

MATTHEWS INTERNATIONAL FUNDS

Form N-14

May 22, 2014

As filed with the Securities and Exchange Commission on May 22, 2014

Registration No. 333-_____

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-14

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. **Post-Effective Amendment No.**

(Check appropriate box or boxes)

Exact Name of Registrant as Specified in Charter:

MATTHEWS INTERNATIONAL FUNDS

Address of Principal Executive Offices: **Four Embarcadero Center, Suite 550, San Francisco, CA 94111**

Area Code and Telephone Number: **(415) 788-7553**

Name and Address of Agent for Service:

William J. Hackett, President
Four Embarcadero Center, Suite 550
San Francisco, CA 94111

With copies to:

Timothy B. Parker, Vice President	David A. Hearth, Esq.
Four Embarcadero Center	Paul Hastings LLP
Suite 550	55 Second Street
San Francisco, CA 94111	San Francisco, CA 94105

Approximate Date of Proposed Public Offering: **As soon as practicable after this Registration Statement goes effective.**

Title of securities being registered: **Shares of beneficial interest.**

Calculation of Registration Fee under the Securities Act of 1933: **No filing fee is required under the Securities Act of 1933 because an indefinite number of shares of common stock of the Registrant (including its series, the Matthews Japan Fund) has previously been registered pursuant to Rule 24f-2 under the Investment Company Act of 1940, as amended.**

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.

NOMURA PARTNERS FUNDS, INC.

The Japan Fund

High Yield Fund

4 Copley Place, 5th Floor

CPH-0326

Boston, MA 02116

1-800-535-2726

_____, 2014

Dear Valued Shareholder:

The Board of Directors of Nomura Partners Funds, Inc. (the “**Company**”) has called a special meeting of shareholders (the “**Special Meeting**”) of the Company, comprised of shareholders of The Japan Fund (the “**NPF Japan Fund**”) and the shareholders of the High Yield Fund (the “**NPF High Yield Fund**”) and together with the NPF Japan Fund, the “**NPF Funds**”), each, a series of capital stock of the Company. The shareholders of the NPF Japan Fund and the NPF High Yield Fund comprise all of the shareholders of the Company. The Special Meeting is scheduled to be held at [4:00 p.m. Eastern time], on [Wednesday], [September 10], 2014, at the offices of Davis Polk & Wardwell LLP located at 450 Lexington Avenue, New York, NY 10017.

After Nomura Asset Management U.S.A. Inc. (“**NAM USA**”), the investment adviser for the NPF Funds, advised the NPF Board (defined below) that NAM USA is planning to exit the U.S. retail open-end mutual fund business, the NPF Board considered various options for the NPF Funds. The NPF Board has decided that it would be in the best interests of the shareholders of the NPF Japan Fund if that fund engaged in a tax free reorganization (the “**Japan Fund Reorganization**”) with the Matthews Japan Fund (the “**Matthews Japan Fund**”). If you approve the Charter Amendment (described below), such a reorganization would occur with the result that NPF Japan Fund shareholders would become Matthews Japan Fund shareholders (subject to satisfaction of the conditions set forth in the Agreement and Plan of Reorganization).

It is anticipated that if the Charter Amendment is approved, the NPF Board will consider a merger, consolidation, sale or transfer of the NPF High Yield Fund (the “**High Yield Reorganization**,” and together with the Japan Fund Reorganization, the “**Reorganizations**”).

The charter amendment (the “**Charter Amendment**”) is an amendment to the Company’s charter that will allow the Board of Directors of the Company (the “**NPF Board**”) to authorize the sale or transfer of all or substantially all of the Company’s assets without shareholder approval. The Charter Amendment is what you are being asked to approve (the

“Proposal”).

