

			<h1>Investing in the Future of Asia</h1> <p>Matthews Asia Q4 2014</p>			

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Matthews Asia Overview

About Matthews Asia

KEY FACTS

As of December 31, 2014

Total assets under management
\$26.9 billion

Regional strategies
\$23.7 billion

Single-country strategies
\$3.2 billion

Investment team members*
37

- ✦ Largest dedicated Asia investment specialist in the United States
- ✦ Investing in Asia since 1991 through a variety of market environments
- ✦ Independent, privately owned firm with significant employee ownership
- ✦ Range of Asia investment strategies across the risk-reward spectrum
- ✦ Offering a unique investment perspective from a strategic location in San Francisco



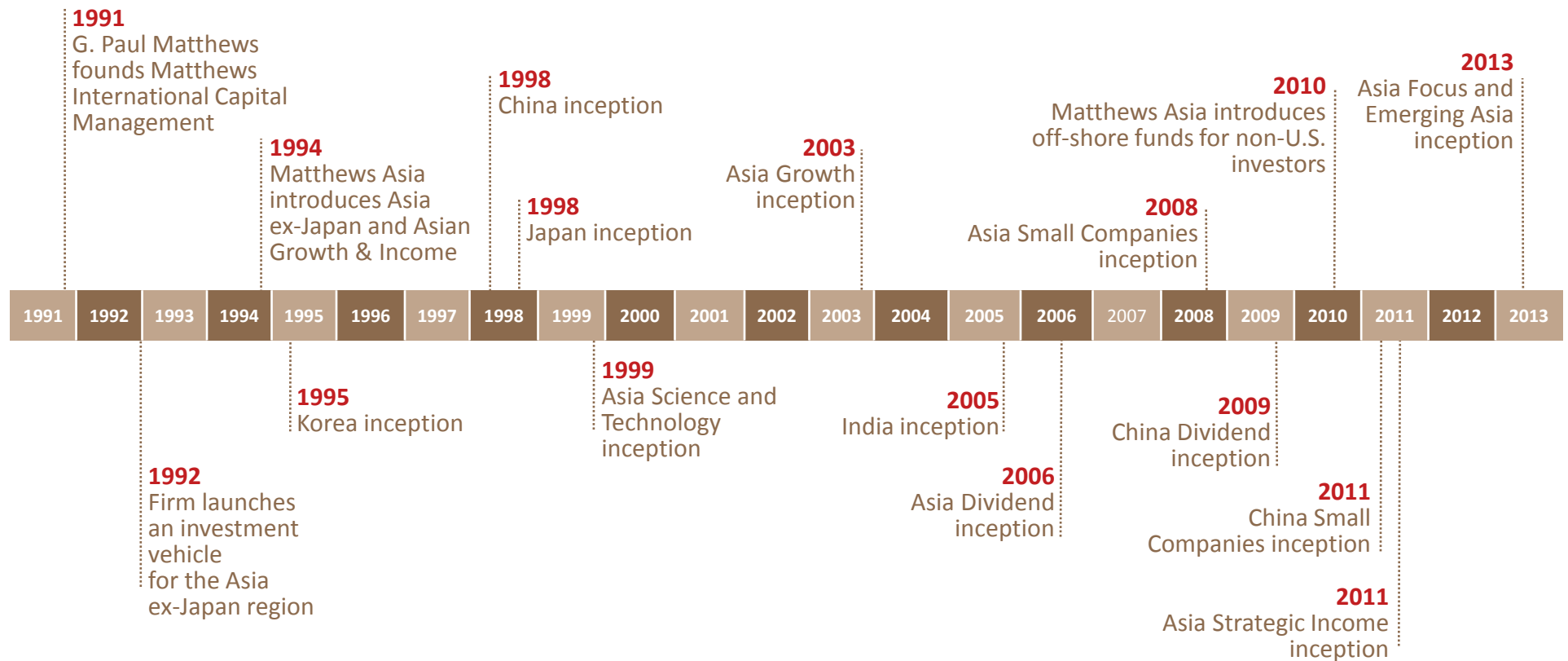
Matthews Asia

*As of January 12, 2015

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Matthews Asia History

Matthews has chosen to launch new strategies when there are compelling investment opportunities



Investment Philosophy and Approach

The foundation of Matthews' investment philosophy is our belief in the long-term economic growth and development of the countries in Asia

Active management

We believe many of the region's widely used indices are backward looking and are not representative of the industries and companies that will be successful in the future. With respect to the region's debt indices, we believe they are representative of the most indebted countries as opposed to the most creditworthy.

