

Q&A from Matthews Asia

July 2016

Matthews Japan Fund Soft Close

Effective immediately after market closing on July 29, 2016, the Matthews Japan Fund will be closed to most new investors. The Fund has limited sales of its shares because Matthews Asia and the Board of Trustees believe continued unlimited sales may adversely affect the Fund's ability to achieve its investment objective. If you were a shareholder of the Fund when it closed and your account remains open, you may make additional investments in the Fund, reinvest any dividends or capital gains distributions in that account or open additional accounts in the Fund under the same primary Social Security Number.

Which share classes are closing?

Both the Matthews Japan Fund Investor (MJFOX) and Institutional (MIJFX) share classes will be closing to most new investors.

Why is the Matthews Japan Fund closing?

The Fund is being closed in an effort to slow the pace of inflows into the Fund at a time when the overall asset size has increased considerably over an extended period of time. We believe that restricting access to the Fund at this time is a prudent step toward maintaining the integrity of our investment process and is also consistent with our approach to benefit shareholders over the long term.

Are you accepting applications into the Matthews Japan Fund from new investors as of a certain date?

Yes, new applications will be accepted, as long as they are postmarked on or before July 29, 2016.

I filled out an application and it did not indicate that the Matthews Japan Fund was closed. Can I still invest my money into the Fund?

All applications are subject to the restrictions of the latest prospectus. The prospectus for the Matthews Asia Funds was updated to address the closing of the Matthews Japan Fund effective immediately after market closing on July 29, 2016.

In addition, the closing was announced on the Matthews Asia Funds website: us.matthewsasia.com

If you were reviewing an old prospectus, or did not read the prospectus, the application by itself would not have alerted you to the Fund's closed status. If your money was not returned to you promptly for re-investment, please contact us.

Who Can Invest in a Closed Fund?

The following categories of investors may continue to invest in a closed Fund:

- ✿ Financial advisors with existing clients in the Fund
- ✿ Retirement plans or platforms with participants that currently invest in the Fund
- ✿ Model-based and discretionary programs with existing accounts in the Fund
- ✿ Trustees, officers and employees of the Funds and Matthews, and their family members

To establish a new account in the Fund, you must provide written proof of your existing account (e.g., a copy of the account statement) to the Fund. A request to open a new account in the closed Fund will not be deemed to be "in good order" until you provide sufficient written proof of existing Fund ownership to the Fund or its representative.

Please note that some intermediaries may not be able to operationally accommodate additional investments in a closed fund. The Board of Trustees reserves the right to close a Fund to new investments at any time (including further restrictions on one or more of the above categories of investors) or to re-open a closed Fund to all investors at any future date.

If you have any questions about whether you are able to purchase shares of a closed Fund, please call 800-789-ASIA [2742].

You should consider the investment objectives, risks, charges and expenses of the Matthews Asia Funds carefully before making an investment decision. A prospectus or a summary prospectus with this and other information about the Funds may be obtained by visiting matthewsasia.com. Please read the prospectus carefully before investing as it explains the risks associated with investing in international and emerging markets.

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 funds may be subject to a higher degree of market risk than diversified funds because of concentration in a specific geographic location. Investing in small- and mid-size companies is more risky and volatile than investing in large companies as they may be more volatile and less liquid than larger companies.

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