



# Investing in a World of Emerging Opportunities

Matthews | Q1 2025





# Matthews Capabilities

Independent, private, employee ownership drives long-term investment excellence

## Firm Facts (As of March 31, 2025)

80+ employees\*

23 investment professionals\*

— 10 years average firm tenure

— 19 years average EM & Asia investing

4,300+ company meetings in 2024

## Assets Under Management

Total US\$6.3B

Regional US\$3.4B

Single-Country US\$2.9B

## Investment Vehicles

US Mutual Funds

Exchange Traded Funds

UCITS Funds

Separate Accounts

Institutional Comingled

## Core Investment Principles

Active Management

Emerging Markets Specialist

Deep Experience

High Active Share

Fundamental Research

Risk Management

Commitment to Perform & Inform

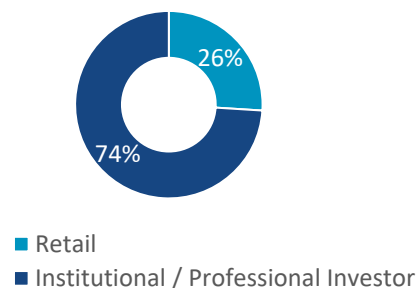
## Office Locations



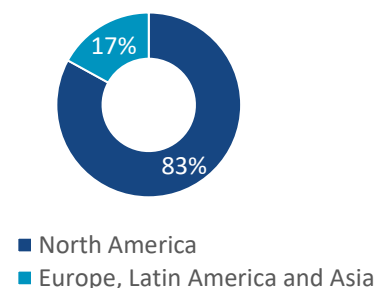
## A History of Innovation

- **1991**—Founded by Paul Matthews
- **1994**—U.S. 40 Act Mutual Fund established
- **2000**—Separate Account offerings
- **2010**—UCITS Fund launched
- **2015**—Sustainable Fund launched
- **2018**—Institutional comingled offerings
- **2022**—Active ETFs launched

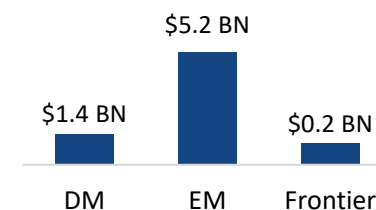
Client AUM by Type, US\$



Client AUM by Domicile, US\$



AUM by Markets Invested, US\$



Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25

\*As of April 10, 2025

Note: AUM by type, domicile and markets invested data as of December 31, 2024

---

# Why Sophisticated Investors *Actively* Partner with Matthews

## ● A Trusted and Experienced Guide

Pioneer investor in Emerging Markets and Asia, with a 33-year track record of generating excess returns in complex markets that demand deep expertise, operational skill and risk acumen

---

## ● Active Management

Driven by intellectual curiosity seeking unique insights to build highly differentiated portfolios that capture distinctive alpha designed for client outcomes

---

## ● Holistic Risk Management

Dynamic approach to risk across a range of economic and geopolitical cycles which leverages proprietary insights to identify strong governance and business sustainability in higher risk markets

---

## ● Operational Expertise

Comprehensive operational and trading expertise developed over 30+years in opaque and complex public markets

---

## ● Aligned With You

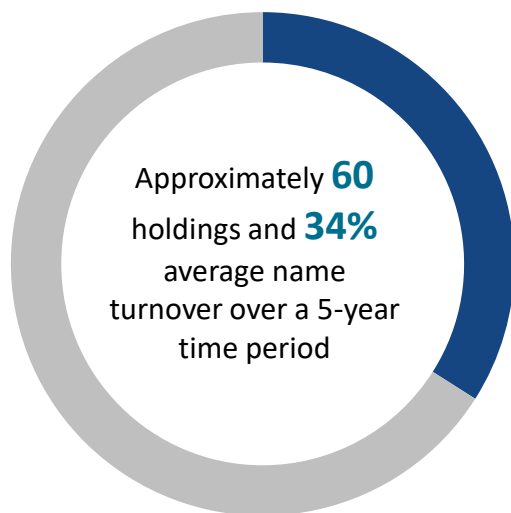
Commitment to achieving investment excellence from investment performance and deep insights to provide investment context

---

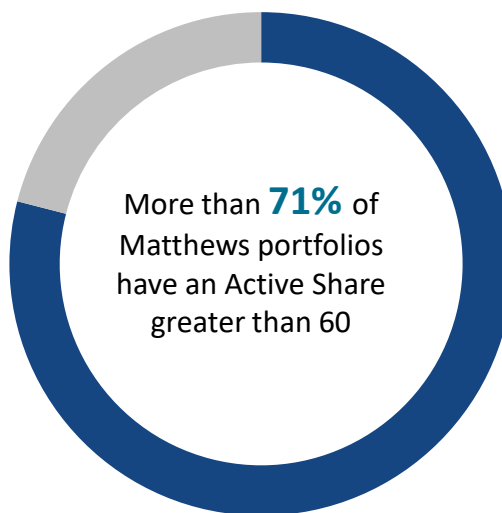


# Active Performance

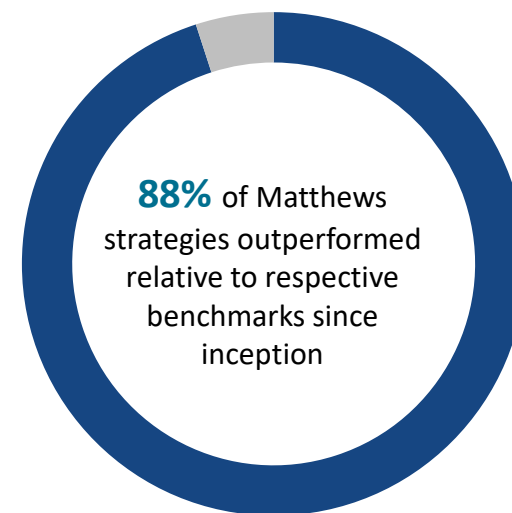
## High Conviction



## Highly Active



## Highly Effective



The performance, active share, and holdings data presented are of a representative portfolio across all composites managed by Matthews. Average name turnover figures represent data for U.S. registered pooled vehicles only. The performance results are net of advisory and other fees. **Past performance is no guarantee of future results, which may vary.** Indices are unmanaged and shown for comparative purposes only. It is not possible to invest directly in an index. Matthews' products and services are publicly registered or available in certain jurisdictions only. A list of composite descriptions, a list of limited distributed pooled fund descriptions, and a list of broad description pooled funds are available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Performance, Holdings and Active Share data as of March 31, 2025; Name turnover as of December 31, 2023.

Active Share is calculated by taking the absolute value of the difference between portfolio holdings and benchmark weights, summing all of these differences, and dividing by two. The calculation will result in an active share number between 0%, which indicates the portfolio perfectly replicates the benchmark, and 100%, which indicates there is no overlap whatsoever between the portfolio and the index.

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



# Strategies for Investing in Emerging Markets and Asia

Matthews offers a range of public equity strategies across the risk-reward spectrum

|                  |                                |   |   |
|------------------|--------------------------------|---|---|
| Emerging Markets | <b>GLOBAL EMERGING MARKETS</b> | <b>All Cap</b> <ul style="list-style-type: none"> <li>— Emerging Markets Equity</li> <li>— Emerging Markets Sustainable Future*</li> <li>— Emerging Markets ex China</li> </ul>     | <b>Small and Mid Cap</b> <ul style="list-style-type: none"> <li>— Emerging Markets Small Companies</li> </ul> |
|                  |                                |   |   |
| Asia             | <b>PAN ASIA</b>                | <b>All Cap</b> <ul style="list-style-type: none"> <li>— Asia Dividend</li> <li>— Asia Growth</li> </ul>   |   |
|                  | <b>EMERGING ASIA</b>           | <b>All Cap</b> <ul style="list-style-type: none"> <li>— Asia ex Japan Total Return Equity**</li> <li>— Asia Innovators</li> <li>— Asia ex China</li> <li>— Pacific Tiger</li> </ul> | <b>Small and Mid Cap</b> <ul style="list-style-type: none"> <li>— Asia Discovery†</li> </ul>                  |
| Single Country   | <b>SINGLE COUNTRY</b>          | <b>All Cap</b> <ul style="list-style-type: none"> <li>— China</li> <li>— China Dividend</li> <li>— India</li> <li>— Japan</li> <li>— Korea</li> </ul>                               | <b>Small and Mid Cap</b> <ul style="list-style-type: none"> <li>— China Small Companies</li> </ul>            |
|                  |                                |   |   |

Matthews's products and services are publicly registered or available in certain jurisdictions only.

\*Formerly known as Asia ESG \*\*Formerly known as Asia ex Japan Dividend †Formerly known as Asia Small Companies

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



Matthews

---

# Investment Philosophy

Asian equity markets offer investors attractive long-term growth opportunities but are inherently volatile and idiosyncratic requiring:

- Extensive **on-the-ground research** that has resulted in company discovery and core / opportunistic investment opportunities
- An investment framework that combines **country analysis** with **bottom-up research** to generate differentiated and diversified alpha
- A **disciplined** and **repeatable** approach to portfolio construction that can adapt underlying exposure to evolving market conditions
- A deep understanding **performance drivers** in emerging markets: 1) earnings; 2) dividends; 3) valuations; 4) currency
- **Strong risk management** to manage stock, sector and country exposures in the portfolio and make active intentional risk decisions that contribute to generating compelling risk-adjusted returns



Parameters set by Matthews are subject to change. The statements above are based on the beliefs and assumptions of our portfolio management team and on the information currently available to our team at the time of such statements. Although we believe that the expectations reflected in these statements are reasonable, we can give no assurance that these expectations will prove to be correct.

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25

# Deep Expertise across Trading, Operations and Compliance

33 years of market understanding, relationships and execution

## Enterprise Risk Management

- Oversight by Matthews Enterprise Risk and Compliance Committee, comprised of members of the executive team
- Maintain a culture of risk awareness and identify/ mitigate risks that impact our business and our clients
  - Reputational
  - Investment
  - Strategic
  - Operational
  - Regulatory
  - Service Provider and Business Partner
  - Business Contingency

## Portfolio Guidelines and Restrictions

- Compliance Technology Platform (CTP) helps ensure portfolio monitoring and guideline adherence
- CTP includes automated compliance system for pre-trade and batch checks, investment guideline coding, controls for IPO trade approvals, coordination of corrective actions and periodic independent reviews



## Deep Investment Infrastructure

- Straight-through processing from order entry through settlement and reconciliation
- Best-in-Class Technology infrastructure from trading to allocation to reconciliation and reporting

## Trade Execution and Oversight Across Global Markets

- Trade Management Oversight Committee supervises all aspects of our trading activities
- Includes broker selection, best execution, soft dollars, trade aggregation and allocation, and trade error reviews

## Global Compliance Monitoring

- “Tone from the Top” starts at the executive level and flows down and across all employees to help create a positive culture of compliance at the firm
- Strong focus on governance, conflict management and risk identification with compliance policies and procedures spanning multiple jurisdictions and product types



# Matthews: Emerging Markets, Asia and China Equity Specialist

Global client base spanning institutional, professional, family offices, private banks and high net-worth investors



**Trusted,  
Experienced  
Partner**



**Active  
Performance  
30+ Years**

invested in  
Emerging Markets & Asia



**Outcomes  
& Tailored  
Solutions**

Customization,  
Sustainability



**Global  
Perspective**

San Francisco, London,  
Hong Kong, New Jersey



**Holistic Risk  
Management  
MCAR**



Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25





# Matthews Japan Fund



Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25

# Why Matthews for Japan?



## EXPERIENCE

25-year track record in a dedicated Japan Strategy



## FOCUS

Since 1991 we have managed equities in Emerging Markets and Asia. Today, we deploy a 20+ person investment team focused on generating great investment outcomes for clients



## EXPERTISE

Dedicated Japan team consists of two investment professionals with over 35 years of combined investment experience in this complex and fast-moving market

# Matthews Japan Portfolio Overview

## Team Resources

### Portfolio Managers

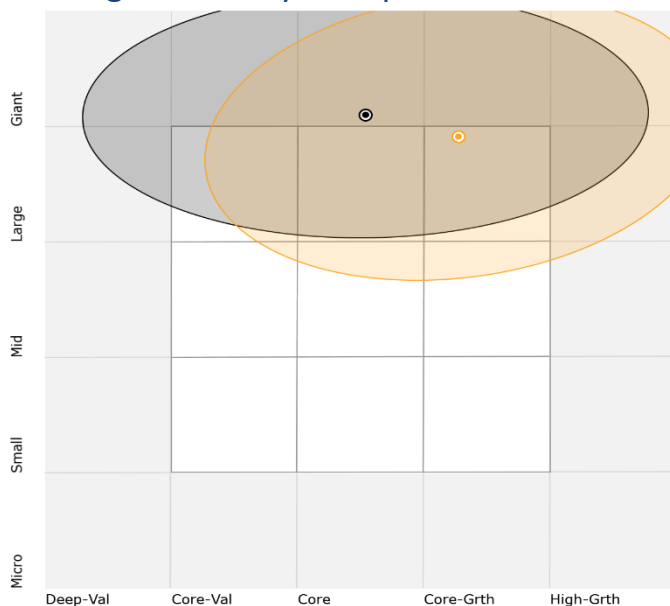


**Shuntaro Takeuchi**  
24 years of exp.



**Donghoon Han**  
15 years of exp.

### Holdings-Based Style Map\*



## FUND FACTS

### Investment Objective

Long-term capital appreciation

### Cap Range

All Cap

### Benchmark

MSCI Japan Index

### AUM (as of March 31, 2025):

\$608.7 million

### Inception Date

Investor Class: 12/31/98

Institutional Class: 10/29/10

### Ticker

Investor Class: MJFOX

Institutional Class: MIJFX

### Gross Expense Ratio<sup>†</sup>

Investor Class: 1.15%

Institutional Class: 1.08%

<sup>†</sup>As of April 30, 2025

\*Style map from Morningstar Direct and for illustrative purposes only.

