to reinvest cash collateral received in any other type of assets which would be or become authorised from time to time by the 2010 Law. Such reinvestment will be taken into account for the calculation of each concerned Sub-Fund's global exposure, in particular if it creates a leverage effect.

For the valuation of the collateral presenting a significant risk of value fluctuation, the Fund

will apply prudent discount rates. Except as otherwise decided by the Fund on a case by case basis, a discount of 20% will be applied for shares or convertible bonds which are comprised in a main index, and 15% for debt and debt-related securities issued by a non-governmental issuer rated at least BBB- by at least one ratings agency. Collateral in the form of cash deposits in a currency other than the relevant Base Currency is also subject to a discount of 10%.

XII Additional Investment Restrictions

- (a) Taiwanese law currently restricts direct investment of more than 10% of a fund's asset in securities of companies domiciled in the People's Republic of China. If and when and for so long as a Sub-Fund is registered for distribution in Taiwan, and for so long as Taiwanese law includes this limitation, a Sub-Fund will not directly invest more than 10% of its net assets in securities of companies domiciled in the People's Republic of China.
- (b) Direct investments by any Sub-Fund in China A Shares of Chinese companies shall not exceed 30% of its net assets.

RISK CONSIDERATIONS

Investment in the Fund carries a high degree of risk including, but not limited to, the risks referred to below. No assurance can be given that Shareholders will realise a profit on their investment. Moreover, Shareholders may lose some or all of their investment. The risks referred to below do not purport to be exhaustive. Potential investors should review this Prospectus carefully, in its entirety, and consult with their professional advisers before making an application for Shares.

1. General Risks

Political, Social and Economic Risks

The value of the Fund's assets may be adversely affected by political, economic, social and religious instability; inadequate investor protection; changes in laws or regulations of countries within the Asia Pacific region (including countries in which the Fund invests, as well as the broader region); international relations with other nations; natural disasters; corruption and military activity. The Fund may have difficulty in obtaining or enforcing judgments against companies of Asia Pacific countries or their management. Furthermore, the economies of many Asia Pacific countries differ from the economies of more developed countries in many respects, such as rate of growth, inflation, capital reinvestment, resource self-sufficiency, financial system stability, the national balance of payments position and sensitivity to changes in global trade. The governments of certain countries have placed restrictions on the operational freedom of private enterprise, and have or may nationalise privately owned assets including companies held by the Fund. From time to time, a relatively small number of companies and industries may represent a large portion of the total stock market in a particular country or region, and these companies and industries may be especially sensitive to adverse social, political, economic or regulatory developments. Asia Pacific countries also have different accounting standards, corporate disclosure, governance and regulatory requirements than do more developed countries. As a result, there may be less publicly available information about companies in Asia Pacific countries. There is generally less governmental regulation of stock exchanges, brokers and issuers than in more developed countries, which may result in less transparency with respect to a company's operations. The economies of many Asia Pacific countries are dependent on exports and global trade and some have limited natural resources (such as oil), resulting in dependence on foreign sources for certain raw materials, and vulnerability to global fluctuations in price or supply. Changes in the economies or markets of the main trading partners of Asia Pacific countries, including developed countries, could negatively impact the growth prospects of Asia Pacific countries and markets.

A decline in the markets of other countries could result in a significant decline in Asia Pacific markets. Because each Sub-Fund concentrates its investments in a single region of the world (or in a single country within that region), a Sub-Fund's performance may be more volatile than that of funds that invest globally. If securities of Asia Pacific countries (or the securities of companies from individual countries in the region) fall out of favour, it may cause the Fund to underperform funds that do not concentrate in a single region or country.

Currency Risks

When the Fund buys or sells securities in an Asia Pacific market, the transaction is usually undertaken in the local currency rather than in USD. To execute such transactions, the Fund must purchase or sell a specified amount of the local currency, which exposes the Fund to the risk that the value of the foreign currency will increase or decrease. Similarly, when the Fund receives income from Asia Pacific securities, the Fund receives local currency rather than USD. As a result, the value of that Fund's portfolio holdings as well as the income derived from these holdings may be impacted. Additionally, Asia Pacific countries may utilise formal or informal currency-exchange controls (or "capital controls"). Currency controls may artificially affect the value of the Fund's holdings and may negatively impact the Fund's ability to calculate its NAV. Such controls may also restrict or prohibit the Fund's ability to repatriate both investment capital and income; this, in turn, may undermine the value of the Fund's holdings and potentially place the Fund's assets at risk of total loss. In extreme circumstances, such as the imposition of capital controls that substantially limit repatriation, the Fund may suspend Shareholders' redemption privileges for an indefinite period.

Where a Class of Shares is denominated in another currency than the Base Currency of the Sub-Fund, each Investor will make an investment in that currency, which will be converted into the Base Currency and invested. Such subscriptions may be hedged by the Fund to seek to minimise foreign currency risk although no guarantee can be given that the foreign currency risk is eliminated or that a hedge will be successful. The cost of the hedging will be borne by the Class of Shares not denominated in the Base Currency.

Class Currency Hedging Risks

The Investment Manager may seek to hedge all or any portion of the foreign currency exposure of a Class of Shares denominated in a currency other than the Predominant Currency through foreign exchange hedging ("Class Currency Hedging"). There can be no assurance that foreign exchange hedging will be effective. Foreign exchange hedging may not fully protect investors from a decline in the value of the Predominant Currency against the Class Currency of the relevant Class of Shares because, among other reasons, the valuations of the underlying assets of the Sub-Fund used in connection with foreign exchange hedging could be materially different from the actual value of such assets at the time the foreign exchange hedging is implemented, or because a substantial portion of the assets of the Sub-Fund may lack a readily ascertainable market value. In addition, while foreign exchange hedging aims to protect investors from a decline in the Predominant Currency against the relevant Class Currency of the Class of Shares, it is not intended to protect investors against fluctuations in the Predominant Currency against the Base Currency or any other currency. To the extent Class Currency Hedging is employed, investors in the relevant share class will not generally benefit when the Predominant Currency appreciates against the Class Currency of the relevant Class of Shares and the value of the relevant Class of Shares will be exposed to fluctuations reflecting the profits and losses on, and the costs of, the foreign exchange hedging.

Any Class Currency Hedging utilised by a Sub-Fund will be solely for the benefit of the relevant Class of Shares and the profits, losses and costs related thereto will be for the account of such relevant Class of Shares only. Notwithstanding the foregoing, the techniques and instruments used to implement any foreign exchange hedging will constitute assets and liabilities of the Sub-Fund as a whole.

In addition, foreign exchange hedging will generally require the use of a portion of a Sub-Fund's assets for margin or settlement payments or other purposes. Moreover, due to volatility in the currency markets and changing market circumstances, the Investment Manager may not be able to

accurately predict future margin requirements, which may result in a Sub-Fund holding excess or insufficient cash and liquid securities for such purposes. Where a Sub-Fund does not have cash or assets available for such purposes, the Sub-Fund may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If a Sub-Fund defaults on any of its contractual obligations, the Sub-Fund and its Shareholders may be materially adversely affected.

Risks Associated with Emerging Markets

Many Asia Pacific countries are considered emerging markets. Investing in emerging markets involves the political, social, economic and currency risks described above, as well as different and greater risks than investing in more developed markets because, among other things, emerging markets are often less stable politically and economically, and their markets are smaller and less developed. Their stock exchanges and brokerage industries do not have the level of government oversight as do those in more developed countries. Securities markets of such countries are substantially smaller, less liquid and more volatile than securities markets in more developed countries. Local regulation frequently imposes limits (collars) on intra-day changes in trading prices for securities, which may artificially constrain trading volume and distort market pricing mechanisms. Many markets also require the suspension of trading in securities at times or for reasons that are unusual in developed markets (*e.g.*, trading may be suspended prior to Shareholder meetings or in connection with the distribution of dividends, stock splits or other corporate actions). Trading suspensions may make a determination of the Fund's NAV more difficult and may result in the security being treated as being illiquid during the suspension. The absence of negotiated brokerage commissions in certain countries may result in higher brokerage and other fees. The procedures and rules governing foreign transactions and custody also may involve delays in payment, delivery or recovery of money or investments. In addition, standards related to corporate governance may be weaker, and transactions with or among management may be less transparent. As a result, the rights of the Fund and other independent Shareholders may be adversely impacted in corporate actions. Brokerage commissions, custodian services fees, withholding taxes and other costs relating to investment in emerging markets are generally higher than in developed markets.

Furthermore the following risks should be considered:

Legal Environment

- The interpretation and application of decrees and legislative acts often can be uncertain or inconsistent, particularly in respect of matters relating to taxation.
- Legislation could be imposed retrospectively or may be issued in the form of internal regulations that the public may not be made aware of.
- Judicial independence and political neutrality cannot be guaranteed.
- State bodies and judges may not adhere to the requirements of the law and the relevant contract.
- There is no certainty that investors will be compensated in full or in part for any damage incurred or loss suffered as a result of legislation imposed or decisions of state bodies or judges.
- Some markets (such as the People's Republic of China ("China")) are only beginning to develop the concept of legal/formal ownership and of beneficial ownership and consequently the courts in such markets may consider that any nominee or local custodian as registered holder of securities would have full ownership thereof and that a beneficial owner may have no rights whatsoever in respect thereof.

Market and Settlement Risks

- The securities markets of some countries lack the liquidity, efficiency, and regulatory and supervisory controls of more developed markets.
- Lack of liquidity may adversely affect the value or ease of disposal of assets.

- The share register may not be properly maintained and the ownership interests may not be, or remain, fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities or assert the rights of a beneficial owner.

Taxation

- Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be, or may become subject to taxes, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which a Fund invests or may invest in the future is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the Fund could become subject to additional taxation in such countries that is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

These factors make the prices of securities of emerging market companies, especially smaller companies, in which the Fund may invest, generally more volatile than the prices of securities of companies in developed markets, and increase the risk of loss to the Fund.

The Fund may be subject to regulations imposed by foreign regulators in particular, the United States laws and regulations known as FATCA and CRS.

- The objective of FATCA provisions is to combat U.S. tax evasion by certain U.S. Persons and obtain from non-US financial institutions ("Foreign Financial Institutions" or "FFIs") information relating to such persons that have direct or indirect accounts or investments in those FFIs. In case FFIs choose not to comply with FATCA, FATCA will impose a withholding tax of 30 % on certain U.S. source income (including dividends and interest) and gross sales proceeds. To be relieved from these withholding taxes, the FFIs need to comply with the provisions of FATCA under the terms of the applicable legislation implementing FATCA. In particular, FFIs are required to report directly or indirectly through their local authority to the Internal Revenue Service (the "IRS") certain holdings by and payments made to (i) certain U.S. Persons, (ii) certain non- financial foreign entities ("NFFEs") owned by certain U.S. Persons, and (iii) FFIs that do not comply with the terms of the FATCA legislation (together the "U.S. Reportable Persons").

Being established in Luxembourg and subject to the supervision of the Commission de Surveillance du Secteur Financier ("CSSF") in accordance with the law of 17 December 2010, the Fund is treated as an FFI for FATCA purposes and subject to the Luxembourg law of 24 July 2015 transposing the Intergovernmental Agreement concluded on 28 March 2014 between the Grand Duchy of Luxembourg and the United States (the "FATCA Law"). In this context, the Fund may require all investors to provide documentary evidence of their U.S. Person status and tax residence and all other personal and financial information, as exhaustively set out in Article 2 of the FATCA Law (the "FATCA Information"), deemed necessary to comply with the above mentioned regulations.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Fund shall have the right to: (i) require any investor or beneficial owner of Shares to provide the FATCA Information as may be required by the Fund in order to comply with the FATCA Law and applicable regulations and/or determine the amount to be withheld if appropriate; (ii) divulge any of the FATCA Information to the Luxembourg tax authorities (the "LTA"), as may be required by the FATCA Law or applicable regulations or requested by such authority; (iii) withhold on any payment to investors an amount equal to any taxes or similar charges required by applicable laws and regulations to be withheld in respect of any shareholding in the Fund, (iv) delay payments to any investor, including any dividend or redemption

proceeds, until the Fund holds sufficient information to comply with the FATCA Law and applicable regulations and/or determine the amount to be withheld.

- The Fund may also be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the “Standard”) and its Common Reporting Standard (the “CRS”) as set out in the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information (“MCAA”) signed on 29 October 2014 or in the Luxembourg Law of 18 December 2015 on the Common Reporting Standard (the “CRS Law”).

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the LTA personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the “Reportable Persons”), and (ii) Controlling Persons of certain non-financial entities (“NFEs”) which are themselves Reportable Persons. This information, as exhaustively set out in Chapter I Article 4 of the CRS Law (the “CRS Information”), will include personal data related to the Reportable Persons.

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the Information, along with the required supporting documentary evidence.

- In both FATCA Law and CRS Law context, the investors are hereby informed that, as data controller, the Fund will process the FATCA Information and CRS Information for the purposes as set out in the FATCA Law and the CRS Law. The investors undertake to inform their Controlling Persons, if applicable, of the processing of their FATCA Information and CRS Information by the Fund.

The investors are further informed that the FATCA Information and CRS Information related to (U.S.) Reportable Persons within the meaning of the FATCA Law and the CRS Law will be disclosed to the LTA annually for the purposes set out in the FATCA Law and the CRS Law. In particular, (U.S.) Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the investors undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data be not accurate. The investors further undertake to immediately inform the Fund of and provide the Fund with all supporting documentary evidence of any changes related to the FATCA Information or CRS Information after occurrence of such changes.

Any investor that fails to comply with the Fund’s FATCA Information, CRS Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor’s failure to provide the FATCA Information or CRS Information or subject to disclosure of the Information by the Fund to the LTA.

Risks Associated with Smaller Companies

Smaller companies may offer substantial opportunities for capital growth; they also involve substantial risks, and investments in smaller companies may be considered speculative. Such companies often have limited product lines, markets or financial resources. Smaller companies may be more dependent on one or few key persons and may lack depth of management. Larger portions of their stock may be held by a small number of investors (including founders and management) than is typical of larger companies. As a result, the rights of minority owners may be restricted or not fully respected in corporate governance or corporate actions. In addition, credit may be more difficult to obtain (and on less advantageous terms) than for larger companies. As a result, the influence of creditors (and the impact of financial or operating restrictions associated with debt financing) may be greater than in larger or more established companies. Both of these factors may dilute the holdings, or

otherwise adversely impact the rights of the Fund and smaller shareholders in corporate governance or corporate actions.

Small companies also may be unable to generate funds necessary for growth or development, or be developing or marketing new products or services for which markets are not yet established and may never become established. The Fund may have more difficulty obtaining information about smaller companies, making it more difficult to evaluate the impact of market, economic, regulatory and other factors on them. Informational difficulties may also make valuing or disposing of their securities more difficult than it would for larger companies. Securities of smaller companies may trade less frequently and in lesser volume than more widely held securities and the securities of such companies generally are subject to more abrupt or erratic price movements than more widely held or larger, more established companies or the market indices in general. Among the reasons for the greater price volatility are the less certain growth prospects of smaller companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller companies to changing economic conditions. For these and other reasons, the value of securities of smaller companies may react differently to political, market and economic developments than the markets as a whole or than other types of stocks.

Trading Markets and Depositary Receipts

Securities of companies from the Asia Pacific region typically are listed on their respective stock exchanges, but may also be traded on other markets within or outside of the Asia Pacific region. Certain countries have established different share classes (or “tranches”) for local and foreign investors. Typically, foreign tranches are limited in volume, in part, to restrict foreign investment. Non-domestic investors, such as the Fund, as holders of securities purchased in a foreign tranche are entitled to voting rights and to participate in corporate actions. However, when a foreign tranche is filled (that is, all shares allocated to that tranche have been sold and the secondary market is not active), the Fund may invest in the domestic tranche. As the holder of securities purchased in a domestic tranche, the Fund may not be entitled to voting rights or to participate in corporate actions. Alternatively, the Fund may pay a premium to acquire securities from the foreign tranche. Asia Pacific securities may also trade in the form of depositary receipts, including American, European and Global Depositary Receipts. Although depositary receipts have risks similar to the securities that they represent, they may also involve higher expenses, and may lack fungibility, which may result in their trading at a discount (or premium) to the underlying security. In addition, depositary receipts may not pass through voting and other shareholder rights, and may be less liquid than the underlying securities listed on an exchange.

Volatility

The smaller size and lower levels of liquidity in the markets of developing countries, as well as other factors may result in changes in the prices of Asia Pacific securities that are more dramatic, or volatile, than those of companies in more developed regions. This volatility can cause the NAV to go up or down dramatically. Volatility in the price of an investment can be disadvantageous because you may have planned or may need to sell your investment at a time when its value has decreased.

Credit Ratings

In this Prospectus, references are made to credit ratings of debt securities, which measure an issuer’s expected ability to pay principal and interest over time (but not other risks, including market risks). Credit ratings are determined by rating organisations, such as Moody’s Investors Service, Inc. (“Moody’s”), Standard & Poor’s Corporation (“S&P”) and Fitch Inc. (“Fitch”), based on their view of past and potential developments related to an issuer (or security). Such potential developments may not reflect actual developments or a rating organisation’s evaluation may be incomplete or inaccurate.

Convertible Securities

Convertible securities may, under specific circumstances, be converted into the common or preferred stock of the issuing company, and may be denominated in USD, EUR or a local currency. The value of convertible securities varies with a number of factors including the credit rating of the issuers of

convertible securities, the value and volatility of the underlying stock, the level and volatility of interest rates, the passage of time, dividend policy and other variables.

Convertible bonds and debentures carry different kinds of risks than those of common and preferred stocks. These risks include repayment risk and interest rate risk. Repayment risk is the risk that a borrower does not repay the amount of money that was borrowed (or “principal”) when the bond was issued. This failure to repay the amount borrowed is called a “default,” and could result in the Fund losing its investment. Interest rate risk is the risk that market rates of interest may increase over the rate paid by a bond held by the Fund. When interest rates increase, the market value of a bond paying a lower rate generally will decrease. If the Fund were to sell such a bond, the Fund might receive less than it originally paid for it. In addition, many Asia Pacific convertible securities are not rated by rating agencies like Moody’s, S&P or Fitch, or, if they are rated, they may be rated below investment grade. These securities are commonly referred to as “junk bonds” and may have a greater risk of default. Investing in a convertible security denominated in a currency different from that of the security into which it is convertible may expose the Fund to currency risk as well as risks associated with the level and volatility of the foreign exchange rate between the security’s currency and the underlying stock’s currency. Some convertible securities may trade less frequently, in lower volumes and with less liquidity than more widely held securities, which, in turn, may reduce the Fund’s ability to sell these securities and also affect the value of these securities.

High-Yield Securities

Securities rated lower than Baa by Moody’s, or equivalently rated by S&P or Fitch, and unrated securities of similar credit quality are referred to as “high-yield securities” or “junk bonds.” Investing in these securities involves special risks in addition to the risks associated with investments in higher-rated fixed income securities. While offering a greater potential opportunity for capital appreciation and higher yields, high-yield securities typically entail greater potential price volatility, entail greater levels of credit and repayment risks, and may be less liquid than higher-rated securities. High-yield securities are considered predominantly speculative with respect to the issuer’s continuing ability to meet principal and interest payments. They may also be more susceptible to real or perceived adverse economic and competitive industry conditions than higher-rated securities. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the Fund’s ability to sell these securities (liquidity risk). Issuers of securities in default may fail to resume principal and interest payments, in which case the Fund may lose its entire investment. Investments in junk bonds may be subject to greater levels of credit and liquidity risk.

Dividend-Paying Equities

There can be no guarantee that companies that have historically paid dividends will continue to pay them or pay them at the current rates in the future. A reduction or discontinuation of dividend payments may have a negative impact on the value of a Fund’s holdings in these companies. In addition, dividend-paying equity securities, in particular those whose market price is closely related to their yield, may exhibit greater sensitivity to interest rate changes. During periods of rising interest rates, such securities may decline. The Fund’s investment in such securities may also limit its potential for appreciation during a broad market advance.

Initial Public Offerings (IPOs)

IPOs of securities issued by unseasoned companies with little or no operating history are risky and their prices are highly volatile, but they can result in very large gains in their initial trading. Attractive IPOs are often oversubscribed and may not be available to the Fund, or only in very limited quantities. There can be no assurance that the Fund will have favourable IPO investment opportunities in the future, or that the Fund’s investments in IPOs will have a positive impact on the Fund’s performance.

Preferred Stocks

Preferred stock represents an equity or ownership interest in a company. Preferred stock normally pays dividends at a specified rate and has precedence over common stock in the event the issuer is liquidated or declares bankruptcy. However, in the event a company is liquidated or declares

bankruptcy, the claims of owners of bonds take precedence over the claims of those who own preferred and common stock. Preferred stock, unlike common stock, often has a stated dividend rate payable from the corporation's earnings. Preferred stock dividends may be cumulative or non-cumulative, participating, or auction rate. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the price of such stocks to decline. Preferred stock may have mandatory sinking fund provisions, as well as provisions allowing the stock to be called or redeemed, which can limit the benefit of a decline in interest rates. Preferred stock is subject to many of the risks to which common stock and debt securities are subject.

Risks Associated with Securities Lending and Repurchase Transactions

In relation to repurchase transactions, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a Sub-Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of this prospectus.