It is anticipated that the Japan Fund Reorganization will offer NPF Japan Fund shareholders the following advantages:

Anticipated reduction in total gross and net operating expenses. Immediately following the Japan Fund Reorganization with the Matthews Japan Fund (the “**Combined Fund**”), the Combined Fund’s total operating expenses are expected to be lower than NPF Japan Fund’s current total operating expenses.

Larger asset base and exchange privileges. It is expected that the investors in the NPF Japan Fund will benefit from potential long-term economies of scale and increased distribution capabilities that may result from the consummation of the Japan Fund Reorganization and the inclusion in the larger Matthews Asia Funds family of funds. After the Reorganization, shareholders of the Combined Fund will have exchange privileges with other Matthews funds.

As discussed in more detail in the enclosed proxy statement/prospectus (the “**Proxy Statement/Prospectus**”), the NPF Board unanimously approved the proposed Charter Amendment. Shareholder approval of this Charter Amendment will permit the Reorganizations to proceed.

The Japan Fund Reorganization is expected to be a tax-free exchange for shareholders of the NPF Japan Fund. Shareholders may redeem shares of the NPF Japan Fund in the ordinary course until the last business day before the closing of the Reorganization. Purchase and redemption requests received after that time will be treated as purchase and redemption requests for shares of the Matthews Japan Fund. However, redemption of your NPF Japan Fund shares will be treated as a sale for U.S. federal income tax purposes. Shareholders should consult their tax advisors to determine the federal, state and other income tax consequences of the redemption of shares with respect to their particular tax circumstances.

You are being asked to vote to approve the Charter Amendment. Shareholders of the Company will *not* be required to approve the Reorganizations if the Charter Amendment is approved. The accompanying Proxy Statement/Prospectus describes the proposal to approve the Charter Amendment as well as the Japan Fund Reorganization and compares the investment objective, investment strategies, investment restrictions and expenses of each of the NPF Japan Fund and Matthews Japan Fund for evaluation by the NPF Japan Fund shareholders. The Matthews Japan Fund has an investment objective that is substantially identical and investment strategies that are similar in many respects (but not identical) to those of the NPF Japan Fund. You should review the Proxy Statement/Prospectus carefully and retain it for future reference.

Approval of the Charter Amendment would permit a High Yield Reorganization to occur in the future with NPF Board approval and without further action by the shareholders unless the facts related to the High Yield Reorganization trigger the need for shareholder approval under the Investment Company Act of 1940 (the “**1940 Act**”). A High Yield Reorganization, if approved by the NPF Board, will be described to shareholders of the High Yield Fund at a later time.

After careful consideration, the NPF Board unanimously approved the Proposal to approve the Charter Amendment and recommends that shareholders vote “**FOR**” the Proposal.

We urge you to vote your shares:

- By completing and returning the enclosed proxy card in the envelope provided at your earliest convenience;
- By the Internet by visiting the website that appears on the enclosed proxy card;
- By touch-tone telephone by calling the 1-800 number that appears on the enclosed proxy card; or
- In person at the Special Meeting.

Voting by telephone or the Internet will reduce the time and costs associated with the proxy solicitation.

Your vote is important regardless of the number of shares you own. In order to avoid the added cost of follow-up solicitations and possible adjournments, please take a few minutes to read the Proxy Statement/Prospectus and cast your vote. It is important that your vote be received no later than [], 2014.

Solicitation may be made by letter, telephone, facsimile, or telegram. In addition to solicitation by mail and by telephone by a proxy solicitation firm retained for this purpose, representatives of the NPF Funds and Matthews, and certain financial services firms and their representatives, who will receive no extra compensation for their services, may solicit proxies by telephone, telegram, or personally.

We appreciate your participation and prompt response in this matter and thank you for your continued support.

Sincerely,

Richard J. Berthy
Principal Executive Officer and President
Nomura Partners Funds, Inc.

NOMURA PARTNERS FUNDS, INC.

The Japan Fund

High Yield Fund

4 Copley Place, 5th Floor

CPH-0326

Boston, MA 02116

1-800-535-2726

Notice of a Special Meeting of Nomura Partners Funds, Inc.