Note: Years of industry experience as of January 2025



Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



# Seasoned Japan Equities Team with a Long-Term Track Record

Supported by Knowledge Platforms, Strategists, and On-the-Ground Resources

## JAPAN TEAM

○ Located in Asia

○ Knowledge Platform Lead

### Portfolio Managers



**Shuntaro Takeuchi**  
Portfolio Manager  
24 years of exp.



**Donghoon Han**  
Portfolio Manager  
15 years of exp.

### Innovation Knowledge Platform



**Michael Oh, CFA**  
Portfolio Manager  
25 years of exp.



**InBok Song**  
Portfolio Manager  
21 years of exp.



**Shuntaro Takeuchi**  
Portfolio Manager  
24 years of exp.



**Donghoon Han**  
Portfolio Manager  
15 years of exp.



**Sojung Park**  
Portfolio Manager  
16 years of exp.

### China Knowledge Platform



**Andrew Mattock, CFA**  
Portfolio Manager  
32 years of exp.



**Sherwood Zhang, CFA**  
Portfolio Manager  
24 years of exp.



**Winnie Chwang**  
Portfolio Manager  
21 years of exp.



**Jeremy Sutch, CFA**  
Portfolio Manager  
31 years of exp.



**Kary Cheng**  
Research Analyst  
6 years of exp.



**Wenlin Zhao**  
Research Analyst  
6 years of exp.

### India Knowledge Platform



**Peeyush Mittal, CFA**  
Portfolio Manager  
16 years of exp.



**Swagato Ghosh**  
Portfolio Manager  
12 years of exp.

### Financials Knowledge Platform



**Shuntaro Takeuchi**  
Portfolio Manager  
24 years of exp.

# Matthews Japan Fund | Investment Philosophy

**We Believe Japanese equity returns are driven by three key factors:**

## Earnings Growth

- Companies with consistent, long-term earnings growth can generate superior investment returns
- Top-line earnings growth combined with margin improvement form the basis of durable, long-term profitability

## Dividends & Buybacks

- Quality earnings growth that is cash flow generative drives dividends and buybacks

## Multiples

- Companies with positive earnings growth typically benefit from multiple expansion
- Strong, quality business models are resilient to multiple contractions



Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

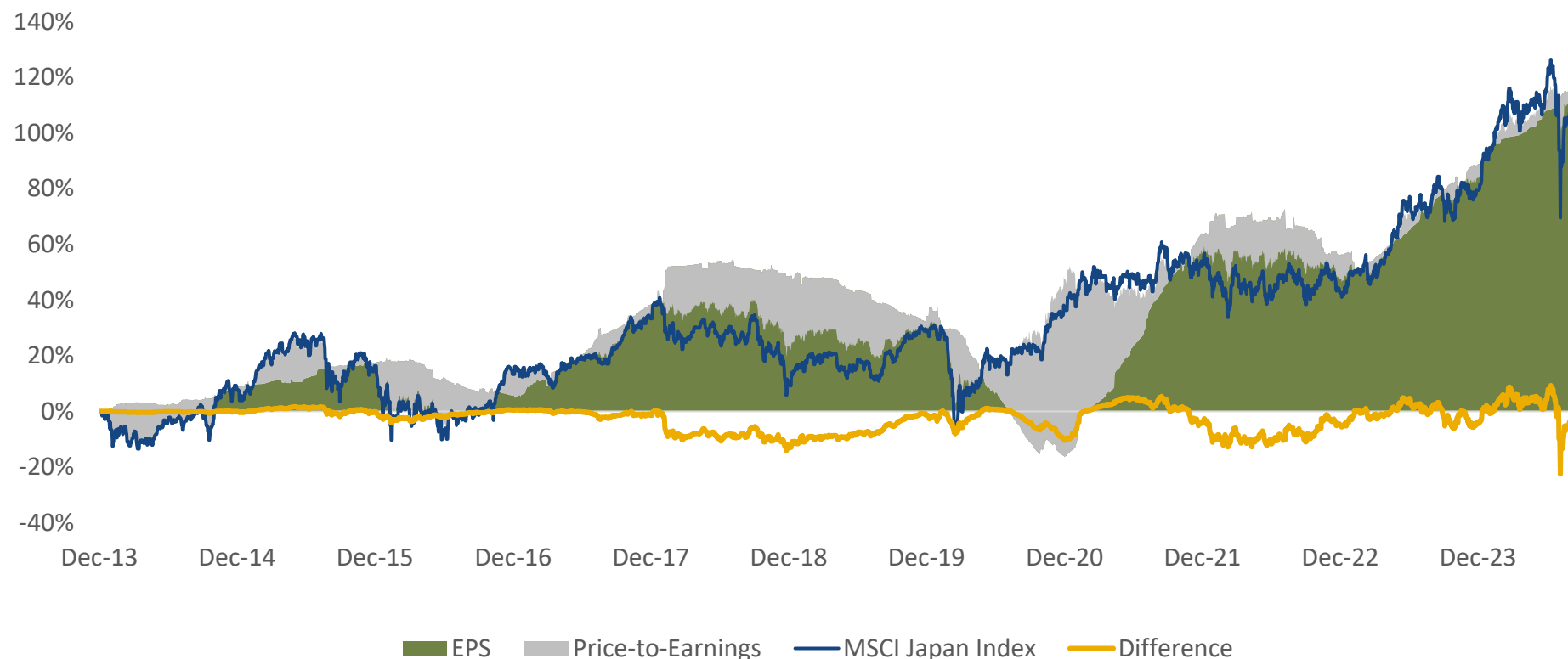
© 2025 Matthews International Capital Management, LLC PT001\_1Q25

Parameters set by Matthews Asia are subject to change.

# Approach | Japanese Equity Market is Driven By Earnings

Integrating long-term fundamental research with macro awareness can create alpha opportunities

## 2014 – SEPTEMBER 2024 RETURN BREAKDOWN – MSCI JAPAN INDEX



**Past performance is no guarantee of future results.** Chart is for illustrative purposes only. Indexes are unmanaged and it is not possible to invest directly in an index.

Source: Bloomberg; data as of September 2024

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25

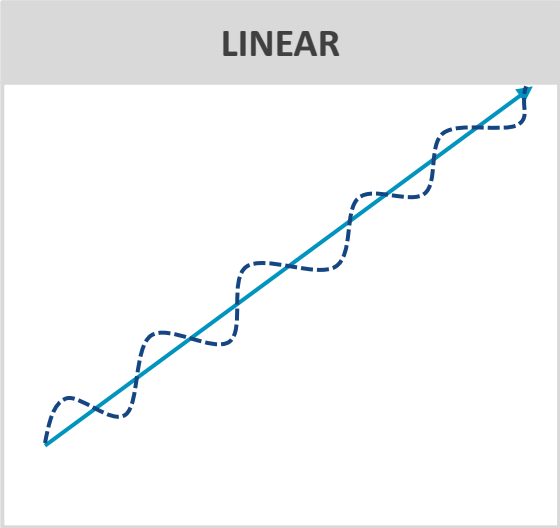
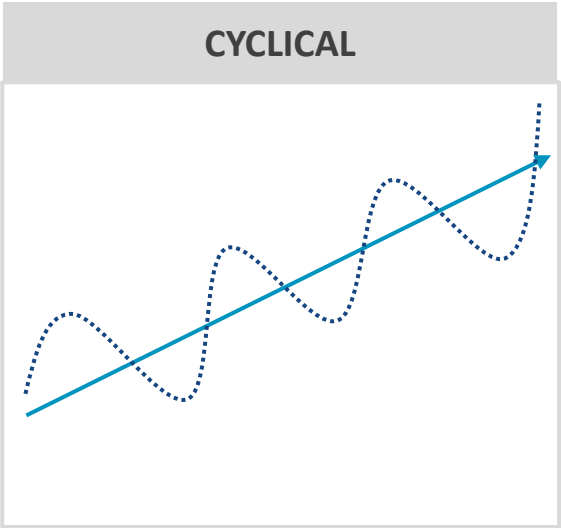
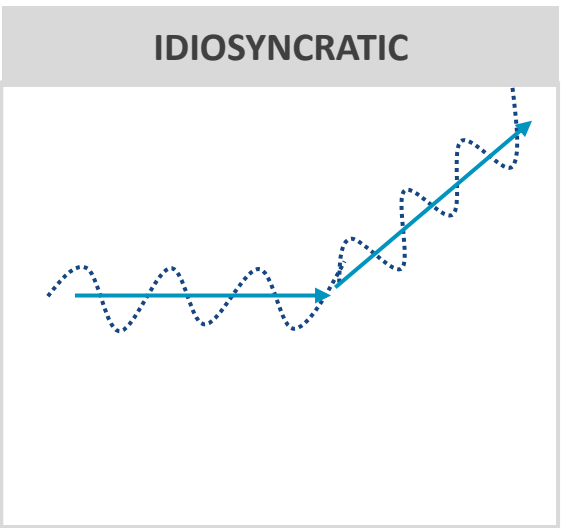


Matthews



# Constructing a Core Growth Portfolio

Portfolio exposures have flexibility to tilt and balance style exposure through cycle

|                                 | LINEAR  | CYCLICAL   | IDIOSYNCRATIC   |
|---------------------------------|---|--|---|
| EPS                             |  |  |  |
| Style                           | Quality Growth Franchises   | Cyclical Growth Franchises   | Special Situations / Value  |
| Earnings                        | Visible and forecastable  | Correlated to business / macro cycle   | Catalyst dependent  |
| Typical investment time horizon | 3 - 5+ year   | 1 - 3+ year  | 1 - 3+ year   |

This information is presented solely for illustrative purposes and is not representative of the results of any particular security or product.

Source: Matthews

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

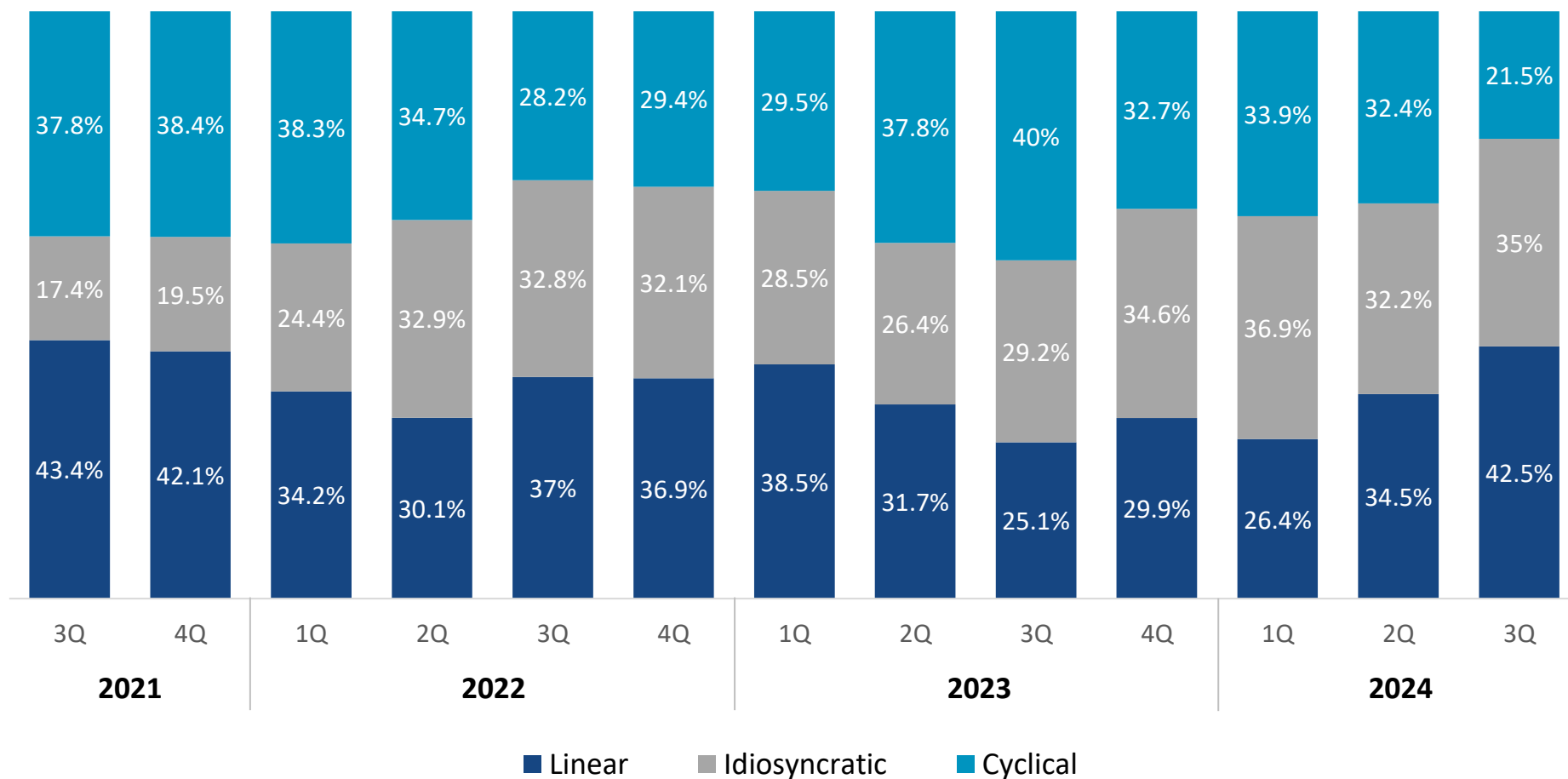
© 2025 Matthews International Capital Management, LLC PT001\_1Q25



