



## FUND FACTS

	Investor Class	Institutional Class
Ticker	MJFOX	MJFX
CUSIP	577130800	577130792
Inception	12/31/98	10/29/10
NAV	\$24.18	\$24.24
Initial Investment	\$2,500	
Gross Expense Ratio	0.95%	0.87%
Net Expense Ratio <sup>1</sup>	0.94%	0.86%

## Portfolio Statistics

Total # of Positions	55
Net Assets	\$4.3 billion
Weighted Average Market Cap	\$22.8 billion
Portfolio Turnover	44.34% <sup>2</sup>

## Benchmark

MSCI Japan Index<sup>3</sup>

## INVESTMENT APPROACH

Matthews Asia believes in the long-term growth of Asia, one of the world's fastest-growing regions. Since 1991, we have focused our efforts and expertise in these countries, investing through a variety of market environments. Matthews Asia is the largest dedicated Asia-only investment specialist in the United States. With \$32.5 billion in assets under management as of September 30, 2018 Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

# Matthews Japan Fund

Effective immediately after market closing on July 29, 2016, the Matthews Japan Fund closed to most new investors.

September 30, 2018

## Investment Objective

Long-term capital appreciation.

## Strategy

Under normal market conditions, the Matthews Japan Fund seeks to achieve its investment objective by investing at least 80% of its total assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in Japan. The Fund seeks to invest in companies capable of sustainable growth based on the fundamental characteristics of those companies, including balance sheet information; number of employees; size and stability of cash flow; management's depth, adaptability and integrity; product lines; marketing strategies; corporate governance; and financial health.

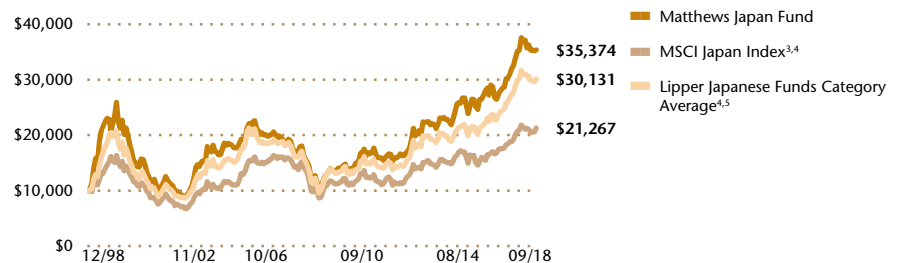
## Risks

All investments involve risks, including possible loss of principal. 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. In addition, single-country and sector funds may be subject to a higher degree of market risk than diversified funds because of concentration in a specific industry, sector or geographic region.

## PERFORMANCE AS OF SEPTEMBER 30, 2018

	Average Annual Total Returns							
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Since Inception
Investor Class	0.17%	0.25%	8.52%	13.95%	9.60%	9.64%	6.61%	12/31/98
Institutional Class	0.21%	0.33%	8.57%	14.07%	9.72%	n.a.	11.50%	10/29/10
MSCI Japan Index	3.82%	1.90%	10.57%	12.51%	7.11%	6.21%	3.90% <sup>4</sup>	n.a.

## GROWTH OF A \$10,000 INVESTMENT SINCE INCEPTION — INVESTOR



The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gain distributions or redemption of fund shares. Values are in US\$. Source: BNY Mellon Investment Servicing (US) Inc.

- After contractual fee waiver, expense reimbursement and/or recoupment effective through April 30, 2019.
- The lesser of fiscal year 2017 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
- The MSCI Japan Index is a free float-adjusted market capitalization—weighted index of Japanese equities listed in Japan. Index is for comparative purposes only and it is not possible to invest directly in an index.
- Calculated from 12/31/98.
- The Lipper Category Average does not reflect sales charges and is based on total return, including reinvestment of dividends and capital gains for the stated period.

