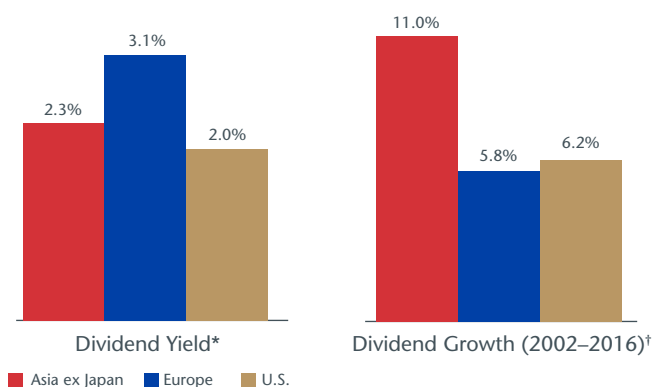




Why Invest in the Matthews Asia ex Japan Dividend Fund?

1. Asia: An Attractive Source of Yield and Dividend Growth

The portfolio blends stable dividend “payers” with attractive dividend “growers.”



*Trailing dividend yield estimates for 2016, as of 30/6/17, based on Factset Aggregates.
 †Compound annual growth rate (CAGR) based on index constituents of Europe (Bloomberg European 500 Index), Asia Pacific (MSCI AC Asia ex Japan Index), U.S. (S&P 500 Index), as of 31/12/02, excluding those that are no longer in existence as of calendar year 2016.

Past performance is no guarantee of future results. It is not possible to invest directly in an index.

Sources: FactSet Research Systems, MSCI, S&P, Bloomberg

2. Uncover the Next Generation of Sustainable Dividend-Paying Companies

Structural reform efforts and an increasing emphasis on shareholder returns support better corporate governance practices.

South Korea



A shift in government policies or family ownership structures are encouraging a higher dividend payout and higher shareholder returns.

China



Deeper capital markets and opening of the A-share market are expanding investible universe of dividend-paying companies.

Taiwan



Tax regimes encourage companies to pay higher dividends.

ASEAN

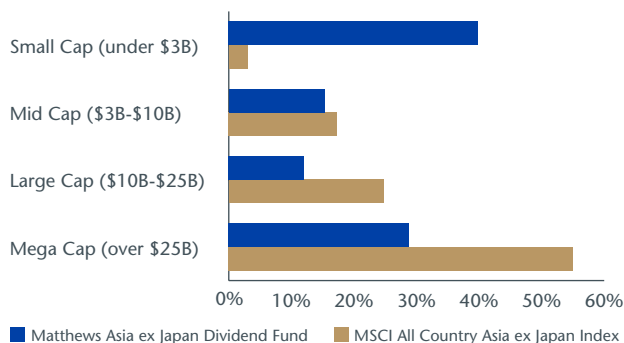


Family-owned businesses are common where largest shareholders have incentive to extract value via dividends as income.

Source: Matthews Asia

3. Unconstrained All-Cap Approach

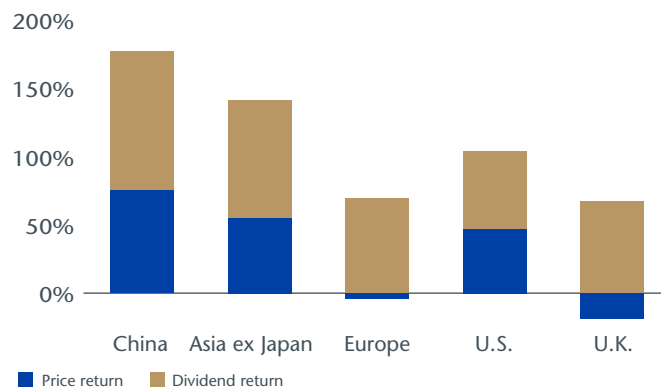
The portfolio has a strategic focus on small- to mid-cap stocks to capitalize on Asia’s domestic consumption story and the burgeoning middle class.



Source: FactSet Research Systems, Data as of 30/9/17; Equity market cap of issuer.