Matthews

# Matthews Japan Fund | Balance and Tilt Exposure Through the Cycle

Portfolio exposure over time to the three styles of companies



This information is presented solely for illustrative purposes and is not representative of the results of any particular security or product. The information contained in this presentation does not, in any way, constitute investment advice.

Source: Matthews; data as of September 30, 2024

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



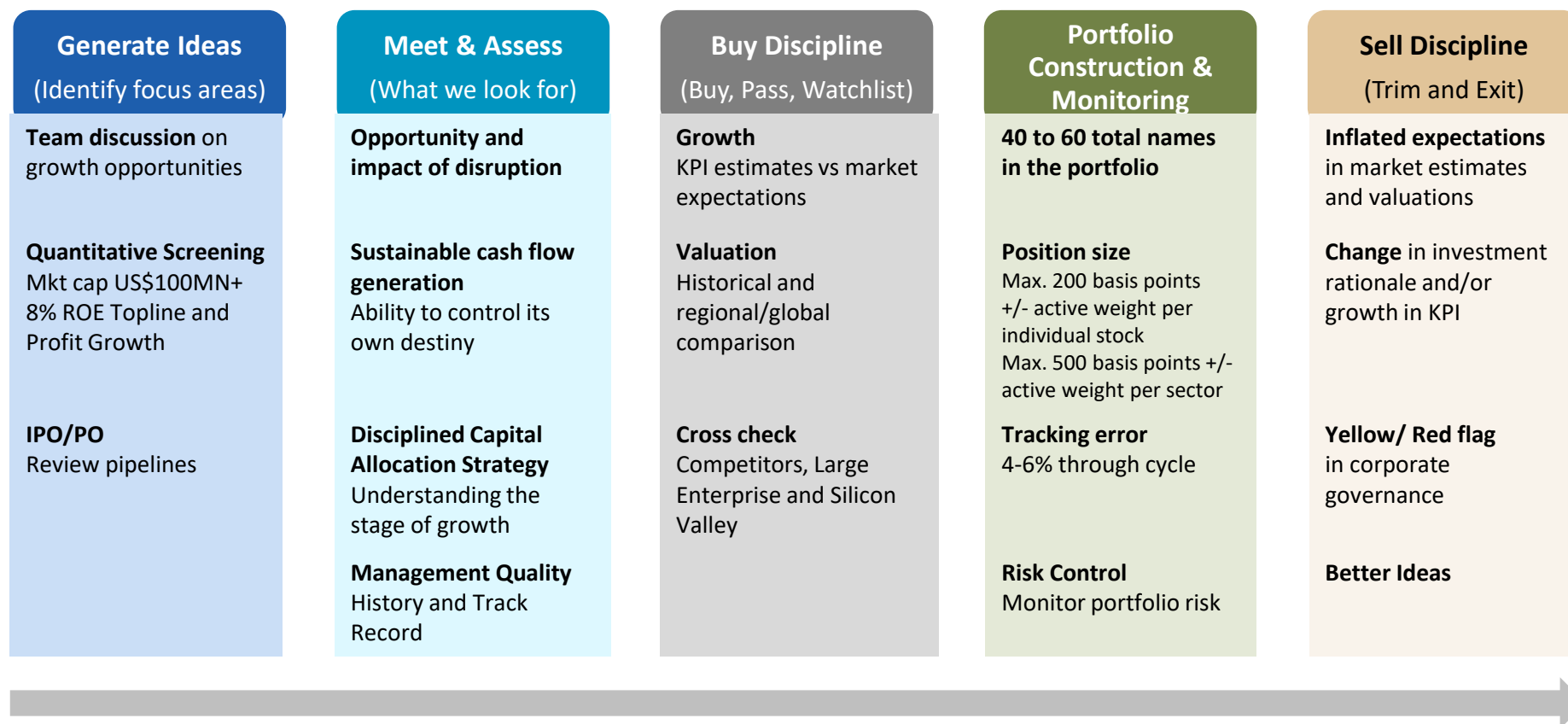
# Investment Process

## We see growth opportunities in:

- ✧ Declining population and aging society
- ✧ Slow to change legacy enterprise
- ✧ Low interest rates and deflationary environment

## We focus on:

- ✧ Opportunity and impact of disruption
- ✧ Sustainability of cash flow generation
- ✧ Consistency of Management's commitments and actions





# Portfolio Construction

| Buy   | Sell   | Adjustment  |
|---|--|---|
| How does a stock get into the portfolio?  | Why do we sell a stock?  | When do we change a stock's weighting?  |
| <ul style="list-style-type: none"> <li>Bottom-up, fundamental analysis</li> <li>Macroeconomic awareness incorporated to fundamental research efforts</li> <li>Event-driven stock – a stock that has fallen a long way and provides a potential value opportunity</li> </ul> | <ul style="list-style-type: none"> <li>Fundamental investment thesis played out; target price reached</li> <li>Macroeconomics / geopolitics impacts stock fundamentals</li> <li>Loss long-term competitive advantage</li> <li>Better relative opportunity</li> </ul> | <ul style="list-style-type: none"> <li>Intact investment thesis but change in degree of conviction</li> <li>Valuation adjustment</li> <li>Geopolitical/macroeconomic event</li> </ul> |

## PORTFOLIO CHARACTERISTICS

| Characteristic         | Typical Parameter Targets   | Rationale   |
|------------------------|---|---|
| Number of Positions    | 40-60 companies   | Higher conviction portfolio                           |
| Cash                   | Typically, fully invested   | Portfolio returns typically driven by companies       |
| Market Capitalization  | All cap: small >\$100mm USD   | Opportunities across market cap spectrum              |
| Beta                   | 0.8-1.20 vs. index  | Commensurate with risk being primarily stock specific |
| Turnover               | Aggregate annual portfolio turnover of 40 - 60%.<br>Name only turnover of c.30% per annum   |   |
| Sector                 | +/- 15% vs. index   | Commensurate with risk being primarily stock specific |
| Tracking Error Targets | 3-6%  | Commensurate with our outperformance target           |
| Risk Monitoring        | Marginal Contribution to Active Risk "MCAR"   | Enhance returns per unit active risk                  |
| Relative Risk Target   | Tracking error range 4 - 6%<br>c. 200 basis points +/- active weight per individual stock<br>Max. 500 basis points +/- active weight per sector |   |

Targets presented herein are not actual results and have been provided for informational purposes only as of the date of this presentation. There can be no assurance or guarantee that the targets can or will be achieved. Parameters set by Matthews are subject to change. Tracking Error is a measure of the risk in an investment portfolio that is due to active management decisions made by the portfolio manager. It indicates how closely a portfolio follows the index to which it is benchmarked.

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



# Risk Management

## Holistic Risk Management at all levels of Matthews

| PORTFOLIO  | CIO  | INDEPENDENT   |
|--|--|---|
| Portfolio Management Team  | Chief Investment Officer   | Global Head of Risk & Compliance & VP, Head of Investment Risk  |
| <ul style="list-style-type: none"> <li>— Monitor active risk associated with tracking error, portfolio beta, position sizing, diversification</li> <li>— Analyze the marginal contribution of active risk (MCAR)* at the country, sector and stock levels</li> <li>— Clearly observe factor and style risks</li> <li>— Ensure portfolio level liquidity</li> </ul> | <ul style="list-style-type: none"> <li>— Oversight of all portfolio level risks                             <ul style="list-style-type: none"> <li>— Active risks at country, sector and stock levels</li> <li>— Portfolio characteristics consistency with strategy mandate</li> <li>— Adherence to internal and external guidelines</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>— Independent risk team                             <ul style="list-style-type: none"> <li>— Independent positioning and risk insights</li> <li>— Adherence to internal and external guidelines</li> <li>— Marginal Contribution to Active Risk (MCAR)*</li> </ul> </li> </ul> |

Parameters set by Matthews Asia are subject to change. The portfolio risk management process represents an effort to monitor and manage risk but does not imply low risk. \*Matthews portfolio managers refine and adjust exposures to enhance their portfolio's active returns per unit of active risk. We call this approach our Marginal Contribution to Active Risk (MCAR) framework.

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



Matthews

# Portfolio Characteristics | Matthews Japan Fund

As of March 31, 2025

## SECTOR BREAKDOWN (%)

|  | Fund | Benchmark | Difference |
|--|------|-----------|------------|
| Industrials                                | 20.9 | 22.9      | -2.0       |
| Consumer Discretionary                     | 19.2 | 18.3      | 0.9        |
| Financials                                 | 17.3 | 17.3      | 0.0        |
| Information Technology                     | 14.2 | 13.0      | 1.2        |
| Health Care                                | 7.9  | 7.6       | 0.3        |
| Consumer Staples                           | 6.7  | 5.4       | 1.3        |
| Materials                                  | 5.1  | 3.6       | 1.5        |
| Communication Services                     | 3.2  | 7.7       | -4.5       |
| Real Estate                                | 3.0  | 2.4       | 0.6        |
| Utilities                                  | 0.0  | 1.0       | -1.0       |
| Energy                                     | 0.0  | 0.9       | -0.9       |
| Cash and Other Assets,<br>Less Liabilities | 2.4  | 0.0       | 2.4        |

**Benchmark: MSCI Japan Index**

The information contained in this presentation does not, in any way, constitute investment advice. Portfolio characteristics for the Fund may vary from time to time from what is shown. Indexes are unmanaged and it is not possible to invest directly in an index.

Sources: FactSet Research Systems, Inc., Matthews



Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25

# Portfolio Characteristics | Matthews Japan Fund

As of March 31, 2025

## MARKET CAP EXPOSURE (%)

|   | Fund | Benchmark | Difference |
|---|------|-----------|------------|
| Mega Cap (over \$25B)                   | 57.4 | 66.3      | -8.9       |
| Large Cap (\$10B-\$25B)                 | 24.8 | 23.5      | 1.3        |
| Mid Cap (\$3B-\$10B)                    | 8.3  | 10.3      | -2.0       |
| Small Cap (under \$3B)                  | 7.1  | 0.0       | 7.1        |
| Cash and Other Assets, Less Liabilities | 2.4  | 0.0       | 2.4        |

## PORTFOLIO CHARACTERISTICS

|                             | Fund           |
|-----------------------------|----------------|
| Weighted Average Market Cap | \$61.9 billion |
| P/E using FY1 Estimates*    | 15.7x          |
| P/E using FY2 Estimates*    | 14.4x          |

**Benchmark: MSCI Japan Index**

\*The P/E Ratio is the share price of a stock as of the report date, divided by the forecasted earnings per share for a 12-month period (FY1) and 24 month period (FY2). For the Fund, this is the weighted harmonic average estimated P/E ratio of all the underlying stocks in the Fund, excluding negative earners. There is no guarantee that the composition of the Fund will remain unchanged, or that forecasted earnings of a stock will be realized. Information provided is for illustrative purposes only.

The information contained in this presentation does not, in any way, constitute investment advice. Portfolio characteristics for the Fund may vary from time to time from what is shown. Indexes are unmanaged and it is not possible to invest directly in an index.