Long-term focus on Asia

We believe a long-term approach is the most effective way to capitalize on Asia's evolution. Matthews has been investing in Asia since 1991 and we draw on our experience to identify investment opportunities that stand to benefit from the growth and development of markets throughout the region.

Bottom-up research

We employ a fundamental, bottom-up investment process. For equities, we seek to identify companies with sustainable long-term growth prospects, strong business models, quality management teams and reasonable valuations. For debt securities, we look for issuers that demonstrate strength in credit, currencies and interest rates. This research process involves more than 2,500 company visits each year.

Defining Asia's investment strategies

We strive to provide investors a range of Asia strategies across the risk-reward spectrum and launch new strategies when there are compelling investment opportunities in the region.



Our Investment Team

Chief Investment Officer

Provides investment oversight of the firm's entire managed portfolios and sets the research agenda for the investment team

Investment Strategist

Helps formulate long-term views of Asia's developments while also complementing the investment team with in-depth analysis on Asia; communicates to clients and media the firm's perspectives and insights

Lead Manager

Has overall responsibility for portfolio, including research responsibilities and final buy/sell decisions; responsible for day-to-day investment decisions

Co-Manager

Acts as backup to Lead Manager; has trading rights and management of cash flow within the strategy's parameters set by the Lead Manager; also has research responsibilities

Analyst

Acts as a generalist, handling research for the strategy; may also have region or sector specialties

- ✧ Deep expertise in Asian markets
- ✧ Diverse backgrounds, common philosophy
- ✧ Investment team organized by strategies

Chief Investment Officer

Robert J. Horrocks, PhD

Portfolio Managers

Kenichi Amaki
Sunil Asnani
Winnie Chwang
Richard H. Gao
Michael B. Han, CFA
Robert Harvey, CFA
Robert J. Horrocks, PhD
Gerald M. Hwang, CFA
Taizo Ishida
Teresa Kong, CFA
Kenneth Lowe, CFA
J. Michael Oh, CFA
Satya Patel
Sharat Shroff, CFA
Lydia So, CFA
In-Bok Song
Vivek Tanneeru
Henry Zhang, CFA
Sherwood Zhang, CFA
Yu Zhang, CFA
Beini Zhou, CFA

Investment Strategist

Andy Rothman

Analysts*

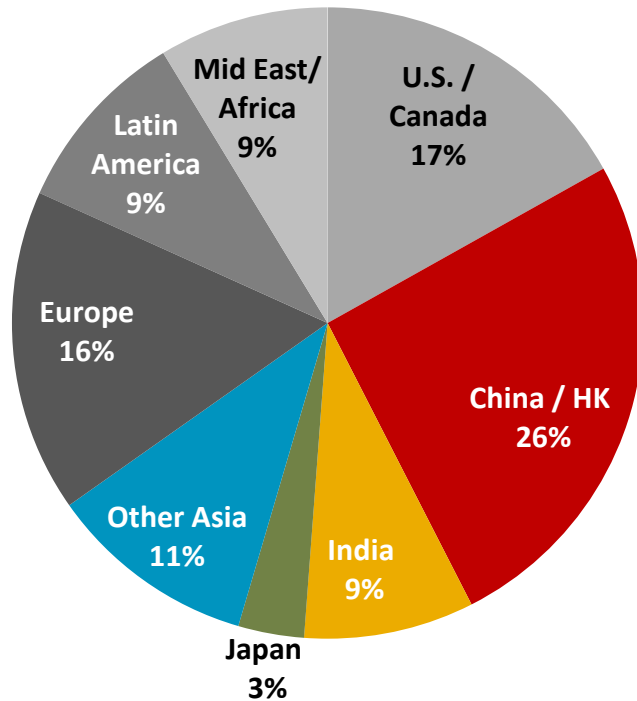
Siddharth Bhargava
Hayley Chan
Raymond Z. Deng
Colin Dishington, CA
Rahul Gupta
Tiffany Hsiao, CFA
Tarik Jaleel, CFA
Soo Chang Lee, CFA
Sudarshan N. Murthy, CFA
Jerry C. Shih, CFA
Hardy Zhu
Jia Zhu