In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by a Sub-Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales.

Derivatives

Each of the Sub-Funds may use derivative instruments, such as options, futures and swap contracts and enter into forward foreign exchange transactions. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets, in swap contracts and in foreign exchange transactions involves investment risks and transaction costs to which a Sub-Fund would not be subject if it did not use these strategies. If the Investment Manager's predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Sub-Fund may leave the Sub-Fund in a less favourable position than if such strategies were not used.

Risks inherent in the use of options, foreign currency, swaps and futures contracts and options on futures contracts include, but are not limited to (a) dependence on the Investment Manager's ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular instrument at any time; and (e) the possible inability of a Sub-Fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-fund to sell a portfolio security at a disadvantageous time.

Where a Sub-Fund enters into swap transactions it is exposed to a potential counterparty risk. In case of insolvency or default of the swap counterparty, such event would affect the assets of the Sub-Fund.

A Sub-Fund may take short positions by way of financial derivative instruments. Short positions through financial derivative instruments involve trading on margin and accordingly can involve greater risk than investments based on a long position.

OTC Financial Derivative Instruments

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly reported to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective when such changes are implemented.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and

valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the ISDA.

Credit Default Swaps (“CDS”)

A CDS is a bilateral financial contract in which one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations, issued by the reference issuer at their par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference or strike price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swaps and Derivatives Association (“ISDA”) has produced standardized documentation for these transactions under the umbrella of its ISDA Master Agreement.

When these transactions are used in order to eliminate a credit risk in respect of the issuer of a security, they imply that the Fund bears a counterparty risk in respect of the protection seller.

This risk is, however, mitigated by the fact that the Fund will only enter into CDS transactions with highly rated financial institutions.

CDS used for a purpose other than hedging, such as for efficient portfolio management purposes or if disclosed in relation to any, as part of the principal investment policy, may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction. Furthermore, the valuation of CDS may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

Insofar as the Sub-Fund(s) use CDS for efficient portfolio management or hedging purposes, investors should note that such instruments are designed to transfer credit exposure of fixed income products between the buyer and seller.

The Sub-Fund(s) would typically buy a CDS to protect against the risk of default of underlying investments, known as the reference entity and would typically sell a CDS for which it receives payment for effectively guaranteeing the creditworthiness of the reference entity to the buyer. In the latter case, the Sub-Fund(s) would incur exposure to the creditworthiness of the reference entity but without any legal recourse to such reference entity. In addition, as with all OTC derivatives, CDS expose the buyer and seller to counterparty risk and a Sub-Fund may suffer losses in the event of a default by the counterparty of its obligations under the transaction and/or disputes as to whether a credit event has occurred, which could mean the Sub-Fund cannot realize the full value of the CDS.

Interest Rate Swaps

The Fund may enter into derivatives called interest rate swaps. Risks associated with interest rate swaps include changes in market conditions that may affect the value of the contract or the cash flows, and the possible inability of the counterparty to fulfill its obligations under the agreement. Certain interest rate swap arrangements also may involve the risk that they do not fully offset adverse changes in interest rates. Interest rate swaps may in some cases be illiquid and may be difficult to trade or value, especially in the event of market disruptions. Under certain market conditions, the

investment performance of the Fund may be less favorable than it would have been if the Fund had not used the swap agreement.

Regional and Country Risks

In addition to the risks discussed above, there are specific risks associated with investing in the Asia Pacific region, including the risk of severe economic, political or military disruption. The Asia Pacific region comprises countries in all stages of economic development. Some Asia Pacific economies may experience overextension of credit, currency devaluations and restrictions, rising unemployment, high inflation, underdeveloped financial services sectors, heavy reliance on international trade and prolonged economic recessions.

Global economies and financial markets are becoming increasingly interconnected. This increases the possibility that conditions in one country or region might adversely impact the issuers of securities in a different country or region. The economies of many Asia Pacific countries are dependent on the economies of the United States, Europe and other Asian countries, and, as seen in the recent developments in global credit and equity markets, events in any of these economies could negatively impact the economies of Asia Pacific countries.

Currency fluctuations, devaluations and trading restrictions in any one country can have a significant effect on the entire Asia Pacific region. Increased political and social instability in any Asia Pacific country could cause further economic and market uncertainty in the region, or result in significant downturns and volatility in the economies of Asia Pacific countries. As an example, in the late 1990s, the economies in the Asian region suffered significant downturns and increased volatility in their financial markets.

The development of Asia Pacific economies, and particularly those of China, Japan and South Korea, may also be affected by political, military, economic and other factors related to North Korea. Since 1953, the United States has maintained a military force in South Korea to help deter the ongoing military threat from North Korean forces. The situation remains a source of tension and is currently volatile, particularly as North Korea appears to continue to develop nuclear capabilities, and tactical and strategic missile systems. Negotiations to ease tensions and resolve the political division of the Korean peninsula have been carried on from time to time producing sporadic and inconsistent results. Recently, there have also been efforts to increase economic, cultural and humanitarian contacts among North Korea, South Korea, Japan and other nations. There can be no assurance that such negotiations or efforts will continue or will ease tensions in the region.

Military action or the risk of military action or strains on the economy of North Korea could have a materially adverse effect on all countries in the region, particularly China, Japan and South Korea. Consequently, any military action or other instability could adversely impact the ability of the Fund to achieve its investment objective. Lack of available information regarding North Korea is also a significant risk factor.

Some companies in the region may have less established shareholder governance and disclosure standards than in developed markets. Some companies are controlled by family and financial institutional investors whose investment decisions may be hard to predict based on standard developed market-based equity analysis. Consequently, investments may be vulnerable to unfavourable decisions by the management or shareholders.

Corporate protectionism (*e.g.*, adoption of poison pills and restrictions on shareholders seeking to influence management) appears to be increasing, which could adversely impact the value of affected companies.

2. Country Specific Risks

Australia

The Australian economy is dependent, in particular, on the price and demand for agricultural products and natural resources. The United States and China are Australia's largest trade and investment partners, which may make the Australian markets sensitive to economic and financial events in those

two countries. Australian markets may also be susceptible to sustained increases in oil prices as well as weakness in commodity and labour markets.

Bangladesh

Bangladesh is facing many economic hurdles, including weak political institutions, poor infrastructure, lack of privatization of industry and a labor force that has outpaced job growth in the country. High poverty and inflationary tensions may cause social unrest, which could weigh negatively on business sentiment and capital investment. Bangladesh's developing capital markets rely primarily on domestic investors. The recent overheating of the stock market and subsequent correction underscored weakness in capital markets and regulatory oversight. Corruption remains a serious impediment to investment and economic growth in Bangladesh, and the country's legal system makes debt collection unpredictable, dissuading foreign investment. Bangladesh is geographically located in a part of the world that is historically prone to natural disasters and is economically sensitive to environmental events.

Cambodia

Cambodia is experiencing a period of political stability and relative peace following years of violence under the Khmer Rouge regime. Cambodia has one of the highest economic growth rates in Asia, supported by the shift of manufacturing investment from China, preferential tariff treatment by the European Union and other major trading partners, and strong growth of foreign visitors, and it is reducing its reliance on foreign aid. Despite its continued growth and stability, Cambodia faces risks from a weak infrastructure (particularly power generation capacity and the high cost of electric power), a poorly developed education system, inefficient bureaucracy and charges of government corruption. Very low foreign exchange reserves make Cambodia vulnerable to sudden capital flight, and the banking system suffers from a lack of oversight and very high dollarization. Further, destruction of land-ownership records during the Khmer Rouge regime has resulted in numerous land disputes, which strain the country's institutional capacity and threaten violence and demonstrations.

China

The Chinese government exercises significant control over China's economy through the allocation of resources, by controlling payment of foreign currency-denominated obligations, by setting monetary policy and by providing preferential treatment to particular industries or companies. For over three decades, the Chinese government has been reforming economic and market practices and providing a larger sphere for private ownership of property. While currently contributing to growth and prosperity, these reforms could be altered or discontinued at any time. Military conflicts, either in response to internal social unrest or conflicts with other countries, could disrupt economic development. China's long-running conflict over Taiwan remains unresolved, while territorial border disputes persist with several neighbouring countries. While economic relations with Japan have deepened, the political relationship between the two countries has become more strained in recent years, which could weaken economic ties. Development of the Chinese economy is also vulnerable to developments on the Korean peninsula. Should political tension increase or military actions be precipitated, it could adversely affect the economy and destabilise the region as a whole. There is also a greater risk involved in currency fluctuations, currency convertibility, interest rate fluctuations and higher rates of inflation. The Chinese government also sometimes takes actions intended to increase or decrease the values of Chinese stocks. The emergence of a domestic consumer class is still at an early stage, making China's economic health largely dependent on exports. China's growing trade surplus with the United States has increased the risk of trade disputes, which could potentially have adverse effects on China's management of its currency, as well as on some export-dependent sectors. Social cohesion in China is being tested by growing income inequality and larger scale environmental degradation. Social instability could threaten China's political system and economic growth, which could decrease the value of the Fund's investments.

China Political and Economic Risks

China has implemented a series of economic reform programs emphasising the utilisation of market forces in the development of the Chinese economy and a high level of management autonomy since

1978. Although China's economy has experienced significant growth in the past twenty years, growth has been uneven both geographically and among various sectors of the economy. However, there can be no assurance that the Chinese government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. The Chinese government may from time to time adopt corrective measures to control inflation and restrain the rate of economic growth, which may also have an adverse impact on the capital growth and performance of the Fund. Further, political changes, social instability and adverse diplomatic developments in China could result in the imposition of additional government restrictions including the expropriation of assets, confiscatory taxes or nationalisation of some or all of the investments held by the underlying securities in which the Fund may invest. The above factors could negatively affect the value of the investments held by the Fund and consequently the NAV of a Sub-Fund or a Class.

China Accounting and Reporting Risks

Chinese companies are required to follow Chinese accounting standards and practices, which only follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to Chinese companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with Chinese accounting standards and practice and those prepared in accordance with international accounting standards. As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about issuers in China on which the Investment Manager can base investment decisions.

China Legal and Regulatory System Risks

The Chinese legal system is a complex legal system comprising written statutes, regulations, circulars, administrative directives, internal guidelines and their interpretation by the Supreme People's Court. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. However, experience in the implementation, interpretation and enforcement of the laws and regulations and of commercial contracts, undertakings and commitments entered into is limited.

Nationalisation and Expropriation Risks

The Chinese government renounced various debt obligations and nationalised private assets without providing any form of compensation after the formation of the Chinese socialist state in 1949. The Chinese government has recently adopted a more welcoming attitude towards foreign investment in China. However, there is no guarantee that the Chinese government will not take similar actions in the future.

Securities Markets and Market Liquidity Risks

The stock exchanges and markets in China have experienced significant fluctuations in the prices of securities, there can be no assurance that such volatility will not continue in the future. China's securities markets are undergoing a period of growth and change, which may lead to difficulties in the settlement and recording of transactions (which may result in such markets being less efficient and less liquid from time to time) and in interpreting and applying the relevant regulations. The Chinese regulatory authorities have only recently been given the power and duty to prohibit fraudulent and unfair trade practices relating to securities markets, including insider trading and market abuse, and to regulate substantial acquisitions of shares and takeovers of companies.

Onshore versus Offshore Renminbi Differences Risk

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (*i.e.* outside China), CNH cannot be freely remitted into China and is subject to certain restrictions and vice versa. Investors should note that subscriptions and redemptions will be in USD

and will be converted to/from CNH and the investors will bear the foreign exchange expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates. The liquidity and trading price of the Sub-Fund may also be adversely affected by the rate and liquidity of the Renminbi outside China.

Government Control of Currency Conversion and Future Movements in Exchange Rates

Since 1994, the conversion of CNY into USD has been based on rates set by the People's Bank of China, which are set daily based on the previous day's China interbank foreign exchange market rate. On 21 July 2005, the Chinese government introduced a managed floating exchange rate system to allow the value of CNY to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that the CNY exchange rate will not fluctuate widely against the USD or any other foreign currency in the future. Any appreciation of CNY against USD is expected to lead to an increase in the Net Asset Value of the Sub-Fund which will be denominated in USD.

Restricted Markets Risk

A Sub-Fund may invest in securities in respect of which China imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of the Sub-Fund holdings.

Changes in China Taxation Risk

The Chinese government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of Chinese companies and foreign investors in such companies.

Government Intervention and Restriction Risk

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on "naked" short selling or the suspension of short selling for certain stocks. This may affect the operation and market making activities of a Sub-Fund, and may have an unpredictable impact on the Sub-Fund. Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of the Sub-Fund.

Hong Kong

Since Hong Kong reverted to Chinese sovereignty in 1997, it has been governed by the Basic Law, a "quasi-constitution". The Basic Law guarantees a high degree of autonomy in certain matters until 2047, while defence and foreign affairs are the responsibility of the central government in Beijing. If China were to exert its authority so as to alter the economic, political or legal structures or the existing social policy of Hong Kong, investor and business confidence in Hong Kong could be negatively affected, which in turn could negatively affect markets and business performance and have an adverse effect on the Fund's investments. There is uncertainty as to whether China will continue to respect the relative independence of Hong Kong and refrain from exerting a tighter grip on Hong Kong's political, economic and social concerns. The economy of Hong Kong may be significantly affected by increasing competition from the emerging economies of Asia, including that of China itself. In addition, the Hong Kong dollar trades within a fixed trading band rate to (or is "pegged" to) the USD. This fixed exchange rate has contributed to the growth and stability of the Hong Kong economy. However, some market participants have questioned the continued viability of the currency peg. It is uncertain what affect any discontinuance of the currency peg and the establishment of an alternative exchange rate system would have on capital markets generally and the Hong Kong economy.

Macau

Although Macau is a Special Administrative Region (SAR) of China, it maintains a high-degree of autonomy from China in economic matters. The Government of Macau maintains a relatively transparent, non-discriminatory free-market economy, and Macau has a separate membership in the World Trade Organization. Overall, Macau is a stable society. Large institutions, such as power and

water supply, communication, transportation, and education institutions have remained stable for decades. Nevertheless, Macau's economy is heavily dependent on the gaming sector and tourism industries, and its exports are dominated by textiles and apparel. Accordingly, Macau's growth and development are highly dependent upon external economic conditions, particularly those in China.

Taiwan

The political reunification of China and Taiwan, over which China continues to claim sovereignty, is a highly complex issue and is unlikely to be settled in the near future. The continuing hostility between China and Taiwan may have an adverse impact on the values of investments in both China and Taiwan, or make investments in China and Taiwan impractical or impossible. Any escalation of hostility between China and Taiwan would likely distort Taiwan's capital accounts, as well as have a significant adverse impact on the value of investments in both countries and the region.

Taiwan's growth has to a significant degree been export-driven. While the percentage of Taiwan's exports purchased by the United States has been declining recently, the United States has remained a key export market. Accordingly, Taiwan is affected by changes in the economies of the United States and other main trading partners, by protectionist impulses in those countries and by the development of export sectors in lower-wage economies. In the event that growth in the export sector declines in the future, the burden of future growth will increasingly be placed on domestic demand.

Taiwan has limited natural resources, resulting in dependence on foreign sources for certain raw materials and vulnerability to global fluctuations of price and supply. This dependence is especially pronounced in the energy sector. In recent years, over half of Taiwan's crude oil has been supplied by Kuwait and Saudi Arabia. A significant increase in energy prices could have an adverse impact on Taiwan's economy.

India

In India, the government has exercised and continues to exercise significant influence over many aspects of the economy. Government actions, bureaucratic obstacles and inconsistent economic reform within the Indian government have had a significant effect on the economy and could adversely affect market conditions, deter economic growth and the profitability of private enterprises. Global factors and foreign actions may inhibit the flow of foreign capital on which India is dependent to sustain its growth. Large portions of many Indian companies remain in the hands of their founders (including members of their families). Corporate governance standards of family-controlled companies may be weaker and less transparent, which increases the potential for loss and unequal treatment of investors. India experiences many of the risks associated with developing economies, including relatively low levels of liquidity, which may result in extreme volatility in the prices of Indian securities.

Religious, cultural and military disputes persist in India, and between India and Pakistan (as well as sectarian groups within each country). The longstanding dispute with Pakistan over the bordering Indian state of Jammu and Kashmir remains unresolved. In recent years, terrorists believed to be based in Pakistan struck Mumbai (India's financial capital), further damaging relations between the two countries. If the Indian government is unable to control the violence and disruption associated with these tensions (including both domestic and external sources of terrorism), the result may be military conflict, which could destabilise the economy of India. Both India and Pakistan have tested nuclear arms, and the threat of deployment of such weapons could hinder development of the Indian economy, and escalating tensions could impact the broader region, including China.

The regulations and controls governing the activities of investors, brokers and other agents on the Indian markets are less stringent than those applied in most OECD markets.

The Investment Manager has been granted Foreign Institutional Investor ("FII") status by the Securities and Exchange Board of India ("SEBI"). The Fund is therefore eligible to invest in Indian securities through the Investment Manager's FII status according to the Securities and Exchange Board of India Foreign Institutional Investors Regulation, 1995. Investment in India may be subject to the withdrawal or non-renewal of the Investment Manager's FII Licence. Investments made through

such FII status are also therefore subject to any statutory or regulatory limits imposed by SEBI from time to time. Investors should note the risks due to any such regulatory changes.

Indonesia

Indonesia's political institutions and democracy have a relatively short history, increasing the risk of political instability. Indonesia has in the past faced political and militant unrest within several of its regions, and further unrest could present a risk to the local economy and stock markets. The country has also experienced acts of terrorism, predominantly targeted at foreigners, which has had a negative impact on tourism. Corruption and the perceived lack of a rule of law in dealings with international companies in the past may have discouraged much needed foreign direct investment. Should this issue remain, it could negatively impact the long-term growth of the economy. In addition, many economic development problems remain, including high unemployment, a fragile banking sector, endemic corruption, inadequate infrastructure, a poor investment climate and unequal resource distribution among regions.

Japan

The Japanese economy and financial markets produced disappointing returns over the past two decades. Despite significant monetary and fiscal action by the government of Japan as well as the Bank of Japan (BoJ), the Japanese stock market, as measured by the Tokyo Stock Price Index, has been volatile, and the footing of the Japanese economy remains uncertain. The Japanese yen has also shown volatility over this period. Such currency volatility could affect returns in the future. The Japanese yen may also be affected by currency volatility elsewhere in Asia, especially Southeast Asia. Depreciation of the yen, and any other currencies in which the Fund's securities are denominated, will decrease the value of the Fund's holdings. Japan's economy could be negatively impacted by many factors, including rising interest rates, tax increases and budget deficits.

Poor performance of the global economy has negatively affected equity returns in Japan, and may continue to do so. Japan's economy and stock market have in the recent past had a strong correlation with the U.S. economic cycle and U.S. stock markets, and thus Japan's economy may continue to be affected by current economic problems in the U.S. Japan also has a growing economic relationship with China and other Southeast Asian countries, and thus Japan's economy may also be affected by economic, political or social instability in those countries (whether resulting from local or global events).

In the longer term, Japan will have to address the effects of an aging population, such as a shrinking workforce and higher welfare costs. To date, Japan has had restrictive immigration policies that, combined with other demographic concerns, appear to be having a negative impact on the economy. Japan's growth prospects appear to be dependent on its export capabilities. Japan's neighbours, in particular China, have become increasingly important export markets. Despite a deepening in the economic relationship between Japan and China, the countries' political relationship has at times been strained in recent years. Should political tension increase, it could adversely affect the economy, especially the export sector, and destabilise the region as a whole. Japan also remains heavily dependent on oil imports, and higher commodity prices could therefore have a negative impact on the economy.

Japan is largely dependent on foreign economies for raw materials. International trade is important to Japan's economy, as exports provide the means to pay for many of the raw materials it must import. Because of the concentration of Japanese exports in highly visible products such as automobiles, machine tools and semiconductors, and the large trade surplus ensuing from there, Japan has entered a difficult phase in its relations with its trading partners, particularly with respect to the United States, with whom its trade imbalance is the greatest. The export-sector of the Japanese economy is heavily dependent on exports to the United States and other countries whose currencies are tied to or that utilise the USD for foreign exchange. Changes in the dollar/yen exchange rate could adversely affect the profitability and value of export-oriented Japanese companies.

Laos

Laos is a poor, developing country ruled by an authoritarian, Communist, one-party government. It is politically stable, with political power centralized in the Lao People's Revolutionary Party. Laos is one of the ten fastest growing economies in the world, with economic growth largely driven by the construction, mining and hydroelectric sectors. Laos is likely to accede to the World Trade Organization within the next two years and has committed to joining the ASEAN Economic Community in 2015, both of which will require considerable trade and regulatory reforms. Despite its political stability, Laos is a poorly regulated economy with limited rule of law. Corruption, patronage and a weak legal system threaten to slow economic development. Additionally, the increased development of natural resources could lead to social imbalances, particularly in light of Laos's underdeveloped health care and education systems. Another major risk for Laos is the stability of its banks, which, despite the significant credit growth since 2009, are under-capitalized and inadequately supervised.