Sources: FactSet Research Systems, Inc., Bloomberg, Matthews



Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25

# Top Ten Holdings | Matthews Japan Fund

As of March 31, 2025

| Company                               | Sector                 | %            |
|---------------------------------------|------------------------|--------------|
| Sony Group Corp.                      | Consumer Discretionary | 6.6          |
| Mitsubishi UFJ Financial Group, Inc.  | Financials             | 4.7          |
| Sumitomo Mitsui Financial Group, Inc. | Financials             | 4.4          |
| Hitachi, Ltd.                         | Industrials            | 4.2          |
| Tokio Marine Holdings, Inc.           | Financials             | 3.6          |
| NEC Corp.                             | Information Technology | 3.5          |
| Ajinomoto Co., Inc.                   | Consumer Staples       | 3.3          |
| ITOCHU Corp.                          | Industrials            | 3.1          |
| Toyota Motor Corp.                    | Consumer Discretionary | 3.0          |
| Mitsui Fudosan Co., Ltd.              | Real Estate            | 3.0          |
| <b>Total for Top 10</b>               |                        | <b>39.4%</b> |

Top ten holdings may combine more than one security from the same issuer and related depositary receipts. This information does not, in any way, constitute investment advice. Portfolio holdings 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. The information does not constitute a recommendation to buy or sell any securities mentioned.

Sources: BNY Mellon Investment Servicing, Matthews

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

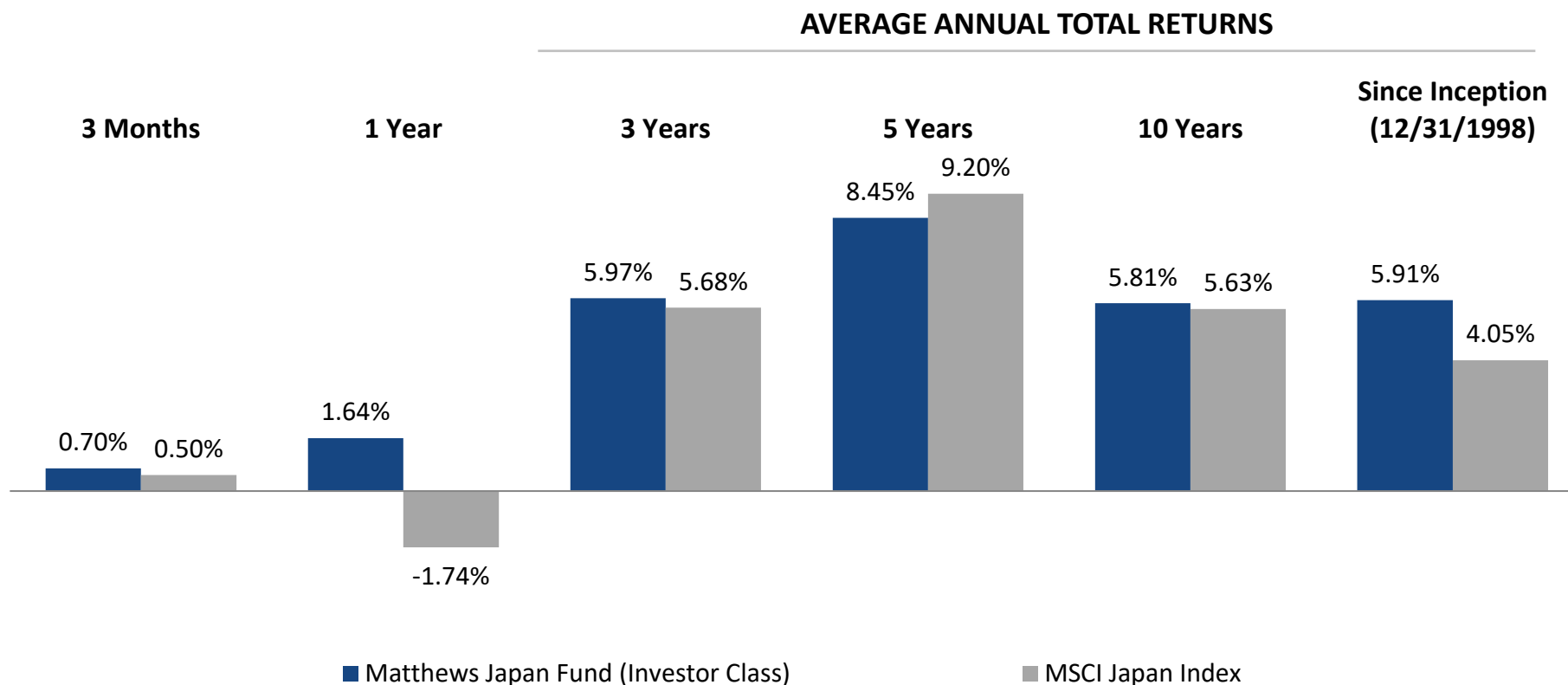
© 2025 Matthews International Capital Management, LLC PT001\_1Q25





# Investment Returns | Matthews Japan Fund

As of March 31, 2025



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 [matthewsasiasia.com](http://matthewsasiasia.com). Indexes are unmanaged and it is not possible to invest directly in an index. Please refer to disclosures for index definition.

Index since inception value calculated from 12/31/1998  
Sources: BNY Mellon Investment Servicing, Bloomberg, Matthews Asia



# Competitive Returns | Matthews Japan Fund

As of March 31, 2025

## AVERAGE ANNUAL TOTAL RETURNS

|                             | Year to Date | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception    | Inception Date |
|-----------------------------|--------------|--------|---------|---------|----------|--------------------|----------------|
| Investor Class (MJFOX)      | 0.70%        | 1.64%  | 5.97%   | 8.45%   | 5.81%    | 5.91%              | 12/31/98       |
| Institutional Class (MIJFX) | 0.70%        | 1.71%  | 6.02%   | 8.51%   | 5.89%    | 7.99%              | 10/29/10       |
| MSCI Japan Index            | 0.50%        | -1.74% | 5.68%   | 9.20%   | 5.63%    | 4.05% <sup>1</sup> |                |

<sup>1</sup> As of 12/31/1998

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). Indexes are unmanaged and it is not possible to invest directly in an index. Please refer to disclosures for index definition.



Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25

Sources: BNY Mellon Investment Servicing, Bloomberg, Matthews

# Attribution by Sector | Matthews Japan Fund

First Quarter 2025

|   |       |
|---|-------|
| Published Portfolio Return <sup>1</sup> | 0.70% |
| Published Benchmark Return              | 0.50% |
| Published Relative Return <sup>2</sup>  | 0.20% |
| Attributable Portfolio Return           | 1.49% |
| Attributable Relative Return            | 0.98% |

1 Published portfolio return represents that of the Investor Share Class.

2 The published relative return is calculated as the difference of the published benchmark return from the published portfolio return.

**Benchmark: MSCI Japan Index**

The attribution report shows the extent to which the portfolio manager's strategies affect a fund's performance relative to the performance of the fund's benchmark index. Allocation Effect shows the effect on fund performance of either over- or under-weighting a market (a sector, country or region, depending on the type of fund) relative to its benchmark. Selection + Interaction Effect shows how the decision to hold individual securities within the particular sector, country or region performed relative to the benchmark.

Attributed performance is calculated using FactSet Research Systems, Inc. The methodology of calculation is different from the published NAV and will not match performance based on the published NAV. Performance shown is historical and no guarantee of future results. Current performance may be lower or higher. Returns current to the most recent month-end are available at [matthewsasiasia.com](http://matthewsasiasia.com). Investment returns and principal value will fluctuate so that when redeemed, shares may be worth more or less than their original cost. Benchmark performance is unaudited.

Please refer to the disclosures for index definition. Unassigned may include fees, expense accruals, offsets, warrants and rights.

|                               | Average Portfolio Wt | Average Benchmark Wt | Allocation Effect | Selection + Interaction Effect | Total Effect |
|-------------------------------|----------------------|----------------------|-------------------|--------------------------------|--------------|
| <b>Total</b>                  | <b>100.00</b>        | <b>100.00</b>        | <b>-0.62</b>      | <b>1.60</b>                    | <b>0.98</b>  |
| <b>Consumer Discretionary</b> | 19.97                | 18.45                | -0.03             | 0.59                           | 0.56         |
| <b>Information Technology</b> | 14.94                | 13.93                | -0.09             | 0.49                           | 0.40         |
| <b>Communication Services</b> | 4.31                 | 7.61                 | -0.10             | 0.45                           | 0.35         |
| <b>Health Care</b>            | 6.61                 | 7.55                 | 0.08              | 0.20                           | 0.27         |
| <b>Financials</b>             | 16.00                | 16.39                | -0.02             | 0.07                           | 0.05         |
| <b>Real Estate</b>            | 2.12                 | 2.32                 | 0.00              | 0.03                           | 0.03         |
| <b>Materials</b>              | 5.20                 | 3.73                 | -0.06             | 0.09                           | 0.03         |
| <b>Industrials</b>            | 23.73                | 23.00                | -0.05             | 0.04                           | -0.01        |
| <b>Energy</b>                 | 0.00                 | 0.85                 | -0.04             | 0.00                           | -0.04        |
| <b>Utilities</b>              | 0.00                 | 1.01                 | -0.05             | 0.00                           | -0.05        |
| <b>Consumer Staples</b>       | 5.67                 | 5.16                 | 0.01              | -0.36                          | -0.35        |
| <b>Cash</b>                   | 1.56                 | 0.00                 | 0.04              | 0.00                           | 0.04         |
| <b>Unassigned</b>             | -0.11                | 0.00                 | -0.30             | 0.00                           | -0.30        |



# Attribution by Sector | Matthews Japan Fund

One Year March 31, 2024 to March 31, 2025

|   |        |
|---|--------|
| Published Portfolio Return <sup>1</sup> | 1.64%  |
| Published Benchmark Return              | -1.74% |
| Published Relative Return <sup>2</sup>  | 3.38%  |
| Attributable Portfolio Return           | 2.42%  |
| Attributable Relative Return            | 4.17%  |

1 Published portfolio return represents that of the Investor Share Class.

2 The published relative return is calculated as the difference of the published benchmark return from the published portfolio return.

## Benchmark: MSCI Japan Index

The attribution report shows the extent to which the portfolio manager's strategies affect a fund's performance relative to the performance of the fund's benchmark index. Allocation Effect shows the effect on fund performance of either over- or under-weighting a market (a sector, country or region, depending on the type of fund) relative to its benchmark. Selection + Interaction Effect shows how the decision to hold individual securities within the particular sector, country or region performed relative to the benchmark.

Attributed performance is calculated using FactSet Research Systems, Inc. The methodology of calculation is different from the published NAV and will not match performance based on the published NAV. Performance shown is historical and no guarantee of future results. Current performance may be lower or higher. Returns current to the most recent month-end are available at [matthewsasiasia.com](http://matthewsasiasia.com). Investment returns and principal value will fluctuate so that when redeemed, shares may be worth more or less than their original cost. Benchmark performance is unaudited.

Please refer to the disclosures for index definition. Unassigned may include fees, expense accruals, offsets, warrants and rights.

|                                   | Average<br>Portfolio Wt | Average<br>Benchmark Wt | Allocation<br>Effect | Selection +<br>Interaction Effect | Total<br>Effect |
|-----------------------------------|-------------------------|-------------------------|----------------------|-----------------------------------|-----------------|
| <b>Total Portfolio</b>            | <b>100.00</b>           | <b>100.00</b>           | <b>-2.74</b>         | <b>6.91</b>                       | <b>4.17</b>     |
| <b>Consumer<br/>Discretionary</b> | 20.79                   | 18.11                   | -0.34                | 3.01                              | 2.67            |
| <b>Industrials</b>                | 21.76                   | 23.17                   | -0.26                | 1.93                              | 1.67            |
| <b>Information<br/>Technology</b> | 16.91                   | 14.64                   | -0.36                | 1.59                              | 1.23            |
| <b>Health Care</b>                | 6.72                    | 7.94                    | 0.16                 | 0.52                              | 0.68            |
| <b>Communication<br/>Services</b> | 3.28                    | 7.16                    | -0.34                | 0.89                              | 0.55            |
| <b>Utilities</b>                  | 0.00                    | 1.11                    | 0.13                 | 0.00                              | 0.13            |
| <b>Energy</b>                     | 0.00                    | 0.89                    | -0.03                | 0.00                              | -0.03           |
| <b>Financials</b>                 | 14.66                   | 15.01                   | 0.04                 | -0.22                             | -0.18           |
| <b>Consumer Staples</b>           | 5.19                    | 5.35                    | -0.01                | -0.27                             | -0.28           |
| <b>Real Estate</b>                | 2.27                    | 2.57                    | 0.03                 | -0.31                             | -0.28           |
| <b>Materials</b>                  | 7.08                    | 4.05                    | -0.51                | -0.23                             | -0.73           |
| <b>Cash</b>                       | 1.43                    | 0.00                    | -0.09                | 0.00                              | -0.09           |
| <b>Unassigned</b>                 | -0.10                   | 0.00                    | -1.17                | 0.00                              | -1.17           |



# Attribution by Sector | Matthews Japan Fund

Three Years March 31, 2022 to March 31, 2025

|   |       |
|---|-------|
| Published Portfolio Return <sup>1</sup> | 5.97% |
| Published Benchmark Return              | 5.68% |
| Published Relative Return <sup>2</sup>  | 0.29% |
| Attributable Portfolio Return           | 6.75% |
| Attributable Relative Return            | 1.07% |

<sup>1</sup> Published portfolio return represents that of the Investor Share Class.

