

Matthews Asia Active ETFs | Semi-Annual Report

June 30, 2023 | matthewsasia.com

GLOBAL EMERGING MARKETS STRATEGIES

Matthews Emerging Markets Equity Active ETF (MEM)

Matthews Emerging Markets ex China Active ETF (MEMX)

ASIA GROWTH STRATEGIES

Matthews Asia Innovators Active ETF (MINV)

Matthews China Active ETF (MCH)



Listed on the NYSE Arca



Matthews Asia



Matthews Asia Active Exchange-Traded Funds (ETFs) are actively managed and do not seek to replicate a specific index. ETFs are bought and sold through an exchange at the then current market price, not net asset value (NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV when traded on an exchange. Brokerage commissions will reduce returns. There can be no guarantee that an active market for ETFs will develop or be maintained, or that the ETF's listing will continue or remain unchanged.

ETF market price returns since inception are calculated using NAV for the period until market price becomes available (generally a few days after inception).

Investments are not FDIC-insured, nor are they deposits of, or guaranteed by, a bank or any other entity, so they may lose value.

Cover photo: Looking out to brighter and greener pastures (Chiang Mai, Thailand)

This report has been prepared for Matthews International Funds (d/b/a Matthews Asia Funds) shareholders. It is not authorized for distribution to prospective investors unless accompanied or preceded by a current Matthews Asia Funds prospectus, which contains more complete information about the Funds' investment objectives, risks and expenses. Additional copies of the prospectus or summary prospectus may be obtained at matthewsasia.com. Please read the prospectus carefully before you invest or send money.

The views and opinions in this report were current as of June 30, 2023. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of a Fund's future investment intent. Current and future portfolio holdings are subject to risk.

Statements of fact are from sources considered reliable, but neither the Funds nor the Investment Advisor makes any representation or guarantee as to their completeness or accuracy.

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Investment Risk: Exchange-Traded Fund shares are not deposits or obligations of, or guaranteed by, any depository institution. Shares are not insured by the FDIC, Federal Reserve Board or any government agency and are subject to investment risks, including possible loss of principal amount invested. Investing in international and emerging markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Fixed income investments are subject to additional risks, including, but not limited to, interest rate, credit and inflation risks. In addition, single-country and sector funds may be subject to a higher degree of market risk than diversified funds because of a concentration in a specific industry, sector or geographic location. Investing in small and mid-size companies is more risky than investing in large-size companies as they may be more volatile and less liquid than larger companies. Please see the Funds' Prospectus and Statement of Additional Information for more risk disclosure.

Message to Shareholders from the Investment Advisor

Investment Manager Letter

Interest rate cycles are driving changes in short-term sentiment these days and U.S.—China politics seem to be determining the longer-term mood. In the last quarter it was particularly apparent that neither seem to be working in favor of emerging markets. For many investors, it's been a signal to sit it out on the sidelines.

Clearly, elevated global interest rates do pose a challenge to the outlook of a growth-orientated asset like emerging markets and geopolitics have weighed heavily on Chinese stocks and on companies in the semiconductor space. Underneath it all, Asia and emerging markets, particularly China, have simply struggled to produce the per-share earnings growth that their economic growth deserved. Meanwhile, markets like the U.S. have been outperforming consistently.

So you could be forgiven for questioning the rationale for staying invested in emerging markets, particularly as China labors in its recovery. Our economic theory and stock-picking patience have certainly been tested recently but we remain convinced of the long-term opportunities of this asset class. Here's why.

Emerging markets and interest rates

First, let's take a look at inflation and interest rates. After having obsessed over inflation and its permanence or transience for the past two years I feel confident in saying two things: first, that two-thirds to three-quarters of the inflation spike we endured was transient and due to supply shocks that are now almost entirely behind us. Second, the resulting permanent inflation is probably running at no more than about 3% in the U.S. and is still declining, in part due to interest rate rises that have already been made. So we can probably say with some confidence that interest rates have peaked. So where does this leave emerging market performance relative to developed markets? Typically it's not been a favorable environment but only because falling rates are usually associated with cyclical economic weakness. However, I wouldn't assume this to be the unfolding scenario. If the Fed has indeed pulled off the magic trick of a soft landing, a cycle more tilted to growth may play out—and I don't see many in the market prepared for that. So that could be a tailwind at large for emerging markets.

Growth after a soft landing

The Fed's rate moves are, of course, only half the story for emerging markets. What about their central banks? Here there are two plot lines in motion. In the rate hike camp, Brazil got a better start even than the U.S. and Mexico, too, has brought a lot of credibility to macro management over the past few years. So the speed of the decline in interest rates in the U.S. is likely to be matched or even exceeded in these countries as inflation falls rapidly and at the same time the growth prospects of these economies look intact. The other plot line is in Asia, where inflation has been much less of an issue. Countries like Indonesia and India have done a lot to tame exposure to international rate cycles. As for Japan, I've always thought that it needed inflation so it's not a surprise to see its equity markets doing quite well, particularly as the yen has strengthened.

India, Brazil, and Japan have been among the bright spots in emerging and international markets and there is no reason to suspect that any of them will hit harder times if the U.S. dollar remains weak and Fed rates come down.

And what about the elephant in the room, China. The world's second biggest economy has no inflation. If anything inflation is too low. Core inflation, excluding food and energy, is at 0.4% year-on-year. The inflation rate is low partly due to the fact that China is emerging steadily but cautiously from COVID lockdown. It is emerging cautiously as the government doesn't want to overstimulate the economy in the way that (arguably) some western nations did.



China's challenges

So China is in quite a different macro space and that brings opportunities and challenges. The trick for China is to get incomes (and with it consumer demand) onto a sustainably rising trend, at least in line with nominal gross domestic product growth. I think China understands this and there has been a renewed focus of late in promoting an environment favorable to private enterprise. The private sector is key for the government as it holds in its hands the fate of the vast majority of urban employment and therefore the fate of the China Communist's Party's urban popularity, which took a big hit in the later stages of the pandemic.

China may also have to be more aggressive in its attempts to spur quality growth, from the point of view of a balanced macroeconomic policy and return on investment. Just look at the concrete steps taken in India and Mexico, in particular on macroeconomic policy, and in places like Japan and South Korea, in terms of pressure on companies to improve corporate governance and shareholder returns. China has done better on these kind of things of late but it has achieved neither the fanfare nor the practical success that some of its neighbors have.

The other driver of global market sentiment is geopolitics, of course. As we have been at pains to point out there seems little reason to expect things to improve any time soon. Indeed, further sanctions or trade controls seem to be pushing the U.S. and China into separate blocs with the result that economics and investment returns may become less correlated. As investors in emerging markets, I think we have to accept this truth and position portfolios and devise investment strategies that are more in tune with, and cognizant of, the growing importance of domestic policies.

Good businesses at good prices

Ultimately, investing in global and emerging markets is all down to finding companies. And the sluggishness of China's economic growth and the skepticism towards it, belies the fact that there are still many good companies to be found. The sheer size of the market and the need for a bottom-up portfolio manager to find a tiny portion of good businesses means that short-term skepticism can often lead to good prices for good businesses. From our point of view, China still offers significant opportunities for the long-term investor. So, despite the better performance and perhaps superior short-term outlook in Japan and India, our regional portfolios will more often than not maintain a balance between the major markets.

In recent times, the bigger macro picture has determined to large degrees the trajectory of many equity markets regardless of the performance of their companies. In the falling rate cycle of the pandemic only growth was rewarded, profitable or otherwise. As rates rose, the environment favored more cyclical businesses. I suspect these unusually sharp style cycles are a symptom of the unusually severe and severely unusual inflation and growth cycles we've experienced. I think these will dampen down and the inflation cycle will normalize.

It has been a trial for quality growth stock picking and I expect the next few years will be a little easier. And it is quality growth that is shared across all we do. Yes, some of our portfolios are more exposed to emerging businesses and smaller companies. Some portfolios skew to income or established and predictable growth. But the core remains finding good businesses with sensible management, where we can be comfortable with the valuation we are paying. As strategic emerging market investors, we stand by our method, in both favorable times and trying times.



Robert Horrocks, PhD
Chief Investment Officer
Matthews International Capital Management, LLC



PORTFOLIO MANAGERS

John Paul Lech Lead Manager	Alex Zarechnak Lead Manager
Andrew Mattock, CFA Co-Manager	Peeyush Mittal, CFA Co-Manager

FUND FACTS

Ticker	MEM
CUSIP	577125818
Inception Date	07/13/22
Gross Expense Ratio	0.79%
# of Positions	57
Net Assets	\$57.5 million
Portfolio Turnover	15.5%
Weight Average Market Cap	\$111.5 billion

Benchmark
MSCI Emerging Markets Index

OBJECTIVE

Long-term capital appreciation.

STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in emerging market countries. Emerging market countries generally include every country in the world except the United States, Australia, Canada, Hong Kong, Israel, Japan, New Zealand, Singapore and most of the countries in Western Europe.

3 Holdings may combine more than one security from same issuer and related depositary receipts.

4 Not all countries where the Fund may invest are included in the benchmark index.

5 Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Matthews Emerging Markets Equity Active ETF

(unaudited)

PERFORMANCE AS OF JUNE 30, 2023

	3 Months	YTD	1 Year	Actual Return, Not Annualized	
				Since Inception	Inception date
Emerging Markets Equity Active ETF (NAV) ¹	2.18%	5.14%	n.a.	11.06%	07/13/22
Emerging Markets Equity Active ETF (market price)	3.11%	5.41%	n.a.	12.06%	
MSCI Emerging Markets Index ²	1.04%	5.10%	n.a.	5.02%	

- The returns shown are based on net asset values calculated for shareholder transactions and may differ from the returns shown in the financial highlights, which reflect adjustments made to the net asset values in accordance with accounting principles generally accepted in the United States of America.
- It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 18 for index definition.

Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when sold, shares may be worth more or less than their original cost. For the Fund's most recent month-end performance visit matthewsasias.com.