Malaysia

Malaysia has previously imposed currency controls and a 10% "exit levy" on profits repatriated by foreign entities such as the Fund and has limited foreign ownership of Malaysian companies (which may artificially support the market price of such companies). The Malaysian capital controls have been changed in significant ways since they were first adopted without prior warning on September 1, 1998. Malaysia has also abolished the exit levy. However, there can be no assurance that the Malaysian capital controls will not be changed adversely in the future or that the exit levy will not be re-established, possibly to the detriment of the Fund and their Shareholders. In addition, Malaysia is currently exhibiting political instability which could have an adverse impact on the country's economy.

Mongolia

Although Mongolia is a relatively stable, peaceful, and ethnically cohesive democracy, it may continue to experience political instability in conjunction with election cycles. Mongolian governments have a history of cycling favorable treatment among China, Russia, Japan, the United States and Europe and may at any time abruptly change current policies in a manner adverse to investors. In addition, assets in Mongolia may be subject to nationalization, requisition or confiscation (whether legitimate or not) by any government authority or body. Government corruption and inefficiencies are also a problem. Mongolia is currently experiencing strong economic growth driven by foreign direct investment in its mining sector, but the instability of economic policies and regulations towards foreign investors threaten to impede necessary growth of production capacity. Additionally, the Mongolian economy is extremely dependent on the price of minerals and Chinese demand for Mongolian exports.

Myanmar

Myanmar (formerly Burma) is emerging from nearly half a century of isolation under military rule and from the gradual suspension of sanctions by Western governments imposed as punishment for alleged human-rights violations. However, despite modest political reforms and a wealth of untapped mineral resources, Myanmar struggles with rampant corruption, poor infrastructure (including basic infrastructure, such as transport, telecoms and electricity), ethnic tensions, a shortage of technically proficient workers and a dysfunctional bureaucratic system. Myanmar has no established corporate bond market or stock exchange and has a limited banking system. Additionally, despite democratic trends and progress on human rights, Myanmar's political situation remains fluid, and there remains the possibility of reinstated sanctions by Western countries.

Pakistan

Changes in the value of investments in Pakistan and in companies with significant economic ties to that country largely depend on continued economic growth and reform in Pakistan, which remains uncertain and subject to a variety of risks. Adverse developments can result in substantial declines in the value of investments. Pakistan has and continues to face high levels of political instability and

social unrest at both the regional and national levels. Such instability has and may erupt again into wide-scale disorder. The Pakistan government recently imposed a state of emergency following riots and the deaths of opposition leaders. Social and political instability may also result in increased levels of terrorism, prolonged economic disruption and may discourage foreign investment.

Ongoing disputes with India over the Kashmir border region may result in armed conflict between the two nations, both of which possess nuclear capabilities. Even in the absence of armed conflict, the lingering threat of war with India may depress economic growth and investment in Pakistan. Additionally, Pakistan's geographic location and its shared borders with Afghanistan and Iran increase the risk that it will be involved in, or otherwise affected by, international conflict. Pakistan's recent economic growth is in part attributable to high levels of foreign aid, loans and debt forgiveness. Such international support, however, may be significantly reduced or terminated in response to changes in the political leadership of Pakistan.

Pakistan faces a wide range of other economic problems and risks. Pakistan had undertaken a privatisation initiative, but recently halted that effort. There is substantial uncertainty over whether privatisation will continue and whether existing efforts will be reversed. Pakistan is subject to substantial natural resource constraints, which both hamper development and make Pakistan's economy vulnerable to price fluctuations in these resources. Pakistan maintains large budgetary and current account deficits. The resulting high levels of national debt may not be sustainable. Pakistan also maintains a trade deficit, which could be worsened if relations with the United States, the largest market for Pakistani exports, deteriorate. The rights of investors and other property owners in Pakistan are subject to protection by a developing judicial system that is widely perceived as lacking transparency. Inflation threatens long-term economic growth and may deter foreign investment in the country. Leaders of the recently installed civil government have previously adopted policies that increased legal and economic uncertainty and inhibited foreign investment.

Papua New Guinea

Papua New Guinea is a small country rich in natural resources, though it faces challenges in developing those resources and maintaining political stability. Papua New Guinea's newly elected government promises reforms to address rampant corruption and revolving-door politics, but the success of these efforts remains to be seen. Other challenges facing the Papua New Guinea government include providing physical security for foreign investors, regaining investor confidence, restoring integrity to state institutions, privatizing state institutions and maintaining good relations with Australia. Exploitation of Papua New Guinea's natural resources is limited by terrain, land tenure issues and the high cost of developing infrastructure. Papua New Guinea has several thousand distinct and heterogeneous indigenous communities, which create additional challenges in dealing with tribal conflicts, some of which have been going on for millennia.

Philippines

Philippines' consistently large budget deficit has produced a high debt level and has forced the country to spend a large portion of its national government budget on debt service. Large, unprofitable public enterprises, especially in the energy sector, contribute to the government's debt because of slow progress on privatisation. Some credit rating agencies have expressed concerns about Philippines' ability to sustain its debt.

Singapore

As a small open economy, Singapore is particularly vulnerable to external economic influences, such as the Asian economic crisis of the late 1990s. Although Singapore has been a leading manufacturer of electronics goods, the extent to which other countries can successfully compete with Singapore in this and related industries, and adverse Asian economic influences generally, may negatively affect Singapore's economy.

South Korea

Investing in South Korean securities has special risks, including political, economic and social instability, and the potential for increasing militarisation in North Korea (as discussed above under

Japan). The market capitalisation and trading volume of issuers in South Korean securities markets are concentrated in a small number of issuers, which results in potentially fewer investment opportunities for the Fund. South Korea's financial sector has shown certain signs of systemic weakness and illiquidity, which, if exacerbated, could prove to be a material risk for any investments in South Korea.

There are also a number of risks to the Fund associated with the South Korean government. The South Korean government has historically exercised and continues to exercise substantial influence over many aspects of the private sector. The South Korean government from time to time has informally influenced the prices of certain products, encouraged companies to invest or to concentrate in particular industries and induced mergers between companies in industries experiencing excess capacity. The South Korean government has sought to minimise excessive price volatility on the South Korean Stock Exchange through various steps, including the imposition of limitations on daily price movements of securities, although principal risks of investing in the Fund there is no assurance that this would prevent the value of an investment from declining over time.

South Korea is dependent on foreign sources for its energy needs. A significant increase in energy prices could have an adverse impact on South Korea's economy.

Sri Lanka

Civil war and terrorism have disrupted the economic, social and political stability of Sri Lanka for decades. In 2009, the Sri Lankan government announced that it had achieved victory over the Liberation Tigers of Tamil Eelam (LTTE), an armed insurgency group that had been active for many years. Nonetheless, remnants of LTTE remain and there is potential for continued instability resulting from ongoing ethnic conflict. Sri Lanka faces severe income inequality, high inflation and a sizeable public debt load. Additionally, Sri Lanka's economy is dependent on a strong global economy for foreign investment and a market for its exports, which have suffered during the global economic decline. Sri Lanka relies heavily on foreign assistance in the form of grants and loans from a number of countries and international organisations such as the World Bank and the Asian Development Bank. Changes in international political sentiment may have significant adverse effects on the Sri Lankan economy. Sri Lanka also faces a number of threats related to weather and climate, and certain coastal regions of the country were devastated by the 2004 Asian tsunami.

Thailand

In recent years Thailand has experienced increased political and military unrest in its predominantly Muslim southern provinces. While the unrest and associated acts of violence have been contained in the south, they could spread to other parts of the country, negatively impacting tourism and the broader economy. Thailand's political institutions remain unseasoned, increasing the risk of political instability. In September 2006, Thailand's elected government was overthrown in a military coup and replaced by new leadership backed by a military junta. The impact of the coup and military rule on investments in Thai securities was initially negative and subsequently has been uneven. Following the coup, the new government imposed investment controls that appear to have been designed to control volatility in the Thai baht and to support certain export-oriented Thai industries. These controls have been revised and updated since their initial imposition, and more recently have largely been suspended (although there is no guarantee that such controls will not be re-imposed). However, partially in response to these controls, an offshore market for the exchange of Thai baht developed. The depth and transparency of this market have been uncertain. With the general suspension of investment controls, it is unclear whether this offshore market will continue. Accordingly, this market's impact on the Fund is uncertain. Political instability continues in Thailand. The military junta gave way to a democratically elected government but that government was subsequently ousted by a political movement that used public protest and civil unrest to remove the government. This lack of stability may lead to a deterioration of economic conditions in the country. This risk could be exacerbated upon the death of the aged, reigning king, who has generally been a force for stability in the country.

Vietnam

In 1992, Vietnam initiated the process of privatisation of state-owned enterprises, and expanded that process in 1996. The Vietnamese government has exercised and continues to exercise significant influence over many aspects of the economy. Accordingly, government and bureaucratic actions have a significant effect on the economy and could adversely affect market conditions, deter economic growth and the profitability of private enterprises. Some Vietnamese industries, including commercial banking, remain dominated by state-owned enterprises. To date, economic, political and legal reform has proceeded at a slow pace, and foreign direct investment remains at a developmental stage. Currently, employees and management boards hold a majority of the equity of most privatised enterprises. In addition, the government of Vietnam continues to hold, on average, more than one-third of the equity in such firms. Only a small percentage of the shares of privatised companies are held by investors. In addition, Vietnam continues to impose limitations on foreign ownership of Vietnamese companies. Vietnamese authorities have in the past imposed arbitrary repatriation taxes on foreign owners, and the government may levy withholding and other taxes on dividends, interest and gains. There can be no guarantee that Vietnam's privatisation process, or its efforts to reform its economic, political or legal systems will continue.

The development of Vietnam's economy is dependent on export markets and is vulnerable to events in these markets. There is also a greater risk involved in currency fluctuations, currency convertibility and interest rate fluctuations. Inflation threatens long-term economic growth and may deter foreign investment in the country. In addition, foreign currency reserves in Vietnam may not be sufficient to support conversion into the U.S. dollar (or other currencies), which may result in a fund being unable to repatriate proceeds from the sales of Vietnamese holdings and negatively impact the valuation of a Sub-Fund's holdings. Business and overseas investment patterns may exacerbate currency conversion and repatriation at certain times of the year. The Funds may attempt to repatriate from the Vietnamese Dong using a third currency (*e.g.* Hong Kong Dollar or Euro), which could expose the Funds to risks associated with that currency and additional costs. Perhaps to a greater extent than markets in other emerging market countries, Vietnamese markets have relatively low levels of liquidity, which may result in extreme volatility in the prices of Vietnamese securities. Market volatility may also be heightened by the actions of a small number of investors.

Foreign investors in Vietnam are currently required to purchase and sell securities of Vietnamese companies through a single, pre-selected broker-dealer. This procedure decreases transparency in the market, may result in higher execution costs and limits the Fund's ability to utilise competition amongst broker-dealers to enhance the quality of execution. Use of a single broker also increases the risk to a Fund if the broker cannot fulfil its obligations (known as counterparty risk). That risk is enhanced further because of the requirement to pay for securities purchased before receiving them. This procedure may also decrease the confidentiality of the Fund's transactions, exposing the Fund to a greater potential for front running and similar practices.

3. Risks Associated With Investing In China A Shares

China A Share Market Risk

Investments in China and more specifically, investments in securities of the Chinese domestic securities market and listed and traded on China's domestic stock exchanges ("China A Shares") are currently subject to certain additional risks. Purchase and ownership of China A Shares is generally restricted to Chinese investors and may only be accessible to foreign investors under certain regulatory frameworks as described herein. China A Shares may only be bought from, or sold to, a Sub-Fund from time to time where the relevant China A Shares may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate. The existence of a liquid trading market for China A Shares may depend on whether there is supply of, and demand for, China A Shares. Investors should note that the Shanghai Stock Exchange and Shenzhen Stock Exchange on which China A Shares are traded are undergoing development and the market capitalisation of, and trading volumes on, those exchanges may be lower than those in more developed financial markets. Market volatility and settlement difficulties in the China A Share markets may result in significant fluctuation in the prices of the securities traded on such markets and thereby changes in the Net Asset

Value of a Sub-Fund. Given that the China A Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of Shares may also be disrupted. An authorised participant is unlikely to redeem or subscribe Shares if it considers that China A Shares may not be available.

China QFII Investment Risk

Part of the assets of certain Sub-Funds may be invested in China A Shares through the use of a Qualified Foreign Institutional Investor (“QFII”) license. Under the prevailing regulations in China, foreign investors can invest in China A Shares pursuant to the applicable QFII rules and regulations (“QFII Eligible Securities”) through institutions that have obtained QFII status in China. The Fund itself is not a QFII, but may invest directly in QFII Eligible Securities via the QFII status of an entity having QFII status. The Investment Manager has been granted QFII status and a QFII investment quota (the “QFII Quota”) through which the Fund will be able to invest in QFII Eligible Securities.

Sub-Funds investing via the QFII Quota will generally trade in liquid markets, and prices on the exchange reflect the amount (in Chinese renminbi) that could be obtained upon sale of China A Shares. However, due to Chinese legal restrictions on repatriation of assets, proceeds from sales of China A Shares cannot be immediately received by a Sub-Fund. Thus, each Sub-Fund’s investment via the QFII Quota may be treated as being illiquid. Under Chinese law, the amount of assets permitted to be repatriated at any one time by an open-end investment fund to investors in the aggregate is also limited, and there may be a conflict among Sub-Funds for the opportunity to repatriate investment proceeds. In such circumstances, Matthews will allocate the repatriation opportunity amongst all Sub-Funds on a fair and equitable basis over time.

The QFII status of the Investment Manager could be revoked, in particular because of material violations of rules and regulations by the Investment Manager. If the Investment Manager loses its QFII status, the Sub-Funds may not be able to invest directly in QFII Eligible Securities and may be required to dispose of its holdings which would likely have a material adverse effect on the Sub-Funds.

As the QFII, the Investment Manager will be responsible for ensuring that all transactions and dealings will be dealt with having regard to the constitutive documents of the Fund as well as the relevant laws and regulations applicable to the Investment Manager as QFII. If any conflicts of interest arise, the Investment Manager will seek to ensure that the Fund is managed in the best interests of Shareholders and the Shareholders are treated fairly.

The QFII’s QFII investment quota is granted to it as a whole and not simply to investments made by the Fund. There can be no assurance that the QFII will be able to allocate a sufficient portion of its QFII investment quota to meet all applications for subscription to the Fund, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, including changes in QFII repatriation restrictions. Such restrictions may result in suspension of dealings of the Fund.

In extreme circumstances, the Fund may incur significant loss due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFII investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades. QFII Eligible Securities acquired by the Fund through the QFII facility will be maintained by the QFII’s local custodian in China (“China Custodian”), in electronic form via a securities account in such name as may be permitted or required in accordance with China law with the China Securities Depository and Clearing Corporation Limited. The QFII will also select brokers (“China Brokers”) to execute transactions for the Fund in the Chinese markets. The Fund may incur losses due to the acts or omissions or insolvency of China Brokers or China Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in China, the QFII will make arrangements to ensure that China Brokers and China Custodian have appropriate procedure to properly segregate the Fund’s assets from the assets of the relevant China Brokers and China Custodian.

Because restrictions continue to exist and capital cannot therefore flow freely into the China A Share market, it is possible that in the event of a market disruption, the liquidity of the China A Share market and trading prices of China A Shares could be more severely affected than the liquidity and trading prices of markets where securities are freely tradable and capital therefore flows more freely. In addition, the repatriation of the sale price of China A Shares may be subject to restrictions that can change at the behest of Chinese authorities. Investors should also note that direct investments in QFII Eligible Securities through QFIIs are subject to compliance with the investment restrictions imposed under QFII regulations in China, as amended from time to time.

Investors should also note that direct investments in QFII Eligible Securities through QFIIs are subject to compliance with the investment restrictions imposed under QFII regulations in China, as amended from time to time.

Risks Associated with Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

A Sub-Fund may invest and have direct access to certain eligible China A Shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect (each a “Stock Connect” and together the “Stock Connects”) upon approval by the relevant regulatory authority. The Shanghai-Hong Kong Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited (“HKEx”), Shanghai Stock Exchange (“SSE”) and China Securities Depository and Clearing Corporation Limited (“ChinaClear”). The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing linked program developed by HKEx, Shenzhen Stock Exchange (“SZSE”) and China Clear. The aim of each Stock Connect is to achieve mutual stock market access between mainland China and Hong Kong.

Under both Stock Connects, overseas investors (including the Sub-Funds) may be allowed, subject to rules and regulations issued and amended from time to time, to trade certain China A Shares listed on either the SSE or SZSE through the relevant “Northbound Trading Link.” At this time, the China A Shares available via the Stock Connects include all the constituent stocks of the SSE 180 Index, SSE 380 Index, SZSE Component Index, SZSE Small/Mid Cap Innovation Index, and all the China A Shares listed on the SSE or SZSE that have corresponding H Shares listed on the Stock Exchange of Hong Kong Limited (“SEHK”). The list of eligible securities may be changed subject to the review and approval by the relevant Chinese regulators from time to time and the Sub-Funds may invest in any security made available through the Stock Connects. *Quota Limitations Risk*

Each of the Stock Connects is subject to a daily quota. If the daily quota is exceeded, further buy orders will be rejected. The daily quota is not particular to either the Sub-Funds or the Investment Manager; instead, they apply to all market participants generally. Thus, the Investment Manager of the Sub-Funds will not be able to control the use or availability of the quota. If the Investment Manager is unable to purchase additional Stock Connect securities, it may affect the Investment Manager’s ability to implement the Sub-Funds’ respective investment strategies.

Suspension Risk

The SEHK, SZSE and SSE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the relevant Sub-Funds’ ability to access the mainland China market.

Differences in Trading Day

The Stock Connects only operate on days when both the mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the mainland China market but Hong Kong and overseas investors (such as the Sub-Funds) cannot carry out any China A Shares trading because it is not a day when the Hong Kong market is open for trading. The Sub-Funds may be subject to a risk of price fluctuations in China A Shares during the time when Stock Connect is not trading as a result.

Clearing and Settlement and Custody Risks

The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx (“HKSCC”) and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of China’s securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission (“CSRC”). The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the relevant Sub-Fund(s) may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

The China A Shares traded through the Stock Connects are issued in scripless form, so investors such as the Sub-Fund will not hold any physical China A Shares. Hong Kong and overseas investors, such as the Sub-Fund, who have acquired SSE Securities and/or SZSE Securities through the Stock Connects, should maintain the SSE Securities and/or SZSE Securities with their brokers’ or custodians’ stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK..

Operational Risk

The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis.

There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Sub-Fund's ability to access the China A Share market (and hence to pursue their investment strategy) will be adversely affected.

Recalling Risk and Trading Restrictions

A stock may be recalled from the scope of eligible SSE Securities or SZSE Securities for trading via the Stock Connects for various reasons, and in such event the stock can only be sold but is restricted from being bought. The Investment Manager’s ability to implement the Sub-Funds’ investment strategies may be adversely affected.

Nominee Arrangements in Holding China A Shares

HKSCC is the “nominee holder” of the securities acquired by overseas investors (including the relevant Sub-Fund(s)) through the Stock Connects. The CSRC Stock Connect rules expressly provided that investors enjoy the rights and benefits of the securities acquired through the Stock Connects in accordance with applicable laws. However, the courts in China may consider that any nominee or custodian as registered holder of securities would have full ownership thereof, and that even if the concept of beneficial owner is recognized under Chinese law those securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Sub-Fund and the Depositary cannot ensure that the Sub-Fund’s ownership of these securities or title thereto is assured in all circumstances. Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall

have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE securities in China or elsewhere. Therefore, although the relevant Sub-Funds' ownership may be ultimately recognised, these Sub-Funds may suffer difficulties or delays in enforcing their rights in China.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Sub-Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Sub-Fund suffers losses resulting from the performance or insolvency of HKSCC.

Investor Compensation

Investments of the Sub-Fund through Northbound trading under the Stock Connects will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not mainland Chinese brokers, therefore they are not protected by the China Securities Investor Protection Fund in China.

Trading Costs

In addition to paying trading fees and stamp duties in connection with trading China A Shares, a Sub-Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

Currency Risk

The price of renminbi may fluctuate. If a Sub-Fund holds a class of shares denominated in a local currency other than the renminbi, the Sub-Fund will be exposed to currency risk if the Sub-Fund needs to convert the local currency into renminbi for investments in securities via the Stock Connects. The Sub-Funds will also incur conversion costs.

Local Market Rules, Foreign Shareholding Restrictions and Disclosure Obligations

Under the Stock Connects, China listed companies and trading of China A Shares are subject to market rules and disclosure requirements in the China stock market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to the Stock Connects may affect share prices. The Investment Manager should also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A Shares. The Sub-Funds will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares.

Regulatory Risk

Stock Connects are subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connects.

The relevant rules and regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the rules and regulations are subject to change which may have potential retrospective effect. There can be no assurance that the Stock Connects will not be abolished. The relevant Sub-Funds which may invest in mainland China markets through the Stock Connects may be adversely affected as a result of such changes.

Risks Associated with the Small and Medium Enterprise Board and/or ChiNext Market

Via Shenzhen-Hong Kong Stock Connect, the Sub-Funds may access securities listed on the Small and Medium Enterprise (“SME”) board and the ChiNext market of the SZSE. Listed companies on the SME board and/or ChiNext market are usually of an emerging nature with smaller operating scale. They are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE. Securities listed on the SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares. It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on the Sub-Funds if the companies that they invest in are delisted. Also, the rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those on the main board and SME board. Investments in the SME board and/or ChiNext market may result in significant losses for the Sub-Funds and their investors.