<sup>2</sup> The published relative return is calculated as the difference of the published benchmark return from the published portfolio return.

## Benchmark: MSCI Japan Index

The attribution report shows the extent to which the portfolio manager's strategies affect a fund's performance relative to the performance of the fund's benchmark index. Allocation Effect shows the effect on fund performance of either over- or under-weighting a market (a sector, country or region, depending on the type of fund) relative to its benchmark. Selection + Interaction Effect shows how the decision to hold individual securities within the particular sector, country or region performed relative to the benchmark.

Attributed performance is calculated using FactSet Research Systems, Inc. The methodology of calculation is different from the published NAV and will not match performance based on the published NAV. Performance shown is historical and no guarantee of future results. Current performance may be lower or higher. Returns current to the most recent month-end are available at [matthewsasiasia.com](http://matthewsasiasia.com). Investment returns and principal value will fluctuate so that when redeemed, shares may be worth more or less than their original cost. Benchmark performance is unaudited.

Please refer to the disclosures for index definition. Unassigned may include fees, expense accruals, offsets, warrants and rights.

|                               | Average<br>Portfolio Wt | Average<br>Benchmark Wt | Allocation<br>Effect | Selection +<br>Interaction Effect | Total<br>Effect |
|-------------------------------|-------------------------|-------------------------|----------------------|-----------------------------------|-----------------|
| <b>Total Portfolio</b>        | <b>100.00</b>           | <b>100.00</b>           | <b>-1.57</b>         | <b>2.64</b>                       | <b>1.07</b>     |
| <b>Consumer Discretionary</b> | 18.54                   | 18.41                   | 0.06                 | 1.42                              | 1.49            |
| <b>Information Technology</b> | 16.15                   | 14.20                   | -0.03                | 0.69                              | 0.66            |
| <b>Industrials</b>            | 21.25                   | 22.78                   | -0.20                | 0.84                              | 0.64            |
| <b>Health Care</b>            | 8.85                    | 8.77                    | 0.24                 | 0.28                              | 0.52            |
| <b>Real Estate</b>            | 1.39                    | 3.00                    | 0.10                 | 0.08                              | 0.18            |
| <b>Consumer Staples</b>       | 6.41                    | 6.03                    | 0.10                 | 0.06                              | 0.16            |
| <b>Utilities</b>              | 0.00                    | 1.07                    | -0.03                | 0.00                              | -0.03           |
| <b>Energy</b>                 | 0.00                    | 0.86                    | -0.05                | 0.00                              | -0.05           |
| <b>Communication Services</b> | 6.16                    | 7.66                    | -0.14                | 0.06                              | -0.08           |
| <b>Materials</b>              | 6.88                    | 4.48                    | -0.20                | -0.06                             | -0.27           |
| <b>Financials</b>             | 12.45                   | 12.74                   | -0.06                | -0.73                             | -0.79           |
| <b>Cash</b>                   | 2.01                    | 0.00                    | -0.23                | 0.00                              | -0.23           |
| <b>Unassigned</b>             | -0.08                   | 0.00                    | -1.13                | 0.00                              | -1.13           |





# Attribution by Sector | Matthews Japan Fund

Five Years March 31, 2020 to March 31, 2025

|   |        |
|---|--------|
| Published Portfolio Return <sup>1</sup> | 8.45%  |
| Published Benchmark Return              | 9.20%  |
| Published Relative Return <sup>2</sup>  | -0.75% |
| Attributable Portfolio Return           | 9.18%  |
| Attributable Relative Return            | -0.10% |

<sup>1</sup> Published portfolio return represents that of the Investor Share Class.

<sup>2</sup> The published relative return is calculated as the difference of the published benchmark return from the published portfolio return.

## Benchmark: MSCI Japan Index

The attribution report shows the extent to which the portfolio manager's strategies affect a fund's performance relative to the performance of the fund's benchmark index. Allocation Effect shows the effect on fund performance of either over- or under-weighting a market (a sector, country or region, depending on the type of fund) relative to its benchmark. Selection + Interaction Effect shows how the decision to hold individual securities within the particular sector, country or region performed relative to the benchmark.

Attributed performance is calculated using FactSet Research Systems, Inc. The methodology of calculation is different from the published NAV and will not match performance based on the published NAV. Performance shown is historical and no guarantee of future results. Current performance may be lower or higher. Returns current to the most recent month-end are available at [matthewsasiasia.com](http://matthewsasiasia.com). Investment returns and principal value will fluctuate so that when redeemed, shares may be worth more or less than their original cost. Benchmark performance is unaudited.

Please refer to the disclosures for index definition. Unassigned may include fees, expense accruals, offsets, warrants and rights.

|                               | Average<br>Portfolio Wt | Average<br>Benchmark Wt | Allocation<br>Effect | Selection +<br>Interaction Effect | Total<br>Effect |
|-------------------------------|-------------------------|-------------------------|----------------------|-----------------------------------|-----------------|
| <b>Total Portfolio</b>        | <b>100.00</b>           | <b>100.00</b>           | <b>-1.29</b>         | <b>1.20</b>                       | <b>-0.10</b>    |
| <b>Consumer Discretionary</b> | 16.72                   | 18.27                   | -0.07                | 0.82                              | 0.75            |
| <b>Information Technology</b> | 17.43                   | 13.73                   | 0.33                 | 0.40                              | 0.73            |
| <b>Consumer Staples</b>       | 4.70                    | 6.59                    | 0.49                 | 0.09                              | 0.57            |
| <b>Health Care</b>            | 11.52                   | 9.45                    | -0.14                | 0.50                              | 0.35            |
| <b>Real Estate</b>            | 0.87                    | 3.21                    | 0.16                 | 0.05                              | 0.21            |
| <b>Utilities</b>              | 0.00                    | 1.13                    | 0.14                 | 0.00                              | 0.14            |
| <b>Materials</b>              | 7.05                    | 4.68                    | -0.14                | 0.17                              | 0.03            |
| <b>Energy</b>                 | 0.00                    | 0.77                    | -0.06                | 0.00                              | -0.06           |
| <b>Industrials</b>            | 20.50                   | 22.50                   | -0.20                | 0.05                              | -0.14           |
| <b>Communication Services</b> | 7.22                    | 8.22                    | -0.18                | -0.17                             | -0.35           |
| <b>Financials</b>             | 11.48                   | 11.44                   | -0.03                | -0.72                             | -0.76           |
| <b>Cash</b>                   | 2.60                    | 0.00                    | -0.45                | 0.00                              | -0.45           |
| <b>Unassigned</b>             | -0.08                   | 0.00                    | -1.13                | 0.00                              | -1.13           |



---

# Attribution Disclosure

Performance attribution reports are calculated with a holdings-based methodology using software supplied by FactSet Research Systems, Inc. The performance shown will not equate to the standard, published performance for the Fund. The quarterly or annual periods shown in the attribution reports should be considered short-term, while it is appropriate to have a long-term horizon when investing in a mutual fund. Fund performance should be evaluated over such a long-term horizon. Relative performance in a particular sector or country over a short period, and relative performance due to asset allocation or stock selection over a short period is no indication or guarantee of performance over longer time horizons. The sector or country allocation shown may not be representative of the Fund's current or future investments. None of the data displayed should be considered as a recommendation.

---

# Matthews Japan Fund Investment Team

---

---

## SHUNTARO TAKEUCHI

Shuntaro Takeuchi is a Portfolio Manager at Matthews. Prior to joining Matthews in 2016, he was an Executive Director for Japan Equity Sales at UBS Securities LLC in New York. Beginning in 2003, he worked on both Japanese Equity and International Equity Sales at UBS Japan Securities, based in Tokyo, and held the position of Special Situations Analyst from 2006 to 2008, and Head of International Equity Sales from 2009 to 2013. Before that, he worked at Merrill Lynch Japan from 2001 to 2003 in U.S. Equity Sales. Shuntaro received a B.A. in Commerce and Management from Hitotsubashi University in Tokyo. He is fluent in Japanese.

---

## DONGHOON HAN

Donghoon Han is a Portfolio Manager at Matthews. Prior to joining Matthews in 2020, Donghoon was Vice President and portfolio manager at Goldman Sachs Asset Management in Tokyo, responsible for investments in technology, automotive and transportation sectors in Japan. From 2014 to 2016, he was a senior associate at Citadel Global Equities researching technology and industrial sectors in Japan. From 2010 to 2014, Donghoon worked at Dodge & Cox as an equity research associate covering global technology sector with a focus on semiconductors and electronic components. He received B.A. in International Liberal Arts from Waseda University in Tokyo. Donghoon is fluent in Japanese and Korean. He is a Chartered Member of the Securities Analysts Association of Japan.

---

---

# Disclosure

*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 [matthewsasiasia.com](http://matthewsasiasia.com). Please read the prospectus carefully before investing.*

Investments in Asian securities may involve risks such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. In addition, investments in a single-country fund, which is considered a non-diversified 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.

The views and information discussed in this report are as of the date of publication, are subject to change and may not reflect current views. The views expressed are opinions only and should not be relied upon as investment advice regarding a particular investment or markets in general. Such information does not constitute a recommendation to buy or sell specific investment vehicles.

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

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

Matthews Asia Funds are distributed in Latin America by Picton S.A.



---

# Index Definitions

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

The iShares MSCI Emerging Markets ETF (EEM) is an exchange-traded fund incorporated in the USA. The ETF tracks the performance of the MSCI TR Emerging Markets Index. The ETF holds emerging market stocks that can predominantly be classified as large and mid-cap.

The iShares MSCI Europe Small-Cap ETF seeks to track the investment results of an index composed of small-capitalization developed market equities in Europe.

The iShares MSCI Frontier 100 ETF seeks to track the investment results of an index composed of frontier market equities.

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

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

The MSCI All Country World Index (ACWI) captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,489 constituents, the index covers approximately 85% of the global investable equity opportunity set.

The MSCI Australia Index is a free float-adjusted, market capitalization-weighted index of equity market performance in Australia.

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 exchanges, 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, P-chips and foreign listings (e.g. ADRs).

The MSCI China Small Cap Index is a free float-adjusted market capitalization-weighted small cap index of the Chinese equity securities markets, including H shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen exchanges, 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 EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The MSCI Emerging Markets (EM) Asia Index captures large and mid cap representation across 9 Emerging Markets countries. With 567 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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

The MSCI Emerging Markets Equity Index captures large and mid cap representation across 23 Emerging Markets (EM) countries. With 829 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI Emerging Markets (EM) Latin America Index captures large and mid-cap representation across 5 Emerging Markets (EM) countries in Latin America. With 110 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI Emerging Markets EMEA Index captures large and mid cap representation across 10 Emerging Markets (EM) countries in Europe, the Middle East and Africa (EMEA). With 163 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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.



---

# Index Definitions

The MSCI Europe Small Cap Index captures small cap representation across the 15 Developed Markets (DM) countries in Europe. With 985 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in the European equity universe.

The MSCI Frontier Markets Index captures large and mid cap representation across 29 Frontier Markets (FM) countries. The index includes 110 constituents, covering about 85% of the free float-adjusted market capitalization in each country.

The MSCI India Index is a free float-adjusted market capitalization index that is designed to measure the performance of the large and mid -cap segments of the Indian market.

The MSCI India Small Cap Index is designed to measure the performance of the small cap segment of the Indian market. With 253 constituents, the index represents approximately 14% of the free float-adjusted market capitalization of the India equity universe.

The MSCI Japan Index is a free float-adjusted market capitalization-weighted index of Japanese equities listed in Japan. The MSCI Japan Value Index captures large and mid cap Japanese securities exhibiting overall value style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 173 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI Japan Index.

The MSCI Japan Growth Index is a free-float weighted equity index.

The MSCI Japan Small Cap Index is designed to measure the performance of the small cap segment of the Japanese market. With 926 constituents, the index represents approximately 14% of the free float-adjusted market capitalization of the Japan equity universe.

The MSCI Japan Value Index captures large and mid cap Japanese securities exhibiting overall value style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 176 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI Japan Index.

The Korea Composite Stock Price Index (KOSPI) is a capitalization-weighted index of all common stocks listed on the Korea Stock Exchange.

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

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 USA Small Cap Index is designed to measure the performance of the small cap segment of the US equity market. With 1,782 constituents, the index represents approximately 14% of the free float-adjusted market capitalization in the US.