4. Dividends—Important Contributor to Total Return

Over the past 17 years, more than 50% of total return of the MSCI China Index was derived from dividends received and reinvested.



Local currency returns.
 Time period: 31 December 1999–31 December 2016.
 Past performance is no guarantee of future results.
 Sources: MSCI Barra, Matthews Asia

Strategy Highlights

- ✿ **Total Return Approach**
The portfolio blends stable dividend yielders with attractive dividend growers in seeking to provide both capital growth and a sustainable dividend yield.
- ✿ **Dividends Validate Corporate Governance**
Dividends are a useful lens through which we assess a company’s earnings, cash flow and commitment to minority shareholders.
- ✿ **Highly Experienced Team**
Yu Zhang, CFA, and Robert Horrocks, PhD, are Lead Managers of the Fund, with over 30 years of combined investment experience.

FUND FACTS (USD)

Class I (ACC) Shares

Total Fund Assets	\$1.5 million
Total # of Positions	45
Inception	30 November 2015
ISIN	LU1311311358 (USD) LU1311311515 (GBP)

Benchmark

MSCI All Country Asia ex Japan Index

Why Matthews Asia†?

- ✿ **25 years of Experience Investing in Asian Equity Markets**
We have invested in dividend-paying equity income strategies since 1994 and have offered a dedicated Asia Dividend Strategy since 2006.
- ✿ **Specialist Firm Focused Solely on Investing in Asia**
Independent and privately owned, Matthews Asia has a 40+ person investment team dedicated to investing in Asia.
- ✿ **Clear Investment Philosophy**
We believe that a long-term investment horizon and benchmark-agnostic approach provides value creation opportunities for our clients. This is reflected in a portfolio with low turnover and high active share.
- ✿ **Research-driven, Bottom-up Approach**
Our disciplined process is anchored in an active, bottom-up approach to stock picking. Our dedicated investment team holds over 2,500 company meetings per year.

For Institutional/Professional Investor Use Only

†Matthews International Capital Management, LLC (“Matthews Asia”) is the Investment Manager to Matthews Asia Funds.

Investment team members in this report include employees of Matthews Asia and its subsidiaries.

The Fund is a sub-fund of Matthews Asia Funds SICAV, an umbrella fund, with segregated liability between sub-funds, established as an open-ended investment company with variable capital and incorporated with limited liability under the laws of Luxembourg.

Investment involves risk. Past performance is no guarantee of future results. The value of an investment in the Fund can go down as well as up. This document is not a Prospectus/Offering Document and does not constitute an offer to the public. No public offering or advertising of investment services or securities is intended to have taken effect through the provision of these materials. This is not intended for distribution or use in any jurisdiction in which such distribution, publication, issue or use is not lawful. Investors should not invest in a Fund solely based on the information in this document. An investment in Matthews Asia Funds may be subject to 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 funds may be subject to a higher degree of market risk than diversified funds because of a concentration in a specific geographic location. Investing in small- and mid-size companies is more risky than investing in large companies as they may be more volatile and less liquid than large companies. The current prospectus, Key Investor Information Document or other offering documents (“Offering Documents”) contain this and other information and can be obtained by visiting global.matthewsasias.com. Please read the Offering Documents carefully before investing as they explain the risks associated with investing in international and emerging markets. It is the responsibility of any persons wishing to subscribe for shares to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of shares, and any foreign exchange restrictions that may be relevant thereto.

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The S&P 500 Index is a broad market-weighted index dominated by blue-chip stocks in the U.S.

The Bloomberg European 500 Index is a free float capitalization-weighted index of the 500 most highly capitalized European companies.

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 China-affiliated corporations and H shares listed on the Hong Kong Exchange, and B shares listed on the Shanghai and Shenzhen exchanges. It is not possible to invest directly in an index.

The MSCI Europe Index is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Europe Index consists of the following 15 developed market country indexes: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

The MSCI USA Index is a free float-adjusted market capitalization index that is designed to measure large and mid-cap US equity market performance.

The MSCI United Kingdom Index is a free float-adjusted market capitalization index that is designed to measure large and mid-cap UK equity market performance.

Index is for comparative purposes only and it is not possible to invest directly in an index.

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