RISK-MANAGEMENT PROCESS

The Investment Manager, to whom the Board of Directors of the Fund has delegated under its responsibility such functions, employs a risk-management process that enables the monitoring and measurement at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. If applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments will be employed.

Upon request of an investor, the Fund will provide supplementary information relating to the quantitative limits that apply in the risk management of each Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

Unless otherwise specified for a Sub-Fund, the Fund will apply a commitment approach to measuring global risk.

ISSUE, REDEMPTION AND CONVERSION OF SHARES**1. Market-Timing and Late Trading**

The Fund does not accept Late Trading. The repeated purchase and sale of Shares designed to take advantage of pricing inefficiencies in the Fund—also known as “Market Timing”—may disrupt portfolio investment strategies and increase the Fund's expenses and adversely affect the interests of the Fund's long-term Shareholders. To deter such practice, the Board of Directors reserves the right, in case of reasonable doubt and whenever an investment is suspected to be related to Market Timing, which the Board of Directors shall be free to appreciate, to suspend, revoke or cancel any subscription or conversion order placed by investors who have been identified as doing frequent in and out trades within the Fund.

The Board of Directors, as safeguard of the fair treatment of all investors, takes appropriate measures to ensure that (i) the exposure of the Fund to Market Timing activities is adequately assessed on an ongoing basis, and (ii) sufficient procedures and controls are implemented to minimise the risks of Market Timing in the Fund.

2. Anti-Money Laundering

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended, and circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the undertakings for collective investment nor the registrar agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

The absence of documents required for identification purposes may lead to the suspension of a request for subscription and/or redemption.

3. Hedging Policy

With respect to Hedged Share Classes, the Investment Manager may employ techniques and instruments to limit an investor's risk by reducing the effect of exchange rate fluctuations between the Class Currency of the Hedged Share Class and the Predominant Currency of the relevant Sub-Fund. Under normal market conditions, the Investment Manager expects to hedge approximately 100% of the net assets of the Hedged Share Class. While the Investment Manager may attempt to hedge the currency risk, there can be no guarantee that it will be successful in doing so.

The use of any hedging techniques and instruments may substantially limit Shareholders in a Hedged Share Class from benefiting if the Class Currency of such Hedged Share Class falls against the Predominant Currency. All costs, gains or losses arising from or in connection with such hedging transactions are borne by the relevant Hedged Share Class.

4. Issue of Shares

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension of the determination of the NAV. The Fund in its absolute discretion reserves the right to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the investor without interest. Prospective investors should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

Shares of a Sub-Fund are originally available for issue during an initial offer period at an initial offer price specified in the relevant Appendix.

Each Sub-Fund and/or Class of Shares of such Sub-Fund may, as more fully described for each Sub-Fund in the relevant Appendix, have varying initial, subsequent and minimal investment or holding requirements. The Board of Directors may, at its entire discretion, (i) waive any of the aforementioned requirements and (ii) compulsorily redeem any shareholdings with a value below the relevant holding requirements or such other amounts as the Board of Directors may decide.

After the initial offer period, subscriptions for Shares in each Class of each Sub-Fund can be made on any day that is defined as being a Valuation Day in the relevant Appendix for each Sub-Fund. In order to be dealt with on a specific Valuation Day, applications must be received prior to the time specified for each Sub-Fund in the relevant Appendix and (if accepted) will be dealt with at the issue price

based on the Net Asset Value per Share of the relevant Class determined on that Valuation Day. Applications received after such time, will be dealt with (if accepted) at the issue price based on the Net Asset Value per Share of the relevant Class determined on the next Valuation Day.

A sales charge of up to 5% of the subscription proceeds (representing up to 5.26% of the NAV of the Shares being subscribed) may be levied for the benefit of distributors and other financial intermediaries.

The Shares in each Class shall be issued on the basis of the Net Asset Value per Share of the Class concerned determined on the applicable Valuation Day.

Application for Shares, giving details of the amount to be invested, should be on the completed Application Form and sent by post or facsimile (with the original to follow immediately by post) to the Administrative Agent, so as to be received before such time as set out in the relevant Appendix for each Sub-Fund.

Share certificates will not be issued but written confirmation of ownership will be sent to the Shareholder as soon as practicable after the acceptance of the application for a particular Valuation Day.

Shares are issued in registered form only and up to 2 decimal places. A Share may be registered in a single name or in up to four joint names.

The Board of Directors has the authority to effect the issue of Shares and has absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefore in particular but not limited to if the beneficial owner is a Restricted Person. The Board of Directors has power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who expose the Fund to adverse tax or regulatory consequences.

The Board of Directors may accept, with full discretion, but subject to an independent auditor's report if required by law or the Board of Directors, (the cost of which is to be borne by the contributing Shareholder unless the Board of Directors determines, in the best interest of Shareholders, that the such cost is to be borne by the Fund), that assets falling within the investment restrictions and relevant investment policy be contributed in kind to the Fund.

The Global Distributor may have agreements with certain Distributors pursuant to which they agree to act as or appoint nominees for investors subscribing for Shares through their facilities. In such capacity, the Distributor may effect subscriptions, switches and redemptions of Shares in nominee name on behalf of individual investors and request the registration of such operations on the register of Shareholders of the Fund in nominee name. The Distributor or nominee maintains its own records and generally provides the investor with individualised information as to its holdings of Shares. Except where local law or custom proscribes the practice, investors may invest directly in the Fund and not avail themselves of a nominee service. Unless otherwise provided by local law, any investor holding Shares in a nominee account with a Distributor has the right to claim, at any time, direct title to such Shares.

Issue of Shares of a given Sub-Fund shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund is suspended, as described in section entitled "*General Information*".

Investors should be aware that not all Classes of Shares of each Sub-Fund are available. Investors should consult www.global.matthewsasiasia.com for an up to date list of Classes of Shares available for subscription.

Restrictions on Issue and Transfer of Shares

Shares are transferable and may be transferred to any person or any entity unless otherwise provided herein. The Board of Directors may, at its sole discretion, refuse to effect a transfer in any circumstances where such transfer would be detrimental to the Fund or its Shareholders. Any expenses incurred in the transfers shall be borne by the Shareholders concerned.

Furthermore, certain Classes of are restricted to Institutional Investors.

U.S. Investors

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or registered or qualified under applicable state statutes and (except in a transaction which is exempt from registration under the 1933 Act and such applicable state statutes) none of the Shares may be offered or sold, directly or indirectly, in the U.S., or to any U.S. Person (as defined herein) regardless of location. The Fund, may at its discretion, sell Shares to U.S. Persons on a limited basis and subject to the condition that such purchasers make certain representations to the Fund which are intended to satisfy the requirements imposed by U.S. law on the Fund, which limit the number of its Shareholders who are U.S. Persons, and which ensure that the Fund is not engaged in a public offering of its Shares in the U.S.

In addition, the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the “1940 Act”) and investors will not be entitled to the benefit of the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if an investment company has more than 100 beneficial owners of its Shares who are U.S. Persons, the Fund may become subject to the 1940 Act.

The Fund will not knowingly offer or sell Shares to any investor to whom such offer or sale would be unlawful, or might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer or would result in the Fund being required to register under the 1933 Act or 1940 Act.

However, it is contemplated that the Fund may decide to accept applications for Shares in the Fund from a limited number of accredited investors (as defined in the 1933 Act) in the U.S. provided that the Fund receives evidence satisfactory to it that the sale of Shares to such an investor is exempt from registration under the securities laws of the U.S. including, but not limited to, the 1933 Act and that, in all events there will be no adverse tax consequences to the Fund or to Shareholders as a result of such a sale.

The foregoing information is based on the law and practice currently in force in the U.S. and is based on the Board of Directors understanding of such law and practice. The information is not exhaustive and, if potential investors are in any doubt as to their position in regard to the foregoing, they should consult their professional adviser. Investors should note that such law and practice as well as their interpretation can change and that such changes may alter the benefits of investment in the Fund.

Taiwanese Investors

Taiwanese Investors may not hold more than 90% of the capital of any one Sub-Fund. The Board of Directors may, at its entire discretion, refuse subscriptions from Taiwanese investors if, as a result of the acceptance of such subscription, the aforementioned 90% limit would be exceeded.

5. Conversion of Shares

Subject to any suspension of the determination of the NAV concerned, and subject to compliance with any eligibility conditions of the Class into which the conversion is to be effected, Shareholders have the right to convert all or part of their Shares of one Class in any Sub-Fund into Shares of another Class of the same Sub-Fund or of another existing Sub-Fund by applying for conversion in the same manner as for the redemption of Shares.

The number of Shares issued upon conversion will be based upon the respective NAV of the Shares of the two Sub-Funds or Classes concerned on the common Valuation Day for which the conversion request is accepted. Unless otherwise provided for a specific Sub-Fund in the relevant Appendix, a dealing charge of up to 1% of the NAV of the Shares to be converted may be imposed for the benefit of the Sub-Fund out of which such conversion is requested. The level of the relevant dealing charge shall be identical for Shareholders converting on the same Valuation Day. If the NAVs concerned are expressed in different currencies, the conversion will be calculated by using the exchange rate applicable on the relevant Valuation Day on which the conversion is to be effected.

Any expenses incurred in the transfers shall be borne by the Shareholders concerned.

In addition, if, as a result of a conversion, the value of a Shareholder's remaining holding in the original Sub-Fund would become less than the relevant minimum holding for each Sub-Fund or Class of Shares, the relevant Shareholder will be deemed to have requested the conversion of all of his Shares.

6. Redemption of Shares

Subject to any suspension of the determination of the Net Asset Value per Share, Shareholders may request at any time that Shares be redeemed on any Valuation Day. The Shares shall be redeemed at the Net Asset Value per Share of the relevant Class on the applicable Valuation Day.

Requests for redemptions should be made on the Redemption Request Form, which must be sent by facsimile (with the original to follow immediately by post) to the Administrative Agent so as to be received prior to such time as set out in the relevant Appendix for each Sub-Fund.

Requests received after such time will be held over until the next Valuation Day. The redemption request must be accompanied by such evidence of ownership as the Administrative Agent may request.

Redemption requests are irrevocable. Shareholders may only withdraw redemption requests when the redemption of Shares is suspended during any period when the determination of the NAV is suspended for the reasons outlined under "Temporary Suspension of Dealings" below. Such request must be in writing and is only effective if received before the termination of the period of suspension.

Investors should note that the Fund may refuse to accept a redemption request if it is not accompanied by such additional information as they may reasonably require. This power may, without limitation to the foregoing, be exercised where proper information has not been provided for money laundering verification purposes.

The Board of Directors may from time to time permit redemptions in kind. Any such redemption in kind will be valued in accordance with the requirements of Luxembourg law. In case of a redemption in kind, Shareholders having accepted a redemption in kind will have to bear costs incurred by the redemption in kind (mainly costs resulting from drawing-up of the independent auditor's report if required by applicable law or the Board of Directors) unless the Fund considers that the redemption in kind is in its own interest or made to protect its own interests.

In the event that a partial redemption of a Shareholder's holding of Shares would leave a balance of Shares held by such Shareholder of less than any minimum holding as defined in the relevant Appendix, the Board of Directors may redeem the whole of that Shareholder's holding of Shares. Any request that would reduce a holding below the minimum holding referred to above may be treated as a request to redeem the entire holding.

Payment of Redemption Proceeds

Payment to Shareholders will be made in the currency of the Shares being redeemed. Unless otherwise agreed with the Administrative Agent, subject to receipt of a duly completed Redemption Form, the payment of the redemption monies shall be made in the form of a wire transfer to the Shareholder's account specified in the Shareholder's Redemption Form and at the risk of the Shareholder. Full payment shall be made generally within 5 Business Days of the relevant Valuation Day.

In the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Company shall be invested then payment will be made as soon as reasonably practicable thereafter (not exceeding, however, thirty Business Days) at the Net Asset Value per Share calculated on the relevant Dealing Day.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent (10%) of the total value of Shares of a Sub-Fund then in issue, the Fund is

entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Valuation Day and carry out only sufficient redemptions which, in aggregate, amount to 10% of the value of Shares of the Sub-Fund then in issue. Shares of the Sub-Fund which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Valuation Day (subject to further deferral if the deferred requests themselves exceed 10% of the Shares of the Fund then in issue) in priority to any other Shares of the Sub-Fund for which redemption requests have been received. Shares of the Fund will be redeemed at the Net Asset Value per Share of the relevant Class prevailing on the Valuation Day on which they are redeemed.

In addition, the Fund reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding 30 days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or other extraordinary circumstances in the markets in which a substantial part of the assets of a Sub-Fund are invested or in exceptional circumstances where the liquidity of a Sub-Fund is not sufficient to meet the redemption requests.

Mandatory Redemption of Shares

As more fully described in its Articles of Incorporation, the Fund may compulsorily redeem at any time Shares held by Shareholders who are excluded from purchasing or holding Shares.

Shareholders are required to notify the Fund and the Administrative Agent immediately in the event that they become Restricted Persons whereupon they may be required to dispose of their Shares by offering those Shares for sale to the Fund at a sale price equal to the Net Asset Value of those Shares of the relevant Class on the next Valuation Day succeeding the offer date. The Fund reserves the right to redeem any Shares which are or become owned, directly or indirectly, for any reason, by a Restricted Person (other than as permitted in accordance with this Prospectus) or if the holding of the Shares by any person is unlawful or may result in the Fund or its Shareholders suffering a legal, pecuniary, taxation, fiscal, regulatory or other material administrative disadvantage.

7. Transferability of Shares

Shareholders will be entitled to transfer Shares by an instrument in writing executed by or on behalf of the transferor in such form as may be approved by the Fund.

The Fund and the Administrative Agent may refuse any transfer that may result in the Fund or its Shareholders incurring any liability to taxation or suffering any other pecuniary, legal or material administrative disadvantage to the Fund or its Shareholders, as a whole, that the Fund might not otherwise have incurred or suffered.

No transfer shall be deemed to be effective until the name of the transferee has been entered in the Shareholders' register. Shareholders wishing to transfer and investors wishing to acquire Shares in such manner are encouraged to inform themselves at the Administrative Agent or the Fund of the conditions required to be fulfilled in order for such transfer to be entered into the Shareholders' register.

DISTRIBUTION POLICY

The Articles of Incorporation of the Fund empower, but do not require, the Board of Directors to declare dividends in respect of the Shares. The distribution policy for each Class of Shares of a Sub-Fund is set forth in the relevant Appendix.

The Fund may offer both accumulation ("Acc") and distribution Shares ("Dist"). Unless otherwise provided for in the relevant Appendix, 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 undertake distributions periodically as set out in the relevant Appendix. Distributions may be made out of income, capital gains and capital and all or part of such Share's fees and expenses may be paid out of the capital of such Shares, resulting in an increase in

amounts available for the payment of distributions by such Shares. To the extent that distributions are paid out of capital, such payment of distributions out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the relevant Sub-Fund's capital may result in an immediate decrease in the NAV per distribution Share of the relevant Sub-Fund. Shareholders may receive a higher distribution than they would have otherwise received in a Share class where fees and expenses are paid from net income.

Investors should note that the charging of fees and expenses to capital in this manner may constrain future capital growth for such Shares together with the likelihood that the value of future returns would be diminished.

The payment of fees and expenses out of the capital of such Shares amounts to payment of distributions effectively out of the capital of such Shares and, may result in reduction of the net asset value per Share of the relevant Shares after the relevant distribution date. In these circumstances, distributions made in respect of such Shares should be understood by investors as a form of capital reimbursement.

Unless otherwise provided for a Class of Shares of a Sub-Fund, distributions made by "Dist" Shares will be out of net income. Classes making distributions out of gross income will be appropriately indicated. Distributions will be undertaken at least annually or more frequently as the Board of Directors may decide. The current frequency of distribution is available on www.global.matthewsasiasia.com.

MANAGEMENT AND ADMINISTRATION

1. The Board of Directors

The Directors of the Fund are responsible for managing the business affairs of the Fund in accordance with the Articles of Incorporation.

The Directors are listed below with their principal occupations. None of the Directors has a service contract with the Fund, nor is such proposed.

The Chairman of the Board of Directors is:

William J. Hackett, Chief Executive Officer of the Investment Manager.

The Directors of the Fund are:

Richard Goddard, Independent Director, The Director's Office S.A.;

John P. McGowan, Head of Fund Administration of the Investment Manager; and

Timothy B. Parker, Director, International Strategy, Product and Operations of the Investment Manager.

The Articles of Incorporation provide that, so long as the nature of their interest is or has been declared at the earliest opportunity, a Director or prospective Director may enter into any contract or arrangement with the Fund or entity bound contractually or otherwise to the Fund and such contract or arrangement shall not be liable to be avoided and the Director concerned shall not be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of their holding of that office or the fiduciary relationship so established and may hold any other office or place of profit with the Fund (except that of Auditor) in conjunction with the office of Director on such terms as to tenure of office and otherwise as the Directors may determine.

At the date of this Prospectus, no Director or any connected person has any interest, beneficial or non-beneficial, in the share capital of the Fund or any material interest in the Fund or in any agreement or arrangement with the Fund.

No Director has any direct or indirect interest in any contract or arrangement which was either unusual in its nature or significant to the business of the Fund.

2. Delegates of the Board of Directors

The Delegates of the Board of Directors are:

Richard Goddard; and
Timothy B. Parker.

In compliance with the provisions of CSSF Circular 03/108, the Directors of the Fund have granted a mandate in order to conduct the daily business of the Fund to the Delegates of the Board (hereafter referred to as the “Conducting Officers”).

The Conducting Officers shall have the duty to ensure that the different service providers to which the Fund has delegated certain functions (comprising the Investment Manager, the Administrative Agent, Global Distributor and any Distributors) perform their function in compliance with the 2010 Law, the Articles of Incorporation, the Prospectus and the provisions of the contracts that have been entered into between the Fund and each of them. The Conducting Officers shall also ensure compliance of the Fund with the investment restrictions and oversee the implementation of the Sub-Funds' investment policies.

The Conducting Officers shall also report to the Directors on a regular basis and inform each Director without delay of any non-compliance of the Fund with the investment restrictions.

The Fund has adopted various policies and procedures as foreseen by applicable rules and regulations in Luxembourg. Shareholders may, insofar as foreseen by applicable rules and regulations, obtain more information in relation to these policies and procedures, free of charge, from the Fund upon request.

3. The Investment Manager

The Board of Directors has, pursuant to an Investment Management Agreement as of 25 February 2010, appointed Matthews International Capital Management, LLC as the Investment Manager of the Fund with discretionary investment authority to invest the assets of the Fund in furtherance of the investment objectives and in accordance with the investment policies of the Fund as described in this Prospectus.

The Investment Manager will be paid fees for its services as more fully described under “Fees and Expenses” below.

The Investment Manager invests in the Asia Pacific region based on its assessment of the future development and growth prospects of companies located in the region. The Investment Manager researches the fundamental characteristics of individual companies to help to understand the foundation of a company's long-term growth, and to assess whether it is generally consistent with the Investment Manager's expectations for the region's economic evolution. The Investment Manager evaluates potential portfolio holdings on the basis of their individual merits, and invests in those companies that it believes are positioned to help a Sub-Fund achieve its investment objectives.

Such fundamental investing and “bottom-up” approach is based on identifying, analyzing and understanding basic information about a company or security. These factors may include matters such as balance sheet information; number of employees; size and stability of cash flow; management's depth, adaptability and integrity; product lines; marketing strategies; corporate governance; and strength of balance sheet. The Investment Manager utilizes such a “bottom-up” approach in its management of all the Sub-Funds.

The Investment Manager has long-term investment goals, and aims to develop an understanding of a company's long-term business prospects. The Investment Manager's fundamental process aims to identify potential portfolio investments that can be held over an indefinite time horizon. The Investment Manager regularly tests its beliefs and adjusts portfolio holdings in light of prevailing market conditions and other factors, including, among other things, economic, political or market events (*e.g.*, changes in credit conditions or military action), changes in relative valuation (of a

company's growth prospects relative to other issuers), liquidity requirements and corporate governance.

The Investment Manager uses an active approach to investment management (rather than relying on passive or index strategies) because it believes that the current composition of the stock markets and indices may not be the best guide to the most successful industries and companies of the future.

The Investment Manager believes that investors benefit in the long term when the Sub-Funds are fully invested.

4. The Investment Advisor

The Board of Directors has, pursuant to an Investment Advisory Agreement as of 25 February 2010, appointed Matthews Global Investors S.à r.l. as the Investment Advisor of the Fund to be responsible for providing advisory services to the Fund.

The Investment Advisor was incorporated as a *société à responsabilité limitée* under the laws of the Grand-Duchy of Luxembourg pursuant to a notarial deed dated 5 February 2010, having its registered office at 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg *Registre de Commerce et des Sociétés* under the number B 151 260.

The Investment Advisor will be paid fees for its services as more fully described under “Fees and Expenses” below.

5. Depositary

The Board of Directors has appointed Brown Brothers Harriman (Luxembourg) S.C.A. as depositary of the Fund (the “Depositary”). Brown Brothers Harriman (Luxembourg) S.C.A. was incorporated in Luxembourg as a “*société en commandite par actions*” on 16 February 1982 and has its registered office at 80, Route d’Esch, L-1470, Luxembourg, Grand Duchy of Luxembourg.