The Russell 2000 index is an index measuring the performance approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States. The weighted average market capitalization for companies in the Russell 2000 is about US\$1.3 billion and the index itself is frequently used as a benchmark for small-cap mutual funds.

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

The S&P Bombay Stock Exchange 100 (S&P BSE 100) Index is a free float-adjusted market capitalization-weighted index of 100 stocks listed on the Bombay Stock Exchange.

The SSE Composite Index also known as SSE Index is a stock market index of all stocks that are traded at the Shanghai Stock Exchange.

The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 18 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The Tokyo Stock Price Index (TOPIX) is a capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange.

The TOPIX Small Index is a capitalization-weighted index designed to measure the performance of the stocks listed on the First Section of the Tokyo Stock Exchange, excluding the TOPIX 500 stocks and non-eligible stocks.

Indexes are unmanaged and it is not possible to invest directly in an index.

---

# Glossary

CAGR (Compound Annual Growth Rate) is the year-over-year growth rate of an investment over a specified period of time.

DCF (Discounted Cash Flow) is a valuation method used to estimate the attractiveness of an investment opportunity. DCF analysis uses future free cash flow projections and discounts them to arrive at a present value estimate, which is used to evaluate the potential for investment.

EBIT Margin (Earnings Before Interest and Taxation Margin) is a profitability measure equal to EBIT divided by net revenue. This value is useful when comparing multiple companies, especially within a given industry, and also helps evaluate how a company has grown over time.

EBITDA (Earnings Before Interest and Taxation, Depreciation and Amortization) is a measure of a company's earnings before considering the financing of that company (the share of equity capital and debt employed), and disregarding potential depreciation and amortization policies, which can be very different. EBITDA allows like-for-like comparisons between different companies' performance.

EPS (Earnings per Share) is the amount of annual profit (after tax and all other expenses) attributable to each share in a company. EPS is calculated by dividing profit by the average number of shares on issue.

EVA (Economic Value Added) is a measure of a company's financial performance based on the residual wealth calculated by deducting cost of capital from its operating profit (adjusted for taxes on a cash basis).

EV/EBITDA (Enterprise Multiple) is a ratio used to determine the value of a company. The enterprise multiple looks at a firm as a potential acquirer would, because it takes debt into account - an item which other multiples like the P/E ratio do not include.

EV (Enterprise Value) is a measure of a company's value, often used as an alternative to straightforward market capitalization. Enterprise value is calculated as market cap plus debt, minority interest and preferred shares, minus total cash and cash equivalents.

FCF (Free Cash Flow) is a measure of financial performance calculated as operating cash flow minus capital expenditures. Free cash flow (FCF) represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base.

Forward P/E (Forward Price to Earnings) is a measure of the price-to-earnings ratio (P/E) using forecasted earnings for the P/E calculation. While the earnings used are just an estimate and are not as reliable as current earnings data, there still may be benefit in estimated P/E analysis. The forecasted earnings used in the formula can either be for the next 12 months or for the next full-year fiscal period.

Gross Margin is a company's total sales revenue minus its cost of goods sold, divided by the total sales revenue, expressed as a percentage. The gross margin represents the percent of total sales revenue that the company retains after incurring the direct costs associated with producing the goods and services sold by a company.

Net Margin is the ratio of net profits to revenues for a company or business segment—typically expressed as a percentage—that shows how much of each dollar earned by the company is translated into profits. It is calculated by dividing net profit by revenue.

Operating Margin is a ratio used to measure a company's pricing strategy and operating efficiency. Operating margin is a measurement of what proportion of a company's revenue is left over after paying for variable costs of production.

P/E Ratio (Price-to-Earnings Ratio) is a valuation ratio of a company's current share price compared to its per-share earnings, calculated as marketing value per share divided by earnings per share (EPS).

P/B Ratio (Price-to-Book Ratio) is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. A lower P/B ratio could mean that the stock is undervalued.

PPP (Purchasing Power Parity) is an economic theory that estimates the amount of adjustment needed on the exchange rate between countries in order for the exchange to be equivalent to each currency's purchasing power.

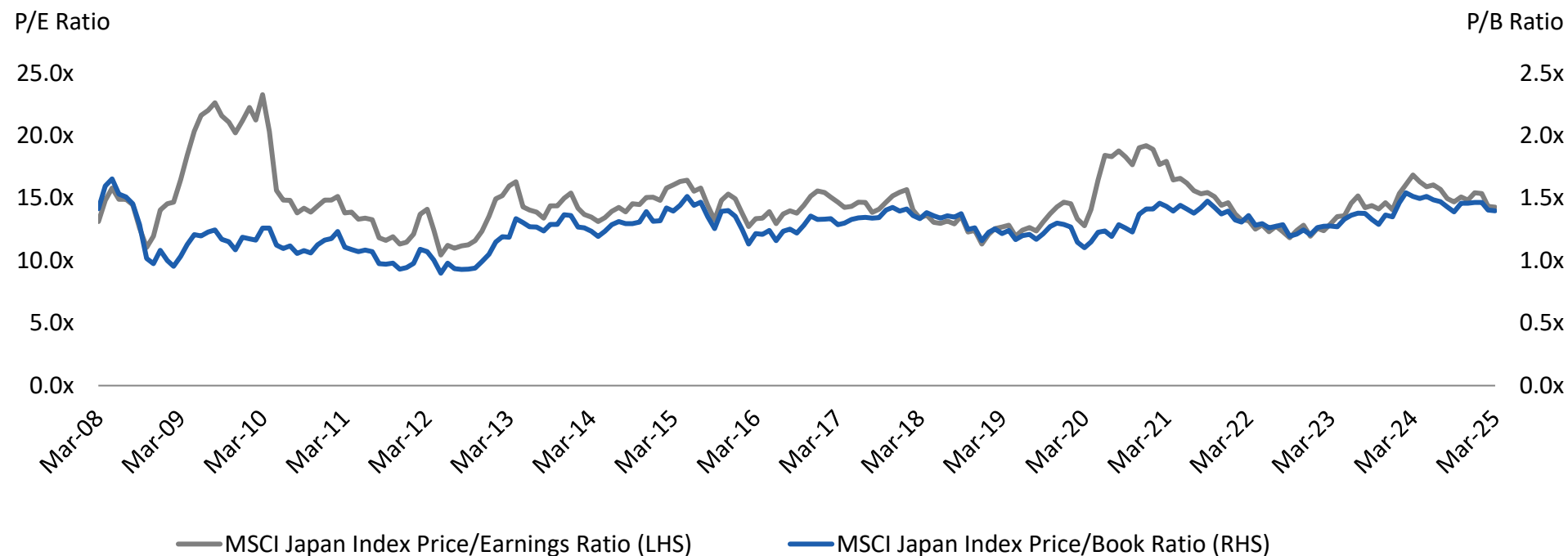
ROE (Return on Equity) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested, and is calculated as net income divided by shareholder's equity.

ROIC (Return on Invested Capital) is a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments. The return on invested capital measure gives a sense of how well a company is using its money to generate returns.



# Japanese Valuations

Valuations remain reasonable



|                              | Forward P/E | Trailing P/B | Forward Dividend Yield |
|------------------------------|-------------|--------------|------------------------|
| <b>MSCI Japan</b>            | 14.1x       | 14.0x        | 13.1%                  |
| <b>MSCI Europe</b>           | 1.4x        | 2.1x         | 2.0%                   |
| <b>MSCI AC Asia Ex-Japan</b> | 3.6x        | 4.0x         | 3.0%                   |

Note: data as of March 31, 2025  
 Dividend yield and forward P/E figures are estimated. The forward price per earnings ratio ("Forward P/E") is calculated by dividing the market price per share by the forecasted earnings per share for 2025. There is no guarantee any estimates or projections will be realized. Indexes are unmanaged and it is not possible to invest directly in an index.

Source: Factset Research Systems, Inc.

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25

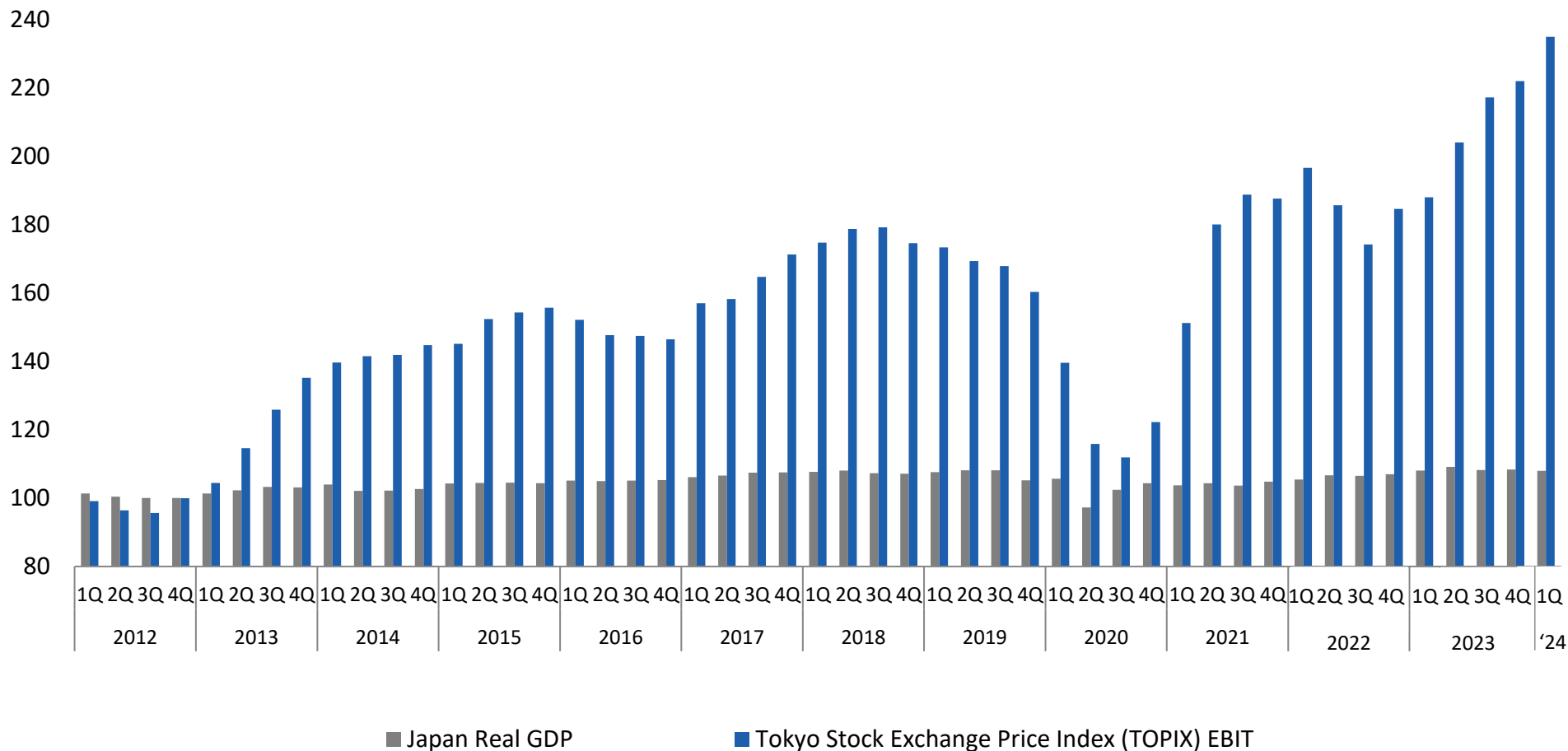


Matthews

# Corporate Profit Growth Outpacing Real GDP

Equities buy a share of corporate profits

Index, 4Q 2012 = 100



Indexes are unmanaged and it is not possible to invest directly in an index.