*As of January 12, 2015

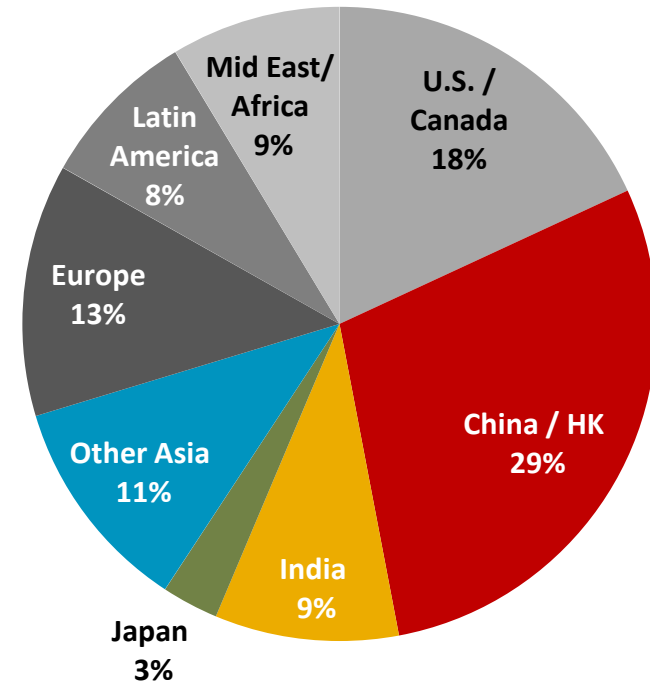


Asia is Expected to Comprise the Majority of Future Global Growth

COMPOSITION OF GROWTH*
2003 – 2013
ASIA: 49%



EXPECTED COMPOSITION OF GROWTH*
2013 – 2019
ASIA: 52%



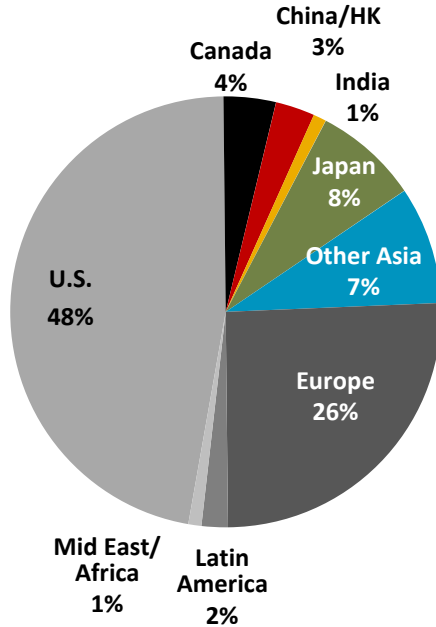
*Based on GDP on Purchasing Power Parity (PPP) basis
Source: International Monetary Fund