**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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance visit [matthewsasias.com](http://matthewsasias.com).**

# Matthews Japan Fund

September 30, 2018

TOP TEN HOLDINGS <sup>6</sup>		
	Sector	% of Net Assets
Mitsubishi UFJ Financial Group, Inc.	Financials	3.0%
SoftBank Group Corp.	Telecom Services	2.9%
Keyence Corp.	Information Technology	2.9%
Asahi Intecc Co., Ltd.	Health Care	2.9%
Suzuki Motor Corp.	Consumer Discretionary	2.8%
Nitori Holdings Co., Ltd.	Consumer Discretionary	2.7%
Recruit Holdings Co., Ltd.	Industrials	2.6%
Relo Group, Inc.	Real Estate	2.6%
Tokio Marine Holdings, Inc.	Financials	2.6%
Kao Corp.	Consumer Staples	2.6%
% OF ASSETS IN TOP TEN		27.6%

SECTOR ALLOCATION (%) <sup>7</sup>				MARKET CAP EXPOSURE (%) <sup>7,8</sup>			
	Fund	Benchmark	Difference		Fund	Benchmark	Difference
Industrials	25.2	21.0	4.2	Mega Cap (over \$25B)	33.4	48.8	-15.4
Information Technology	18.8	12.2	6.6	Large Cap (\$10B-\$25B)	15.9	28.5	-12.6
Health Care	12.2	8.2	4.0	Mid Cap (\$3B-\$10B)	31.6	22.1	9.5
Consumer Discretionary	11.9	19.6	-7.7	Small Cap (under \$3B)	16.8	0.5	16.3
Consumer Staples	11.9	8.3	3.6	Cash and Other Assets, Less Liabilities	2.3	0.0	2.3
Financials	7.4	12.0	-4.6				
Materials	3.9	6.0	-2.1				
Real Estate	3.5	3.7	-0.2				
Telecom Services	2.9	5.6	-2.7				
Utilities	0.0	1.8	-1.8				
Energy	0.0	1.4	-1.4				
Cash and Other Assets, Less Liabilities	2.3	0.0	2.3				

P/E RATIOS <sup>9</sup>		
P/E Using FY1 Estimates		19.9x
P/E Using FY2 Estimates		17.3x

Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit [www.msci.com](http://www.msci.com).  
Source: FactSet Research Systems

Source: FactSet Research Systems (P/E est. as of 09/30/18)

6 Holdings may combine more than one security from the same issuer and related depositary receipts.  
7 Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding. Percentage values may be derived from different data sources and may not be consistent with other Fund literature.  
8 Equity market cap of issuer.  
9 The P/E figures represent the Weighted Harmonic Average P/E—which measures the price/earnings ratio of the Fund's entire portfolio, excluding negative earners—weighted by the size of the company's position within the portfolio. P/E estimates are forward looking. There is no guarantee that portfolio composition will remain unchanged or P/E estimates will be realized.

## PORTFOLIO MANAGEMENT

**Kenichi Amaki**  
Lead Manager

**Taizo Ishida**  
Co-Manager

Portfolio characteristics for the Fund may vary from time to time from what is shown. It should not be assumed that any investment in the securities listed was or will be profitable.

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

Matthews Asia is the brand for Matthews International Capital Management, LLC and its direct and indirect subsidiaries.

The information contained herein has been derived from sources believed to be reliable and accurate at the time of compilation, but no representation or warranty (express or implied) is made as to the accuracy or completeness of any of this information. Matthews Asia and its affiliates do not accept any liability for losses either direct or consequential caused by the use of this information.

Matthews International Capital Management, LLC is the advisor to the Matthews Asia Funds.

Matthews Asia Funds are distributed in the United States by Foreside Funds Distributors LLC, Berwyn, PA

Matthews Asia Funds are distributed in Latin America by HMC Partners



**Matthews Asia**

800.789.ASIA | [matthewsasia.com](http://matthewsasia.com)