Comprised of Shareholders of
The Japan Fund and the High Yield Fund
Scheduled for [Wednesday], September [10], 2014

To The Japan Fund and the High Yield Fund Shareholders:

A Special Meeting of Shareholders (the “**Special Meeting**”) of Nomura Partners Funds, Inc., a Maryland corporation (the “**Company**”), comprised of the shareholders of The Japan Fund (the “**NPF Japan Fund**”) and the shareholders of the High Yield Fund (the “**NPF High Yield Fund**”) and together with the NPF Japan Fund, the “**NPF Funds**”), each, a series of capital stock of Nomura Partners Funds, Inc. (the “**Company**”), is scheduled for [Wednesday, September 10], 2014, at [4:00 p.m. Eastern Time], at the offices of Davis Polk & Wardwell located at 450 Lexington Avenue, New York, New York 10017.

The purposes of the Special Meeting of the NPF Funds are as follows:

1. To consider and approve an amendment to the Company’s charter removing the requirement that shareholder approval be obtained for a sale or transfer of all or substantially all of the assets of the Company.
2. To transact such other business as may properly come before the Special Meeting or any postponements or adjournments thereof.

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Shareholders of record at the close of business on [June 25], 2014, are entitled to notice of, and to vote at, the Special Meeting. Your attention is called to the accompanying Proxy Statement/Prospectus. Regardless of whether you plan to attend the Special Meeting, **please complete, sign and promptly return the enclosed proxy card or promptly cast your vote by telephone or via the Internet** so that a quorum will be present and a maximum number of shares may be voted. If you are present at the Special Meeting, you may change your vote, if desired, at that time.

By Order of the Board of Directors of
Nomura Partners Funds, Inc.

Jesse D. Hallee
Secretary

[DATE]

PROXY STATEMENT/PROSPECTUS

SUBJECT TO COMPLETION, DATED MAY 22, 2014

NOMURA PARTNERS FUNDS, INC.

The Japan Fund

High Yield Fund

4 Copley Place, 5th Floor

CPH-0326

Boston, MA 02116

1-800-535-2726

A Special Meeting of Shareholders Scheduled for [Wednesday], September [10], 2014

The Board of Directors of Nomura Partners Funds, Inc., a Maryland corporation (the “**Company**”), has called a special meeting of shareholders (the “**Special Meeting**”) of the Company, comprised of the shareholders of The Japan Fund (the “**NPF Japan Fund**”) and the shareholders of the High Yield Fund (the “**NPF High Yield Fund**”) and together with the NPF Japan Fund, the “**NPF Funds**”), each a series of capital stock of the Company, for the following purposes:

To consider and approve an amendment to the Company’s charter removing the requirement that shareholder approval be obtained for a sale or transfer of all or substantially all of the assets of the Company (the “**Charter Amendment**”).

2. To transact such other business as may properly come before the Special Meeting or any postponements or adjournments thereof.

In addition, *subject to and conditioned upon shareholder approval of the Charter Amendment*, with respect to the NPF Japan Fund *only*, the Board of Directors of the Company (the “**NPF Board**”), on behalf of the NPF Japan Fund, has approved:

The Reorganization of the Assets of: In exchange for shares of:

NPF Japan Fund
a series of

Matthews Japan Fund
a series of

Nomura Partners Funds, Inc.