TOP TEN HOLDINGS³

	Country	% of Net Assets
Samsung Electronics Co., Ltd., Pfd.	South Korea	6.6%
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	5.6%
Tencent Holdings, Ltd.	China	4.1%
Prologis Property Mexico SA de CV REIT	Mexico	3.5%
HDFC Bank, Ltd. ADR	India	3.4%
FPT Corp.	Vietnam	2.9%
Prudential PLC	United Kingdom	2.8%
Woodside Energy Group, Ltd.	Australia	2.6%
AIA Group, Ltd.	Hong Kong	2.5%
ICICI Bank, Ltd. ADR	India	2.5%
Total		36.5%

COUNTRY ALLOCATION (%)^{4,5}

India	16.6
China/Hong Kong	16.4
Mexico	9.4
Brazil	8.8
South Korea	7.2
Taiwan	6.6
Vietnam	5.1
United States	4.5
France	3.6
United Kingdom	2.8
Australia	2.6
Philippines	2.2
Indonesia	2.1
Poland	1.9
Singapore	1.7
Switzerland	1.4
Zambia	1.3
Kazakhstan	1.2
United Arab Emirates	1.0
Thailand	0.9
Cash and Other Assets, Less Liabilities	2.8

SECTOR ALLOCATION (%)⁵

Financials	23.7
Information Technology	20.7
Consumer Discretionary	13.1
Materials	10.4
Industrials	6.4
Energy	4.8
Real Estate	4.8
Consumer Staples	4.7
Health Care	4.6
Communication Services	4.1
Cash and Other Assets, Less Liabilities	2.8

MARKET CAP EXPOSURE (%)⁵

Mega Cap (over \$25B)	55.4
Large Cap (\$10B-\$25B)	15.2
Mid Cap (\$3B-10B)	18.4
Small Cap (under \$3B)	8.2
Cash and Other Assets, Less Liabilities	2.8

Matthews Emerging Markets Equity Active ETF

June 30, 2023

Schedule of Investments^a (unaudited)

COMMON EQUITIES: 91.6%

	Shares	Value		Shares	Value
INDIA: 16.6%					
HDFC Bank, Ltd. ADR	27,933	\$1,946,930			
ICICI Bank, Ltd. ADR	62,411	1,440,446			
Infosys, Ltd. ADR	75,827	1,218,540			
Kotak Mahindra Bank, Ltd.	38,897	875,531			
PI Industries, Ltd.	17,357	829,753			
Dabur India, Ltd.	118,484	827,505			
Restaurant Brands Asia, Ltd. ^b	563,905	740,314			
UltraTech Cement, Ltd.	7,312	739,322			
Indian Hotels Co., Ltd.	112,792	539,650			
Divi's Laboratories, Ltd.	8,760	382,664			
Total India		9,540,655			
CHINA/HONG KONG: 16.4%					
Tencent Holdings, Ltd.	55,000	2,327,285			
AIA Group, Ltd.	143,000	1,443,394			
H World Group, Ltd. ADR ^b	24,485	949,528			
Yum China Holdings, Inc.	15,709	887,558			
Midea Group Co., Ltd. A Shares	104,400	846,807			
JD.com, Inc. Class A	42,400	716,351			
NARI Technology Co., Ltd. A Shares	224,640	713,310			
BYD Co., Ltd. A Shares	16,500	585,783			
CSPC Pharmaceutical Group, Ltd.	652,000	566,588			
Innovent Biologics, Inc. ^{b,c,d}	97,000	366,383			
Total China/Hong Kong		9,402,987			
MEXICO: 9.4%					
Prologis Property Mexico SA de CV REIT	543,000	2,013,632			
GCC SAB de CV	104,000	889,341			
Grupo Financiero Banorte SAB de CV Class O	104,700	862,056			
Becle SAB de CV	332,700	812,812			
Grupo Aeroportuario del Sureste SAB de CV ADR	2,912	808,633			
Total Mexico		5,386,474			
BRAZIL: 8.8%					
Banco BTG Pactual SA	216,600	1,412,120			
Vinci Partners Investments, Ltd. Class A	87,949	819,685			
Hapvida Participacoes e Investimentos SA ^{b,c,d}	849,100	770,949			
Armac Locacao Logistica E Servicos SA	238,900	741,858			
Vale SA ADR	54,388	729,887			
WEG SA	77,200	604,125			
Total Brazil		5,078,624			
TAIWAN: 6.6%					
Taiwan Semiconductor Manufacturing Co., Ltd.	167,000	3,088,571			
Taiwan Semiconductor Manufacturing Co., Ltd. ADR	7,200	726,624			
Total Taiwan		3,815,195			
VIETNAM: 5.1%					
FPT Corp.	450,700	1,643,426			
Military Commercial Joint Stock Bank	818,700	701,197			
HDBank	766,625	604,589			
Total Vietnam		2,949,212			
UNITED STATES: 4.5%					
Applied Materials, Inc.	7,368	1,064,971			
Globant SA ^b	5,216	937,419			
Freeport-McMoRan, Inc.	14,136	565,440			
Total United States		2,567,830			
FRANCE: 3.6%					
TotalEnergies SE ADR	21,409	\$1,234,015			
LVMH Moet Hennessy Louis Vuitton SE	896	843,614			
Total France		2,077,629			
UNITED KINGDOM: 2.8%					
Prudential PLC	112,223	1,581,550			
Total United Kingdom		1,581,550			
AUSTRALIA: 2.6%					
Woodside Energy Group, Ltd.	65,762	1,507,593			
Total Australia		1,507,593			
PHILIPPINES: 2.2%					
Wilcon Depot, Inc.	1,511,800	661,419			
Ayala Corp.	50,880	576,092			
Total Philippines		1,237,511			
INDONESIA: 2.1%					
PT Bank Rakyat Indonesia Persero Tbk	3,380,000	1,223,045			
Total Indonesia		1,223,045			
POLAND: 1.8%					
Dino Polska SA ^{b,c,d}	9,103	1,063,785			
Total Poland		1,063,785			
SINGAPORE: 1.7%					
CapitaLand Investment, Ltd.	291,700	713,435			
TDCX, Inc. ADR ^b	32,319	255,643			
CapitaLand Ascott Trust	19,254	15,365			
Total Singapore		984,443			
SOUTH KOREA: 1.6%					
LG Chem, Ltd.	1,780	901,044			
Total South Korea		901,044			
SWITZERLAND: 1.4%					
Cie Financiere Richemont SA Class A	4,625	783,973			
Total Switzerland		783,973			
ZAMBIA: 1.3%					
First Quantum Minerals, Ltd.	30,500	722,365			
Total Zambia		722,365			
KAZAKHSTAN: 1.2%					
Kaspi.KZ JSC GDR ^d	8,639	687,664			
Total Kazakhstan		687,664			
UNITED ARAB EMIRATES: 1.0%					
Fertiglobe PLC	638,793	577,393			
Total United Arab Emirates		577,393			

Schedule of Investments^a (unaudited) (continued)

COMMON EQUITIES (continued)

	Shares	Value
THAILAND: 0.9%		
Bangkok Dusit Medical Services Public Co., Ltd. F Shares	690,200	<u>\$540,207</u>
Total Thailand		<u>540,207</u>
TOTAL COMMON EQUITIES		<u>52,629,179</u>
(Cost \$51,739,270)		

PREFERRED EQUITIES: 5.6%

SOUTH KOREA: 5.6%		
Samsung Electronics Co., Ltd., Pfd.	71,480	<u>3,227,762</u>
Total South Korea		<u>3,227,762</u>
TOTAL PREFERRED EQUITIES		<u>3,227,762</u>
(Cost \$3,109,384)		

SHORT-TERM INVESTMENTS: 1.5%

MONEY MARKET FUNDS: 1.5%		
JPMorgan U.S. Government Money Market Fund, Capital Shares, 5.01% ^e	837,126	<u>837,126</u>
(Cost \$837,126)		
TOTAL INVESTMENTS: 98.7%		<u>56,694,067</u>
(Cost \$55,685,780)		

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
 - b Non-income producing security.
 - c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At June 30, 2023, the aggregate value is \$2,201,117, which is 3.83% of net assets.
 - d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
 - e Rate shown is the current yield as of June 30, 2023.
- ADR American Depositary Receipt
 GDR Global Depositary Receipt
 JSC Joint Stock Co.
 Pfd. Preferred
 REIT Real Estate Investment Trust

See accompanying notes to financial statements.

**CASH AND OTHER ASSETS,
LESS LIABILITIES: 1.3%**

767,781

NET ASSETS: 100.0%

\$57,461,848



PORTFOLIO MANAGERS

John Paul Lech
Lead Manager

Alex Zarechnak
Lead Manager

Peeyush Mittal, CFA
Co-Manager

FUND FACTS

Ticker MEMX
CUSIP 5771 25792
Inception Date 01/10/23
Gross Expense Ratio 0.79%
of Positions 50
Net Assets \$5.3 million
Portfolio Turnover n.a.
Weight Average Market Cap \$108.4 billion

Benchmark
MSCI Emerging Markets ex China Index

OBJECTIVE

Long-term capital appreciation.

STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in emerging market countries excluding China. Emerging market countries generally include every country in the world except the United States, Australia, Canada, Hong Kong, Israel, Japan, New Zealand, Singapore and most of the countries in Western Europe.

2 Holdings may combine more than one security from same issuer and related depository receipts.

3 Not all countries where the Fund may invest are included in the benchmark index.

4 Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Matthews Emerging Markets ex China Active ETF

(unaudited)

PERFORMANCE AS OF JUNE 30, 2023

	3 Months	1 Year	Actual Return, Not Annualized Since Inception	Inception date
Emerging Markets ex China Active ETF (NAV)	6.38%	n.a.	6.04%	01/10/23
Emerging Markets ex China Active ETF (market price)	6.74%	n.a.	7.08%	
MSCI Emerging Markets ex China Index ¹	6.23%	n.a.	5.67%	

¹ It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 18 for index definition.

Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when sold, shares may be worth more or less than their original cost. For the Fund's most recent month-end performance visit matthewsasiasia.com.

TOP TEN HOLDINGS²

	Country	% of Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd. ADR	Taiwan	9.9%
Samsung Electronics Co., Ltd., Pfd.	South Korea	6.1%
HDFC Bank, Ltd. ADR	India	4.0%
Prologis Property Mexico SA de CV REIT	Mexico	3.6%
FPT Corp.	Vietnam	3.4%
Prudential PLC	United Kingdom	3.0%
Banco BTG Pactual SA	Brazil	3.0%
Woodside Energy Group, Ltd.	Australia	2.9%
Infosys, Ltd. ADR	India	2.8%
ICICI Bank, Ltd. ADR	India	2.7%
Total		41.4%

COUNTRY ALLOCATION (%)^{3,4}

India	20.9
Brazil	10.3
Mexico	10.0
Taiwan	9.9
South Korea	8.7
Vietnam	5.9
United States	5.0
France	4.0
United Kingdom	3.7
Australia	2.9
Philippines	2.6
Indonesia	2.4
United Arab Emirates	2.4
Poland	2.1
Switzerland	1.7
Zambia	1.3
Kazakhstan	1.3
Singapore	1.2
Thailand	1.0
Turkey	0.2
Cash and Other Assets, Less Liabilities	2.4

SECTOR ALLOCATION (%)⁴

Information Technology	26.1
Financials	24.2
Materials	12.6
Consumer Discretionary	9.6
Consumer Staples	6.1
Energy	5.3
Industrials	5.1
Real Estate	4.9
Health Care	3.8
Cash and Other Assets, Less Liabilities	2.4

MARKET CAP EXPOSURE (%)⁴

Mega Cap (over \$25B)	52.3
Large Cap (\$10B-\$25B)	15.0
Mid Cap (\$3B-10B)	21.4
Small Cap (under \$3B)	8.8
Cash and Other Assets, Less Liabilities	2.4

