



Why Invest in the Matthews Japan Fund?

1. Capitalizes on Three Types of Growth Companies

Portfolio invests in quality companies that we believe to be capable of generating sustained earnings growth and that are positioned to benefit from domestic, regional and global markets.

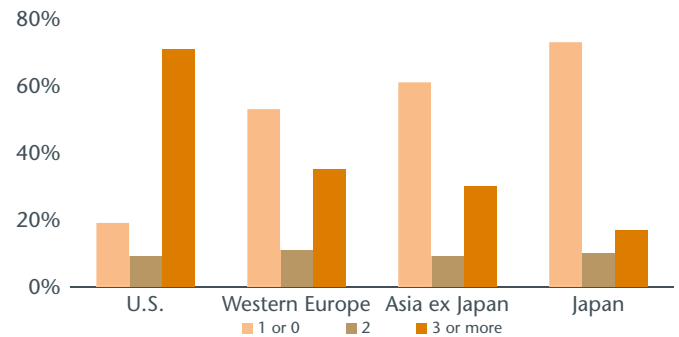
Three Types of Growth Companies

Global Leaders	Global leaders in their respective technologies, products and services
Regional Growth	Companies with growth drivers in others parts of Asia
Domestic Growth	Companies with growth niches in Japan with innovative products and services

Source: Matthews Asia

2. Japan's Alpha Opportunity is in Small Companies

Analyst coverage of small companies in Japan remains low compared to other developed and Asian markets, presenting an opportunity for active managers to find companies capable of generating alpha.

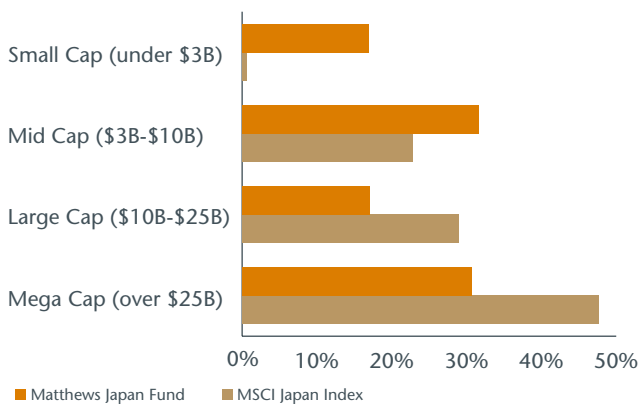


Source: Bloomberg; data as of 31/3/18

Note: Western Europe includes France, Germany, Italy Spain, Switzerland and UK. Asia ex Japan is Hong Kong, Singapore, South Korea, Taiwan, India, Indonesia, Malaysia, Mongolia, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam

3. Unconstrained All-Cap Strategy

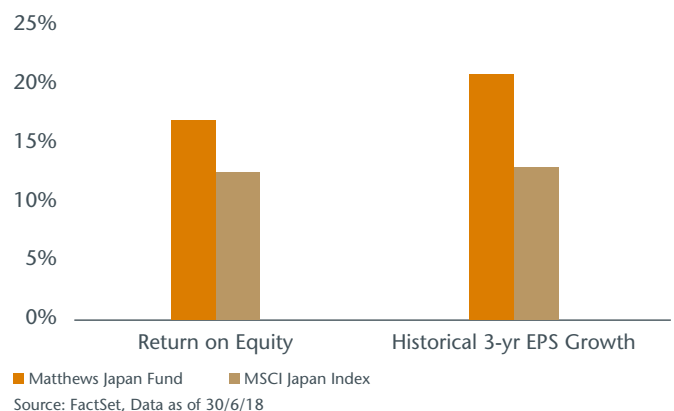
An all-cap portfolio with typically 40% to 60% of holdings in small- and mid-cap companies that have provided a meaningful source of alpha generation.



Source: FactSet Research Systems, Data as of 30/6/18; Equity market cap of issuer.

4. Quality, Growth Approach

A focus on companies with higher earnings and growth profiles compared to the broad market, and that we believe are well-suited to capitalize on a recovery in growth and inflation in the Japanese economy.