**Matthews International Funds
(d/b/a/ Matthews Asia Funds)**

**4 Copley Place, 5th Floor
CPH-0326
Boston, MA 02116
1-800-535-2726**

**Four Embarcadero Center, Suite 550
San Francisco, CA 94111
1-800-789-ASIA (2742)**

(collectively, the “Funds” and each, a “Fund”)

INTRODUCTION

This combined Proxy Statement/Prospectus (“**Proxy Statement/Prospectus**”) provides you with information about a proposal to consider and vote on the Charter Amendment, which would allow the NPF Board to sell or transfer all or substantially all of the assets of the Company without shareholder approval. The NPF Board has already authorized, subject to your approval of the Charter Amendment, the tax free reorganization of the NPF Japan Fund (the “**Japan Fund Reorganization**”). Approval of the Charter Amendment will allow the Japan Fund Reorganization, which will involve the transfer of substantially all the assets of the NPF Japan Fund to the Matthews Japan Fund, to proceed without further action by the shareholders. It is anticipated that the NPF Board may also consider a tax free reorganization for the NPF High Yield Fund (a “**High Yield Reorganization**”) in the future. Approval of the Charter Amendment would permit a High Yield Reorganization to occur with Board approval and without further action by the shareholders, unless the facts of the High Yield Reorganization trigger a shareholder vote under the Investment Company Act of 1940 (the “**1940 Act**”).

In addition, with respect to the shareholders of the NPF Japan Fund *only*, we are notifying you that this Proxy Statement/Prospectus provides you with information about a transaction between the NPF Japan Fund and the Matthews Japan Fund, a series of Matthews International Funds, a Delaware statutory trust doing business as Matthews Asia Funds (the “**Trust**”). The Funds are both open-end investment companies registered under the 1940 Act. The Japan Fund Reorganization will involve:

- the transfer of all of the assets of the NPF Japan Fund to the Matthews Japan Fund;
- the assumption by the Matthews Japan Fund of substantially all of the liabilities of the NPF Japan Fund;
- the issuance of Investor Class shares of the Matthews Japan Fund to holders of Class A, Class C and Class S shares of the NPF Japan Fund, respectively;
- the issuance of Institutional Class shares of the Matthews Japan Fund to holders of Class I shares of the NPF Japan Fund; and
- the subsequent, complete liquidation of the NPF Japan Fund.

As a result of the Japan Fund Reorganization, shareholders of the NPF Japan Fund will receive shares of the Matthews Japan Fund having an aggregate net asset value (“**NAV**”) equal to the aggregate NAV of the shares held of the NPF Japan Fund as of the close of business on the day of the Reorganization (the “**Closing Date**”). Until the Closing Date, NPF Japan Fund shareholders will continue to be able to redeem their shares at the next determined share price after receipt of a redemption request in proper form by the transfer agent for the NPF Funds (See “How to Purchase, Exchange and Redeem Shares—How to Purchase Shares” in the NPF Funds’ Prospectus dated January 28, 2014). Upon the consummation of the Japan Fund Reorganization, NPF Japan Fund shareholders will be free to redeem or

exchange the shares of the Matthews Japan Fund received in the Reorganization at the next determined share price after receipt of a redemption request in proper form by the Matthews Japan Fund (See “Investing in the Matthews Asia Funds—Purchasing Shares” in the Matthews Japan Fund’s Prospectus dated April 30, 2014).

Shareholders of the NPF Funds are being asked to vote to approve the Charter Amendment. If the Charter Amendment is approved, no action on the part of shareholders of the NPF Japan Fund or the NPF High Yield Fund will be required to effect the Japan Fund Reorganization or a future High Yield Reorganization (unless the facts of a High Yield Reorganization trigger a shareholder vote under the 1940 Act).

This Proxy Statement/Prospectus, which you should retain for future reference, concisely sets forth important information about the NPF Funds that you should know before voting on the Proposal. Additionally, this Proxy Statement/Prospectus concisely sets forth important information about the Matthews Japan Fund that shareholders of the NPF Japan Fund should know before investing. A Statement of Additional Information dated _____, 2014, related to this Proxy Statement/Prospectus and the Reorganization Statement of Additional Information (the “**Reorganization SAI**”) has been filed with the Securities and Exchange Commission (the “**SEC**”) and is incorporated by reference into this Proxy Statement/Prospectus. A copy of the Reorganization SAI is available upon request and without charge by calling 800.789.ASIA (2742) or on the Internet at www.matthewsasia.com.