The rights and duties of the Depositary are governed by the depositary agreement effective as at 4 April 2016 for an unlimited period of time from the date of its signature (the “Depositary Agreement”).

In performing its obligations under the Depositary Agreement, the Depositary shall observe and comply with (i) Luxembourg laws, (ii) the Depositary Agreement and (iii) the terms of this Prospectus. Furthermore, in carrying out its role as depositary bank, the Depositary must act solely in the interest of the Fund and of its Shareholders.

The Depositary will further, in accordance with the 2010 Law and with CSSF circular 16/644 applicable to credit institutions acting as UCITS depositaries subject to Part I of the 2010 Law:

- (a) Ensure that the issue, redemption, conversion and cancellation of Shares effected by or on behalf of the Fund are carried out in accordance with the law and the Articles;
- (b) ensure that the Net Asset Value of the Shares of the Fund is calculated in accordance with Luxembourg laws and with the Articles;
- (c) carry out the instructions of the Fund, unless they conflict with Luxembourg law or with the Articles;
- (d) Ensure that in transactions involving the assets of the Fund, the consideration is remitted to it within the usual time limits; and
- (e) Ensure that the income of the Fund is applied in accordance with its Articles.

The Depositary is entrusted with the safe-keeping of the Fund’s assets. All assets that can be held in custody are registered in the Depositary’s books within segregated accounts, opened in the name of the Fund, in respect of each Sub-Fund. For the other assets, the Depositary must verify the ownership of such assets by the Fund in respect of each Sub-Fund. Furthermore, the Depositary shall ensure that the Fund’s cash flows are properly monitored.

The Depositary is not allowed to carry out activities with regard to the Fund that may create conflicts of interest between the Fund, the Shareholders and the Depositary itself, unless the Depositary has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders. The Depositary maintains comprehensive and detailed corporate policies and procedures requiring the Depositary to comply with applicable laws and regulations. The Depositary has policies and procedures governing the management of conflicts of interests. These policies and procedures address conflicts of interests that may arise through the provision of services to the Fund. The Depositary's policies require that all material conflicts of interests involving internal or external parties are promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, the Depositary shall maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps to properly (i) disclose the conflicts of interest to the Fund and to the shareholders, and (ii) to manage and monitor such conflicts.

The Depositary ensures that employees are informed, trained and advised of conflicts of interest policies and procedures and that duties and responsibilities are segregated appropriately to prevent conflicts of interest issues. Compliance with conflicts of interest policies and procedures is supervised and monitored by the Board of Managers as general partner of the Depositary and by the Depositary's Authorized Management, as well as the Depositary's compliance, internal audit and risk management functions. The Depositary shall take all reasonable steps to identify and mitigate potential conflicts of interests. This includes implementing its conflicts of interest policies that are appropriate for the scale, complexity and nature of its business. This policy identifies the circumstances that give rise or may give rise to a conflict of interests and includes the procedures to be followed and measures to be adopted in order to manage conflicts of interests. A conflict of interests register is maintained and monitored by the Depositary.

The Depositary may delegate to third party correspondents (the "Correspondents") the safe-keeping of the Fund's assets subject to the conditions laid down in the 2010 Law and the Depositary Agreement. The Depositary shall exercise due care and diligence in choosing and appointing each Correspondent so as to ensure that each Correspondent has and maintains the required expertise and competence. The Depositary shall also periodically assess whether Correspondents fulfil applicable legal and regulatory requirements and shall exercise ongoing supervision over each Correspondent to ensure that the obligations of the Correspondents continue to be appropriately discharged.

The list of Correspondents relevant to the Fund is available on Depositary's website at <https://www.bbh.com/>. This list may be updated from time to time and is available from the Depositary upon written request.

The Correspondents must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation. Subject to the terms of the Depositary Agreement, entrusting the custody of assets to the operator of a securities settlement system is not considered to be a delegation of custody functions.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement (*i.e.* the effective prudential regulation) under the Law, the Depositary may, but shall be under no obligation to, delegate to a local entity to the extent required by the law of such jurisdiction and as long as no other local entity meeting such requirements exists, provided however that (i) the investors, prior to their investment in the Fund, have been duly informed of the fact that such a delegation is required, of the circumstances justifying the delegation and of the risks involved in such a delegation and (ii) instructions to delegate to the relevant local entity have been given by or for the Fund.

In accordance with the provisions of the Law and the Depositary Agreement, the Depositary shall be liable for the loss of a financial instrument held in custody by the Depositary or a third party to whom the custody of such financial instruments has been delegated as described above. In such case, the

Depository must return a financial instrument of identical type or the corresponding amount to the Fund, without undue delay. The Depository shall not be liable if it is able to prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depository shall also be liable to the Fund, or to the Shareholders for all other losses suffered by them as a result of the Depository's negligent or intentional failure to properly fulfil its obligations under the Law and the Depository Agreement.

A potential risk of conflicts of interest may occur in situations where the Correspondents may enter into or have a separate commercial and/or business relationship with the Depository in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Depository and the Correspondent. Where a Correspondent shall have a group link with the Depository, the Depository undertakes to identify potential conflicts of interests arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Depository does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any Correspondent. The Depository will notify the Board of Directors of any such conflict should it so arise. To the extent that any other potential conflicts of interest exist pertaining to the Depository, they have been identified, mitigated and addressed in accordance with the Depository's policies and procedures. Updated information on the Depository's custody duties and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depository.

The Fund and the Depository may terminate the Depository Agreement on 90 calendar days' prior written notice. The Depository Agreement may also be terminated on shorter notice in certain circumstances. However, the Depository shall continue to act as Depository for up to two months pending a replacement depository being appointed and until such replacement, the Depository shall take all necessary steps to ensure the good preservation of the interests of the shareholders of the Fund and allow the transfer of all assets of the Fund to the succeeding depository.

The duties and liabilities of the Depository are more fully defined in the Depository Agreement referred to under "Material Contracts" of this Prospectus. The Depository will be paid fees for its services as more fully described under "Fees and Expenses" below.

6. Administrative Agent

Brown Brothers Harriman (Luxembourg) S.C.A. also acts as administrative agent to the Fund (the "Administrative Agent"). The Administrative Agent is responsible for the determination of the Net Asset Value of the Shares in each Sub-Fund and Class of Shares and for the maintenance of accounting records and to provide share issue, redemption, transfer, valuation and certain other administrative services, pursuant to the administration agreement between the Administrative Agent and the Fund, effective as at 4 April 2016 (the "Administration Agreement"). The duties and liabilities of the Administrative Agent are more fully defined in the Administration Agreement referred to under "Material Contracts" of this Prospectus. The Administrative Agent will be paid fees for its services as more fully described under "Fees and Expenses" below.

In addition to the administrative duties set forth in the Administration Agreement, Brown Brothers Harriman (Luxembourg) S.C.A. also acts as domiciliary agent, registrar and transfer agent, and paying agent to the Fund pursuant to the Administration Agreement.

The Depository has implemented appropriate segregation of activities between the Depository and the administration, registrar and transfer agency services, including escalation processes and governance. Moreover, the depository function is hierarchically and functionally segregated from the administration and registrar and transfer agency services business unit.

REMUNERATION POLICY

The Fund will ensure that it has in place a remuneration policy that is (i) in line with the business strategy, objectives, values and interests of the Fund and the interests of its Shareholders; (ii) consistent with sound and effective risk management; and (iii) which does not encourage risk taking which is inconsistent with the risk profile of the Fund. The Fund has identified its staff members whose professional activity have a material impact on its risks profile (the “Identified Staff”), and shall ensure they comply with its remuneration policy. None of the Identified Staff members receives any variable remuneration in exchange for professional services rendered to the Fund. The details of the up-to-date remuneration policy of the Fund will be available on <http://global.matthewsasiasia.com/> and a paper copy will be available free of charge upon request to the registered office of the Fund.

FEES AND EXPENSES

1. Investment Manager

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time with the Investment Advisor.

2. Investment Advisor

The Investment Advisor is entitled to a Management Fee, payable out of the assets of the relevant Sub-Fund, as provided in the relevant Appendix. The Investment Advisor will remunerate the Investment Manager out of this fee.

In addition, the Investment Advisor receives an Administration Fee, payable out of the assets of the relevant Sub-Fund, as provided in the relevant Appendix.

3. Depositary and Administrative Agent

The Depositary 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 will be charged separately. The fees effectively charged to each Sub-Fund will be disclosed in the semi-annual and annual reports of the Fund. The Depositary and Administrative Agent fees are payable monthly in arrears.

4. Other Costs

The Fund bears its operational costs including but not limited to the cost of buying and selling portfolio securities, governmental fees, taxes, fees and out-of-pocket expenses of its Directors, legal and auditing fees, infrastructure fees, publishing and printing expenses, the cost of preparing the explanatory memoranda, financial reports and other documents for the Shareholders, postage, telephone and telex. The Fund may also compensate certain financial intermediaries for administrative, recordkeeping and similar services provided to shareholders who invest in a Sub-Fund through those financial intermediaries. The Fund also pays advertising expenses and the costs of the preparation of this Prospectus and any other registration fees. All expenses are taken into account in the determination of the Net Asset Value of the Shares of each Sub-Fund.

The costs of establishing the Fund amounted to approximately USD 75,000. Where further Sub-Funds are created in the future, these Sub-Funds will bear, in principle, their own formation expenses. The establishment costs may, at the discretion of the Board of Directors, be amortised on a straight line basis over five years from the date on which the Fund/Sub-Funds commenced business. The Board of Directors may, in their absolute discretion, shorten the period over which such costs are amortised.

TAXATION

The following information is based on the laws, regulations, decisions and practice in force in Luxembourg at the date of this prospectus and is subject to changes therein, possibly with

retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

1. Taxation of the Fund

The Fund is not subject to taxation in Luxembourg on its income, profits or gains. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Fund.

The Fund is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on its net asset value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% *per annum* is applicable to Luxembourg UCIs whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax of 0.01% *per annum* is applicable to individual compartments of UCIs with multiple compartments referred to in the 2010 Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, and, (iv) UCITS and UCIs subject to the part II of the 2010 Law qualifying as exchange traded funds.

2. Withholding Tax

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. Distributions made by the Fund are not subject to withholding tax in Luxembourg.

The Fund is not subject to net wealth tax.

3. Taxation of the Shareholders

Luxembourg Resident Individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individual investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold before or within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller, alone or with his/her spouse and underage children, has participated either directly or indirectly at any time during the five years preceding the date of the disposal in the ownership of more than 10% of the capital or assets of the company.

Distributions made by the Fund will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 43.6%. An additional temporary income tax of 0.5% (*impôt d'équilibrage budgétaire temporaire*) will be due by Luxembourg resident individuals subject to Luxembourg State social security scheme in relation to their professional and capital income.

Luxembourg Resident Corporate

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 29.22% (in 2015 for entities having their registered office in Luxembourg-City) on the distribution received from the Fund and the gains received upon disposal of the Shares.

Luxembourg resident corporate investors who benefit from a special tax regime, such as, for example, (i) an UCI subject to the 2010 Law, (ii) specialized investment funds subject to the law of February 13, 2007 on specialised investment funds, or (iii) family wealth management companies subject to the law of May 11, 2007 on family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) a UCI subject to the 2010 Law, (ii) a vehicle governed by the law of March 22, 2004 on securitization, (iii) a company governed by the law of June 15, 2004 relating to the investment company in risk capital, (iv) a specialized investment fund subject to the law of February 13, 2007 on specialised investment funds or (v) a family wealth management company subject to the law of May 11, 2007 on family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%.

Non Luxembourg Residents

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Fund and the Shares will not be subject to net wealth tax.

4. European Savings Directive

The Council of the European Union (the "EU") has adopted on 3 June 2003 a Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Savings Directive"). Under the Savings Directive, EU Member States (the "Member States") are required to provide the tax authorities of another Member State with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain residual entities (within the meaning of the Savings Directive) established, in that other Member State.

Under the Luxembourg law dated 21 June 2005 (the "2005 Law"), implementing the Savings Directive, as amended by the Law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU ("Territories"), a Luxembourg-based paying agent is required as from 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the Territories, and certain personal details on the beneficial owner. Such details will be provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

Under current legislation, distributions by the Fund will fall within the scope of the Savings Directive if the Fund invests 15 % or more of its assets in debt claims (within the meaning of the Savings Directive).

Payment of proceeds upon the sale, refund or redemption of Shares in the Fund will fall within the scope of the 2005 Law if the Fund invests directly or indirectly 25 % or more of its assets in debt claims within the meaning of the 2005 Law.

However, on 24 March 2014 the Council of the European Union adopted Council Directive 2014/48/EU amending the Savings Directive (the "Amending Directive"). Member States have to adopt and publish by 1 January 2016, the laws, regulations and administrative provisions necessary to

comply with the Amending Directive. The Amending Directive enlarges inter alia the scope of the Savings Directive by extending the definition of interest payments and will cover income distributed by or income realised upon the sale, refund or redemption of shares or units in undertakings for collective investment or other collective investment funds or schemes, that either are registered as such in accordance with the law of any of the Member States or of the countries of the European Economic Area which do not belong to the EU, or have fund rules or instruments of incorporation governed by the law relating to collective investment funds or schemes of one of these States or countries, irrespective of the legal form of such undertakings, funds or schemes and irrespective of any restriction to a limited group of investors, in case such undertakings, funds or schemes invest, directly or indirectly, a certain percentage of their assets in debt claims as defined under the amended Savings Directive.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the Amending Directive.

5. UK Tax Consideration

Shareholders are advised that the UK Government has introduced a new tax regime for UK resident investors in “offshore funds” (*i.e.*, funds not resident for tax purposes in the UK) to replace the former distributor status rules. The new regime came into effect on 1 December 2009. The Board of Directors intends to obtain certification as a “reporting fund,” although this cannot be guaranteed.

Key proposed features of the new regime include the following:

1. A change from the requirement to physically distribute 85 per cent of a Sub-Fund’s income within six months of the year end to a requirement to report 100 per cent of a Sub-Fund’s income, again within six months of the year end. Investors will be subject to income tax or corporation tax as appropriate on their share of the reported income as a deemed dividend distribution, whether or not such reported income is in fact distributed. The reporting fund status of a Sub-Fund will ensure that gains made by UK resident investors on disposing of their distribution Shares are taxed as chargeable gains as was previously the case for such investors disposing of Shares in distributing funds.
2. The accounts of reporting funds will generally be prepared in accordance with International Accounting Standards, but HM Revenue & Customs also allows accounts to be prepared in accordance with Luxembourg GAAP, under which the Fund’s accounts are prepared.
3. Upfront certification for reporting fund status as opposed to annual, retrospective certification of distributor status.

Without certification as a reporting fund under the new regime, any gain arising to UK resident investors on sale, redemption, or other disposal of Shares, will be taxed at the time of such sale, redemption, or disposal as income and not as chargeable gain.

6. China Tax Consideration

QFII

The Fund may be subject to withholding income tax and other taxes imposed in China. Under current Chinese legislation and its implementation rules, incomes derived from China by non-resident enterprises that have no establishment or place in China are subject to withholding tax. Under current legislation in China, foreign investors may invest in China A Shares and certain other investment products in China, in general, only through institutions that have obtained QFII status. Since only the QFII’s interests in China A Shares and certain other investment products are recognised under current Chinese legislations, any tax liability would, if it arises, be payable by the QFII.

QFIIs are subject to a withholding tax of 10% on cash dividends, distributions and interest from Chinese entities. Special tax treatment and tax refunds, resulting in an effective tax rate of less than 10% on dividends, distributions and interest, may sometimes be available under tax treaties, upon application to the competent tax authority.

Moreover, the Chinese tax authorities have recently clarified that income tax and withholding taxes on capital gains are payable by QFIIs on gains realised from dealing in Chinese equities and fixed income securities. The Funds make a provision in respect of such tax liabilities. As a result, the income from, and the performance of, the Fund is reduced. However, Shareholders should note that the actual applicable tax rates imposed by the Chinese tax authorities may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retrospectively. As such, any provision for taxation made by the Investment Manager may be excessive or inadequate to meet final Chinese tax liabilities. Consequently, Shareholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares in or from the Fund.

If the actual applicable tax rate levied by the Chinese tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the NAV of the Fund may suffer more than the tax provision amount as the Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Shareholders will be disadvantaged. On the other hand, if the actual applicable tax rate levied by the Chinese tax authorities is lower than that provided for by the Investment Manager so that there is an excess in the tax provision amount, Shareholders who have redeemed the Shares before the Chinese tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's over-provision. In this case, the then existing and new Shareholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax rate can be returned to the account of the Fund as assets thereof.

In general, passive income to foreign investors (with no permanent establishment in China) from their Chinese investments is subject to the 10% withholding tax. Non-China tax resident Shareholders will not be subject to Chinese tax on distributions received from the Fund, or on gains derived from the disposal of Shares in the same. China tax resident Shareholders should seek their own tax advice on their tax position with regard to their investment in the Fund.

It is possible that the current tax laws, regulations and practice in China will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on Chinese investments than is currently contemplated. The Fund could become subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. Any of those changes may reduce the income from, and/or the value of, the relevant investments in the Fund.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

On 14 November 2014, the Ministry of Finance ("MoF"), State of Administration of Taxation ("SAT") and CSRC jointly issued a notice in relation to the taxation rule on Shanghai-Hong Kong Stock Connect under Caishui [2014] No.81 ("Notice No.81"). Under Notice No.81, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Funds) on the trading of China A Shares through Shanghai-Hong Kong Stock Connect with effect from 17 November 2014. However, Hong Kong and overseas investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies.

On 5 November 2016, the MoF, SAT and CSRC jointly issued a notice in relation to the taxation rule on the Shenzhen-Hong Kong Stock Connect under Caishui [2016] No.127 ("Notice No.127"). Under Notice No.127, corporate income tax and individual income tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Funds) on the trading of China A Shares through the Shenzhen-Hong Kong Stock Connect. However, Hong Kong and overseas investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies.

Based on the prevailing regulations on value added tax, capital gains derived by investors via the Stock Connects are exempted from value added tax.

China Taxation Risk

Various tax reform policies have been implemented by the Chinese government in recent years, and existing tax laws and regulations may be revised or amended in the future. Any changes in tax policies may reduce the after-taxation profits of the companies in China to which the performance of the Sub-Fund is linked.

In light of the announcement “Notice on the issues of temporary exemption from the imposition of capital gains tax arising from gains from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII” jointly issued by the MoF, SAT and CSRC under Caishui [2014] No.79, the Board of Directors has decided not to make any provision for the account of the Sub-Fund in respect of any gross realized or unrealized capital gains from investments of the Sub-Fund in China A Shares with effect from 17 November 2014. The Board of Directors has made a tax provision on the gross realized capital gains from investments of the Sub-Fund in China A Shares (*i.e.* capital gains derived from the transfer of China A Shares) for the period from the inception of the Sub-Fund to 14 November 2014. The amount of the actual provision will be disclosed in the annual and semi-annual reports of the Sub-Fund. Investors should note that such provision may be excessive or inadequate to meet actual China tax liabilities on investments made by the Sub-Fund. As a result, investors may be advantaged or disadvantaged depending on the final rules of the relevant China tax authorities.

Under Notice No.81, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of China A Shares through Shanghai-Hong Kong Stock Connect with effect from 17 November 2014. Under Notice No.127, corporate income tax and individual income tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Funds) on the trading of China A Shares through the Shenzhen-Hong Kong Stock Connect. However, Hong Kong and overseas investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies. If the Hong Kong and overseas investors such as the Sub-Fund are eligible for treaty relief on dividends, the Hong Kong and overseas investors can apply for the entitlement of treaty relief and refund of the overpaid tax with the Chinese tax authority of the A Share issuing company.

The Board of Directors intends to make relevant provision on dividend and interest from China A Shares if the tax on dividends is not withheld at source at the time when such income is received. The actual tax rates imposed by SAT may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retrospectively. As such, any provision for taxation made by the Board of Directors may be excessive or inadequate to meet final Chinese tax liabilities.

Consequently, Shareholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares. If the actual applicable tax rate levied by SAT is higher or more widely applicable than that provided for by the Board of Directors so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Sub-Fund may suffer more than the tax provision amount as the Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Shareholders will be disadvantaged.

On the other hand, if the actual applicable tax rate levied by SAT is lower or less widely applicable than that provided for by the Board of Directors so that there is an excess in the tax provision amount, Shareholders who have redeemed their Shares before SAT’s ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Board of Directors’ overprovision. In this case, the then existing and new Shareholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax rate can be returned to the account of the Sub-Fund as assets thereof. Notwithstanding the above provisions, Shareholders who have already redeemed their Shares in the Sub-Fund before the return of any overprovision to the account of the Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

7. General

Shareholders should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, selling or converting Shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirement.

The above statements regarding taxation are based on advice received by the Fund regarding the law and practice in force at the date of this document. Prospective investors should be aware that levels and bases of taxation are subject to change and that the value of any relief from taxation depends upon the individual circumstances of the tax payer.