Matthews Emerging Markets ex China Active ETF

June 30, 2023

Schedule of Investments^a (unaudited)

COMMON EQUITIES: 91.5%

	Shares	Value		Shares	Value
INDIA: 20.9%					
HDFC Bank, Ltd. ADR	3,027	\$210,982			
Infosys, Ltd. ADR	9,133	146,767			
ICICI Bank, Ltd. ADR	6,277	144,873			
Kotak Mahindra Bank, Ltd.	4,454	100,255			
PI Industries, Ltd.	1,867	89,252			
UltraTech Cement, Ltd.	872	88,169			
Restaurant Brands Asia, Ltd. ^b	62,641	82,237			
Dabur India, Ltd.	11,707	81,763			
Divi's Laboratories, Ltd.	1,446	63,166			
Indian Hotels Co., Ltd.	13,109	62,720			
Hindustan Unilever, Ltd.	1,121	36,596			
Total India		1,106,780			
BRAZIL: 10.3%					
Banco BTG Pactual SA	24,200	157,772			
Vinci Partners Investments, Ltd. Class A	9,590	89,379			
Vale SA ADR	6,420	86,156			
Hapvida Participacoes e Investimentos SA ^{b,c,d}	90,100	81,807			
Armac Locacao Logistica E Servicos SA	21,700	67,385			
WEG SA	8,300	64,951			
Total Brazil		547,450			
MEXICO: 10.0%					
Prologis Property Mexico SA de CV REIT	52,100	193,205			
GCC SAB de CV	10,800	92,354			
Grupo Financiero Banorte SAB de CV Class O	11,100	91,393			
Becle SAB de CV	33,000	80,621			
Grupo Aeroportuario del Sureste SAB de CV ADR	259	71,922			
Total Mexico		529,495			
TAIWAN: 9.9%					
Taiwan Semiconductor Manufacturing Co., Ltd. ADR	5,196	524,380			
Total Taiwan		524,380			
VIETNAM: 5.9%					
FPT Corp.	48,800	177,944			
Military Commercial Joint Stock Bank	79,200	67,833			
HDBank	84,000	66,245			
Total Vietnam		312,022			
UNITED STATES: 5.0%					
Globant SA ^b	591	106,215			
Applied Materials, Inc.	732	105,803			
Freeport-McMoRan, Inc.	1,371	54,840			
Total United States		266,858			
FRANCE: 4.0%					
TotalEnergies SE ADR	2,188	126,116			
LVMH Moet Hennessy Louis Vuitton SE	91	85,680			
Total France		211,796			
UNITED KINGDOM: 3.0%					
Prudential PLC	11,312	159,419			
Total United Kingdom		159,419			
AUSTRALIA: 2.9%					
Woodside Energy Group, Ltd.	6,749	\$154,721			
Total Australia		154,721			
SOUTH KOREA: 2.6%					
LG Chem, Ltd.	177	89,598			
Kia Corp.	748	50,240			
Total South Korea		139,838			
PHILIPPINES: 2.6%					
Wilcon Depot, Inc.	157,000	68,688			
Ayala Corp.	5,970	67,596			
Total Philippines		136,284			
INDONESIA: 2.4%					
PT Bank Rakyat Indonesia Persero Tbk	353,900	128,058			
Total Indonesia		128,058			
UNITED ARAB EMIRATES: 2.4%					
Americana Restaurants International PLC	57,390	66,092			
Fertiglobe PLC	65,529	59,230			
Total United Arab Emirates		125,322			
POLAND: 2.1%					
Dino Polska SA ^{b,c,d}	951	111,135			
Total Poland		111,135			
SWITZERLAND: 1.7%					
Cie Financiere Richemont SA Class A	538	91,195			
Total Switzerland		91,195			
ZAMBIA: 1.3%					
First Quantum Minerals, Ltd.	2,900	68,684			
Total Zambia		68,684			
KAZAKHSTAN: 1.3%					
Kaspi.KZ JSC GDR ^d	849	67,580			
Total Kazakhstan		67,580			
SINGAPORE: 1.2%					
CapitaLand Investment, Ltd.	26,000	63,590			
CapitaLand Ascott Trust	1,819	1,452			
Total Singapore		65,042			
THAILAND: 1.1%					
Bangkok Dusit Medical Services Public Co., Ltd. F Shares	70,300	55,023			
Total Thailand		55,023			
CHILE: 0.7%					
Antofagasta PLC	2,037	37,836			
Total Chile		37,836			

Schedule of Investments^a (unaudited) (continued)

COMMON EQUITIES (continued)

	Shares	Value
TURKEY: 0.2%		
BIM Birlesik Magazalar AS ^b	1,900	\$12,426
Total Turkey		12,426
TOTAL COMMON EQUITIES		
		4,851,344
(Cost \$4,590,695)		

PREFERRED EQUITIES: 6.1%

SOUTH KOREA: 6.1%		
Samsung Electronics Co., Ltd., Pfd.	7,162	323,409
Total South Korea		323,409
TOTAL PREFERRED EQUITIES		
		323,409
(Cost \$312,952)		

SHORT-TERM INVESTMENTS: 1.8%

MONEY MARKET FUNDS: 1.8%		
JPMorgan U.S. Government Money Market Fund, Capital Shares, 5.01% ^e	96,693	96,693
(Cost \$96,693)		
TOTAL INVESTMENTS: 99.4%		
		5,271,446
(Cost \$5,000,340)		

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
- b Non-income producing security.
- c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At June 30, 2023, the aggregate value is \$192,942, which is 3.64% of net assets.
- d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
- e Rate shown is the current yield as of June 30, 2023.
- ADR American Depositary Receipt
- GDR Global Depositary Receipt
- JSC Joint Stock Co.
- Pfd. Preferred
- REIT Real Estate Investment Trust

See accompanying notes to financial statements.

**CASH AND OTHER ASSETS,
LESS LIABILITIES: 0.6%**

30,681

NET ASSETS: 100.0%

\$5,302,127

ASIA GROWTH STRATEGIES



PORTFOLIO MANAGERS

Michael J. Oh, CFA

Lead Manager

Taizo Ishida

Co-Manager

Inbok Song

Co-Manager

FUND FACTS

Ticker	MINV
CUSIP	577125826
Inception Date	07/13/22
Gross Expense Ratio	0.79%
# of Positions	50
Net Assets	\$135.4 million
Portfolio Turnover	72.6%
Weight Average Market Cap	\$193.6 billion

Benchmark
MSCI AC Asia ex Japan Index

OBJECTIVE

Long-term capital appreciation.

STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in Asia ex Japan that Matthews believes are innovators in their products, services, processes, business models, management, use of technology, or approach to creating, expanding or servicing their markets. Asia ex Japan consists of all countries and markets in Asia excluding Japan, including developed, emerging, and frontier countries and markets in the Asia region.

² Holdings may combine more than one security from same issuer and related depositary receipts.

³ Not all countries where the Fund may invest are included in the benchmark index.

⁴ Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Matthews Asia Innovators Active ETF *(unaudited)*

PERFORMANCE AS OF JUNE 30, 2023

	3 Months	YTD	1 Year	Actual Return, Not Annualized	
				Since Inception	Inception date
Asia Innovators Active ETF (NAV)	-4.66%	-2.85%	n.a.	-5.80%	07/13/22
Asia Innovators Active ETF (market price)	-4.16%	-2.35%	n.a.	-5.12%	
MSCI AC Asia ex Japan Index ¹	-1.14%	3.19%	n.a.	1.71%	

¹ It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 18 for index definition.

Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when sold, shares may be worth more or less than their original cost. For the Fund's most recent month-end performance visit matthewsasiasia.com.

TOP TEN HOLDINGS²

Name	Country	% Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	8.0%
Samsung Electronics Co., Ltd.	South Korea	6.2%
Tencent Holdings, Ltd.	China	4.4%
HDFC Bank, Ltd.	India	4.3%
Alibaba Group Holding, Ltd. ADR	China	3.9%
NVIDIA Corp.	United States	3.2%
Trip.com Group, Ltd. ADR	China	3.0%
ICICI Bank, Ltd.	India	3.0%
ASML Holding NV	Netherlands	3.0%
Meituan B Shares	China	2.9%
Total		41.9%

COUNTRY ALLOCATION (%)^{3,4}

China	33.7
India	18.1
United States	11.3
South Korea	11.0
Taiwan	9.5
Netherlands	3.0
Indonesia	2.7
Japan	2.4
France	2.0
Singapore	1.9
Vietnam	1.1
Cash and Other Assets, Less Liabilities	3.1

SECTOR ALLOCATION (%)⁴

Information Technology	30.5
Consumer Discretionary	26.5
Financials	12.8
Communication Services	10.5
Consumer Staples	4.5
Industrials	4.4
Health Care	3.6
Energy	2.1
Real Estate	2.0
Cash and Other Assets, Less Liabilities	3.1

MARKET CAP EXPOSURE (%)⁴

Mega Cap (over \$25B)	72.6
Large Cap (\$10B-\$25B)	11.4
Mid Cap (\$3B-10B)	10.3
Small Cap (under \$3B)	2.6
Cash and Other Assets, Less Liabilities	3.1

Schedule of Investments^a (unaudited)

COMMON EQUITIES: 96.2%

	Shares	Value
CHINA/HONG KONG: 33.7%		
Tencent Holdings, Ltd.	139,800	\$5,915,535
Alibaba Group Holding, Ltd. ADR ^b	62,942	5,246,216
Trip.com Group, Ltd. ADR ^b	116,920	4,092,200
Meituan B Shares ^{b,c,d}	251,020	3,917,483
PDD Holdings, Inc. ADR ^b	49,292	3,408,049
KE Holdings, Inc. ADR ^b	180,619	2,682,192
NARI Technology Co., Ltd. A Shares	637,080	2,022,949
OPT Machine Vision Tech Co., Ltd. A Shares	88,974	2,014,640
Yum China Holdings, Inc.	31,775	1,795,287
BYD Co., Ltd. A Shares	50,500	1,792,851
Contemporary Amperex Technology Co., Ltd. A Shares	56,000	1,761,181
Baidu, Inc. ADR ^b	12,448	1,704,256
Proya Cosmetics Co., Ltd. A Shares	100,780	1,557,111
Hundsun Technologies, Inc. A Shares	253,900	1,545,779
China Resources Beer Holdings Co., Ltd.	212,000	1,395,911
BeiGene, Ltd. ADR ^b	7,656	1,365,065
Kuaishou Technology ^{b,c,d}	195,700	1,337,281
Innovent Biologics, Inc. ^{b,c,d}	290,500	1,097,262
Legend Biotech Corp. ADR ^b	14,582	1,006,595
Total China/Hong Kong		45,657,843
INDIA: 18.1%		
HDFC Bank, Ltd.	278,885	5,783,967
ICICI Bank, Ltd.	357,618	4,074,172
Bajaj Finance, Ltd.	41,912	3,658,323
Reliance Industries, Ltd.	91,582	2,846,997
Mahindra & Mahindra, Ltd.	153,185	2,714,284
Titan Co., Ltd.	59,487	2,209,944
Indian Hotels Co., Ltd.	348,116	1,665,551
Ashok Leyland, Ltd.	756,971	1,544,646
Total India		24,497,884
SOUTH KOREA: 10.3%		
Samsung Electronics Co., Ltd.	154,272	8,453,260
Samsung SDI Co., Ltd.	4,043	2,052,720
Kia Corp.	26,181	1,758,448
Orion Corp.	18,022	1,641,286
Total South Korea		13,905,714
TAIWAN: 9.5%		
Taiwan Semiconductor Manufacturing Co., Ltd.	585,000	10,819,246
Alchip Technologies, Ltd.	36,000	2,074,844
Total Taiwan		12,894,090
UNITED STATES: 9.1%		
NVIDIA Corp.	10,349	4,377,834
Netflix, Inc. ^b	6,025	2,653,952
Visa, Inc. Class A	9,392	2,230,412
Monolithic Power Systems, Inc.	3,016	1,629,334
Lululemon Athletica, Inc. ^b	3,598	1,361,843
Total United States		12,253,375
JAPAN: 3.5%		
Keyence Corp.	4,000	1,877,746
Allegro MicroSystems, Inc. ^b	32,107	1,449,310
Asahi Intecc Co., Ltd.	73,400	1,427,525
Total Japan		4,754,581