Source: FactSet, Data as of 30/6/18

Annual returns for the 12 month period ended 30 June	2018	2017	2016	2015	2014
Matthews Japan Fund (I Acc, USD)	16.32%	8.78%	4.49%	n.a.	n.a.
MSCI Japan Index (USD)	10.88%	19.58%	-8.64%	n.a.	n.a.

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 redeemed, shares may be worth more or less than the original cost. Current performance may be lower or higher than performance shown. Investors investing in funds denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. Performance details provided are based on a NAV to NAV basis with any dividends reinvested, and are net of management fees and other expenses.

Source: Brown Brothers Harriman (Luxembourg) S.C.A.

The value of an investment in the Fund can go down as well as up and possible loss of principal is a risk of investing. Investments in international and emerging market securities may involve risks such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. The Fund invests in holdings denominated in foreign currency, and is exposed to the risk that the value of the foreign currency will increase or decrease. The Fund invests primarily in equity securities, which may result in increased volatility. Investments in a single-country fund may be subject to a higher degree of market risk than diversified funds because of concentration in a specific country. These and other risks associated with investing in the Fund can be found in the Prospectus.

MATTHEWS ASIA JAPAN FUND

Strategy Highlights

- ✿ **Long-term Investment Horizon**
The portfolio aims to invest in businesses for at least 3–5 years to allow our small-cap and mid-cap holdings to develop into market leaders.
- ✿ **Survivability and Sustainability**
The portfolio invests in high-quality companies with differentiated business models, sustainable competitive edges, attractive growth prospects and capable management teams.
- ✿ **Highly Experienced Team**
Kenichi Amaki is Lead Manager and Taizo Ishida is Co-Manager of the Fund. They have over 40 years of combined industry experience.
- ✿ **Long-Term Track Record of Superior Returns**
Matthews Asia has offered our Japan Strategy since 1998. The Japan Strategy has outperformed the MSCI Japan Index in 1, 3, 5, 10-year, and since inceptions periods.* The Matthews Japan Fund has outperformed the MSCI Japan Index in the 1, 3-year and since inception periods.†

*As of 30/6/18, annualized. Performance results are of the largest account in the Japan strategy based on AUM managed by Matthews Asia, USD. The performance results are net of advisory and other fees. The performance information of the representative portfolio is shown for the purpose of indicating Matthews Asia's longer past track record and for reference only. This information does not, and is not intended to, represent performance of the Matthews Japan Fund. Performance results, portfolio characteristics and holdings information for the Matthews Japan Fund may vary from the representative portfolio for the strategy. Source: BNY Mellon Investment Servicing (US) Inc.

†As of 30/6/18. Inception date: 30/4/15, annualized. Performance reflects Class I (ACC) Shares, USD. Source: Brown Brothers Harriman (Luxembourg) S.C.A.

Why Matthews Asia‡?

- ✿ **25 years of Experience Investing in Asia Equity Markets**
We have invested in Asian equity markets since 1991 through multi-year market cycles, and we have offered our Japan Strategy since 1998.
- ✿ **Specialist Firm Focused Solely on Investing in Asia**
Independent and privately owned, Matthews Asia has a 45+ 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.

FUND FACTS	Total Fund Assets	US\$310.7 million	Inception	30 April 2015	Benchmark	MSCI Japan Index
Class I (ACC) Shares	Total # of Positions	61	ISIN	LU1220257130 (USD) LU1220257486 (GBP)		

Important Information

For Institutional/Professional Investors Only

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. 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.matthewsasia.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.

An investment in the Matthews Asia Funds is not available in all jurisdictions. The Fund's shares may not be sold to citizens or residents of the United States or in any other state, country or jurisdiction where it would be unlawful to offer, solicit an offer for, or sell the shares. No securities commission or regulatory authority has in any way passed upon the merits of an investment in the Fund or the accuracy or adequacy of this information or the material contained herein or otherwise.

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Matthews International Capital Management is the Investment Manager to the Matthews Asia Funds, and is a U.S.-based investment adviser registered with the U.S. Securities and Exchange Commission who has not represented and will not represent that it is otherwise registered with any other regulator or regulatory body.

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The MSCI Japan Index is a free float-adjusted market capitalization-weighted index of Japanese equities listed in Japan.

Indexes are unmanaged and for comparative purposes only. It is not possible to invest directly in an index.

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