It is expected that Shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in the Prospectus to summarise the taxation consequences for each investor. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

GENERAL INFORMATION

1. Organisation

The Fund is an investment company organised as a *société anonyme* under the laws of the Grand-Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* ("SICAV"). The Fund was incorporated in Luxembourg on 5 February 2010 for an unlimited period with an initial share capital of USD 500,000. Its Articles of Incorporation were published in the *Mémorial, Recueil des Sociétés et Associations* on 25 February 2010. The Articles of Incorporation have been amended by way of an Extraordinary General Meeting on 31 of March 2016, minutes of which will be published in the *Mémorial C* on 19 April 2016. The Fund is registered with the Luxembourg *Registre de Commerce et des Sociétés*, under number B-151275.

The Articles of Incorporation have been filed with the Luxembourg *Registre de Commerce et des Sociétés*.

The minimum capital of the Fund required by Luxembourg law is the equivalent in USD of EUR 1,250,000, to be attained within six months of its approval as a UCITS by the CSSF.

2. The Shares

The Shares in each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to each Sub-Fund concerned. The rules governing such allocation are set forth under section 5. "*Allocation of Assets and Liabilities among the Sub-Funds*" hereunder. The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and each one is entitled to one vote at all meetings of Shareholders. Shares redeemed by the Fund become null and void.

The Fund may restrict or prevent the ownership of its Shares by any person, firm or corporation, if such ownership is such that it may be against the interests of the Fund or of the majority of its Shareholders. Where it appears to the Fund that a person who is precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Fund may proceed to compulsory redemption of all Shares so owned. Under the Articles of Incorporation, the Board of Directors of the Fund may decide to issue, in respect of each Class, distribution Shares and/or capitalisation Shares.

Should the Shareholders, at an annual general meeting, decide any distributions in respect of Distribution Shares (if issued) these will be paid within one month of the date of the annual general meeting. Under Luxembourg law, no distribution may be decided as a result of which the net assets of the Fund would become less than the minimum provided for under Luxembourg law.

The Board of Directors may decide to list Shares of the Fund on the Luxembourg Stock Exchange or any other stock exchange. Further information in regard to such listing is available from the registered office of the Fund.

3. Meetings

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 p.m. or, if any such day is not a Business Day in Luxembourg, on the next following Business Day. 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 holders of registered Shares in accordance with Luxembourg Law. Such notices will 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.

If permitted by and under the conditions set forth in Luxembourg laws and regulations, the Annual General Meeting of Shareholders may be held at a date, time or place other than those set forth in the preceding paragraphs, that date, time or place to be decided by the Board of Directors.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any General Meeting of Shareholders may provide that the quorum and the majority at this General Meeting shall be determined according to the Shares issued and outstanding at midnight the fifth day preceding the General Meeting (the "Record Date"), whereas the right of a Shareholder to attend a General Meeting of Shareholders and to exercise the voting rights attaching to his/her/its Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

Each Share confers the right to one vote. The vote on the payment of a dividend on a particular Class requires a separate majority of votes cast 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 general meeting of the Fund and the Shareholders of the Sub-Fund concerned by a simple majority of votes cast.

4. Reports and Accounts

Audited annual reports 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 offices of the Fund during ordinary office hours and copies obtained upon request, free of charge. The Fund's accounting year ends on 31 March in each year.

The Base Currency of the Fund is the USD. The aforesaid reports will comprise consolidated 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.

5. Allocation of Assets and Liabilities among the Sub-Funds

For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a pool of assets for each Sub-Fund in the following manner:

- (a) The proceeds from the issue of each Share of each Sub-Fund are to be applied in the books of the Fund to the pool of assets established for that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such pool subject to the provisions set forth hereafter;
- (b) Where any asset is derived from another asset, such derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each valuation of an asset, the increase or diminution in value is applied to the relevant pool;
- (c) Where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool;

- (d) In the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the net asset values of the relevant Sub-Funds;
- (e) Upon the payment of dividends to the holders of Shares in any Sub-Fund, the NAV of such Sub-Fund shall be reduced by the amount of such dividends.

If there have been created within each Sub-Fund different classes of Shares, the rules shall *mutatis mutandis* apply for the allocation of assets and liabilities among Classes.

6. Determination of the Net Asset Value of Shares

The NAV of each Sub-Fund and of each Share Class of the Sub-Funds is determined in its reference currency. It shall be determined on each Valuation Day by dividing the net assets attributable to each Sub-Fund by the number of Shares of such Sub-Fund then outstanding. The net assets of each Sub-Fund are made up of the value of the assets attributable to such Sub-Fund less the total liabilities attributable to such Sub-Fund calculated at such time as the Board of Directors shall have set for such purpose. The foregoing applies *mutatis mutandis* to the calculation of the NAV of each Share Class.

The value of the assets of the Fund shall be determined as follows:

- (a) The value of any investment that is quoted, listed or normally dealt in on a stock exchange or market, shall (save in the specific cases set out in paragraphs (c), (h) and (i) below) be based on the last available prices for such investment available to the Directors at the relevant Valuation Point, provided that:
 - (i) If an investment is quoted, listed or normally dealt in on more than one stock exchange or market the market used for the purposes of valuation shall be the one that constitutes the main market or the one which the Directors determine provides the fairest criteria in valuing the relevant investment; and
 - (ii) In the case of any investment that is quoted, listed or normally dealt in on a stock exchange or market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value therefore shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association making a market in such investment and/or any other competent person, in the opinion of the Directors;
- (b) The value of any investment that is not quoted, listed or normally dealt in on a stock exchange or market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such Investment and/or any other competent person, in the opinion of the Directors;
- (c) The value of any investment that is a unit of or participation in a collective investment scheme/mutual fund shall be the latest available net asset value of such unit/participation or if the latest available net asset value is not available, the estimated value based on the advice of the manager or administrator of such collective investment scheme;
- (d) The value of any cash in hand, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;
- (e) Deposits shall be valued at their principal amount plus accrued interest from the date on which the same were acquired or made;
- (f) Treasury bills shall be valued at the probable realisation value estimated with care and good faith by a competent person;

- (g) Bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the last available price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
- (h) Forward foreign exchange contracts will be valued by reference to the price at which a new forward contract of the same size and maturity could be undertaken;
- (i) The value of any future contracts and options which are dealt in on a market shall be calculated at the previous day's closing price as determined by the market in question, provided that where it is not the practice of the relevant market to quote a previous day's closing price or if such previous day's closing price is not available for any reason such value shall be the probable realisation value estimated with care and in good faith by a competent person;
- (j) The value of any over the counter contracts shall be the quotation from the counter-party provided that such quotation is provided on at least a weekly basis and is approved or verified on a monthly basis by an independent party;
- (k) Notwithstanding any of the foregoing sub-paragraphs, the Directors may adjust the value of any investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof;
- (l) If in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment then in such case the method of valuation of the relevant investment shall be such as the Directors shall decide;
- (m) Notwithstanding the foregoing, where at any time of any valuation any asset of the Fund has been realised or contracted to be realised there shall be included in the assets of the Fund in place of such asset the net amount receivable by the Fund in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Fund.

In certain cases where the Directors may determine that the market price of an investment does not fairly represent the value of that investment, or in cases where the value of any asset for which liquidation or third party market valuations are not available, the Directors may value such investment as they, in their discretion reasonably determine. In such cases, when calculating the NAV and Net Asset Value per Share, the Administrative Agent may entirely rely upon and use such value determined by the Directors. In addition, the Administrative Agent may rely solely on and use the valuations provided by the Investment Manager or the Managers with whom the Fund has invested its assets or their agents or other intermediaries. In such circumstances, the Administrative Agent shall not, in the absence of fraud, negligence or wilful default on the part of the Administrative Agent, be liable for any loss suffered by the Fund or any Shareholder by reason of any error in the calculation of the NAV and Net Asset Value per Share resulting from any inaccuracy in the information and/or value provided by the Directors, the Investment Manager, the Managers or their agents or other intermediary.

The liabilities of the Fund shall be deemed to include:

- (a) all loans bills and notes payable and accounts payable;
- (b) all accrued and payable administrative expenses (including but not limited to all fees payable to the representatives and agents of the Fund) ;
- (c) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by

the Fund where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;

- (d) an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Fund, and other reserves if any authorised and approved by the Board of Directors;

The Net Asset Value per Share of each Class in a Sub-Fund and the issue and redemption prices thereof are available at the registered office of the Fund.

7. Swing Pricing

A Sub-Fund may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Sub-Fund. This is known as “dilution”. In order to counter this and to protect Shareholders’ interests, the Board of Directors may apply “swing pricing” as part of its daily valuation policy. This will mean that in certain circumstances the Board of Directors may make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

If on any Valuation Day the aggregate transactions in Shares of a Sub-Fund result in a net increase or decrease of Shares which exceeds a threshold preset by the Board of Directors from time to time for that Sub-Fund (relating to the cost of market dealing for that Sub-Fund), the Net Asset Value of the Sub-Fund will be adjusted by an amount (not exceeding 2% of that Net Asset Value) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. The adjustment will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease.

8. Temporary Suspension of Issues, Redemptions and Conversions

The determination of the Net Asset Value of Shares of one or several Sub-Funds may be suspended during:

- (a) any period when any of the principal stock exchanges or organized markets on which any substantial portion of the investments of the Fund attributable to such Sub-Fund from time to time are quoted or dealt in is closed (otherwise than for ordinary holidays), or during which dealings therein are restricted or suspended; or
- (b) the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable, not accurate or could seriously prejudice the interests of the Shareholders of the Sub-Fund; or
- (c) any breakdown or restriction in the means of communication normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or values on any stock exchange in respect of the assets attributable to such Sub-Fund; or
- (d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of the Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange; or
- (e) during any period when in the opinion of the Board of Directors there exist unusual circumstances where it would be impracticable or unfair towards the Shareholders to continue dealing with Shares of any Sub-Fund or any other circumstance or circumstances where a failure to do so might result in the Shareholders of the Fund or a Sub-Fund incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Shareholders of the Fund or a Sub-Fund might not otherwise have suffered;

- (f) in the event of (i) the publication of the convening notice to a general meeting of Shareholders at which a resolution to wind up the Fund or a Sub-Fund is to be proposed, or of (ii) the decision of the Board of Directors to wind up one or more Sub-Funds, or (iii) to the extent that such a suspension is justified for the protection of the Shareholders, of the notice of the general meeting of Shareholders at which the merger of the Fund or a Sub-Fund is to be proposed, or of the decision of the Board of Directors to merge one or more Sub-Funds; or
- (g) where a UCI in which a Sub-Fund has invested a substantial portion of its assets temporarily suspends the conversion, redemption or subscription of its units, whether on its own initiative or at the request of its competent authorities.
- (h) In circumstances foreseen by the 2010 Law, notably in case of merger of the Fund or a Sub-Fund.

The Board of Directors has the power to suspend the issue, redemption and conversion of Shares in one or several Sub-Funds for any period during which the determination of the Net Asset Value per Share of the concerned Sub-Fund(s) is suspended by the Fund by virtue of the powers described above. Any redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the Fund before the end of such suspension period. Should such withdrawal not be effected, the Shares in question shall be redeemed/converted on the first Valuation Day following the termination of the suspension period. In the event of such period being extended, notice may be published in newspapers in the countries where the Fund's Shares are publicly sold. Investors who have requested the issue, redemption or conversion of Shares shall be informed of such suspension when such request is made.

9. Merger or Liquidation of Sub-Funds

Under the conditions set out in the Law and applicable regulations, any merger of a Sub-Fund with another Sub-Fund or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for the merger to the meeting of Shareholders of the Sub-Fund concerned. In the latter case, no quorum is required for this meeting and the decision for the merger is taken by a simple majority of the votes cast. In the case of a merger of a Sub-Fund where, as a result, the Fund ceases to exist, the merger shall, notwithstanding the foregoing, be decided by a meeting of Shareholders resolving with a simple majority of the votes cast.

In addition, the Board of Directors may liquidate a Sub-Fund:

- (i) in order to proceed to an economic rationalisation;
- (ii) in the event that a change in the economic or political situation relating to a Sub-Fund so justifies; or
- (iii) in the event that the total Net Asset Value of any Sub-Fund is less than the amount which the Board of Directors considers as being the minimum amount required for the existence of such Sub-Fund in the interest of the Shareholders.

Shareholders will be notified and the notice will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their shares free of charge. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund concerned will be deposited with the Caisse de Consignation on behalf of their beneficiaries.

The Board of Directors may also submit the question of the liquidation of a Sub-Fund to the Shareholders concerned and such meeting will resolve on such liquidation with a simple majority.

The Board of Directors may also, subject to regulatory approval (if required), decide to consolidate or split any Classes within a Sub-Fund. To the extent required by Luxembourg law, such decision will be published or notified in the same manner as described above and the publication and/or notification will contain information in relation to the proposed split or consolidation. The Board of Directors may

also decide to submit the question of the consolidation or split of Class(es) to a meeting of holders of such Class(es). No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

The Board of Directors may also decide upon the reorganisation of any Sub-Fund by means of a division into two or more separate Sub-Funds. Such decision will be published or notified to Shareholders and, in addition, the publication or notification will contain information in relation to the two or more separate Sub-Funds resulting from the reorganisation. Such publication or notification will be made at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or switch, free of charge, of their Shares before the reorganisation becomes effective.

10. Liquidation of the Fund

The Fund is incorporated for an unlimited period and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders. Such a meeting must be convened and held by the Board of Directors and held within 40 days if the net assets of the Fund become less than two thirds of the minimum capital required by law. The meeting, for which no quorum shall be required, shall decide on the dissolution by a simple majority of Shares represented at the meeting. If the net assets of the Fund fall below one fourth of the minimum capital required by law, the dissolution may be resolved by Shareholders holding one fourth of the issued Shares present or represented at the meeting.

Should the Fund be liquidated, such liquidation shall be carried out in accordance with the provisions of the 2010 Law which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provides for deposit in escrow at the *Caisse de Consignation* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Sub-Fund shall be distributed to the Shareholders of the relevant Sub-Fund in proportion to their respective holdings.

11. Pooling

For the purpose of effective management, and subject to the provisions of the Articles of Incorporation and to applicable laws and regulations, the Investment Manager may invest and manage all or any part of the portfolio of assets established for two or more Sub-Funds (for the purposes hereof "Participating Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate with respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Investment Manager may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the Share Class concerned. The share of a Participating Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Investment Manager shall, in its discretion, determine the initial value of notional units (which shall be expressed in such currency as the Investment Manager consider appropriate) and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed. Thereafter, the value of the notional unit shall be determined by dividing the net asset value of the asset pool by the number of notional units subsisting.

The entitlements of each Participating Fund to an asset pool apply to each and every line of investments of such asset pool.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of units of the Participating Fund concerned will be increased or reduced, as the case may be, by a number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash, it will be treated for the purpose of this calculation as reduced by an amount which the Investment Manager considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in

investing the cash concerned; in the case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the Fund, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

12. Material Contracts

The following material contracts have been entered into:

- (a) Agreement between the Fund and Brown Brothers Harriman (Luxembourg) S.C.A. pursuant to which the latter was appointed Depositary. The Agreement is entered into for an unlimited period and may be terminated by either party upon 90 days written notice.
- (b) Agreement between the Fund and Brown Brothers Harriman (Luxembourg) S.C.A. pursuant to which the latter was appointed Administrative Agent. The Agreement is entered into for an unlimited period and may be terminated by either party upon 90 days written notice.
- (c) Agreement between the Fund and Matthews International Capital Management, LLC pursuant to which the latter was appointed Investment Manager. The Agreement is entered into for an unlimited period and may be terminated by either party upon 90 days written notice.
- (d) Agreement between the Fund and Matthews International Capital Management, LLC pursuant to which the latter was appointed Global Distributor. The Agreement is entered into for an unlimited period and may be terminated by either party upon 90 days written notice.
- (e) Agreement between the Fund and Matthews Global Investors S.à r.l. pursuant to which the latter was appointed Investment Advisor. The Agreement is entered into for an unlimited period and may be terminated by either party upon 90 days written notice.

13. Documents

Copies of the contracts mentioned above are available for inspection, and copies of the Articles of Incorporation of the Fund, the current Prospectus, the KIIDs and the latest annual and semi-annual reports may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg.

APPENDIX I

PACIFIC TIGER FUND

1. Name of the Sub-Fund

Matthews Asia Funds – Pacific Tiger Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund’s investment objective is to achieve long-term capital appreciation.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its total net assets, in equities of companies located in the Asia ex-Japan Region. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

For the purpose of the Sub-Fund:

- a) The Asia ex-Japan region (the “Region”) shall be deemed to consist of all countries and markets in Asia, excluding Japan but including all developed, emerging and frontier countries and markets in Asia.
- b) A company is considered to be “located” in the Region if it has substantial ties to the Region, including for example, it (i) is organised under the laws of a country in the Region; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in the Region, or has at least 50% of its assets located within the Region; (iii) has the primary trading markets for its securities in the Region; or (iv) is a governmental entity or an agency, instrumentality or political subdivision of a country in the Region.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares either directly via a Qualified Foreign Institutional Investor (“QFII”) licence awarded to a Matthews group entity or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, or indirectly via investment in access products. In any event, where the Sub-Fund invests directly in China A Shares, under normal market conditions, it is expected that the Sub-Fund will not hold more than 10% of its net assets in China A Shares. The Sub-Fund may invest not more than 10% of its total assets in China B shares.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects, as well as risks linked thereto can be found under the section entitled “*Risks associated with investments in China A Shares.*”

3. Sub-Fund's Risk Profile

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, and risks associated with investments in different countries as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the MSCI All Country Asia ex Japan Index. The Sub-Fund does not aim to replicate or track the primary benchmark.

4. Profile of the Typical Investor

The Sub-Fund is suitable for investors who wish to gain exposure to the Asian equity market. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. *Classes of Shares*

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- A Class Shares (JPY);
- I Class Shares (USD);
- I Class Shares (GBP);
- I Class Shares (EUR); and
- I Class Shares (JPY).

Class A Shares are available to all investors. Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class A and Class I Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD or the currency of a share class. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes. These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. *Offer of Shares*

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class, or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. *Applicable Valuation Day for Subscriptions, Redemptions and Conversions*

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a "Valuation Day").

9. *Issue, Conversion and Redemption of Shares*

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. Dividend Policy

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 NAV of the Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. Fees

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

The Total Expense Ratio for Class A and Class I Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares (USD, GBP, EUR, JPY)	Class I Shares (USD, GBP, EUR, JPY)
Management Fee	1.25%	0.75%
Administration Fee	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.00%	Up to 2.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX II

CHINA FUND

1. Name of the Sub-Fund

Matthews Asia Funds – China Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund’s investment objective is to achieve long-term capital appreciation.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its total net assets, in equities of companies located in China (as defined hereafter). On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

For the purpose of this Sub-Fund:

- a) China consists of the People’s Republic of China, its administrative regions and other districts, such as Hong Kong, as well as Taiwan (collectively “China”).
- b) A company is considered to be “located” in China if it (i) is organised under the laws of China; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in China, or has at least 50% of its assets located within China; (iii) has the primary trading markets for its securities in China; or (iv) is a governmental entity or an agency, instrumentality or political subdivision of China.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares, either directly via a Qualified Foreign Institutional Investor (“QFII”) licence awarded to a Matthews group entity, or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, or indirectly via investment in access products. In any event where the Sub-Fund invests directly in China A Shares, under normal market conditions, it is expected that the Sub-Fund will not hold more than 10% of its net assets in China A Shares. The Sub-Fund may invest not more than 10% of its total assets in China B shares.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects as well as risks linked thereto can be found under section entitled “*Risks associated with investments in China A Shares*”.

3. Sub-Fund's Risk Profile

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the MSCI China Index. The Sub-Fund does not aim to replicate or track the primary benchmark.

4. Profile of the Typical Investor

The Sub-Fund is suitable for investors who wish to gain exposure to Chinese equity markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. *Classes of Shares*

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- I Class Shares (USD);
- I Class Shares (GBP);
- I Class Shares (EUR);
- S Class Shares (USD);
- S Class Shares (GBP); and
- S Class Shares (EUR).

Class A Shares are available to all investors. Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class S Shares are only available to investors who are approved by the Fund. Class S Shares will only be available until the total net assets of the Sub-Fund reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the “Seed Investment Limit”). Upon attaining the Seed Investment Limit, Class S Shares may be closed to new investors at the discretion of the Fund.

Class A, Class I and Class S Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD or the currency of a share class. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes.

These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. *Offer of Shares*

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class, or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

The minimum initial investment and holding for Class S Shares is USD 20,000,000 (or the equivalent of the USD amount in the currency of the relevant Class). The minimum subsequent investment for Class S Shares is USD 250,000 (or the equivalent of the USD amount in the currency of the relevant Class).