	Shares	Value
NETHERLANDS: 3.0%		
ASML Holding NV	5,614	\$4,068,747
Total Netherlands		4,068,747
INDONESIA: 2.7%		
PT Bank Rakyat Indonesia Persero Tbk	4,353,100	1,575,159
PT Indofood CBP Sukses Makmur Tbk	2,030,500	1,533,794
PT Astra International Tbk	1,280,000	578,423
Total Indonesia		3,687,376
FRANCE: 2.0%		
LVMH Moet Hennessy Louis Vuitton SE	2,843	2,676,779
Total France		2,676,779
SINGAPORE: 1.9%		
Sea, Ltd. ADR ^b	45,034	2,613,773
Total Singapore		2,613,773
BRAZIL: 1.2%		
MercadoLibre, Inc. ^b	1,392	1,648,963
Total Brazil		1,648,963
VIETNAM: 1.2%		
Mobile World Investment Corp.	837,800	1,538,128
Total Vietnam		1,538,128
TOTAL COMMON EQUITIES		130,197,253
(Cost \$121,988,712)		
PREFERRED EQUITIES: 0.7%		
SOUTH KOREA: 0.7%		
Samsung Electronics Co., Ltd., Pfd.	21,930	990,274
Total South Korea		990,274
TOTAL PREFERRED EQUITIES		990,274
(Cost \$1,004,337)		
SHORT-TERM INVESTMENTS: 1.5%		
MONEY MARKET FUNDS: 1.5%		
JPMorgan U.S. Government Money Market Fund, Capital Shares, 5.01% ^e	2,052,458	2,052,458
(Cost \$2,052,458)		
TOTAL INVESTMENTS: 98.4%		133,239,985
(Cost \$125,045,507)		
CASH AND OTHER ASSETS, LESS LIABILITIES: 1.6%		2,179,065
NET ASSETS: 100.0%		\$135,419,050

Schedule of Investments^a (unaudited) (continued)

COMMON EQUITIES *(continued)*

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
 - b Non-income producing security.
 - c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At June 30, 2023, the aggregate value is \$6,352,026, which is 4.69% of net assets.
 - d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
 - e Rate shown is the current yield as of June 30, 2023.
- ADR American Depositary Receipt
Pfd. Preferred

See accompanying notes to financial statements.

Matthews China Active ETF *(unaudited)*

PERFORMANCE AS OF JUNE 30, 2023

	3 Months	YTD	1 Year	Actual Return, Not Annualized	
				Since Inception	Inception date
China Active ETF (NAV)	-13.80%	-13.73%	n.a.	-17.04%	07/13/22
China Active ETF (market price)	-13.25%	-13.57%	n.a.	-16.44%	
MSCI China Index ¹	-9.65%	-5.39%	n.a.	-12.59%	
MSCI China All Shares Index ¹	-9.79%	-5.27%	n.a.	-14.24%	

¹ It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 18 for index definition.

Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when sold, shares may be worth more or less than their original cost. For the Fund's most recent month-end performance visit matthewsasiasia.com.

PORTFOLIO MANAGERS

Andrew Mattock, CFA
Lead Manager

Winnie Chwang **Sherwood Zhang, CFA**
Co-Manager Co-Manager

FUND FACTS

Ticker	MCH
CUSIP	577125834
Inception Date	07/13/22
Gross Expense Ratio	0.79%
# of Positions	48
Net Assets	\$29.9 million
Portfolio Turnover	12.5%
Weight Average Market Cap	\$97.4 billion

Benchmark
MSCI China Index
MSCI China All Shares Index

OBJECTIVE

Long-term capital appreciation.

STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in China. China includes its administrative and other districts, such as Hong Kong.

TOP TEN HOLDINGS²

Name	Country	% Net Assets
Alibaba Group Holding, Ltd.	Consumer Discretionary	8.0%
Tencent Holdings, Ltd.	Communication Services	7.8%
PDD Holdings, Inc. ADR	Consumer Discretionary	5.3%
Meituan B Shares	Consumer Discretionary	5.3%
JD.com, Inc. Class A	Consumer Discretionary	4.6%
China Merchants Bank Co., Ltd. A Shares	Financials	4.4%
CITIC Securities Co., Ltd. H Shares	Financials	3.7%
China International Capital Corp., Ltd. H Shares	Financials	3.6%
KE Holdings, Inc. ADR	Real Estate	3.4%
Contemporary Amperex Technology Co., Ltd. A Shares	Industrials	2.9%
Total		49.0%

COUNTRY ALLOCATION (%)^{3,4}

China/Hong Kong	98.3
Cash and Other Assets, Less Liabilities	1.7

SECTOR ALLOCATION (%)⁴

Consumer Discretionary	31.1
Financials	18.6
Communication Services	13.9
Industrials	8.8
Real Estate	6.5
Information Technology	6.1
Consumer Staples	5.7
Health Care	4.6
Energy	1.8
Utilities	1.2
Cash and Other Assets, Less Liabilities	1.7

MARKET CAP EXPOSURE (%)⁴

Mega Cap (over \$25B)	59.9
Large Cap (\$10B-\$25B)	25.7
Mid Cap (\$3B-10B)	7.8
Small Cap (under \$3B)	4.9
Cash and Other Assets, Less Liabilities	1.7

² Holdings may combine more than one security from same issuer and related depositary receipts.

³ Not all countries where the Fund may invest are included in the benchmark index.

⁴ Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Schedule of Investments^a (unaudited)

COMMON EQUITIES: 98.4%

	Shares	Value	Shares	Value
CONSUMER DISCRETIONARY: 31.1%				
Broadline Retail: 17.9%				
Alibaba Group Holding, Ltd. ^b	231,300	\$2,396,647		
PDD Holdings, Inc. ADR ^b	22,846	1,579,572		
JD.com, Inc. Class A	81,200	1,371,881		
		<u>5,348,100</u>		
Hotels, Restaurants & Leisure: 8.2%				
Meituan B Shares ^{b,c,d}	100,910	1,574,828		
Galaxy Entertainment Group, Ltd. ^b	82,000	520,047		
H World Group, Ltd. ADR ^b	9,090	352,510		
		<u>2,447,385</u>		
Household Durables: 1.7%				
Man Wah Holdings, Ltd.	550,000	367,060		
Midea Group Co., Ltd. A Shares	18,800	152,265		
		<u>519,325</u>		
Automobiles: 1.5%				
Yadea Group Holdings, Ltd. ^{c,d}	196,000	445,693		
Diversified Consumer Services: 1.0%				
China Education Group Holdings, Ltd. ^d	367,000	285,672		
Specialty Retail: 0.8%				
China Tourism Group Duty Free Corp., Ltd. A Shares	16,300	247,655		
Total Consumer Discretionary		<u>9,293,830</u>		
FINANCIALS: 18.6%				
Capital Markets: 9.1%				
CITIC Securities Co., Ltd. H Shares	613,000	1,110,762		
China International Capital Corp., Ltd. H Shares ^{c,d}	609,600	1,068,819		
Hong Kong Exchanges & Clearing, Ltd.	7,800	293,821		
East Money Information Co., Ltd. A Shares	122,640	239,387		
		<u>2,712,789</u>		
Banks: 6.9%				
China Merchants Bank Co., Ltd. A Shares	290,800	1,309,535		
China Construction Bank Corp. H Shares	1,171,000	757,595		
		<u>2,067,130</u>		
Insurance: 2.6%				
PICC Property & Casualty Co., Ltd. H Shares	428,000	475,701		
Ping An Insurance Group Co. of China, Ltd. H Shares	46,500	295,795		
		<u>771,496</u>		
Total Financials		<u>5,551,415</u>		
COMMUNICATION SERVICES: 13.9%				
Interactive Media & Services: 9.4%				
Tencent Holdings, Ltd.	54,800	2,318,822		
Kuaishou Technology ^{b,c,d}	71,600	489,266		
		<u>2,808,088</u>		
Media: 2.9%				
Focus Media Information Technology Co., Ltd. A Shares	657,811	615,782		
Three's Co Media Group Co., Ltd. A Shares	21,895	\$258,654		
		<u>874,436</u>		
Entertainment: 1.6%				
Tencent Music Entertainment Group ADR ^b	43,695	322,469		
Bilibili, Inc. ADR ^b	9,920	149,792		
		<u>472,261</u>		
Total Communication Services		<u>4,154,785</u>		
INDUSTRIALS: 8.8%				
Electrical Equipment: 4.9%				
Contemporary Amperex Technology Co., Ltd. A Shares	27,900	877,445		
Sungrow Power Supply Co., Ltd. A Shares	36,300	581,964		
		<u>1,459,409</u>		
Machinery: 2.6%				
Shenzhen Inovance Technology Co., Ltd. A Shares	50,400	444,848		
Estun Automation Co., Ltd. A Shares	86,600	333,315		
		<u>778,163</u>		
Transportation Infrastructure: 1.3%				
Shanghai International Airport Co., Ltd. A Shares ^b	62,552	390,542		
Total Industrials		<u>2,628,114</u>		
REAL ESTATE: 6.5%				
Real Estate Management & Development: 6.5%				
KE Holdings, Inc. ADR ^b	69,011	1,024,813		
Country Garden Services Holdings Co., Ltd.	284,000	366,751		
CIFI Holdings Group Co., Ltd. ^e	4,668,000	348,346		
Times China Holdings, Ltd. ^b	2,255,000	204,304		
Total Real Estate		<u>1,944,214</u>		
INFORMATION TECHNOLOGY: 6.1%				
Electronic Equipment, Instruments & Components: 2.4%				
Zhejiang Supcon Technology Co., Ltd. A Shares	49,817	429,911		
Wingtech Technology Co., Ltd. A Shares	43,200	290,383		
		<u>720,294</u>		
Semiconductors & Semiconductor Equipment: 2.1%				
NAURA Technology Group Co., Ltd. A Shares	7,387	322,549		
Zhejiang Jingsheng Mechanical & Electrical Co., Ltd. A Shares	31,603	308,002		
		<u>630,551</u>		
Software: 1.6%				
Shanghai Baosight Software Co., Ltd. A Shares	68,256	476,726		
Total Information Technology		<u>1,827,571</u>		
CONSUMER STAPLES: 5.7%				
Beverages: 4.1%				
Wuliangye Yibin Co., Ltd. A Shares	23,200	521,640		
Tsingtao Brewery Co., Ltd. H Shares	46,000	417,936		
Shanxi Xinghuacun Fen Wine Factory Co., Ltd. A Shares	11,600	295,102		
		<u>1,234,678</u>		