Source: Bloomberg; data as of June 30, 2024

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



Matthews

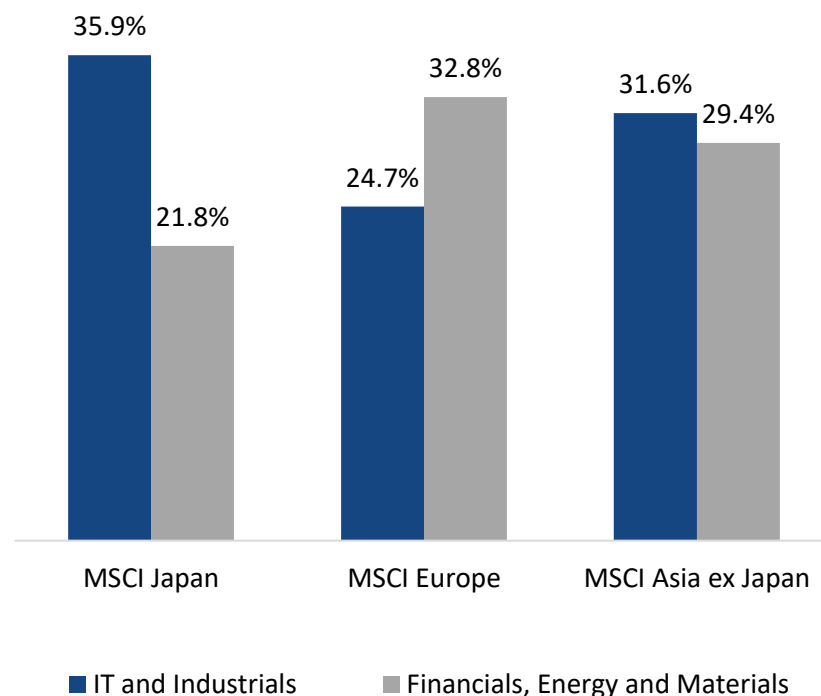
# Investing in Japan Equities = Investing in Innovation and Productivity

Japan equities lower exposure to interest rate sensitive sectors

## SECTOR WEIGHTS (%)

|                        | MSCI Japan | MSCI Europe | MSCI Asia ex Japan |
|------------------------|------------|-------------|--------------------|
| Communication Services | 7.7        | 4.1         | 11.3               |
| Consumer Discretionary | 18.3       | 8.7         | 15.7               |
| Consumer Staples       | 5.4        | 10.1        | 3.8                |
| Energy                 | 0.9        | 4.9         | 3.2                |
| Financials             | 17.3       | 22.3        | 22.6               |
| Health Care            | 7.6        | 14.6        | 3.5                |
| Industrials            | 22.9       | 17.7        | 7.1                |
| Information Technology | 13.0       | 7.0         | 24.5               |
| Materials              | 3.6        | 5.6         | 3.7                |
| Real Estate            | 2.4        | 0.8         | 2.2                |
| Utilities              | 1.0        | 4.1         | 2.5                |

## MANUFACTURING ACTIVITY VS. INTEREST RATE CYCLE



Indexes are unmanaged and it is not possible to invest directly in an index.  
Source: FactSet Research Systems; data as of March 31, 2025

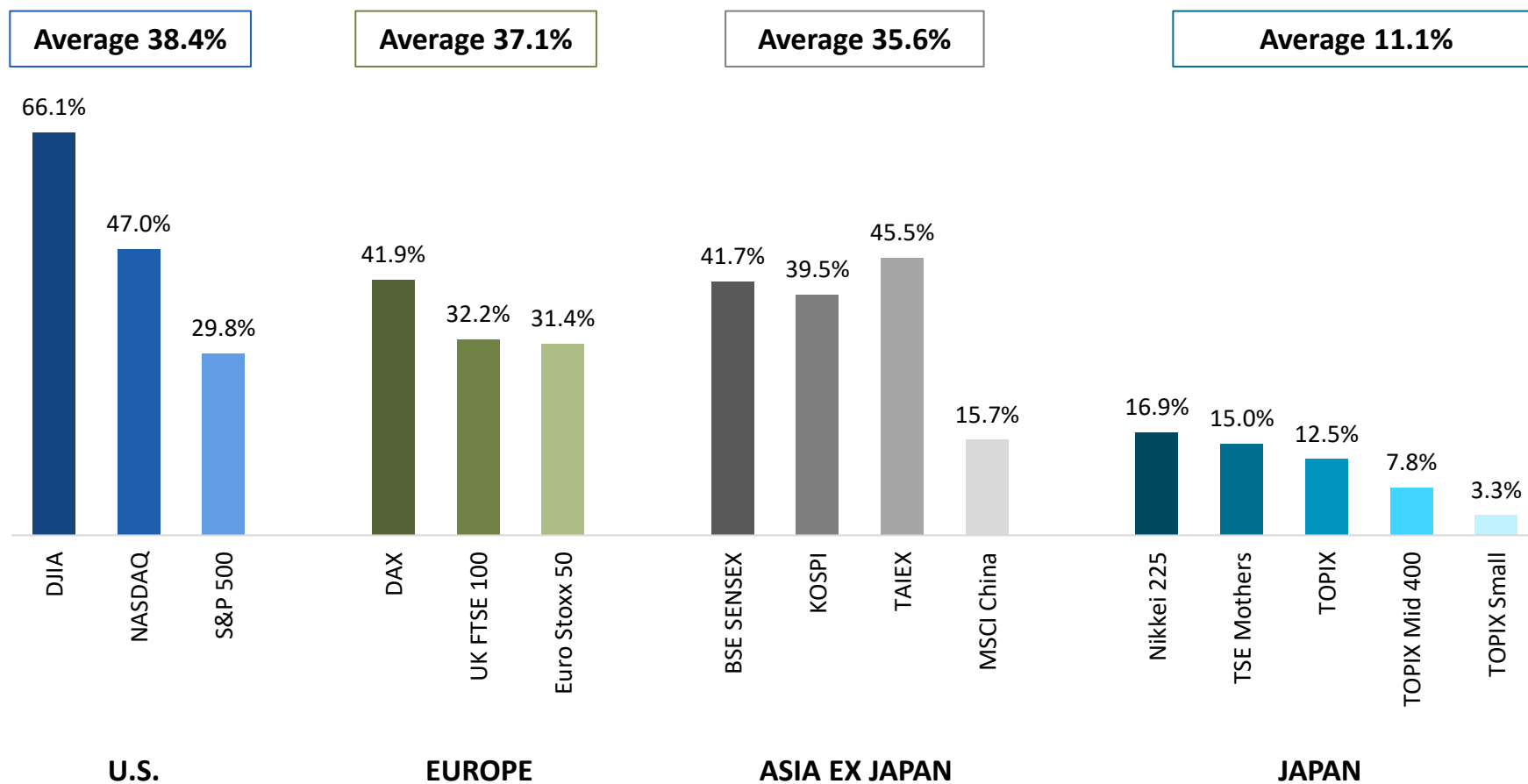


Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.  
© 2025 Matthews International Capital Management, LLC PT001\_1Q25



# Low Index Concentration Provides Opportunity for Active Investments

Percent of top five market cap as a percentage of entire index



Note: Indexes are unmanaged, and it is not possible to invest directly in an index.

Source: Bloomberg; data as of June 30, 2024



Matthews

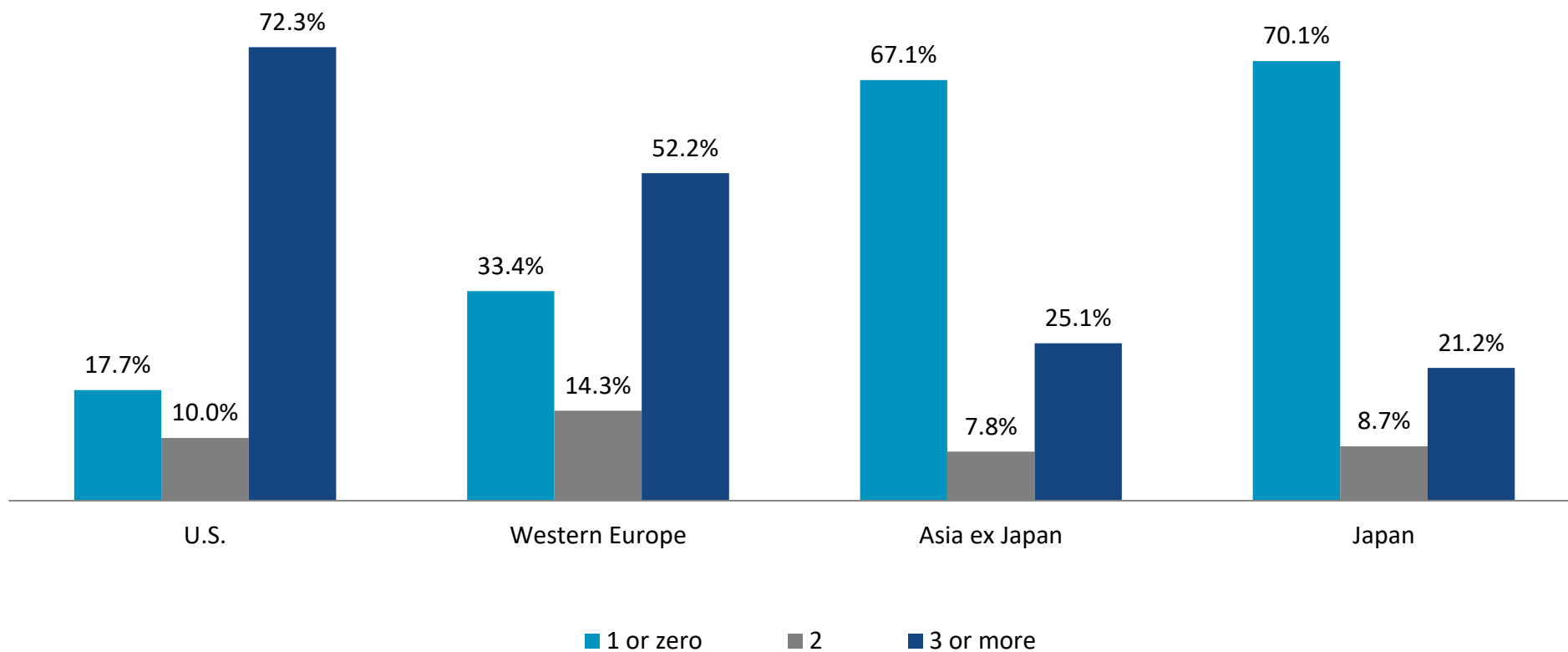
Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25

# We Believe Japan's Alpha Opportunity is in Small Caps

Small cap coverage in Japan remains thin, less than Asia ex Japan

## SMALL CAP COVERAGE IN JAPAN



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

Source: FactSet Research Systems; data as of June 30, 2024

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



Matthews

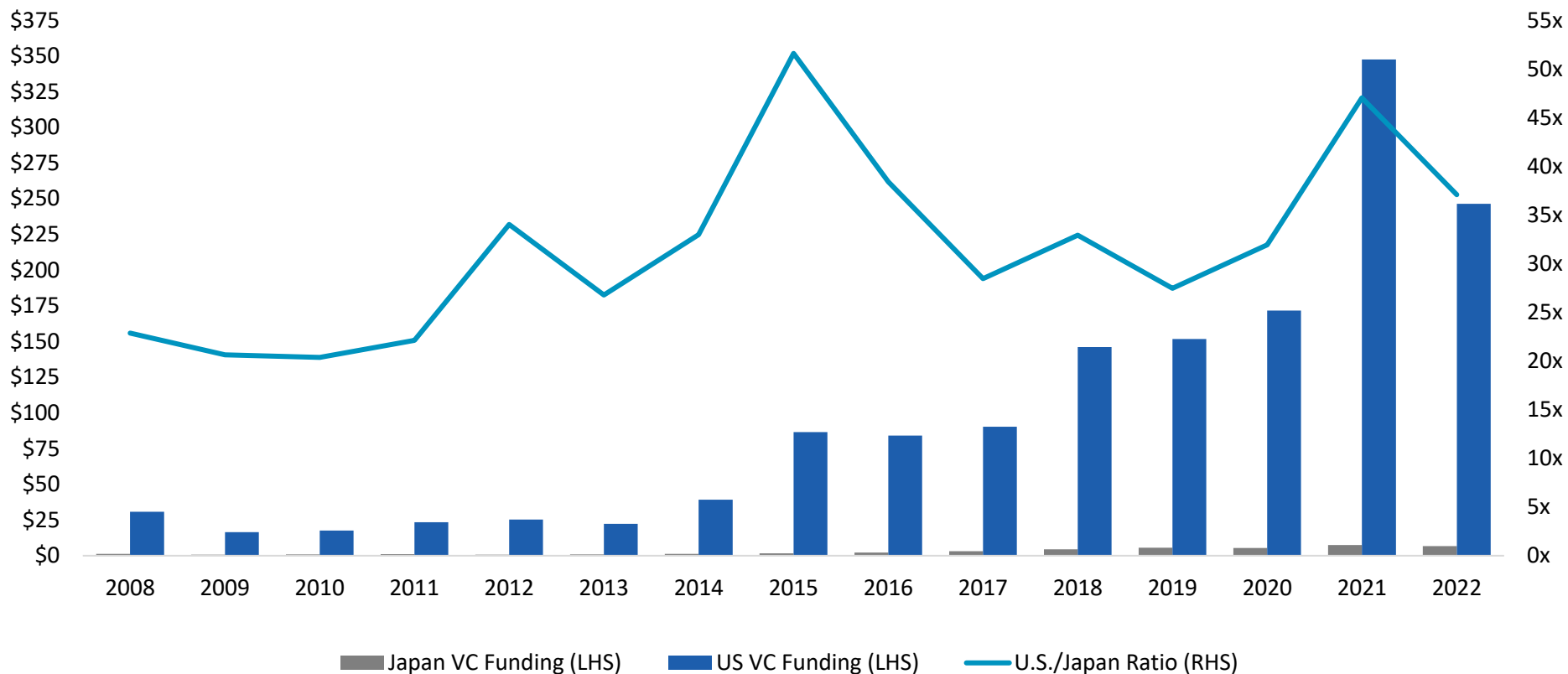
# Japan IPO: Start Small, Grow Big

Despite recent growth in Japan VC funding, it is still only a fraction of U.S. VC funding