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. *Applicable Valuation Day for Subscriptions, Redemptions and Conversions*

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. *Issue, Conversion and Redemption of Shares*

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day at the latest.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. *Dividend Policy*

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 NAV of the Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. *Fees*

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

The Total Expense Ratio for Class A, Class I and Class S Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares (USD, GBP, EUR)	Class I Shares (USD, GBP, EUR)	Class S Shares (USD, GBP, EUR)
Management Fee	1.25%	0.75%	Up to 0.75%
Administration Fee	Up to 0.25%	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.00%	Up to 2.00%	Up to 1.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX III

ASIA DIVIDEND FUND

1. Name of the Sub-Fund

Matthews Asia Funds – Asia Dividend Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund seeks to provide a level of current income that is higher than the yield generally available in Asia Pacific equity markets over the long term.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its total net assets, in income-paying publicly traded common stocks, preferred stocks, convertible preferred stocks and other equity-related instruments (including, for example, investment trusts and other financial instruments) of companies located in the Asia Pacific region. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

Because of the Sub-Fund’s objective of seeking total return with an emphasis on providing current income (*i.e.*, income and capital appreciation), the Sub-Fund will primarily invest in companies that exhibit attractive dividend yields and the propensity (in Matthews’ judgment) to pay dividends.

For the purpose of this Sub-Fund:

- a) the Asia Pacific region (the “Region”) shall be deemed to consist of all countries and markets in Asia, as well as Australia and New Zealand including all developed, emerging and frontier countries and markets in Asia.
- b) A company is considered to be “located” in the Region if it has substantial ties to the Region including, for example if it (i) is organised under the laws of a country in the Region; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in the Region, or has at least 50% of its assets located within the Region; (iii) has the primary trading markets for its securities in the Region; or (iv) is a governmental entity or an agency, instrumentality or political subdivision of a country in the Region.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares, either directly via a Qualified Foreign Institutional Investor (“QFII”) licence awarded to a Matthews group entity, or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, or indirectly via investment in access products. In any event where the Sub-Fund invests directly in China A Shares, under normal market conditions, it is expected that the Sub-Fund will not hold more than 10% of its net assets in China A Shares. The Sub-Fund may invest not more than 10% of its total assets in China B shares.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects as well as risks linked thereto can be found under the section entitled “*Risks associated with investments in China A Shares*”.

3. Sub-Fund's Risk Profile

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the MSCI All Country Asia Pacific Index. The Sub-Fund does not aim to replicate or track the primary benchmark.

4. *Profile of the Typical Investor*

The Sub-Fund is suitable for investors who wish to gain exposure to Asia-Pacific equity markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. *Base Currency*

The Base Currency of the Sub-Fund is the USD.

6. *Classes of Shares*

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- I Class Shares (USD);
- I Class Shares (GBP);
- I Class Shares (EUR); and
- C Class Shares (USD).

Class A Shares are available to all investors. Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class C Shares are only available to Institutional Investors having a benevolent or philanthropic purpose (*i.e.* charitable organisations). Class A, Class I and Class C Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD or the currency of a share class. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes.

These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

Class C Shares are currently only offered as accumulation Shares.

7. *Offer of Shares*

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class, or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

The minimum initial investment for Class C Shares is USD 5,000,000 (or its equivalent in the currency of the relevant Class) and the minimum holding is USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class C Shares is USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Class).

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. *Applicable Valuation Day for Subscriptions, Redemptions and Conversions*

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. *Issue, Conversion and Redemption of Shares*

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day at the latest.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. *Dividend Policy*

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 NAV of the Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. *Fees*

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

In relation to Class C Shares, a Management Fee of up to 0.75% per annum and an Administrative Fee of up to 0.25% per annum of the NAV of the Class may be levied. The Investment Advisor shall be entitled to that proportion of the Management Fee and the Administrative Fee so that, after taking into account all expenses attributable to Class C Shares the total amount of fees (including the Management and Administration Fees and the Depositary and Administrative Agent Fees) will not exceed 0.95% of the Class’s NAV.

The Total Expense Ratio for Class A and Class I Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares (USD, GBP, EUR)	Class I Shares (USD, GBP, EUR)	Class C Shares (USD)
Management Fee	1.25%	0.75%	Up to 0.75%
Administration Fee	Up to 0.25%	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.00%	Up to 2.00%	Up to 2.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX IV

INDIA FUND

1. Name of the Sub-Fund

Matthews Asia Funds – India Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund’s investment objective is to achieve long-term capital appreciation.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its total net assets, in publicly traded common stocks, preferred stocks and convertible securities of companies located in India. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

For the purpose of this Sub-Fund, a company is considered to be “located” in India if it has substantial ties to India, including, for example, it (i) is organised under the laws of India; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in India, or has at least 50% of its assets located within India; (iii) has the primary trading markets for its securities in India or (iv) is a governmental entity or an agency, instrumentality or political subdivision of India.

3. Sub-Fund's Risk Profile

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the S&P Bombay Stock Exchange 100 Index. The Sub-Fund does not aim to replicate or track the primary benchmark.

4. Profile of the Typical Investor

The Sub-Fund is suitable for investors who wish to gain exposure to Indian equity markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Classes of Shares

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- I Class Shares (USD);
- I Class Shares (GBP);
- I Class Shares (EUR);
- S Class Shares (USD);
- S Class Shares (GBP); and
- S Class Shares (EUR).

Class A Shares are available to all investors. Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class S Shares are only available to investors who are approved by the Fund. Class S

Shares will only be available until the total net assets of the Sub-Fund reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the “Seed Investment Limit”). Upon attaining the Seed Investment Limit, Class S Shares may be closed to new investors at the discretion of the Fund.

Class A, Class I and Class S Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD or the currency of a share class. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes.

These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. Offer of Shares

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class, or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

The minimum initial investment and holding for Class S Shares is USD 20,000,000 (or the equivalent of the USD amount in the currency of the relevant Class). The minimum subsequent investment for Class S Shares is USD 250,000 (or the equivalent of the USD amount in the currency of the relevant Class).

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. Applicable Valuation Day for Subscriptions, Redemptions and Conversions

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. Issue, Conversion and Redemption of Shares

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day at the latest.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. Dividend Policy

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 NAV of the Shares. In relation to Shares

referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. Fees

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

The Total Expense Ratio for Class A, Class I and Class S Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares (USD, GBP, EUR)	Class I Shares (USD, GBP, EUR)	Class S Shares (USD, GBP, EUR)
Management Fee	1.25%	0.75%	Up to 0.75%
Administration Fee	Up to 0.25%	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.00%	Up to 2.00%	Up to 1.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX V

CHINA SMALL COMPANIES FUND

1. Name of the Sub-Fund

Matthews Asia Funds – China Small Companies Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund’s investment objective is to achieve long-term capital appreciation.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its total net assets, in equities of small companies located in China (as defined hereafter). On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

For the purpose of this Sub-Fund:

- a) China includes the People’s Republic of China, its administrative regions and other districts, such as Hong Kong, as well as Taiwan (collectively “China”).
- b) a company is considered to be “located” in China if it has substantial ties to China, including for example if it (i) is organised under the laws of China; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in China, or has at least 50% of its assets located within China; (iii) has the primary trading markets for its securities in China; or (iv) is a governmental entity or an agency, instrumentality or political subdivision of China.
- c) a company is considered to be a “small company” based on the size of its revenues, number of employees, net assets, the size and depth of its product line, level of development, and other factors compared to other companies in its industry, sector or region. The Sub-Fund will not invest in any company that has a market capitalization (the number of the company's shares outstanding times the market price per share for such shares) higher than the greater of \$3 billion or the market capitalization of the largest company included in the Sub-Fund's primary benchmark index, if, at the time of purchase, more than 20% of the Sub-Fund's assets are invested in such companies. “Such companies” refer to companies with a market capitalization which is higher than the greater of:
 - US\$3 billion or
 - the market capitalization of the largest company included in the Sub-Fund's primary benchmark index.

The primary benchmark index is the MSCI China Small Cap Index. The Sub-Fund does not aim to replicate or track the primary benchmark. The Sub-Fund may continue to hold a security if its market capitalization increases above these levels after purchase.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares, either directly via a Qualified Foreign Institutional Investor (“QFII”) licence awarded to a Matthews group entity, or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, or indirectly via investment in access products. In any event where the Sub-Fund invests directly in China A Shares, under normal market conditions, it is expected that the Sub-Fund will not hold more than 10% of its net assets in China A Shares. The Sub-Fund may invest not more than 10% of its total assets in China B shares.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects as well as risks linked thereto can be found under the section entitled “*Risks associated with investments in China A Shares*” “.

3. *Sub-Fund's Risk Profile*

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

4. *Profile of the Typical Investor*

The Sub-Fund is suitable for investors who wish to gain exposure to Chinese equity markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. *Base Currency*

The Base Currency of the Sub-Fund is the USD.

6. *Classes of Shares*

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- I Class Shares (USD);
- I Class Shares (GBP); and
- I Class Shares (EUR).

Class A Shares are available to all investors and Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class A and Class I Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD or the currency of a share class. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes.

These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. *Offer of Shares*

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class, or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. *Applicable Valuation Day for Subscriptions, Redemptions and Conversions*

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. *Issue, Conversion and Redemption of Shares*

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day at the latest.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. *Dividend Policy*

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 NAV of the Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. *Fees*

The Investment Advisor receives a Management Fee—as shown below, calculated as an annual percentage of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

The Total Expense Ratio for Class A and Class I Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund set forth below:

	Class A Shares (USD, GBP, EUR)	Class I Shares (USD, GBP, EUR)
Management Fee	1.50%	1.00%
Administration Fee	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.25%	Up to 2.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX VI

CHINA DIVIDEND FUND

1. Name of the Sub-Fund

Matthews Asia Funds – China Dividend Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund seeks to provide a level of current income that is higher than the yield generally available in China’s equity markets over the long term.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its total net assets, in income-paying publicly traded common stocks, preferred stocks, convertible preferred stocks and other equity-related instruments (including, for example, investment trusts and other financial instruments) of companies located in China (as defined hereafter). The Sub-Fund may also invest in convertible fixed-income securities. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis. Because of the Sub-Fund’s objective of seeking total return with an emphasis on providing current income (*i.e.*, income and capital appreciation), the Sub-Fund will primarily invest in companies that exhibit attractive dividend yields and the propensity to pay dividends.

For the purpose of this Sub-Fund:

- a) China includes the People’s Republic of China, its administrative regions and other districts, such as Hong Kong, as well as Taiwan (collectively “China”).
- b) A company is considered to be “located” in China if it has substantial ties to China, including for example, if it (i) is organised under the laws of China; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in China, or has at least 50% of its assets located within China; (iii) has the primary trading markets for its securities in China; or (iv) is a governmental entity or an agency, instrumentality or political subdivision of China.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares, either directly via a Qualified Foreign Institutional Investor (“QFII”) licence awarded to a Matthews group entity, or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, or indirectly via investment in access products. In any event where the Sub-Fund invests directly in China A Shares, under normal market conditions, it is expected that the Sub-Fund will not hold more than 10% of its net assets in China A Shares. The Sub-Fund may invest not more than 10% of its total assets in China B shares.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects as well as risks linked thereto can be found under the section entitled “*Risks associated with investments in China A Shares*”

3. Sub-Fund's Risk Profile

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the MSCI China Index. The Sub-Fund does not aim to replicate or track the primary benchmark.

4. *Profile of the Typical Investor*

The Sub-Fund is suitable for investors who wish to gain exposure to Chinese equity markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. *Base Currency*

The Base Currency of the Sub-Fund is the USD.

6. *Classes of Shares*

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- I Class Shares (USD);
- I Class Shares (GBP);
- I Class Shares (EUR);
- S Class Shares (USD);
- S Class Shares (GBP); and
- S Class Shares (EUR).

Class A Shares are available to all investors. Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class S Shares are only available to investors who are approved by the Fund. Class S Shares will only be available until the total net assets of the Sub-Fund reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the “Seed Investment Limit”). Upon attaining the Seed Investment Limit, Class S Shares may be closed to new investors at the discretion of the Fund.

Class A, Class I and Class S Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD or the currency of a share class. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes

Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. *Offer of Shares*

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class, or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

The minimum initial investment and holding for Class S Shares is USD 20,000,000 (or the equivalent of the USD amount in the currency of the relevant Class). The minimum subsequent investment for

Class S Shares is USD 250,000 (or the equivalent of the USD amount in the currency of the relevant Class).

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. *Applicable Valuation Day for Subscriptions, Redemptions and Conversions*

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. *Issue, Conversion and Redemption of Shares*

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day at the latest.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. *Dividend Policy*

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 NAV of the Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. *Fees*

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

The Total Expense Ratio for Class A, Class I and Class S Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares (USD, GBP, EUR)	Class I Shares (USD, GBP, EUR)	Class S Shares (USD, GBP, EUR)
Management Fee	1.25%	0.75%	Up to 0.75%
Administration Fee	Up to 0.25%	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.00%	Up to 2.00%	Up to 1.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX VII

ASIA SMALL COMPANIES FUND

1. Name of the Sub-Fund

Matthews Asia Funds – Asia Small Companies Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund’s investment objective is to achieve long-term capital appreciation.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its total net assets, in equities of small companies located in the Asia Ex-Japan region. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

For the purpose of this Sub-Fund:

- a) the Asia Ex Japan region (the “Region”) consists of all countries and markets in Asia excluding Japan, but including all other developed, emerging and frontier countries and markets in Asia.
- b) a company is considered to be “located” in the Region if it has substantial ties to the Region, including for example, if it (i) is organised under the laws of a country in the Region; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in the Region, or has at least 50% of its assets located within the Region; (iii) has the primary trading markets for its securities in the Region; or (iv) is a governmental entity or an agency, instrumentality or political subdivision of a country in the Region.
- c) a company is considered to be a “small company” based on the size of its revenues, number of employees, net assets, the size and depth of its product line, level of development, and other factors compared to other companies in its industry, sector or region. The Sub-Fund will not invest in any company that has a market capitalization (the number of the company's shares outstanding times the market price per share for such shares) higher than the greater of \$3 billion or the market capitalization of the largest company included in the Sub-Fund's primary benchmark index, if, at the time of purchase, more than 20% of the Sub-Fund's assets are invested in such companies. “Such companies” refer to companies with a market capitalization which is higher than the greater of:
 - US\$3 billion or
 - the market capitalization of the largest company included in the Sub-Fund's primary benchmark index.

The primary benchmark index is the MSCI All Country Asia ex Japan Small Cap Index. The Sub-Fund does not aim to replicate or track the primary benchmark index. The Sub-Fund may continue to hold a security if its market capitalization increases above these levels after purchase.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares, either directly via a Qualified Foreign Institutional Investor (“QFII”) licence awarded to a Matthews group entity, or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, or indirectly via investment in access products. In any event where the Sub-Fund invests directly in China A Shares, under normal market conditions, it is expected that the Sub-Fund will not hold more than 10% of its net assets in China A Shares. The Sub-Fund may invest not more than 10% of its total assets in China B shares.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects as well as risks linked thereto can be found under the section entitled “*Risks associated with investments in China A Shares*”

3. *Sub-Fund's Risk Profile*

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

4. *Profile of the Typical Investor*

The Sub-Fund is suitable for investors who wish to gain exposure to Asian equity markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. *Base Currency*

The Base Currency of the Sub-Fund is the USD.

6. *Classes of Shares*

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- I Class Shares (USD);
- I Class Shares (GBP); and
- I Class Shares (EUR).

Class A Shares are available to all investors and Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class A and Class I Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD or the currency of a share class. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes.

These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. *Offer of Shares*

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class, or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. *Applicable Valuation Day for Subscriptions, Redemptions and Conversions*

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. *Issue, Conversion and Redemption of Shares*

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day at the latest.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10 *Dividend Policy*

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 NAV of the Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. *Fees*

The Investment Advisor receives a Management Fee as shown below, calculated as an annual percentage of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

The Total Expense Ratio for Class A and Class I Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund set forth below:

	Class A Shares (USD, GBP, EUR)	Class I Shares (USD, GBP, EUR)
Management Fee	1.50%	1.00%
Administration Fee	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.25%	Up to 2.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX VIII

ASIA FOCUS FUND

1. Name of the Sub-Fund

Matthews Asia Funds – Asia Focus Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund’s investment objective is to achieve long-term capital appreciation.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its total net assets, in equities of companies located in the Asia ex-Japan region. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

For the purpose of this Sub-Fund:

- a) the Asia Ex Japan region (the “Region”) consists of all countries and markets in Asia excluding Japan, but including all other developed, emerging and frontier countries and markets in Asia.
- b) a company is considered to be “located” in the Region if it has substantial ties to the Region, including for example, if it (i) is organised under the laws of a country in the Region; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in the Region, or has at least 50% of its assets located within the Region; (iii) has the primary trading markets for its securities in the Region; or (iv) is a governmental entity or an agency, instrumentality or political subdivision of a country in the Region.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares, either directly via a Qualified Foreign Institutional Investor (“QFII”) licence awarded to a Matthews group entity, or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, or indirectly via investment in access products. In any event where the Sub-Fund invests directly in China A Shares, under normal market conditions, it is expected that the Sub-Fund will not hold more than 10% of its net assets in China A Shares. The Sub-Fund may invest not more than 10% of its total assets in China B shares.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects as well as risks linked thereto can be found under the section entitled *Risks associated with investments in China A Shares*.

Although the Sub-Fund is unconstrained by sector, geographic area or market capitalization, companies in which the Sub-Fund invests are typically expected to be medium capitalization companies or large capitalization companies. The Sub-Fund is expected to hold stocks of between 25 and 35 companies under normal market conditions.

3. Sub-Fund's Risk Profile

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, and risks associated with investments in different countries as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the MSCI All Country Asia Ex Japan Index. The Sub-Fund does not aim to replicate or track the primary benchmark.

4. *Profile of the Typical Investor*

The Sub-Fund is suitable for investors who wish to gain exposure to Asian equity markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. *Base Currency*

The Base Currency of the Sub-Fund is the USD.

6. *Classes of Shares*

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- I Class Shares (USD);
- I Class Shares (GBP);
- I Class Shares (EUR);
- S Class Shares (USD);
- S Class Shares (GBP); and
- S Class Shares (EUR).

Class A Shares are available to all investors. Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class S Shares are only available to investors who are approved by the Fund. Class S Shares will only be available until the total net assets of the Sub-Fund reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the “Seed Investment Limit”). Upon attaining the Seed Investment Limit, Class S Shares may be closed to new investors at the discretion of the Fund.

Class A, Class I and Class S Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD or the currency of a share class. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes. These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. *Offer of Shares*

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

The minimum initial investment and holding for Class S Shares is USD 20,000,000 (or the equivalent of the USD amount in the currency of the relevant Class). The minimum subsequent investment for

Class S Shares is USD 250,000 (or the equivalent of the USD amount in the currency of the relevant Class).

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. Applicable Valuation Day for Subscriptions, Redemptions and Conversions

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. Issue, Conversion and Redemption of Shares

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. Dividend Policy

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 NAV of the Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. Fees

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

The Total Expense Ratio for Class A, Class I and Class S Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares (USD, GBP, EUR)	Class I Shares (USD, GBP, EUR)	Class S Shares (USD, GBP, EUR)
Management Fee	1.25%	0.75%	Up to 0.75%
Administration Fee	Up to 0.25%	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.00%	Up to 2.00%	Up to 1.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX IX

ASIA STRATEGIC INCOME FUND

1. Name of the Sub-Fund

Matthews Asia Funds – Asia Strategic Income Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund’s investment objective is to seek total return over the long term, with an emphasis on income.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing at least 80% of its net assets in income-producing securities including, but not limited to, debt and debt-related instruments and/or dividend paying equity securities and derivative instruments with fixed income characteristics, issued by governments, quasi-governmental entities, supra-national institutions and companies in Asia. Investments may be denominated in any currency, and may represent any part of a company’s capital structure from debt to equity or with features of both. Debt and debt-related instruments typically include, but are not limited to, bonds, debentures, bills, notes, certificates of deposit and other bank obligations, senior secured bank debt, convertible debt securities, credit-linked notes, inflation-linked instruments and/or repurchase agreements.

For the purpose of this Sub-Fund:

- a) Asia consists of all countries and markets in Asia and includes developed, emerging, and frontier countries and markets in Asia.
- b) A company is considered to be “located” in Asia if it has substantial ties to Asia, including for example, if it (i) is organized under the laws of a country in Asia; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in Asia, or has at least 50% of its assets located, within Asia or region; (iii) has the primary trading markets for its securities in Asia; or (iv) is a governmental entity or an agency, instrumentality or a political subdivision of a country in Asia.
- c) Instruments will be deemed to be Asian securities if the issuer is headquartered in an Asia country, the instrument is denominated in the currency of an Asian country, or the instrument is issued with respect to a project located in, or secured or backed by assets located in Asia, or is otherwise linked to Asia. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

Up to 50% of the Sub-Fund’s total net assets may be invested in securities of issuers from a single country (including the government of that country, its agencies, instrumentalities and political subdivisions), and up to 25% of the Sub-Fund’s total net assets may be invested in the securities issued or guaranteed by any one Asian government (including its agencies, instrumentalities and political subdivisions).

The Sub-Fund reserves the right to hedge its exposure to currencies other than USD to reduce the risk of loss from fluctuations in currency exchange rates, but normally does not expect to do so.

The Sub-Fund may use financial derivative instruments for hedging and/or investment purposes, including swaps, managing interest rate, currency and credit exposure, involving a variety of underlying instruments, including for example, currencies, debt securities (such as credit default swaps, credit interest swaps), securities indexes, futures and options on swaps (commonly referred to as swaptions). In particular, the Sub-Fund may seek to take on currency exposure by using derivatives such as currency forwards and, as a result, the Sub-Fund’s exposure to a currency could exceed the value of the Sub-Fund’s assets denominated in that currency.