Schedule of Investments^a (unaudited) (continued)

COMMON EQUITIES (continued)

	Shares	Value
Consumer Staples Distribution & Retail: 1.6%		
JD Health International, Inc. ^{b,c,d}	73,200	<u>\$461,902</u>
Total Consumer Staples		<u>1,696,580</u>
HEALTH CARE: 4.6%		
Health Care Equipment & Supplies: 1.8%		
Shenzhen Mindray Bio-Medical Electronics Co., Ltd. A Shares	13,000	<u>535,740</u>
Life Sciences Tools & Services: 1.7%		
Wuxi Biologics Cayman, Inc. ^{b,c,d}	108,000	<u>517,495</u>
Health Care Providers & Services: 1.1%		
Sinopharm Group Co., Ltd. H Shares	104,000	<u>325,141</u>
Total Health Care		<u>1,378,376</u>
ENERGY: 1.9%		
Oil, Gas & Consumable Fuels: 1.9%		
PetroChina Co., Ltd. H Shares	786,000	<u>543,618</u>
Total Energy		<u>543,618</u>
UTILITIES: 1.2%		
Gas Utilities: 1.2%		
ENN Energy Holdings, Ltd.	28,700	<u>357,441</u>
Total Utilities		<u>357,441</u>
TOTAL COMMON EQUITIES		<u>29,375,944</u>
(Cost \$35,621,036)		

SHORT-TERM INVESTMENTS: 1.3%

MONEY MARKET FUNDS: 1.3%		
JPMorgan U.S. Government Money Market Fund, Capital Shares, 5.01% ^f	395,006	<u>395,006</u>
(Cost \$395,006)		
TOTAL INVESTMENTS: 99.7%		<u>29,770,950</u>
(Cost \$36,016,042)		

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
- b Non-income producing security.
- c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At June 30, 2023, the aggregate value is \$4,558,003, which is 15.26% of net assets.
- d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
- e Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy. The aggregate value of Level 3 security is \$348,346 and 1.17% of net assets.
- f Rate shown is the current yield as of June 30, 2023.

ADR American Depositary Receipt

See accompanying notes to financial statements.

**CASH AND OTHER ASSETS,
LESS LIABILITIES: 0.3%**

100,972

NET ASSETS: 100.0%

\$29,871,922

Index Definitions

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization-weighted index of the stock markets of Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.

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

The **MSCI China Index** is a free float-adjusted market capitalization-weighted index of Chinese equities that includes H

shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen ex-exchanges, and Hong Kong-listed securities known as Red Chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g., ADRs).

The **MSCI China All Shares Index** captures large and mid-cap representation across China A shares, B shares, H shares, Red Chips (issued by entities owned by national or local governments in China), P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g., ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China.

Disclosures

Fund Holdings: The Fund holdings shown in this report are as of June 30, 2023. Holdings are subject to change at any time, so holdings shown in this report may not reflect current Fund holdings. The Funds file complete schedules of portfolio holdings with the Securities and Exchange Commission (the “SEC”) for the first and third quarters of each fiscal year on Form N-PORT. The Funds’ Form N-PORTs are available on the SEC’s website at www.sec.gov. Complete schedules of investments are also available without charge, upon request, from the Funds by calling us at 833.228.5605.

Proxy Voting Record: The Funds’ Statement of Additional Information containing a description of the policies and procedures that the Funds have used to vote proxies relating to portfolio securities, along with each Fund’s proxy voting record relating

to portfolio securities held during the most recent 12-month period ended June 30, is available upon request, at no charge, at the Funds’ website at matthewsasia.com or by calling 833.228.5605, or on the SEC’s website at www.sec.gov.

Shareholder Reports and Prospectuses: To reduce the Funds’ expenses, we try to identify related shareholders in a household and send only one copy of the Funds’ prospectus and financial reports to that address. This process, called “householding,” will continue indefinitely unless you instruct us otherwise. At any time you may view the Funds’ current prospectus, summary prospectus and financial reports on our website. If you prefer to receive individual copies of the Funds’ prospectus or financial reports, please call us at 833.228.5605.

Disclosure of Fund Expenses *(unaudited)*

We believe it is important for you to understand the impact of fees regarding your investment. All ETFs have operating expenses. As a shareholder of an ETF, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund’s gross income, directly reduce the investment return of the fund. A fund’s operating expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing fees (in dollars) of investing in your fund and to compare these costs with those of other ETFs. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

This table illustrates your fund’s costs in two ways:

Actual Fund Return: This section helps you to estimate the actual operating expenses, after any applicable fee waivers, that you paid over the period. The “Ending Account Value” shown is derived from the fund’s actual return for the past six month period, the “Expense Ratio” column shows the period’s annualized expense ratio, and the “Operating Expenses Paid During Period” column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund at the beginning of the period. You may use the information here, together with your account value, to estimate the expenses that you paid over the period. To do so, simply divide your account value by \$1,000 (for example, an

\$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your fund in the first line under the heading entitled “Operating Expenses Paid During Period.”

Hypothetical 5% Return: This section is intended to help you compare your fund’s costs with those of other ETFs. It assumes that the fund had an annual return of 5% before operating expenses, but that the expense ratio is unchanged. In this case, because the return used is not the fund’s actual return, the results do not apply to your investment. This example is useful in making comparisons to other ETFs because the Securities and Exchange Commission requires all registered funds to calculate expenses based on an assumed 5% annual return. You can assess your fund’s costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Please note that the operating expenses shown in the table are meant to highlight and help you compare your ongoing costs only and do not reflect any transactional costs. You may pay brokerage commissions on your purchases and sales of fund shares, which are not reflected in the table.

Matthews Asia Funds does not charge any sales loads, exchange fees, or 12b-1 fees, but these may be present in other funds to which you compare this data. Therefore, the hypothetical portions of the table are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

Disclosure of Fund Expenses *(unaudited) (continued)*

	Beginning Account Value 1/1/23	Ending Account Value 6/30/23	Expense Ratio	Operating Expenses Paid During Period 1/1/23– 6/30/23
Matthews Emerging Markets Equity Active ETF				
Actual Fund Return	\$1,000.00	\$1,054.10	0.79%	\$4.02
Hypothetical 5% Returns	\$1,000.00	\$1,020.88	0.79%	\$3.96
Matthews Emerging Markets ex China Active ETF^{1,2}				
Actual Fund Return	\$1,000.00	\$1,070.80	0.79%	\$4.06
Hypothetical 5% Returns	\$1,000.00	\$1,020.88	0.79%	\$3.96
Matthews Asia Innovators Active ETF				
Actual Fund Return	\$1,000.00	\$976.50	0.79%	\$3.87
Hypothetical 5% Returns	\$1,000.00	\$1,020.88	0.79%	\$3.96
Matthews China Active ETF				
Actual Fund Return	\$1,000.00	\$864.30	0.79%	\$3.65
Hypothetical 5% Returns	\$1,000.00	\$1,020.88	0.79%	\$3.96

¹ Annualized from Fund's inception, January 10, 2023.

² The Fund commenced operations on January 10, 2023. Operating expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by 171 days, then divided by 365. The hypothetical expense example is based on the half-year period beginning January 1, 2023, as required by the SEC.

Statements of Assets and Liabilities *(unaudited)*

June 30, 2023

	Matthews Emerging Markets Equity Active ETF	Matthews Emerging Markets ex China Active ETF	Matthews Asia Innovators Active ETF	Matthews China Active ETF
ASSETS:				
Investments at value (A) (Note 2-A):				
Unaffiliated issuers	\$56,694,067	\$5,271,446	\$133,239,985	\$29,770,950
Cash	1,584,562	22,891	290,907	4,142
Segregated foreign currency at value	80,028	—	37,214	47
Foreign currency at value (B)	28	3	966,078	—
Dividends and interest receivable	81,715	9,096	183,598	120,839
Receivable for securities sold	129,074	13,131	7,698,285	—
Other receivable	449	—	370	—
TOTAL ASSETS	58,569,923	5,316,567	142,416,437	29,895,978
LIABILITIES:				
Payable for securities purchased	1,043,245	4,899	6,852,306	4,118
Deferred foreign capital gains tax liability (Note 2-C)	29,138	6,341	56,510	—
Due to Advisor (Note 4)	35,692	3,200	88,571	19,938
TOTAL LIABILITIES	1,108,075	14,440	6,997,387	24,056
NET ASSETS	\$57,461,848	\$5,302,127	\$135,419,050	\$29,871,922
SHARES OUTSTANDING:				
(shares of beneficial interest issued and outstanding, respectively, unlimited number of shares authorized with a \$0.001 par value)	2,080,000	200,000	5,750,000	1,440,000
Net asset value, offering price and redemption price	27.63	26.51	23.55	20.74
NET ASSETS CONSISTS OF:				
Capital paid-in	\$56,884,532	\$5,049,714	\$140,979,727	\$37,066,091
Total distributable earnings/(accumulated loss)	577,316	252,413	(5,560,677)	(7,194,169)
NET ASSETS	\$57,461,848	\$5,302,127	\$135,419,050	\$29,871,922
(A) Investments at cost:				
Unaffiliated Issuers	\$55,685,780	\$5,000,340	\$125,045,507	\$36,016,042
(B) Foreign Currency at Cost	\$28	\$3	\$966,078	\$—

See accompanying notes to financial statements.