Each of the NPF Funds and the Matthews Japan Fund is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the 1940 Act, and in accordance therewith files reports and other information with the SEC.

The following documents relating to the NPF Japan Fund have been filed with the SEC and are incorporated herein by reference: (i) the Prospectus of the NPF Japan Fund dated January 28, 2014 (the “**NPF Prospectus**”); (ii) the Statement of Additional Information of the NPF Japan Fund dated January 28, 2014; and (iii) the Annual Report of the NPF Japan Fund for the period ended September 30, 2013. Copies of any of these documents and any subsequently released annual or semi-annual reports for the NPF Japan Fund may be obtained, without charge, by calling 800.535.2726, or on the Internet at www.nomurapartnersfunds.com.

The following documents relating to the Matthews Japan Fund have been filed with the SEC and are incorporated herein by reference: (i) the Prospectus of the Matthews Japan Fund dated April 30, 2014 (the “**Matthews Prospectus**”); (ii) the Statement of Additional Information of the Matthews Japan Fund dated April 30, 2014; and (iii) the Annual Report of the Matthews Japan Fund for the period ended December 31, 2013. *In addition, the Prospectus and Annual Report for the Matthews Japan Fund will accompany this Proxy Statement/Prospectus.* Copies of any of these documents and any subsequently released annual or semi-annual reports for the Matthews Japan Fund may be obtained, without charge, by calling 800.789.ASIA (2742), or on the Internet at www.matthewsasia.com.

You can copy and review information about the NPF Funds and the Matthews Japan Fund (including the SAIs) at the SEC's Public Reference Room in Washington, DC. You may obtain information on the operation of the Public Reference Room by calling the SEC at (202) 551-8090. Proxy materials, reports and other information about the NPF Funds and the Matthews Japan Fund are available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>. You may obtain copies of this information, after paying a duplicating fee, by electronic request at the following E-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, DC 20549.

This Proxy Statement/Prospectus is being mailed to shareholders of record on or about [June 25], 2014 (the "**Record Date**").

Important Notice Regarding the Availability of Proxy Materials for the Special Meeting to Be Held on [Wednesday], September [10], 2014. The Proxy Statement for the Special Meeting is available at: <https://www.nomurapartnersfunds.com/>.

Shares of the Matthews Japan Fund are not deposits or obligations of, or guaranteed or endorsed by, any financial institution, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency. You may lose money by investing in the Matthews Japan Fund.

No person has been authorized to give any information or to make any representations other than those contained in this Proxy Statement/Prospectus and in the materials expressly incorporated herein by reference and, if given or made, such other information or representations must not be relied upon as having been authorized by the NPF Funds or the Matthews Japan Fund.

The SEC has not approved or disapproved these securities, or determined that this Proxy Statement/Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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QUESTIONS & ANSWERS REGARDING THE PROPOSAL AND THE REORGANIZATIONS

Here are some answers to questions you may have about the Charter Amendment and the Reorganizations. These responses are qualified in their entirety by the remainder of this Proxy Statement/Prospectus, **which you should read carefully because it contains additional information and further details regarding the Charter Amendment and Reorganizations.**

The Proposal

Q. Why am I receiving this Proxy Statement/Prospectus?

A. You are receiving this Proxy Statement/Prospectus in connection with the Special Meeting of the Company, comprised of the shareholders of the NPF Funds. The following proposal will be considered:

To consider and approve an amendment to the Company's charter removing the requirement that shareholder approval be obtained for a sale or transfer of all or substantially all of the assets of the Company (the "**Proposal**").

