

## Key Investor Information

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.



Matthews Asia

### Asia Total Return Bond Fund (the "Fund")

(formerly known as Asia Strategic Income Fund)

a sub-fund of Matthews Asia Funds (the "Company")

S Accumulation JPY (the "Class") ISIN LU2298460275

Management Company: Carne Global Fund Managers (Luxembourg) S.A. (the "Management Company")

## Objective and Investment Policy

- Objective:** The Fund seeks to achieve total return over the long term, with an emphasis on income.
- Investment policy:** The Fund seeks to achieve its investment objective by investing at least 65% of its net assets in debt and debt-related instruments issued by governments, quasi-governmental entities, supra-national institutions and companies located in or with substantial ties to Asia. Debt and debt-related instruments include bonds, debentures, bills, securitized debt instruments, notes, certificates of deposit and other bank obligations, bank loans, senior secured bank debt, convertible debt securities (including contingent convertible bonds or "CoCos"), exchangeable bonds, credit-linked notes, inflation-linked instruments, repurchase agreements, payment-in-kind debt securities, preferred bonds and derivative instruments with debt characteristics. Investments in CoCos are allowed up to 20% of the Fund's net assets. Financial derivative instruments may be used for hedging and/or investment purposes, including swaps, managing interest rate, currency and credit exposure, involving a variety of underlying instruments. The Fund may invest in debt securities of any quality. On an ancillary basis, the Fund may invest in other permitted assets on a worldwide basis. For the purpose of this policy, Asia consists of all countries and markets in Asia.
- The Fund may invest in China A Shares or onshore debt securities listed on the Shanghai or Shenzhen Stock Exchanges, either directly via a Qualified Foreign Investor ("QFI") license awarded to the Company, or via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect programs, China Interbank Bond Market, or indirectly via access products. Under normal market conditions, the Fund will hold less than 30% of its net assets in aggregate in China A and B Shares and onshore debt securities.
- As of 25 May 2020, the Fund changed its reference benchmark to a blended benchmark comprised of 50% Markit iBoxx Asian Local Bond Index (JPY) and 50% J.P. Morgan Asia Credit Index (JPY) and is indicated for performance comparison only. The Fund is actively managed and does not aim to replicate or track the benchmark. Consequently, the Investment Manager, Matthews International Capital Management, LLC, may freely select the securities in which it invests, and the Fund's portfolio composition and performance may deviate materially from the benchmark.
- Dividend policy:** Income generated by any of the investments is planned to be fully reinvested (that is, the Fund does not plan to make any dividend or interest payments).
- Holding period:** The Fund has no minimum holding period, however, the Fund has a long-term investment horizon (typically 5 years or longer). This Fund may not be appropriate for investors who plan to withdraw their money within 5 years.
- Share transactions:** An investor can buy and sell shares of the Fund on any Business Day in Luxembourg.
- Investment manager:** Matthews International Capital Management, LLC

## Risk and Reward Profile



**Interpretation of the Risk and Reward Indicator:** The Risk and Reward Indicator takes into account historical data which is not a reliable indicator of the future. The risk category was calculated using related historical performance data and it may not be a reliable indicator of the Fund's future risk profile. The risk category of the Fund is neither a target nor guaranteed to remain stable over time. A risk category of 1 does not mean a risk free investment.

**Why is this Fund in this category?** The Fund is in risk category 5 because it invests primarily in Asian bonds and other income-producing securities and these assets have not shown sharp changes in valuation ("volatility"). However, many Asian markets are considered to be emerging markets and may experience higher than average changes in valuation ("volatility"). Higher changes in valuation are expected to result in higher changes in the Fund's net asset value.

**Are there other particular risks you should consider?** The Risk and Reward Indicator does not provide an overall risk profile of the Fund, nor does it fully capture all the risks of investing in the Fund. Risks that you should consider include: market risk, interest rate risk, currency risk, foreign exchange risk, settlement risk, valuation risk, credit risk, liquidity risk, compliance risk, political risk, legal risk, custody risk, operational risk, counterparty risk, regional and country risk, risk of investing in China A shares or onshore debt securities, and high yield risk. Investments in less developed financial markets may expose the Fund to increased operational, legal and political risk. Derivative instruments are highly sensitive to changes in the value of the underlying asset that they are based on. Certain derivatives may result in losses greater than the amount originally invested. If a counterparty were to default, the unrealized profit on the derivative contract and its market exposure may be lost. For more details about risk, please refer to the Fund's Prospectus under "Risk Considerations," which is available at [global.matthewsasia.com/prospectus](http://global.matthewsasia.com/prospectus).