Statements of Operations *(unaudited)*

Period Ended June 30, 2023

	Matthews Emerging Markets Equity Active ETF	Matthews Emerging Markets ex China Active ETF	Matthews Asia Innovators Active ETF	Matthews China Active ETF
INVESTMENT INCOME:				
Dividends—Unaffiliated Issuers	\$489,399	\$54,695	\$702,612	\$268,084
Interest	10,289	886	58,927	16,381
Foreign withholding tax	(39,414)	(4,882)	(88,543)	(16,042)
TOTAL INVESTMENT INCOME	460,274	50,699	672,996	268,423
EXPENSES:				
Investment advisory fees (Note 4)	119,015	13,757	522,775	124,453
NET INVESTMENT INCOME (LOSS)	341,259	36,942	150,221	143,970
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FOREIGN CURRENCY RELATED TRANSACTIONS, AND FOREIGN CAPITAL GAINS TAXES:				
Net realized gain (loss) on investments—Unaffiliated Issuers	(912,571)	(44,292)	(12,333,495)	(1,039,498)
Net realized gain (loss) on in-kind redemptions—Unaffiliated Issuers	229,519	—	—	—
Net realized gain (loss) on foreign currency related transactions	(15,750)	(5,020)	(141,854)	(6,116)
Net change in unrealized appreciation/depreciation on investments—Unaffiliated Issuers	984,319	271,106	5,900,912	(6,691,096)
Net change in deferred foreign capital gains taxes on unrealized appreciation/depreciation	(28,965)	(6,341)	(60,495)	—
Net change in unrealized appreciation/depreciation on foreign currency related translations	(465)	18	1,750	(775)
Net realized and unrealized gain (loss) on investments, foreign currency related transactions, and foreign capital gains taxes	256,087	215,471	(6,633,182)	(7,737,485)
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$597,346	\$252,413	(\$6,482,961)	(\$7,593,515)

See accompanying notes to financial statements.

Statements of Changes in Net Assets *(unaudited)*

MATTHEWS EMERGING MARKETS EQUITY ACTIVE ETF	Six-Month Period Ended June 30, 2023 (Unaudited)	For the Period Ended December 31, 2022 ¹
OPERATIONS:		
Net investment income (loss)	\$341,259	\$31,792
Net realized gain (loss) on investments, in-kind redemptions and foreign currency related transactions	(698,802)	(47,523)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	983,854	23,964
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	(28,965)	(173)
Net increase (decrease) in net assets resulting from operations	597,346	8,060
DISTRIBUTIONS TO SHAREHOLDERS:		
Net decrease in net assets resulting from distributions	—	(28,090)
CAPITAL SHARE TRANSACTIONS (net) (Note 4)	50,560,616	6,323,916
Total increase (decrease) in net assets	51,157,962	6,303,886
NET ASSETS:		
Beginning of period	6,303,886	—
End of period	\$57,461,848	\$6,303,886

¹ The Fund commenced operations on July 13, 2022.

MATTHEWS EMERGING MARKETS EX CHINA ACTIVE ETF	For the Period Ended June 30, 2023 ¹ (Unaudited)
OPERATIONS:	
Net investment income (loss)	\$36,942
Net realized gain (loss) on investments and foreign currency related transactions	(49,312)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	271,124
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	(6,341)
Net increase (decrease) in net assets resulting from operations	252,413
CAPITAL SHARE TRANSACTIONS (net) (Note 4)	5,049,714
Total increase (decrease) in net assets	5,302,127
NET ASSETS:	
Beginning of period	—
End of period	\$5,302,127

¹ The Fund commenced operations on January 10, 2023.

See accompanying notes to financial statements.

Statements of Changes in Net Assets *(unaudited) (continued)*

MATTHEWS ASIA INNOVATORS ACTIVE ETF	Six-Month Period Ended June 30, 2023 (Unaudited)	For the Period Ended December 31, 2022 ¹
OPERATIONS:		
Net investment income (loss)	\$150,221	(\$34,351)
Net realized gain (loss) on investments and foreign currency related transactions	(12,475,349)	(1,392,598)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	5,902,662	2,293,574
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	(60,495)	—
Net increase (decrease) in net assets resulting from operations	(6,482,961)	866,625
CAPITAL SHARE TRANSACTIONS (net) (Note 4)	36,462,984	104,572,402
Total increase (decrease) in net assets	29,980,023	105,439,027
NET ASSETS:		
Beginning of period	105,439,027	—
End of period	\$135,419,050	\$105,439,027

¹ The Fund commenced operations on July 13, 2022.

MATTHEWS CHINA ACTIVE ETF	Six-Month Period Ended June 30, 2023 (Unaudited)	For the Period Ended December 31, 2022 ¹
OPERATIONS:		
Net investment income (loss)	\$143,970	(\$4,643)
Net realized gain (loss) on investments and foreign currency related transactions	(1,045,614)	(47,731)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	(6,691,871)	446,556
Net increase (decrease) in net assets resulting from operations	(7,593,515)	394,182
CAPITAL SHARE TRANSACTIONS (net) (Note 4)	27,366,557	9,704,698
Total increase (decrease) in net assets	19,773,042	10,098,880
NET ASSETS:		
Beginning of period	10,098,880	—
End of period	\$29,871,922	\$10,098,880

¹ The Fund commenced operations on July 13, 2022.

See accompanying notes to financial statements.

Financial Highlights

Matthews Emerging Markets Equity Active ETF

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

	Six-Month Period Ended June 30, 2023 (Unaudited)	Period Ended Dec. 31, 2022 ¹
Net Asset Value, beginning of Period	\$26.27	\$25.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:		
Net investment income (loss) ²	0.30	0.23
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	1.06	1.18
Total from investment operations	1.36	1.41
LESS DISTRIBUTIONS FROM:		
Net investment income	—	(0.14)
Net Asset Value, end of Period	\$27.63	\$26.27
TOTAL RETURN	5.18%³	5.63%³
RATIOS/SUPPLEMENTAL DATA		
Net assets, end of Period (in 000's)	\$57,462	\$6,304
Ratio of expenses to average net assets (Note 5)	0.79% ⁴	0.79% ⁴
Ratio of net investment income (loss) to average net assets	2.27% ⁴	1.93% ⁴
Portfolio turnover	37.64% ³	15.47% ³

1 The Fund commenced operations on July 13, 2022.

2 Calculated using the average daily shares method.

3 Not annualized.

4 Annualized.

See accompanying notes to financial statements.

Financial Highlights *(continued)*

Matthews Emerging Markets ex China Active ETF

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

	Period Ended June 30, 2023 (Unaudited) ¹
Net Asset Value, beginning of Period	\$25.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:	
Net investment income (loss) ²	0.25
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	1.26
Total from investment operations	1.51
LESS DISTRIBUTIONS FROM:	
Net Asset Value, end of Period	\$26.51
TOTAL RETURN	6.04% ³
RATIOS/SUPPLEMENTAL DATA	
Net assets, end of Period (in 000's)	\$5,302
Ratio of expenses to average net assets (Note 5)	0.79% ⁴
Ratio of net investment income (loss) to average net assets	2.12% ⁴
Portfolio turnover	15.00% ³

1 The Fund commenced operations on January 10, 2023.

2 Calculated using the average daily shares method.

3 Not annualized.

4 Annualized.

See accompanying notes to financial statements.

Financial Highlights *(continued)*

Matthews Asia Innovators Active ETF

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

	Six-Month Period Ended June 30, 2023 (Unaudited)	Period Ended Dec. 31, 2022 ¹
Net Asset Value, beginning of Period	\$24.24	\$25.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:		
Net investment income (loss) ²	0.03	(0.04)
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	(0.72)	(0.72)
Total from investment operations	(0.69)	(0.76)
Net Asset Value, end of Period	\$23.55	\$24.24
TOTAL RETURN	(2.85%)³	(3.04%)³
RATIOS/SUPPLEMENTAL DATA		
Net assets, end of Period (in 000's)	\$135,419	\$105,439
Ratio of expenses to average net assets (Note 5)	0.79% ⁴	0.79% ⁴
Ratio of net investment income (loss) to average net assets	0.23% ⁴	(0.33%) ⁴
Portfolio turnover	117.21% ³	72.56% ³

1 The Fund commenced operations on July 13, 2022.

2 Calculated using the average daily shares method.

3 Not annualized.

4 Annualized.

See accompanying notes to financial statements.

Financial Highlights *(continued)*

Matthews China Active ETF

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

	Six-Month Period Ended June 30, 2023 (Unaudited)	Period Ended Dec. 31, 2022 ¹
Net Asset Value, beginning of Period	\$24.04	\$25.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:		
Net investment income (loss) ²	0.11	(0.03)
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	(3.41)	(0.93)
Total from investment operations	(3.30)	(0.96)
Net Asset Value, end of Period	\$20.74	\$24.04
TOTAL RETURN	(13.73%)³	(3.84%)³
RATIOS/SUPPLEMENTAL DATA		
Net assets, end of Period (in 000's)	\$29,872	\$10,099
Ratio of expenses to average net assets (Note 5)	0.79% ⁴	0.79% ⁴
Ratio of net investment income (loss) to average net assets	0.91% ⁴	(0.24%) ⁴
Portfolio turnover	36.32% ³	12.48% ³

1 The Fund commenced operations on July 13, 2022.

2 Calculated using the average daily shares method.

3 Not annualized.

4 Annualized.

See accompanying notes to financial statements.

Notes to Financial Statements *(unaudited)*

1. ORGANIZATION

Matthews International Funds (d/b/a Matthews Asia Funds) (the “Trust”) is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). As of June 30, 2023, the Trust issued eighteen separate series of shares. This shareholder report pertains to four of those series (each a “Fund”, and collectively, the “Funds”): Matthews Emerging Markets Equity Active ETF, Matthews Emerging Markets ex China Active ETF, Matthews Innovators Active ETF and Matthews China Active ETF. All four Funds are considered diversified. The other fourteen separate series of the Trust are mutual funds and are covered in a separate shareholder report.

The Funds issue and redeem shares at their net asset value per share (NAV) only in large blocks of shares (Creation Units). These transactions are usually in exchange for a basket of securities and/or an amount of cash. As a practical matter, only institutional investors who have entered into an authorized participant agreement may purchase or redeem Creation Units. Except when aggregated in Creation Units, shares of the Funds are not redeemable securities.

Individual shares of the Funds trade on national securities exchanges and elsewhere during the trading day and can only be bought and sold at market prices throughout the trading day through a broker-dealer. Because Fund shares trade at market prices rather than NAV, shares may trade at a price greater than NAV (premium) or less than NAV (discount). A chart showing the frequency at which each fund’s daily closing market price was at a discount or premium to each fund’s NAV can be found at www.matthewsasia.com.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Funds in preparation of their financial statements. Each Fund follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 Financial Services—Investment Companies. The accounting policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

- A. SECURITY VALUATION:** Pursuant to Rule 2a-5 under the 1940 Act, the Funds’ Board of Trustees (the “Board”) has designated authority to a Valuation Designee, Matthews International Capital Management, LLC (“Matthews”), the Funds’ investment adviser, to make fair valuation determinations under adopted procedures subject to Board oversight. Matthews has formed a Valuation Committee (the “Valuation Committee”) to administer the pricing and valuation of portfolio securities and other assets and liabilities and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair value. The Valuation Designee may utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value. The value of the Trust’s securities is based on market quotations for those securities, or on their fair value determined by the valuation policies approved by the Board. Market quotations and valuation information are provided by commercial pricing services or securities dealers that are independent of the Funds and Matthews, in accordance with procedures established by the Valuation Designee. Foreign exchange-traded securities are valued as of the close of trading on the primary exchange on which they trade. Securities that trade in over-the-counter markets, including most debt securities (bonds), may be valued by other third-party vendors or by using indicative bid quotations from dealers or market makers, or other available market information. Market values for securities are determined based on quotations, market data or other information from the principal (or most advantageous) market on which the security is traded. Market quotations for equity securities used by the Funds include last reported sale prices, or, if such prices are not reported or available, bid and ask prices. Foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined at the close of business on the New York Stock Exchange (“NYSE”). Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available. The Funds may also utilize independent pricing services to assist them in determining a current market value for each security based on sources believed to be reliable. When fair value pricing is employed, the prices of securities used by a Fund to calculate its Net Asset Value (“NAV”) may differ from any quoted or published prices for the same securities for that day.