Q. What actions have the NPF Board already approved?

A. The NPF Board has considered and approved the reorganization of the NPF Japan Fund into the Matthews Japan Fund, subject to the approval of the shareholders of the Company of the Charter Amendment. The NPF Board's consideration of the Japan Fund Reorganization included the fact that Nomura Asset Management U.S.A. Inc. ("**NAM USA**"), the investment adviser to NPF Japan Fund, has decided to discontinue its U.S. retail open-end mutual fund business. If the Proposal is approved by the shareholders of the Company, the Japan Fund Reorganization is expected to be consummated soon thereafter.

The NPF Board has approved the proposed Charter Amendment to the Articles of Amendment and Restatement of the Company, as amended and supplemented (the "**Company Charter**"), which deletes from the Company Charter the requirement for a shareholder vote to approve the sale or transfer of all or substantially all of the Company's assets. Under Maryland law, if the charter and/or bylaws of an open-end investment company such as the Company do not require shareholder approval for the sale of all or substantially all of the open-end investment company's assets, then shareholder approval for such a sale is not required under Maryland law.

Q. Why has the NPF Board recommended the Proposal?

A. The NPF Board has recommended the Proposal in order to effect the Japan Fund Reorganization (described below), and to permit the Board to approve in the future a High Yield Reorganization (and together with the Japan Fund Reorganization the “**Reorganizations**”). A High Yield Reorganization has not been approved by the NPF Board as of the date of this Proxy Statement/Prospectus, but in light of the fact that NAM USA has stated that it intends to discontinue its U.S. mutual fund investment advisory business, it is expected that a High Yield Reorganization will be considered by the NPF Board in the near future.

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If the Proposal is approved, the NPF Funds, NAM USA and the NPF Board will continue to operate in accordance with all applicable laws and fiduciary standards. Additionally, the approval of the Proposal would allow the Reorganizations to occur without the approval of all the shareholders of the Company, although in certain circumstances shareholders of the NPF High Yield Fund may be required by the 1940 Act, to approve a High Yield Reorganization.

Q. How does the NPF Board recommend that I vote?

A. After careful consideration, the NPF Board has determined that the Charter Amendment is in the best interests of the NPF Funds and their shareholders and recommends that you vote **FOR** the Proposal.

Q. What percentage of shareholders' votes is required to approve the Proposal?

A. Approval of the Proposal requires the affirmative vote of the holders of two-thirds of the capital stock of the Company outstanding and entitled to vote on the Proposal. The Company has two series, the NPF Japan Fund and the NPF High Yield Fund. Each of the Class A, Class C and Class I shares of both the NPF Japan Fund and the NPF High Yield Fund, respectively, and Class S of the NPF Japan Fund will vote together as a group on the Proposal. Each whole share of the NPF Japan Fund and the NPF High Yield Fund is entitled to one vote and each fractional share is entitled to a proportionate fractional vote, respectively.

Q. What if the Proposal is not approved?

A. If the Charter Amendment is not approved by shareholders of the NPF Funds, the Company's Charter will remain unchanged. Accordingly, it is expected that the Reorganizations will not take effect and the NPF Board will need to consider its options, which may include liquidation of the NPF Funds.

Q. What is the timetable for the implementation of the Proposal?

A. If the Proposal is approved by the shareholders of the NPF Funds, the Charter Amendment will be promptly filed with the State Department of Assessments and Taxation of Maryland and will take effect upon filing.

Q. When will the Special Meeting be held?

A. The Shareholder Meeting is scheduled to be held on [Wednesday], [September [10], 2014.

Q. Who will pay for the Proposal?

A. Matthews International Capital Management, LLC (“**Matthews**”), the investment adviser for the Matthews Japan Fund, will pay all shareholder meeting, proxy solicitor and proxy solicitation expenses related to the Proposal.

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Q. Who do I call if I have questions?

If you need any assistance, or have any questions regarding the Proposal or how to vote your shares, please call [•], A.the proxy solicitor, at [•], weekdays during its business hours of [•] a.m. to [•] p.m., Eastern time. Please have your proxy materials available when you call.