The Sub-Fund may invest in debt securities of any quality, including high yield debt securities rated below investment grade (commonly referred to as “junk bonds”) and unrated debt securities. The Sub-

Fund has no stated maturity or duration target and the average effective maturity or duration may change.

The Sub-Fund may employ a currency overlay strategy in an effort to enhance returns and moderate volatility. This strategy would involve long and short positions on one or more currencies, with a total or gross notional value of these positions that may amount to substantial portion of the NAV of the Sub-Fund, although the net market value of these positions, on a marked-to-market basis, at most times, is expected to be substantially lower.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares or onshore debt securities listed on the Shanghai or Shenzhen Stock Exchanges (“Onshore Debt Investments”), either directly via a Qualified Foreign Institutional Investor (“QFII”) licence awarded to a Matthews group entity, or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, or indirectly via investment in access products. In any event where the Sub-Fund invests directly in China A Shares or Onshore Debt Investments, under normal market conditions, it is expected that the Sub-Fund will not i) hold more than 10% of its net assets in China A Shares nor ii) hold more than 10% of its net assets in Onshore Debt Instruments. The Sub-Fund may invest not more than 10% of its total assets in China B shares.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects as well as risks linked thereto can be found under the section entitled *Risks associated with investments in China A Shares*.

3. Sub-Fund's Risk Profile

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, and risks associated with investments in different countries as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the Markit iBoxx Asian Local Bond Index. Prior to 1 May 2016, the Markit iBoxx Asian Local Bond Index was known as the HSBC Asian Local Bond Index. The Sub-Fund does not aim to replicate or track the primary benchmark index.

4. Profile of the Typical Investor

The Sub-Fund is suitable for investors who wish to gain exposure to Asian financial markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Classes of Shares

- A Class Shares (USD);
- A Class Shares (GBP); and
- A Class Shares (EUR);
- I Class Shares (USD);
- I Class Shares (GBP); and
- I Class Shares (EUR).
- S Class Shares (USD);
- S Class Shares (GBP); and
- S Class Shares (EUR).

Class A Shares are available to all investors. Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial

intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class S Shares are only available to investors who are approved by the Fund. Class S Shares will only be available until the total net assets of the Sub-Fund reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the “Seed Investment Limit”). Upon attaining the Seed Investment Limit, Class S Shares may be closed to new investors at the discretion of the Fund.

Class A, Class I and Class S Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes. These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. Offer of Shares

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

The minimum initial investment and holding for Class S Shares is USD 5,000,000 (or the equivalent of the USD amount in the currency of the relevant Class of Shares). The minimum subsequent investment for Class S Shares is USD 250,000 (or the equivalent of the USD amount in the currency of the relevant Class).

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. Applicable Valuation Day for Subscriptions, Redemptions and Conversions

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. Issue, Conversion and Redemption of Shares

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. Dividend Policy

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 NAV of the 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 investment. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. Fees

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

In relation to Class S Shares, a Management Fee of up to 0.65% per annum and an Administrative Fee of up to 0.25% per annum of the NAV of the Class may be levied. The Investment Advisor shall be entitled to that proportion of the Management Fee and the Administrative Fee so that, after taking into account all expenses attributable to Class S Shares the total amount of fees (including the Management and Administration Fees and the Depositary and Administrative Agent Fees) will not exceed 0.75% of the NAV of the Class S Shares.

The Total Expense Ratio for Class A, Class I and Class S Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares (USD, GBP, EUR)	Class I Shares (USD, GBP, EUR)	Class S Shares (USD, GBP, EUR)
Management Fee	1.20%	0.65%	Up to 0.65%
Administration Fee	Up to 0.25%	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 1.75%	Up to 1.25%	Up to 0.75%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX X

ASIA CREDIT OPPORTUNITIES FUND

1. Name of the Sub-Fund

Matthews Asia Funds – Asia Credit Opportunities Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund’s investment objective is to seek total return over the long term.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing at least 80% of its net assets in income-producing securities including, but not limited to, debt and debt-related instruments and derivative instruments with fixed income characteristics, issued by governments, quasi-governmental entities, supra-national institutions and companies in Asia. On an ancillary basis the Sub-Fund may invest in dividend paying equity securities of the foregoing issuers. Investments may be denominated in any currency, and may represent any part of a company’s capital structure from debt to equity or with features of both. Debt and debt-related instruments typically include, but are not limited to, bonds, debentures, bills, notes, certificates of deposit and other bank obligations, senior secured bank debt, convertible debt securities, credit-linked notes, inflation-linked instruments and/or repurchase agreements.

For the purpose of this Sub-Fund:

- a) Asia consists of all countries and markets in Asia and includes developed, emerging, and frontier countries and markets in Asia.
- b) A company is considered to be “located” in Asia if it has substantial ties to Asia, including for example, if it (i) is organized under the laws of a country in Asia; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in Asia, or has at least 50% of its assets located, within Asia or region; (iii) has the primary trading markets for its securities in Asia; or (iv) is a governmental entity or an agency, instrumentality or a political subdivision of a country in Asia.
- c) Instruments will be deemed to be Asian securities if the issuer is headquartered in an Asia country, the instrument is denominated in the currency of an Asian country, or the instrument is issued with respect to a project located in, or secured or backed by assets located in Asia, or is otherwise linked to Asia. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

Up to 50% of the Sub-Fund’s total net assets may be invested in securities of issuers from a single country (including the government of that country, its agencies, instrumentalities and political subdivisions), and up to 25% of the Sub-Fund’s total net assets may be invested in the securities issued or guaranteed by any one Asian government (including its agencies, instrumentalities and political subdivisions).

The Sub-Fund reserves the right to hedge its exposure to currencies other than USD to reduce the risk of loss from fluctuations in currency exchange rates, but normally does not expect to do so.

The Sub-Fund may use financial derivative instruments for hedging and/or investment purposes, including managing interest rate (such as interest rate swaps), currency and credit exposure (such as credit default swaps), involving a variety of underlying instruments, including for example, currencies, debt securities), securities indexes, futures and options on swaps (commonly referred to as swaptions). In particular, the Sub-Fund may seek to take on currency exposure by using derivatives such as currency forwards and, as a result, the Sub-Fund’s exposure to a currency could exceed the value of the Sub-Fund’s assets denominated in that currency.

The Sub-Fund may invest in debt securities of any quality, including high yield debt securities rated below investment grade (commonly referred to as “junk bonds”) and unrated debt securities. The Sub-

Fund has no stated maturity or duration target and the average effective maturity or duration may change.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares or onshore debt securities listed on the Shanghai or Shenzhen Stock Exchanges (“Onshore Debt Investments”), either directly via a Qualified Foreign Institutional Investor (“QFII”) licence awarded to a Matthews group entity, the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs or indirectly via investment in access products. In any event where the Sub-Fund invests directly in China A Shares or Onshore Debt Investments, under normal market conditions, it is expected that the Sub-Fund will not i) hold more than 10% of its net assets in China A Shares nor ii) hold more than 10% of its net assets in Onshore Debt Instruments. The Sub-Fund may invest not more than 10% of its total assets in China B shares.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects as well as risks linked thereto can be found under the section entitled “*Risks associated with investments in China A Shares*”.

3. Sub-Fund's Risk Profile

The investments in debt securities and other assets the Sub-Fund may invest in involve risks linked to debt markets, including volatility risk, and risks associated with investments in different countries as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the J.P. Morgan Asia Credit Index. The Sub-Fund does not aim to replicate or track the primary benchmark index.

4. Profile of the Typical Investor

The Sub-Fund is suitable for investors who wish to gain exposure to Asian financial markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to debt markets with an investment horizon of at least 5 years.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Classes of Shares

- A Class Shares (USD);
- A Class Shares (GBP); and
- A Class Shares (EUR);
- I Class Shares (USD);
- I Class Shares (GBP); and
- I Class Shares (EUR).
- S Class Shares (USD);
- S Class Shares (GBP); and
- S Class Shares (EUR).

Class A Shares are available to all investors. Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class S Shares are only available to investors who are approved by the Fund. Class S Shares will only be available until the total net assets of the Sub-Fund reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the “Seed Investment Limit”). Upon attaining the Seed Investment Limit, Class S Shares may be closed to new investors at the discretion of the Fund.

Class A, Class I and Class S Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes. These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. *Offer of Shares*

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

The minimum initial investment and holding for Class S Shares is USD 5,000,000 (or the equivalent of the USD amount in the currency of the relevant Class). The minimum subsequent investment for Class S Shares is USD 250,000 (or the equivalent of the USD amount in the currency of the relevant Class).

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. *Applicable Valuation Day for Subscriptions, Redemptions and Conversions*

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. *Issue, Conversion and Redemption of Shares*

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. *Dividend Policy*

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 NAV of the 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 investment. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. Fees

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

In relation to Class S Shares, a Management Fee of up to 0.65% per annum and an Administrative Fee of up to 0.25% per annum of the NAV of the Class may be levied. The Investment Advisor shall be entitled to that proportion of the Management Fee and the Administrative Fee so that, after taking into account all expenses attributable to Class S Shares the total amount of fees (including the Management and Administration Fees and the Depositary and Administrative Agent Fees) will not exceed 0.75% of the NAV of the Class S Shares.

The Total Expense Ratio for Class A, Class I and Class S Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares (USD, GBP, EUR)	Class I Shares (USD, GBP, EUR)	Class S Shares (USD, GBP, EUR)
Management Fee	1.20%	0.65%	Up to 0.65%
Administration Fee	Up to 0.25%	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 1.75%	Up to 1.25%	Up to 0.75%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX XI

JAPAN FUND

1. Name of the Sub-Fund

Matthews Asia Funds – Japan Fund (hereinafter referred to as the “Sub-Fund”).

2. Investment Objective and Policy

The Sub-Fund’s investment objective is to achieve long-term capital appreciation.

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its total net assets, in publicly traded common stocks, preferred stocks and convertible securities of companies located in Japan. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

For the purpose of this Sub-Fund, a company is considered to be “located” in Japan if it has substantial ties to Japan, including, for example, it (i) is organised under the laws of Japan; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in Japan, or has at least 50% of its assets located within Japan; (iii) has the primary trading markets for its securities in Japan or (iv) is a governmental entity or an agency, instrumentality or political subdivision of Japan.

3. Sub-Fund's Risk Profile

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, as described in section “*Risk Considerations*” of the main part of this Prospectus. The Sub-Fund’s investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund’s investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the MSCI Japan Index. The Sub-Fund does not aim to replicate or track the primary benchmark.

4. Profile of the Typical Investor

The Sub-Fund is suitable for investors who wish to gain exposure to Japan equity markets. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. Base Currency

The Base Currency of the Sub-Fund is the USD.

6. Classes of Shares

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- A Class Shares (JPY);
- I Class Shares (USD);
- I Class Shares (GBP);
- I Class Shares (EUR);
- I Class Shares (JPY);
- S Class Shares (USD);
- S Class Shares (GBP);
- S Class Shares (EUR);
- S Class Shares (JPY);
- A Hedged Class Shares (USD);
- A Hedged Class Shares (GBP);

- A Hedged Class Shares (EUR);
- I Hedged Class Shares (USD);
- I Hedged Class Shares (GBP);
- I Hedged Class Shares (EUR);
- S Hedged Class Shares (USD);
- S Hedged Class Shares (GBP) ;
- S Hedged Class Shares (EUR).

Class A Shares and Class A Hedged Shares are available to all investors. Class I Shares and Class I Hedged Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class S Shares and Class S Hedged Shares are only available to investors who are approved by the Fund. Class S Shares and Class S Hedged Shares will only be available until the total net assets of the Sub-Fund reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the “Seed Investment Limit”). Upon attaining the Seed Investment Limit, Class S Shares and Class S Hedged Shares may be closed to new investors at the discretion of the Fund.

Class A, Class A Hedged, Class I, Class I Hedged, Class S and Class S Hedged Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD at the Sub-Fund level. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes. With respect to Hedged Share Classes of the Sub-Fund, the Board of Directors seeks to reduce currency risk of each Hedged Share Class by hedging exposure to fluctuations of the Predominant Currency of the Sub-Fund, the Japanese yen (“JPY”), against the Class Currency of the relevant Hedged Share Class, through foreign exchange transactions. For example, Class A, I and S Hedged Shares (USD) of the Sub-Fund will be hedged against JPY to reduce the effect of exchange rate fluctuations between JPY and USD; Class A, I and S Hedged Shares (GBP) of the Sub-Fund will be hedged against JPY to reduce the effect of exchange rate fluctuations between JPY and GBP; and Class A, I and S Hedged Shares (EUR) will be hedged against JPY to reduce the effect of exchange rate fluctuations between JPY and EUR. To achieve this hedging objective, the Investment Manager may, at its absolute discretion, engage, for the exclusive account of and at the cost of each Hedged Share Class, in foreign exchange transactions. The costs and effects of any such hedging will be reflected in the NAV and in the performance of the relevant Classes.

These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. Offer of Shares

The minimum initial investment and holding for Class A Shares or Class A Hedged Shares is GBP 500 for the GBP Class, or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares or Class A Hedged Shares is GBP 250 for the GBP Class, USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares or Class I Hedged Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I Shares or Class I Hedged Shares is GBP 125,000 for the GBP Class (except for U.K. residents for

whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class) for I Shares.

The minimum initial investment and holding for Class S Shares or Class S Hedged Shares is USD 20,000,000 (or the equivalent of the USD amount in the currency of the relevant Class). The minimum subsequent investment for Class S Shares or Class S Hedged Shares is USD 250,000 (or the equivalent of the USD amount in the currency of the relevant Class).

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

8. *Applicable Valuation Day for Subscriptions, Redemptions and Conversions*

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

9. *Issue, Conversion and Redemption of Shares*

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day at the latest.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

10. *Dividend Policy*

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 NAV of the Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

11. *Fees*

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

The Total Expense Ratio for Class A, Class I and Class S Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares Class A Hedged Shares (USD, GBP, EUR, JPY)	Class I Shares Class I Hedged Shares (USD, GBP, EUR, JPY)	Class S Shares Class S Hedged Shares (USD, GBP, EUR, JPY)
Management Fee	1.25%	0.75%	Up to 0.75%
Administration Fee	Up to 0.25%	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.00%	Up to 2.00%	Up to 1.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.

APPENDIX XII

ASIA EX JAPAN DIVIDEND FUND

1. Name of the Sub-Fund

Matthews Asia Funds – Asia ex Japan Dividend Fund (hereinafter referred to as the "Sub-Fund").

2. Investment Objective and Policy

The Sub-Fund's investment objective is to achieve total return through capital appreciation and current income. The Sub-Fund pursues its objective by primarily investing in companies that exhibit attractive dividend yields and/or the potential (in the Investment Manager's judgment) to grow dividends over time.

Under normal market conditions, the Sub-Fund invests, directly or indirectly, at least 80% of its total net assets, in income-paying publicly traded common stocks, preferred stocks, convertible preferred stocks and other equity-related instruments (including, for example, investment trusts and other financial instruments) of companies located in the Asia ex Japan region. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis.

For the purpose of this Sub-Fund:

- a) the Asia ex Japan region (the "Region") shall be deemed to consist of all countries and markets in Asia, excluding Japan but including all developed, emerging and frontier countries and markets in Asia.
- b) A company is considered to be "located" in the Region if it has substantial ties to the Region including, for example if it (i) is organised under the laws of a country in the Region; (ii) derives at least 50% of its revenues or profits from goods produced or sold, investments made, services performed in the Region, or has at least 50% of its assets located within the Region; (iii) has the primary trading markets for its securities in the Region; or (iv) is a governmental entity or an agency, instrumentality or political subdivision of a country in the Region.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares, either directly via a Qualified Foreign Institutional Investor ("QFII") licence awarded to a Matthews group entity, or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, or indirectly via investment in access products.

A detailed description of the investments in China A Shares through the use of a QFII license and the Stock Connects as well as risks linked thereto can be found under the section entitled "*Risks associated with investments in China A Shares*".

3. Sub-Fund's Risk Profile

The investments in equity securities and other assets the Sub-Fund may invest in involve risks linked to stock markets, including volatility risk, as described in section "*Risk Considerations*" of the main part of this Prospectus. The Sub-Fund's investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Fund's investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

The primary benchmark index is the MSCI All Country Asia ex-Japan Index. The Sub-Fund does not aim to replicate or track the primary benchmark.

4. *Profile of the Typical Investor*

The Sub-Fund is suitable for investors who wish to gain exposure to the Asian equity market. It is suitable for experienced investors wishing to attain defined investment objectives and accepting volatility that is inherent to equity markets with an investment horizon of at least 5 years.

5. *Base Currency*

The Base Currency of the Sub-Fund is the USD.

6. *Classes of Shares*

- A Class Shares (USD);
- A Class Shares (GBP);
- A Class Shares (EUR);
- A Class Shares (JPY);
- I Class Shares (USD);
- I Class Shares (GBP);
- I Class Shares (EUR);
- I Class Shares (JPY);
- S Class Shares (USD);
- S Class Shares (GBP);
- S Class Shares (EUR); and
- S Class Shares (JPY).

Class A Shares are available to all investors. Class I Shares are only available to investors who are approved by the Fund, including, among others, Institutional Investors, recognised financial intermediaries or institutions which provide fee-based investment advisory services to underlying investors. Class S Shares are only available to investors who are approved by the Fund. Class S Shares will only be available until the total net assets of the Sub-Fund reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the “Seed Investment Limit”). Upon attaining the Seed Investment Limit, Class S Shares may be closed to new investors at the discretion of the Fund.

Class A, Class I and Class S Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Board of Directors from time to time.

Although it does not currently intend to do so, the Board of Directors, in its entire discretion, may seek to reduce currency risk from portfolio holdings denominated in local currency by hedging such risk to USD or the currency of a share class. The Board of Directors may also seek, in its entire discretion, to reduce currency risk of non USD denominated share classes by hedging USD to the currency of a relevant share class. Any such hedging may be, in full or in part, and may be active or passive. Moreover, the Board of Directors shall have no obligation to hedge. The costs and effects of any such hedging will be reflected in the NAV and in the performance of these classes.

These Classes of Shares may be offered as accumulation (Acc) or distribution (Dist) Shares, in the discretion of the Board of Directors.

7. *Offer of Shares*

The minimum initial investment and holding for Class A Shares is GBP 500 for the GBP Class, or USD 1,000 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes). The minimum subsequent investment for Class A Shares is GBP 250 for the GBP Class and USD 500 for the USD Class (or the equivalent of the USD amount in the currency of other relevant Classes).

The minimum initial investment and holding for Class I Shares is GBP 500,000 for the GBP Class (except for U.K. residents for whom it is GBP 500), or USD 1,000,000 for the USD Class (or its equivalent in the currency of the relevant Class). The minimum subsequent investment for Class I

Shares is GBP 125,000 for the GBP Class (except for U.K. residents for whom it is GBP 250) and USD 250,000 (or its equivalent in the currency of the relevant Class).

The minimum initial investment and holding for Class S Shares is USD 20,000,000 (or the equivalent of the USD amount in the currency of the relevant Class). The minimum subsequent investment for Class S Shares is USD 250,000 (or the equivalent of the USD amount in the currency of the relevant Class).

Shares will be issued at the current NAV of the relevant Class of Shares on every Valuation Day plus any applicable sales charge of up to 5.26% of the applicable Net Asset Value per Share.

12. Applicable Valuation Day for Subscriptions, Redemptions and Conversions

The Net Asset Value per Share in the Sub-Fund is calculated on every Business Day (each a “Valuation Day”).

13. Issue, Conversion and Redemption of Shares

Requests for the issue and conversion of Shares must be received by 12 noon (Luxembourg time) on a Valuation Day in order to be dealt with on that Valuation Day.

Subscription proceeds must be received in full within 3 Business Days following the relevant Valuation Day at the latest.

Requests for the redemption of Shares must be received by 12 noon (Luxembourg time) on the Valuation Day on which the redemption is to be made. Redemption proceeds will generally be paid within 5 Business Days of the relevant Valuation Day.

14. Dividend Policy

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 NAV of the Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to undertake distributions at least annually. Investors should read section “*Distribution Policy*” of the main part of the Prospectus.

15. Fees

The Investment Advisor receives a Management Fee, as shown below, calculated as an annual percentage of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears.

In addition, the Investment Advisor is entitled to an Administration Fee of 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. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. The Investment Advisor shall pay the Administration Fee to the Investment Manager for administrative services provided to the Sub-Fund.

The Total Expense Ratio for Class A, Class I and Class S Shares of the Sub-Fund, calculated on each Valuation Day, shall not exceed the per annum percentage of the NAV of the Sub-Fund calculated on each Valuation Day.

	Class A Shares (USD, GBP, EUR, JPY)	Class I Shares (USD, GBP, EUR, JPY)	Class S Shares (USD, GBP, EUR, JPY)
Management Fee	1.25%	0.75%	Up to 0.75%
Administration Fee	Up to 0.25%	Up to 0.25%	Up to 0.25%
Total Expense Ratio	Up to 2.00%	Up to 2.00%	Up to 1.00%

The Investment Manager is entitled to a fee, payable by the Investment Advisor out of the Management Fee as agreed from time to time between the Investment Advisor and the Investment Manager. Depositary, Administrative Agent and other fees will be paid out of the assets of the Fund as described in the Prospectus.