Most Client Portfolios are Under-Allocated to Asia Compared to Current Measures

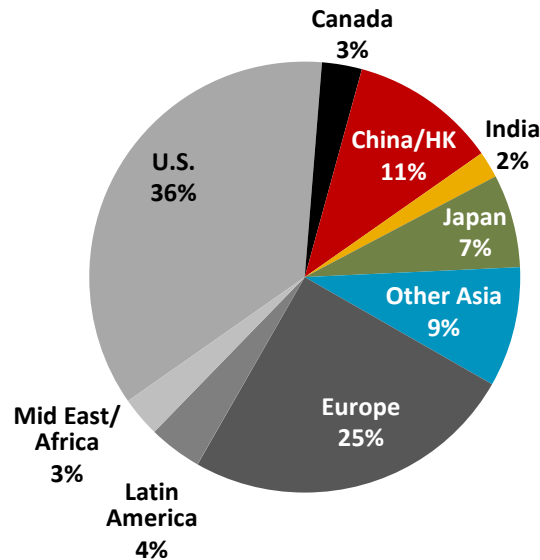
MSCI ALL COUNTRY WORLD INDEX

ASIA: 19%



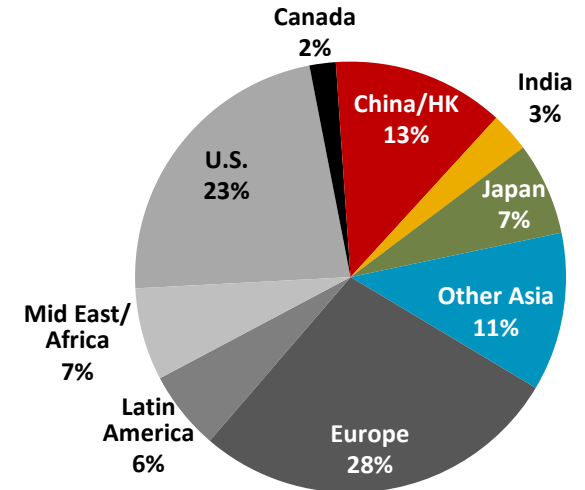
WORLD STOCK MARKET VALUE

ASIA: 29%



GDP

ASIA: 34%



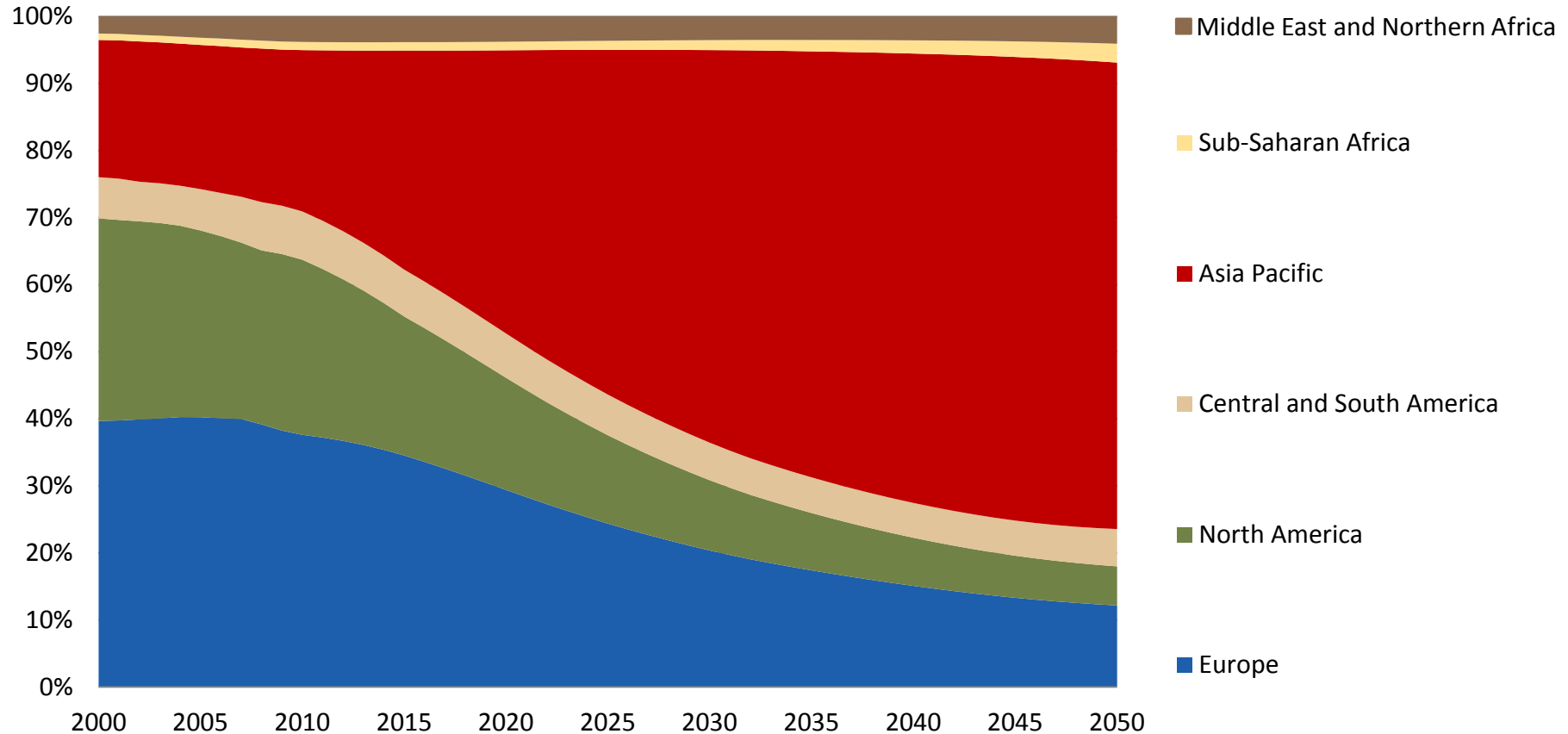
Sources: MSCI, International Monetary Fund and World Federation of Exchange Members
IMF GDP data as of April 2014; MSCI All Country World Index and Stock Market Value data as of 12/31/13; Figures in US\$