Q. How do I vote my shares?

A. You may authorize a proxy to vote by mail or on the Internet:

To authorize a proxy to vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States.

To authorize a proxy to vote on the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.

You may also attend the meeting and vote in person.

Q. Will anyone contact me?

You may receive a call from [•], the proxy solicitor retained by Matthews, to verify that you received your proxy materials, to answer any questions you may have about the Proposal and to encourage you to vote your proxy. In A.addition to solicitation by [•],representatives of the NPF Funds and Matthews, and certain financial services firms and their representatives, who will receive no extra compensation for their services, may solicit proxies by telephone, telegram, or personally.

Your vote is very important. We encourage you to participate by returning your proxy as soon as possible, even if you plan to attend the meeting. If enough shareholders fail to cast their votes, the NPF Funds may not be able to hold their meeting or the vote on the Proposal could fail, which would create additional uncertainty about the future of the Company, including the NPF High Yield Fund and the NPF Japan Fund.

The Reorganization of the NPF Japan Fund

Q. How will the Japan Fund Reorganization affect the NPF Japan Fund?

The NPF Board, on behalf of the NPF Japan Fund, approved the transaction contemplated by an Agreement and Plan of Reorganization (as described below and a form of which is attached as Appendix A (the “**Reorganization Agreement**”). Pursuant to the Reorganization Agreement, the NPF Japan Fund will transfer all of its assets to the Matthews Japan Fund in exchange for shares of the Matthews Japan Fund (the “**Reorganization Shares**”) with a value equal to the value of the NPF Japan Fund’s assets net of liabilities, and for the assumption by the Matthews Japan Fund of substantially all liabilities of the NPF Japan Fund. As soon as possible after the transfer, the Company will distribute the Reorganization Shares to the NPF Japan Fund’s shareholders on a pro rata basis, who will then become shareholders of the Matthews Japan Fund (the “**Combined Fund**”).

As a condition of the Japan Fund Reorganization, the NPF Japan Fund and the Matthews Japan Fund will receive an opinion of counsel to the Matthews Japan Fund that the Japan Fund Reorganization will qualify as a “reorganization” within the meaning of Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the “Code”) and, generally, that no gain or loss will be recognized to the NPF Japan Fund, its shareholders or the Matthews Japan Fund with respect to the Japan Fund Reorganization.

Q. Will the Japan Fund Reorganization affect the NPF High Yield Fund?

A.No, the Japan Fund Reorganization of the NPF Japan Fund will not affect the NPF High Yield Fund.

Q. What will happen to shares of the NPF Japan Fund as a result of the Japan Fund Reorganization?

A. Shares of the NPF Japan Fund will, in effect, be exchanged for Reorganization Shares equal in value as of the Valuation Date (as defined in the Reorganization Agreement) to the total value of NPF Japan Fund shares held immediately before the Japan Fund Reorganization. NPF Japan Fund shareholders will not be subject to U.S. federal income tax on the exchange.

Q. Why has the NPF Board approved the Japan Fund Reorganization?

A. The NPF Board believes the Japan Fund Reorganization is in the best interest of shareholders of the NPF Japan Fund. In determining to approve the Japan Fund Reorganization, the NPF Board considered, among others, the following factors:

The investment adviser for the NPF Japan Fund, NAM USA, has decided to discontinue its U.S. retail open-end mutual fund business;

The investors in the NPF Japan Fund should benefit from potential long-term economies of scale and increased distribution capabilities that may result from the consummation of the Japan Fund Reorganization and the NPF Japan Fund’s inclusion in the larger Matthews Asia Funds family of funds;

The Matthews Japan Fund’s total operating expenses are lower than the NPF Japan Fund’s total operating expenses and following the Japan Fund Reorganization, it is expected that the Combined Fund’s total operating expenses will be even lower;

The exchange of NPF Japan Fund shares for shares of the Matthews Japan Fund in the Japan Fund Reorganization will not result in income, gain or loss being recognized for federal income tax purposes by an exchanging shareholder;

- The NPF Board considered the reputation, financial strength, resources and capabilities of Matthews;

The benefit of increased distribution capabilities available to the Matthews Japan Fund may result in asset growth over time and additional cost savings and scale advantages; and

The services available to shareholders of the Combined Fund will be substantially similar to the services available to shareholders of the NPF Japan Fund.

