

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 151.275

(the “Fund”)

This document is important and requires your immediate attention. If in doubt, you should seek independent professional financial advice.

NOTICE TO THE SHAREHOLDERS OF MATTHEWS ASIA FUNDS

Capitalized terms not otherwise defined herein shall bear the same meaning as in the Prospectus.

Luxembourg, 1 October 2019

Dear Shareholder,

We are writing to you as a holder of shares in one or more sub-funds of the Fund (each a “**Sub-Fund**” and collectively, the “**Sub-Funds**”).

The board of directors of the Fund (the “**Board**”) has decided to appoint **CARNE GLOBAL FUND MANAGERS (LUXEMBOURG) S.A.** as the management company of the Fund.

The Board has further decided to proceed with some other amendments to the prospectus of the Fund (the “**Prospectus**”) as disclosed below.

I. Appointment of a management company for the Fund

The Board has decided to appoint **CARNE GLOBAL FUND MANAGERS (LUXEMBOURG) S.A.**, a public limited company regulated in Luxembourg by the *Commission de Surveillance du Secteur Financier* and having its registered office at EBBC Centre, 6B, route de Trèves, L-2633 Senningerberg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under number B. 148258 (the “**Management Company**”).

CARNE GLOBAL FUND MANAGERS (LUXEMBOURG) S.A. acts as a UCITS management company in accordance with Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment. The decision to appoint Carne Global Fund Managers (Luxembourg) S.A. as Management Company reflects the Fund's decision to comply with the substance requirements laid down in the CSSF Circular 18/698 related to the authorization and organization of investment fund managers incorporated under Luxembourg law.

The Management Company will delegate administrative agency, registrar and transfer agency services to **BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.C.A.**, under its overall supervision and control and the ultimate responsibility of the Board, as detailed in the updated Prospectus of the Fund.

The Management Company will delegate the investment management function with respect to all Sub-Funds to **MATTHEWS INTERNATIONAL CAPITAL MANAGEMENT, LLC**, the Fund's current investment manager, under its overall supervision and control and under the ultimate responsibility of the Board, as detailed in the updated Prospectus of the Fund.

Following the appointment of the Management Company, the Board has decided to terminate the advisory agreement with **MATTHEWS GLOBAL INVESTORS S.À R.L.**, the investment advisor of the Fund. Upon this termination, **MATTHEWS GLOBAL INVESTORS S.À R.L.** will no longer act as investment advisor of the Fund.

The services that were provided by Matthews Global Investors S.à r.l. will be performed by **MATTHEWS INTERNATIONAL CAPITAL MANAGEMENT LLC**, the Investment Manager of the Fund.

All costs resulting from the authorization application of the Management Company, estimated to be approximately US \$73,000, will be borne by the Fund as allocated to the Sub-Funds on a pro rata basis according to the relevant Sub-Fund's net asset value. Please note that your rights and obligations as shareholders in the Fund will not be impacted by this appointment. The above-mentioned delegations are not expected to impact the performance of the services, or the management or composition of the underlying portfolio.

As a result of the appointment of the Management Company, the fees structure of the Fund will be as follows:

- 1) The Fund will pay to the Management Company, out of the assets of the Fund, a management company fee of an amount of up to 0.02% of the Fund's assets under management;
- 2) The level of the fees that the Fund currently pays to **MATTHEWS INTERNATIONAL CAPITAL MANAGEMENT, LLC**, for acting as the Fund's investment manager, and to **BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.C.A.**, for acting as central administration agent and depositary bank of the Fund, will remain unchanged; and
- 3) The fee the Fund currently pays to **MATTHEWS GLOBAL INVESTORS S.À R.L** will be paid to **MATTHEWS INTERNATIONAL CAPITAL MANAGEMENT, LLC**. This fee level will remain unchanged.

Information in the Prospectus has been updated to reflect the appointment of the Management Company.

The appointment of the Management Company will be effective as of 4 November 2019.

Shareholders who do not agree with the above changes have the right to redeem their shares, free of charge, during a period of one month starting as from the date of this notice.

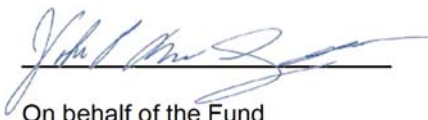
A copy of the new Prospectus is available upon request at the registered office of the Fund.

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

The Board accepts responsibility for the accuracy of the information contained in this notice. The Prospectus and the relevant Key Investor Information Document are available to investors, free of charge, at the registered office of the Fund or at the offices of foreign representatives.

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

Yours sincerely



On behalf of the Fund

Matthews Asia Funds