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Rising Wages and Productivity Behind Asia's Rising Share of Consumption

Global middle class consumption (2000 – 2050)*



*Data represented beyond November 2011 are estimates only.

Notes: Global middle class consumption is defined here as household consumption between USD 10 and USD 100 Purchasing Power Parity (PPP)/day. Projections hold most recent distribution constant (from PovcalNet database) and assume consumption equals income growth (projected by a Cobb-Douglas production function, a model of Real Exchange Rate (RER) convergence based on the Balassa-Samuelson model, and UN population projections). Source: Organisation for Economic Co-operation and Development (OECD) 2011, Perspectives on Global Development 2012: Social Cohesion in a Shifting World; Data as of November 2011



Environment and Outlook

As of December 31, 2014

- ✦ Valuations are below their 20-year averages and at the largest discount to the U.S. since 2005
- ✦ Concerns over a strong dollar are hurting markets and European economic data looks weak
- ✦ Oil price falls help reduce Asia's costs; corporate operating margins are improving slightly
- ✦ Asia continues to pursue structural reform, including the three giants: China, Japan and India
- ✦ Most of Asia is living within its means with stable inflation and high savings
- ✦ We look for companies that can grow profits and cash flows sustainably and benefit from an evolving middle class culture

The statements above are based on the beliefs and assumptions of our portfolio management team and on the information currently available to our team at the time of such statements. Although we believe that the expectations reflected in these statements are reasonable, we can give no assurance that these expectations will prove to be correct.