The books and records of the Funds are maintained in U.S. dollars. Transactions, portfolio securities, and assets and liabilities denominated in a foreign currency are translated and recorded in U.S. dollars at the prevailing exchange rate as of the close of trading on the NYSE. The Fund does not isolate the effect of changes in foreign exchange rates from changes in market prices on securities held. Accordingly, such changes are included within Change in net unrealized appreciation/depreciation on investments on the Statement of Operations. Translation gains or losses resulting from changes in the exchange rate during the reporting period and realized gains and losses on the settlement of foreign currency transactions are reported in the results of operations for the current period. The Funds isolate that portion of gains and losses on investments in fixed income securities that is due to changes in foreign exchange rate from that which is due to changes in market prices of securities.

Foreign securities held by the Funds may be traded on days and at times when the NYSE is closed. Accordingly, the value of the Funds may be significantly affected on days when shareholders have no access to the Funds.

- B. FAIR VALUE MEASUREMENTS:** The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds’ own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds’ financial instruments and are summarized in the following fair value hierarchy:

Level 1: Unadjusted quoted prices in active markets for identical securities (foreign securities that are valued based on market quotations).

Level 2: Other significant observable inputs. Certain foreign securities may be fair valued by Matthews using information such as quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and foreign exchange.

Level 3: Significant unobservable inputs. Level 3 securities are valued based on significant unobservable inputs as determined under the direction of the Board. Characterization of such securities as Level 3 securities are not necessarily an indication of their liquidity or the risk associated with investing in these securities. A significant change in the unobservable inputs could result in a significantly lower or higher value in such Level 3 securities and could impact overall Fund performance.

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

Notes to Financial Statements *(unaudited) (continued)*

Levels for Multi-Country Funds:

Summary of inputs used to determine the fair valuation of multi-country Funds' investments as of June 30, 2023.

	Matthews Emerging Markets Equity Active ETF	Matthews Emerging Markets ex China Active ETF	Matthews Asia Innovators Active ETF
Assets:			
Investments:			
Level 1: Quoted Prices			
Common Equities:			
Australia	\$1,507,593	\$154,721	\$—
Brazil	5,078,624	547,450	1,648,963
Chile	—	37,836	—
China/Hong Kong	9,402,987	—	45,657,843
France	2,077,629	211,796	2,676,779
India	9,540,655	1,106,780	24,497,884
Indonesia	1,223,045	128,058	3,687,376
Japan	—	—	4,754,581
Kazakhstan	687,664	67,580	—
Mexico	5,386,474	529,495	—
Netherlands	—	—	4,068,747
Philippines	1,237,511	136,284	—
Poland	1,063,785	111,135	—
Singapore	984,443	65,042	2,613,773
South Korea	901,044	139,838	13,905,714
Switzerland	783,973	91,195	—
Taiwan	3,815,195	524,380	12,894,090
Turkey	—	12,426	—
United Arab Emirates	577,393	125,322	—
United Kingdom	1,581,550	159,419	—
United States	2,567,830	266,858	12,253,375
Vietnam	2,949,212	312,022	1,538,128
Zambia	722,365	68,684	—
Preferred Equities:			
South Korea	3,227,762	323,409	990,274
Short-Term Investments			
	837,126	96,693	2,052,458
Level 2: Other Significant Observable Inputs			
Common Equities:			
Thailand	540,207	55,023	—
<hr/>			
Total Market Value of Investments	\$56,694,067	\$5,271,446	\$133,239,985

Notes to Financial Statements *(unaudited) (continued)*

Levels for Single Country Funds:

Summary of inputs used to determine the fair valuation of the single country Fund's investments as of June 30, 2023.

Matthews China
Active ETF

Assets:

Investments:

Level 1: Quoted Prices

Common Equities:

Communication Services	\$4,154,785
Consumer Discretionary	9,293,829
Consumer Staples	1,696,581
Energy	543,618
Financials	5,551,414
Health Care	1,378,376
Industrials	2,628,116
Information Technology	1,827,570
Real Estate	1,595,868
Utilities	357,441
Short-Term Investments	395,006

Level 3: Significant Unobservable Inputs

Common Equities:

Real Estate	348,346
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Total Market Value of Investments	\$29,770,950
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Changes in the Balances of Level 3 Securities:

The Funds' policy is to recognize transfers in and transfers out of Level 3 as of the beginning of the reporting period.

Matthews China
Active ETF

Common Equities—
Real Estate

Balance as of 12/31/22 (market value)	\$—
Accrued discounts/premiums	—
Realized gain/(loss)	(91,419)
Change in unrealized appreciation/(depreciation)	(308,428)
Purchases	632,333
Sales	(71,867)
Transfers in to Level 3	187,727
Transfer out of Level 3	—
Balance as of 6/30/23 (market value)	\$348,346
Net change in unrealized appreciation/depreciation on Level 3 investments held as of 6/30/23	(\$308,428)

C. RISKS ASSOCIATED WITH NON-U.S. COMPANIES: Investments by the Funds in the securities of non-U.S. companies may involve investment risks not typically associated with investments in U.S. issuers. These risks include possible political, economic, social and religious instability, inadequate investor protection; changes in laws or regulations of countries within the Asia Pacific region (including in countries where the Funds may invest, as well as in the broader region); international relations with other nations; natural disasters; corruption; and military activity. Foreign securities may be subject to greater fluctuations in price than securities of domestic corporations or the U.S. government. Foreign investing may also include the risk of expropriation or confiscatory taxation, limitation on the removal of funds or other assets, currency crises and exchange controls, the imposition of foreign withholding tax on the interest income payable on such instruments, the possible seizure or nationalization of foreign deposits or assets, or the adoption of other foreign government restrictions that might adversely affect the foreign securities held by the Funds. Additionally, Asia Pacific countries may utilize formal or informal currency exchange controls or "capital controls" that may limit the ability to repatriate investments or income or adversely affect the value of portfolio investments. The economies of many Asia Pacific countries differ from the economies of more developed countries in many respects, such as their rate of growth, inflation, capital reinvestment, resource self-sufficiency and dependence on other economies, financial system stability, the national balance of payments position and sensitivity to changes in global trade.

Certain Asia Pacific countries are highly dependent upon and may be affected by developments in the economies of other countries. There is generally less government regulation of stock exchanges, brokers, and listed companies abroad than in the United States, which may result in less transparency with respect to a company's operations, and make obtaining information about them more difficult (or such information may be unavailable).

Among other risks of investing in foreign markets are the variable quality and reliability of financial information and related audits of companies. Non-U.S. companies are subject to different accounting, auditing, and financial reporting standards, practices, and requirements than U.S. companies. In some cases, financial information and related audits can be unreliable and not subject to verification. Auditing firms in some of these markets are not subject to independent inspection or oversight of audit quality.

Notes to Financial Statements *(unaudited) (continued)*

Foreign stock markets may not be as developed or efficient as those in the United States, and the absence of negotiated brokerage commissions in certain countries may result in higher brokerage fees. The time between the trade and settlement dates of securities transactions on foreign exchanges ranges from one day to four weeks or longer and may result in higher custody charges. Custodial arrangements may be less well developed than in the United States. Foreign securities are generally denominated and pay distributions in foreign currencies, exposing the Funds to changes in foreign currency exchange rates. Investing in any country in the Asia Pacific region will also entail risks specific and unique to that country, and these risks can be significant and change rapidly.

Changes in interest rates in each of the countries in which the Funds may invest, as well as interest rates in more-developed countries, may cause a decline in the market value of an investment. Generally, fixed income securities will decrease in value when interest rates rise and can be expected to rise in value when interest rates decline. As interest rates decline, debt issuers may repay or refinance their loans or obligations earlier than anticipated. The issuers of fixed income securities may, therefore, repay principal in advance. This would force the Funds to reinvest the proceeds from the principal prepayments at lower rates, which reduces the Funds' income.

The Funds may invest in certain operating companies in China through legal structures known as variable interest entities ("VIEs"). In China, ownership of companies in certain sectors by foreign individuals and entities (including U.S. persons and entities such as the Fund) is prohibited. In order to facilitate foreign investment in these businesses, many Chinese companies have created VIEs. In such an arrangement, a China-based operating company typically establishes an offshore shell company in another jurisdiction, such as the Cayman Islands. That shell company enters into service and other contracts with the China-based operating company, then issues shares on a foreign exchange, such as the New York Stock Exchange. Foreign investors hold stock in the shell company rather than directly in the China-based operating company. This arrangement allows U.S. investors to obtain economic exposure to the China-based company through contractual means rather than through formal equity ownership.

VIEs are a longstanding industry practice and well known to officials and regulators in China; however, VIEs are not formally recognized under Chinese law. Recently, the government of China provided new guidance to and placed restrictions on China-based companies raising capital offshore, including through VIE structures. Investors face uncertainty about future actions by the government of China that could significantly affect an operating company's financial performance and the enforceability of the shell company's contractual arrangements. It is uncertain whether Chinese officials or regulators will withdraw their implicit acceptance of the VIE structure, or whether any new laws, rules or regulations relating to VIE structures will be adopted or, if adopted, what impact they would have on the interests of foreign shareholders. Under extreme circumstances, China might prohibit the existence of VIEs, or sever their ability to transmit economic and governance rights to foreign individuals and entities; if so, the market value of the Funds' associated portfolio holdings would likely suffer significant, detrimental, and possibly permanent effects, which could result in substantial investment losses.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict. Economic sanctions have since been imposed on Russia and certain of its citizens, including the exclusion of Russia from the SWIFT global payments network. As a result, Russian-related stocks and debt have since suffered significant declines in value. The ongoing conflict, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, has the potential to impact adversely global economies and has driven a sharp increase in volatility across markets. The duration of the Russian-Ukraine conflict and its effect on financial markets cannot be determined with certainty. The Funds' performance could be negatively impacted if the value of a portfolio holding were harmed by these and such other events. Management is actively monitoring these events. As of June 30, 2023, the Funds did not hold any Russian securities.