## VENTURE CAPITAL (VC) FUNDING IN JAPAN VS. THE U.S.

VC Funding (US\$ BN)

U.S. / Japan VC Funding Ratio



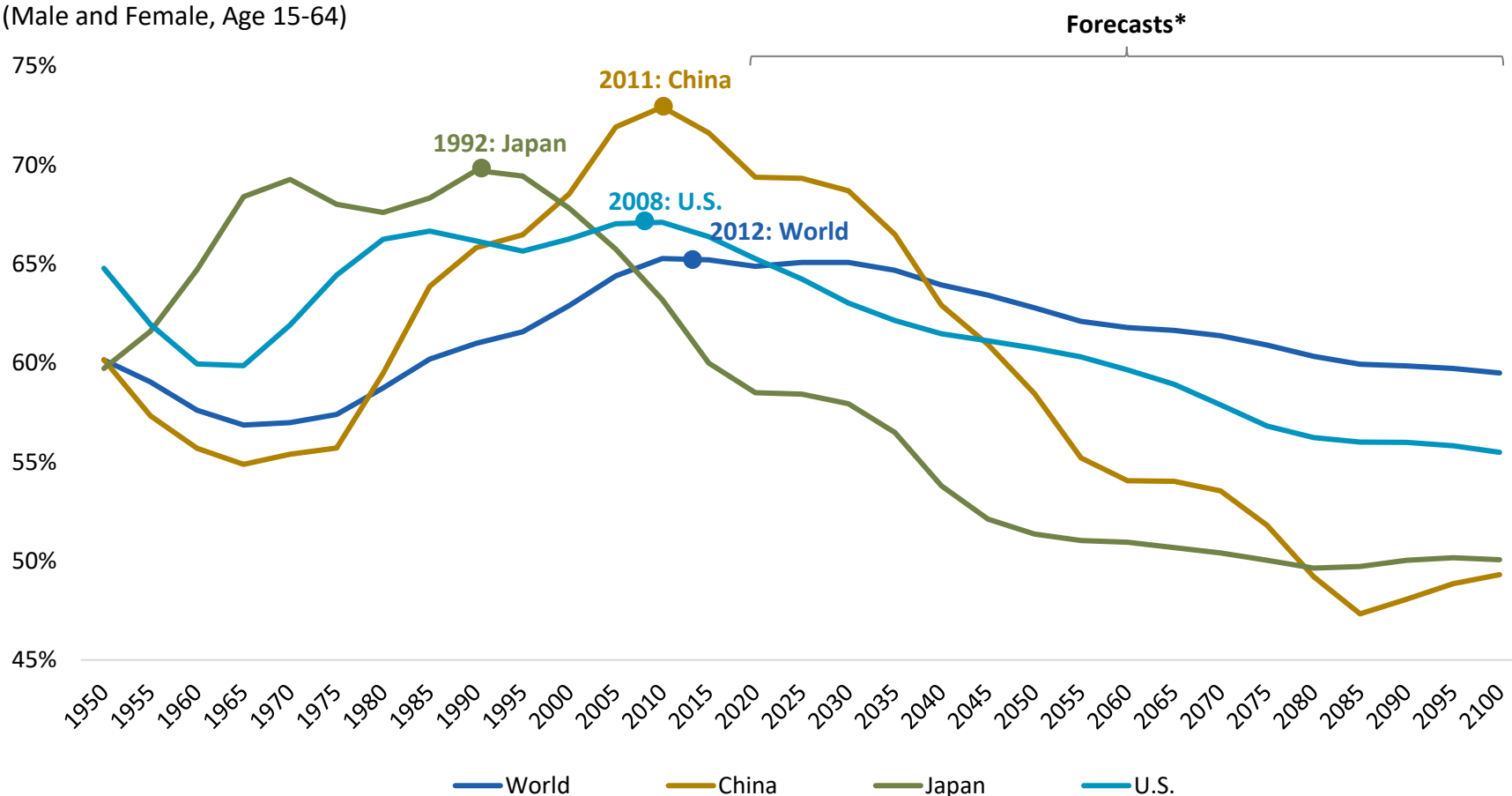
Sources: Japan data from Entrepedia; U.S. data from PwC/MoneyTree; data as of June 30, 2023

# Labor Population Peaking Out

Percentage of total population by broad age group, both sexes (per 100 total population)

## % OF WORKING AGE POPULATION

(Male and Female, Age 15-64)



\*Note: 2020 data and beyond are estimates. There is no guarantee projections or estimates will be realized.  
Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2022

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



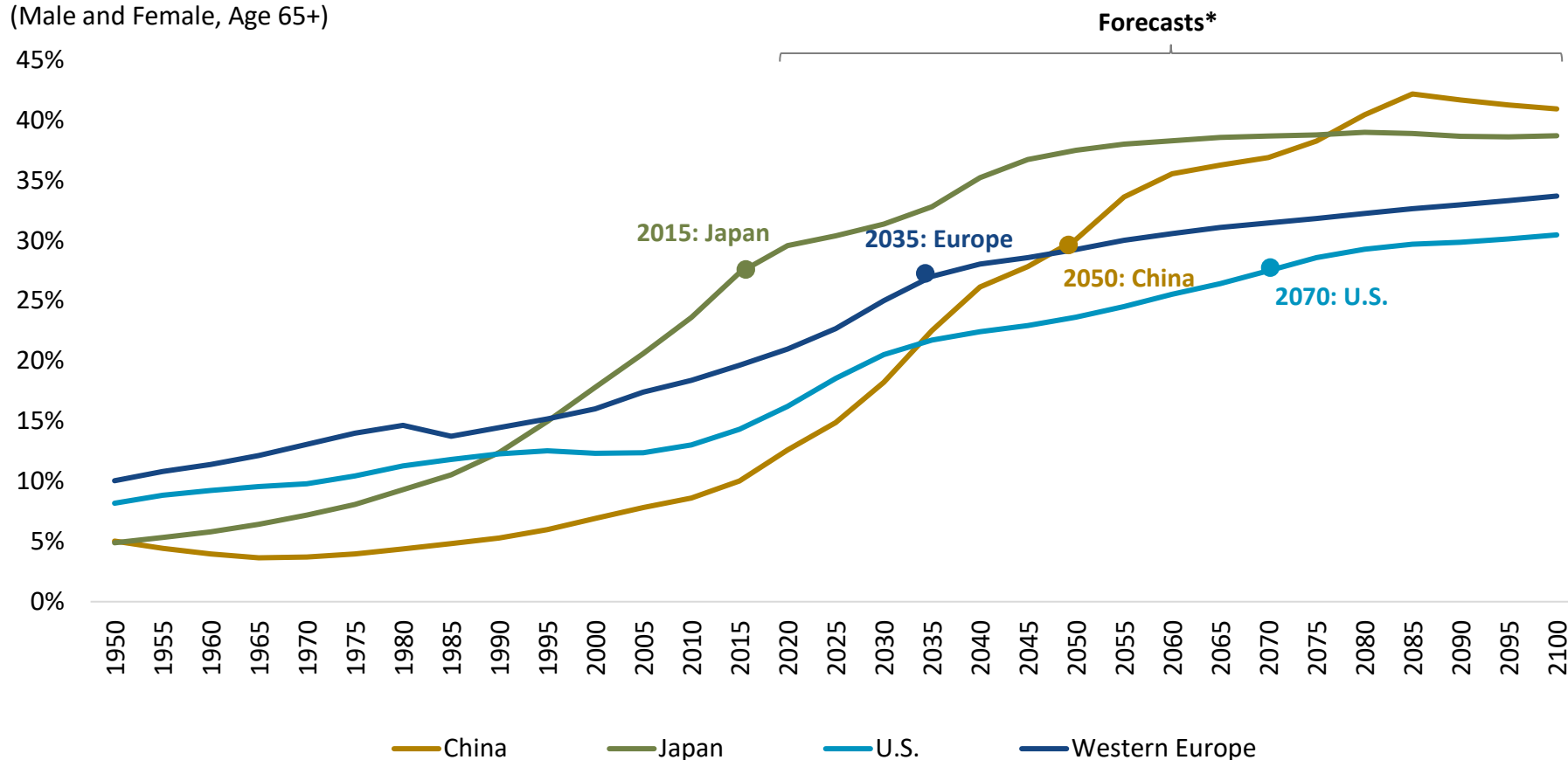
Matthews

# Aging Society Will No Longer Be Unique to Japan

U.S., Western Europe and China expected to experience what Japan faced in 1990-2020

## ELDERLY POPULATION AS A % OF TOTAL POPULATION

(Male and Female, Age 65+)



\*Note: 2020 data and beyond are estimates. There is no guarantee projections or estimates will be realized.  
Source: United Nations, Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022

Do not give, show or quote to any other person. This document is not for public distribution and is for institutional/professional investors use only and has not been registered with, approved by, any regulatory authority in any jurisdiction.

© 2025 Matthews International Capital Management, LLC PT001\_1Q25



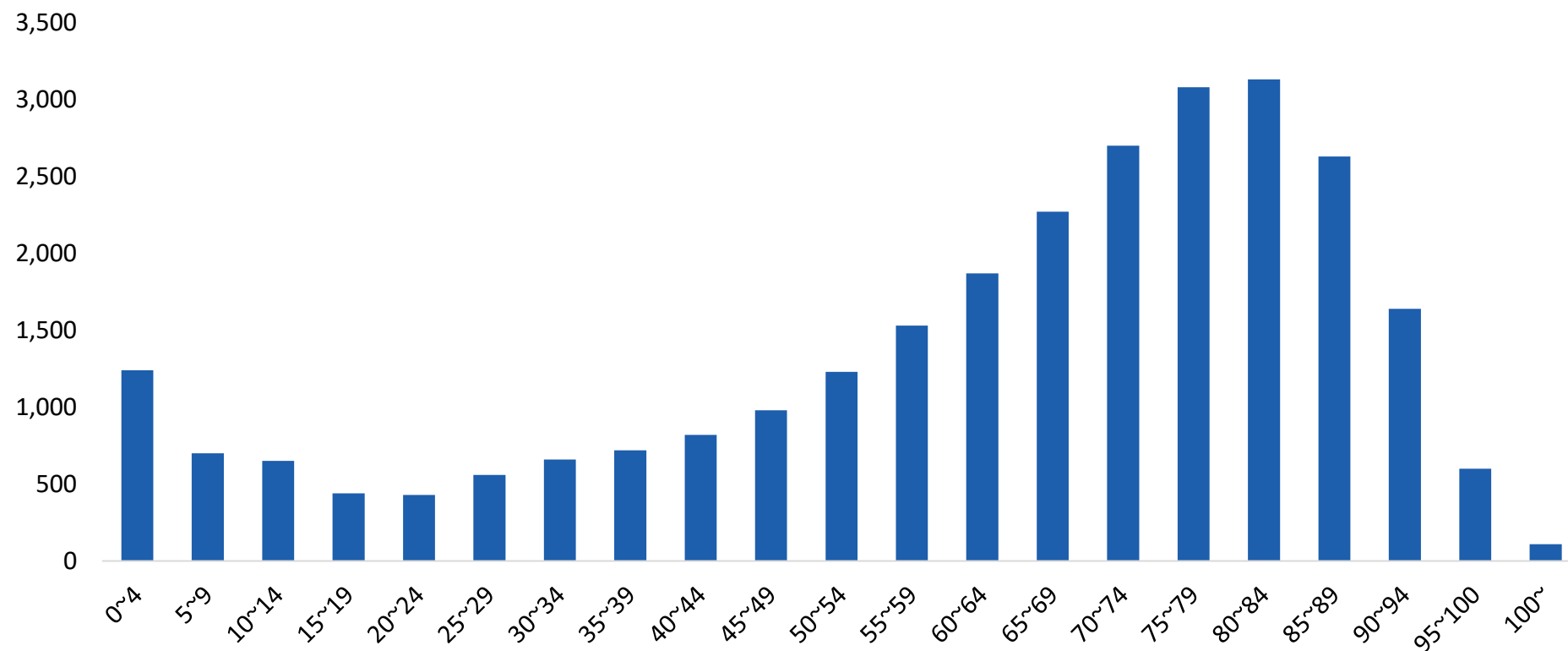
Matthews

# Japan Health Care Spending

50% of lifetime health care costs are spent after age 70 (total spending of 27 million Yen)

## JAPAN HEALTH CARE SPENDING PER PERSON BY AGE GROUP

Yen, Thousands



Source: Ministry of Health, Labor and Welfare, 2019