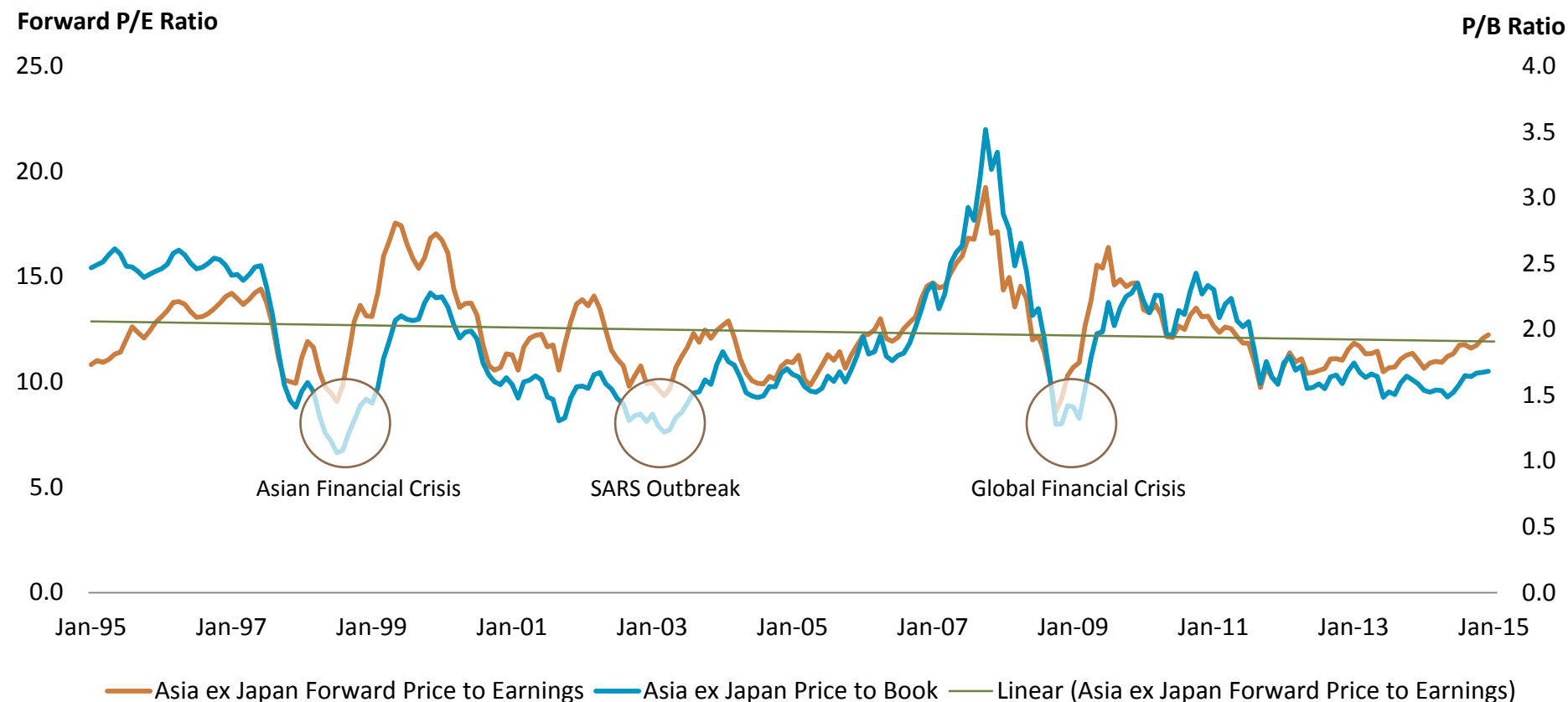
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Asian Valuations

Asia ex Japan (January 1995—January 2015)



	China	Hong Kong	India	Japan	U.S.	Europe	Asia ex Japan
Forward P/E	11.2x	12.5x	15.7x	14.6x	17.0x	14.3x	12.2x
Dividend Yield (%)	2.9	3.1	1.7	2.0	2.1	3.5	2.7

Trailing Dividend yield estimates for 2014 as of 1/6/2015 based on FactSet aggregates as defined by FactSet. The forward price per earnings ratio ("Forward P/E") is calculated by dividing the market price per share by the expected earnings per share for 2014. Forward P/E was calculated as of 1/6/2015 and is forward looking. There is no guarantee that Forward P/E will be realized. Source: FactSet Research Systems



Equity Investment Process



Fundamental Research and Due Diligence

What We Look For

Business

- ✦ Survivability—strength of balance sheet
- ✦ Sustainability—ability to maintain reasonable rates of long-term growth

Management

- ✦ Competence—ability to meet business targets and milestones
- ✦ Incentive structure

Valuation

- ✦ Value of the business as a whole in the context of future growth

How We Do This