D. DISTRIBUTIONS TO SHAREHOLDERS:

The Funds generally distribute their net investment income once annually in December. Any net realized gain from the sale of portfolio securities and net realized gains from foreign currency transactions are distributed at least once each year unless they are used to offset losses carried forward from prior years. The Funds will declare and pay income and capital gain distributions in cash. Distributions in cash may be reinvested automatically in additional whole shares of the Funds only if the broker through whom you purchased your shares makes such option available. Your broker is responsible for distributing the income and capital gain distributions to you. Distributions are treated the same for tax purposes whether received in cash or reinvested. If you buy shares when a Fund has realized but not yet distributed ordinary income or capital gains, you will be "buying a dividend" by paying the full price of the shares and then receiving a portion of the price back in the form of a taxable dividend.

The tax character of distributions paid for the period ended December 31, 2022 were as follows:

	Ordinary Income
Matthews Emerging Markets Equity Active ETF	\$28,090

E. **INVESTMENT TRANSACTIONS AND INCOME:** Securities transactions are accounted for on the date the securities are purchased or sold or on the following business day. Financial statements reflect security transactions on trade date. Gains or losses on the sale of securities are determined on the identified cost basis. Interest income is recorded on the accrual basis. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized daily on an accrual basis. Dividend income is generally recorded on the ex-dividend date net of any foreign taxes withheld at the source. Dividend income for certain issuers headquartered in countries which the Funds invest may not be recorded until approved by the shareholders (which may occur after the ex-dividend date) if, in the judgment of management, such dividends are not reasonably determined as of the ex-dividend date. Income and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which they invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, the Funds record an estimated deferred tax liability in an amount that may be payable if the securities were disposed of on the valuation date.

F. **CASH, CASH OVERDRAFTS, AND FOREIGN CURRENCY:** QFI accounts (i.e., the accounts through which the QFI quota is accessed) are required by the local market to maintain a cash reserve. The cash reserve is based upon a fixed ratio of the QFI's approved investment quota, which is defined as the amount remitted into its special Renminbi (RMB) cash account. These amounts, if any, are included in "Segregated foreign currency at value" on the Statements of Assets and Liabilities. The fixed ratio is set at 0.08 percent for the Shanghai and 0.06 percent for the Shenzhen market. When any of the Funds' cash balances are overdrawn, a Fund is charged an overdraft fee by the custodian of 1.00% above the 30-day LIBOR rate on outstanding balances. These amounts, if any, are included in "Other expenses" on the Statements of Operations.

Notes to Financial Statements *(unaudited) (continued)*

G. USE OF ESTIMATES: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. RECENT ACCOUNTING GUIDANCE: The FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848)—Facilitation of the Effects of Reference Rate Reform on Financial Reporting in March 2020 and ASU 2021-01 in January 2021 which provided further amendments and clarifications to Topic 848. These ASUs provide optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR), and other interbank-offered based reference rates, through December 31, 2022. In December, 2022, FASB issued ASU 2022-06 which defers the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Management intends to rely upon the relief provided under Topic 848, which is not expected to have a material impact on the fund's financial statements.

In June 2022, the FASB issued Accounting Standards Update (ASU), ASU 2022-03, Fair Value Measurement (Topic 820)—Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments under this ASU are effective for fiscal years beginning after December 15, 2023; however, early adoption is permitted.

Management is currently evaluating the impact, if any, of applying this ASU.

In June 2022, the FASB issued Accounting Standards Update (ASU), ASU 2022-03, Fair Value Measurement (Topic 820)—Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments under this ASU are effective for fiscal years beginning after December 15, 2023; however, early adoption is permitted. Management is currently evaluating the impact, if any, of applying this ASU.

3. CAPITAL SHARE TRANSACTIONS

Capital shares are issued and redeemed by the Fund only in aggregations of a specified number of shares or multiples thereof (Creation Units) at NAV, in return for securities, other instruments, and/or cash (the Basket). Except when aggregated in Creation Units, shares of the Fund are not redeemable. Transactions in capital shares for the Fund are disclosed in detail in the Statement of Changes in Net Assets. Purchasers and redeemers of Creation Units are charged a transaction fee to cover the estimated cost to the Fund of processing the purchase or redemption, including costs charged to it by the NSCC (National Securities Clearing Corporation) or DTC (Depository Trust Company), and the estimated transaction costs, e.g., brokerage commissions, bid-ask spread, and market impact trading costs, incurred in converting the Basket to or from the desired portfolio composition. The transaction fee is determined daily and will be limited to amounts approved by the Board and determined by the Adviser to be appropriate to defray the expenses that the Fund incurs in connection with the purchase or redemption. The purpose of transaction fees is to protect the Fund's existing shareholders from the dilutive costs associated with the purchase and redemption of Creation Units. The amount of transaction fees will differ depending on the estimated trading costs for portfolio positions and Basket processing costs and other considerations. Transaction fees may include fixed amounts per creation or redemption transactions, amounts varying with the number of Creation Units purchased or redeemed, and varying amounts based on the time an order is placed. The Fund may impose higher transaction fees when cash is substituted for Basket instruments. Higher transaction fees may apply to purchases and redemptions through the DTC than through the NSCC.

	Six-Month Period Ended June 30, 2023 (Unaudited)		For the Period Ended December 31, 2022 ¹	
	Shares	Amount	Shares	Amount
MATTHEWS EMERGING MARKETS EQUITY ACTIVE ETF				
Shares sold	2,460,000	\$67,006,002	240,000	\$6,323,916
Shares redeemed	(620,000)	(16,445,386)	—	—
Net increase	1,840,000	\$50,560,616	240,000	\$6,323,916
MATTHEWS ASIA INNOVATORS ACTIVE ETF				
Shares sold	5,750,000	\$36,462,984	4,350,000	\$104,572,402
Shares redeemed	—	—	—	—
Net increase	5,750,000	\$36,462,984	4,350,000	\$104,572,402
MATTHEWS CHINA ACTIVE ETF				
Shares sold	1,440,000	\$27,366,557	420,000	\$9,704,698
Shares redeemed	—	—	—	—
Net increase	1,440,000	\$27,366,557	420,000	\$9,704,698
MATTHEWS EMERGING MARKETS EX CHINA ACTIVE ETF				
			For the Period Ended June 30, 2023 ²	
			Shares	Amount
Shares sold			200,000	\$5,049,714
Shares redeemed			—	—
Net increase			200,000	\$5,049,714

¹ The Fund commenced operations on July 13, 2022.

² The Fund commenced operations on January 10, 2023.

Notes to Financial Statements *(unaudited) (continued)*

4. INVESTMENT MANAGEMENT FEES

Pursuant to the Investment Management Agreement, as amended, between Matthews and the Trust, Matthews will pay substantially all the expenses of each Fund excluding management fees, interest expenses, taxes, brokerage fees, securities lending fees, payments under a Fund's 12b-1 plan (if any), acquired fund fees, litigation expenses and any extraordinary expenses. The investment management fee, accrued daily and paid monthly by the Funds based on the average daily net assets of each Fund, are as follows:

Matthews Emerging Markets Equity Active ETF	0.79%
Matthews Emerging Markets ex China Active ETF	0.79%
Matthews Asia Innovators Active ETF	0.79%
Matthews China Active ETF	0.79%

5. INVESTMENTS

For the period ended June 30, 2023, the cost of investments purchased and proceeds from sale of investments (excluding in-kind transactions and short-term investments) were as follows:

	Purchases	Proceeds from Sales
Matthews Emerging Markets Equity Active ETF	\$36,115,604	\$11,392,843
Matthews Emerging Markets ex China Active ETF	3,257,645	571,475
Matthews Asia Innovators Active ETF	170,643,343	149,179,476

For the period ended June 30, 2023, the cost of in-kind purchases and proceeds from in-kind sales were as follows:

	Purchases	Proceeds from Sales
Matthews Emerging Markets Equity Active ETF	\$34,725,733	\$10,010,386
Matthews Emerging Markets ex China Active ETF	2,262,927	—
Matthews Asia Innovators Active ETF	13,930,518	—
Matthews China Active ETF	1,952,750	—

6. INCOME TAX INFORMATION

It is the policy of the Funds to comply with all requirements of the Internal Revenue Code of 1986, as amended ("the Code"), applicable to regulated investment companies and to distribute substantially all of their taxable income to their shareholders. The Funds have met the requirements of the Code applicable to regulated investment companies for the six-month period ended June 30, 2023. Therefore, no federal income tax provision is required.

Management has analyzed the Funds' tax positions taken on federal income tax returns for all open tax years (current and prior three tax years), and has concluded that no provision for federal income tax is required in the Funds' financial statements. The Funds' federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

Under current tax law, the Funds have elected to defer certain qualified late-year losses and recognize such losses in the year ending December 31, 2022:

	Late Year Losses*
Matthews Asia Innovators Active ETF	(\$101,402)

* As permitted by the Internal Revenue Service, the Funds have elected to defer certain qualified late-year losses and recognize such losses in the next fiscal year.

As of December 31, 2022, the Funds have capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

	Amount With No Expiration
	Short-term Losses
Matthews Emerging Markets Equity Active ETF	\$43,128
Matthews Asia Innovators Active ETF	549,621
Matthews China Active ETF	3,277

Under the Regulated Investment Company Modernization Act of 2010, the Funds are permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to any losses incurred in pre-enactment taxable years, which generally expire after eight years from when they are incurred. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

Notes to Financial Statements *(unaudited) (continued)*

As of June 30, 2023, the tax cost of investments and the related net unrealized appreciation and depreciation were as follows:

	Tax Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
Matthews Emerging Markets Equity Active ETF	\$56,019,088	\$2,501,150	(\$1,826,171)	\$674,979
Matthews Emerging Markets ex China Active ETF	5,002,131	379,621	(110,306)	269,315
Matthews Asia Innovators Active ETF	128,949,871	10,203,445	(5,913,331)	4,290,114
Matthews China Active ETF	36,176,733	337,525	(6,743,308)	(6,405,783)

7. PUBLIC HEALTH EMERGENCY RISKS

Pandemics and other public health emergencies, including outbreaks of infectious diseases such as the current outbreak of the novel coronavirus (“COVID-19”), can result, and in the case of COVID-19 is resulting, in market volatility and disruption, and materially and adversely impact economic conditions in ways that cannot be predicted, all of which could result in substantial investment losses. Containment efforts and related restrictive actions by governments and businesses have significantly diminished and disrupted global economic activity across many industries. Less developed countries and their health systems may be more vulnerable to these impacts. The ultimate impact of COVID-19 or other health emergencies on global economic conditions and businesses is impossible to predict accurately. Ongoing and potential additional material adverse economic effects of indeterminate duration and severity are possible. The resulting adverse impact on the value of investment in the Funds could be significant and prolonged.

Matthews Asia Funds

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