## Charges

### ONE-OFF CHARGES TAKEN BEFORE OR AFTER YOU INVEST

<b>Entry Charge</b>	Up to 5.00%
<b>Exit Charge</b>	Not applicable

This is the maximum that might be taken out of your money before it is invested/before the proceeds of your investment are paid out.

### CHARGES TAKEN FROM THE FUND OVER A YEAR

<b>Ongoing Charges</b>	0.75%
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### CHARGES TAKEN FROM THE FUND UNDER CERTAIN SPECIFIC CONDITIONS

<b>Performance Fee</b>	Not applicable
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The charges you pay are used to cover the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

**Entry/Exit Charges:** The Fund may levy an Entry Charge of up to 5% on the value of your investment before it is invested in the Fund. In some cases you may pay an Entry Charge of less than 5%. Exit Charges are amounts taken out of the proceeds of your investment before they are paid out or invested in another sub-fund. All of these Charges reduce the size of your investment and your return. Actual amounts can be obtained from your financial advisor or distributor.

**Ongoing Charges:** Because the class has not yet been in existence for a full fiscal year, the ongoing charges reflect the total expense ratio cap put in place by the Investment Manager. Ongoing Charges may vary from year to year. Ongoing Charges exclude portfolio transaction costs (including taxes and brokerage commissions) and any borrowing costs, which are payable from the assets of the Fund and may impact returns on your investment.

**For more information about Charges please see the Fund's Prospectus under "Fees and Expenses," which is available at [global.matthewsasia.com/prospectus](http://global.matthewsasia.com/prospectus).**

## Past Performance

There is insufficient data to produce a useful indication of past performance for the share class.

The Fund does not yet have a full calendar year of performance. Once it has been in operation a full calendar year, performance will be shown.

## Practical Information

<b>Depositary:</b>	Brown Brothers Harriman (Luxembourg) S.C.A.
<b>Further information:</b>	You can find more information about the Company, all available sub-funds and share classes at <a href="http://global.matthewsasia.com">global.matthewsasia.com</a> . You can obtain, free of charge, a copy of the Fund's Prospectus, latest annual report and any semi-annual report, in English, from the Fund's administrator, Brown Brothers Harriman (Luxembourg) S.C.A. or at <a href="http://global.matthewsasia.com">global.matthewsasia.com</a> .
<b>Publication of NAV:</b>	The net asset value per share of the Fund is calculated daily and is available at the Company's registered office and <a href="http://global.matthewsasia.com">global.matthewsasia.com</a> .
<b>Tax legislation:</b>	The Company is subject to Luxembourg rules and regulations and this may have an impact on the investor's personal tax position.
<b>Umbrella information:</b>	This Key Investor Information describes a sub-fund of the Company. The Prospectus and periodic reports for the Company are prepared for the Company as a whole. The assets and liabilities of each sub-fund of the Company are segregated by law.
<b>Switch between sub-funds:</b>	Investors have the right to exchange their investment in shares of one sub-fund for shares of another sub-fund or another share class of the same sub-fund. You can find an explanation of how to exercise the above right in the Prospectus under "Conversion of Shares."
<b>Liability statement:</b>	The Asia Total Return Bond Fund may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund's Prospectus.
<b>Remuneration policy:</b>	Details of the up-to-date Management Company's remuneration policy, including but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, the composition of the remuneration committee are available on <a href="http://www.carnegroup.com/en/downloads">www.carnegroup.com/en/downloads</a> and a paper copy is available free of charge upon request.

This Fund is authorized in Grand Duchy of Luxembourg and supervised by the Commission de Surveillance du Secteur Financier (CSSF). Carne Global Fund Managers (Luxembourg) S.A. is authorized in the Grand Duchy of Luxembourg and regulated by the Commission de Surveillance du Secteur financier. This Key Investor Information is accurate as at 15 March 2021.