For a more complete list of the factors considered by the NPF Board, please see “Board Consideration of the Japan Fund Reorganization” below.

Q. How do the investment objectives and strategies of the NPF Japan Fund and the Matthews Japan Fund compare?

A. There are substantial similarities between the respective investment objectives and strategies of the Funds, namely, each Fund’s investment objective is long-term capital growth and each Fund invests primarily in securities of Japanese companies. However, there are differences in the Funds’ principal investment strategies that the NPF Japan Fund shareholders should consider.

In seeking to achieve its investment objective, the NPF Japan Fund invests at least 80% of its assets in securities of Japanese issuers and other investments that are tied economically to Japan. Securities held by the NPF Japan Fund consist primarily of common stocks and include common stocks, preferred stocks, convertible securities and warrants. The NPF Japan Fund may also invest in Japanese real estate investment trusts (“**J-REITs**”) and Japanese exchange traded funds (“**ETFs**”). The NPF Japan Fund’s stated 80% policy is a non-fundamental policy that can be changed by the NPF Board upon 60 days’ prior notice to shareholders.

In seeking to achieve its investment objective, the Matthews Japan Fund invests at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in Japan. The Matthews Japan Fund’s stated 80% policy is a non-fundamental policy that can be changed by the Board of Trustees.

The NPF Japan Fund uses a “multi-manager” approach in managing the Fund’s investments. Under this approach, the NPF Japan’s Fund’s investments are allocated to and among three experienced portfolio management teams who are responsible for the large cap value, large cap growth and small cap blend styles; decisions as to the allocation of assets to a particular style are made by a special committee.

With respect to the Matthews Japan Fund, Matthews has long-term investment goals, and its process aims to identify potential portfolio investments that can be held over an indefinite time horizon. Matthews regularly tests its beliefs and adjusts portfolio holdings in light of prevailing market conditions and other factors, including, among other things, economic, political or market events (e.g., changes in credit conditions or military action), changes in relative valuation (of a company’s growth prospects relative to other issuers), liquidity requirements and corporate governance.

Neither Fund limits its investments to companies of any particular industry or size. The Matthews Japan Fund will more typically invest in medium and small sized companies, but may invest in companies of any size. The NPF Japan

Fund has tended to invest a large portion of its portfolio in larger companies, but may invest in companies of any size.

For additional information see "The Japan Fund Reorganization – Comparison of the Investment Objective and Strategies of the Funds" on page [19].

Q. How do the fundamental and non-fundamental investment restrictions of the Funds compare?

A. The NPF Japan Fund and the Matthews Japan Fund have adopted certain fundamental investment restrictions. A Fund's fundamental investment restrictions cannot be changed without the consent of the holders of a majority of the Fund's outstanding voting securities (as such term is defined in the 1940 Act); other investment restrictions can be changed without such consent of the holders of a majority of the Fund's outstanding voting securities.

While many of the Funds' fundamental investment restrictions are substantially similar, the Matthews Japan Fund has a number of fundamental investment restrictions that the NPF Japan Fund does not. Among these fundamental restrictions, the Matthews Japan Fund may not: (i) make investments in securities for the purpose of exercising control; (ii) purchase the securities of any one issuer if, immediately after such purchase, the Fund would own more than 10% of the outstanding voting securities of such issuer; or (iii) invest more than 5% of its total assets in securities of companies less than three years old. Please see "Comparison of Fundamental and Non-Fundamental Investment Restrictions" for more information regarding the differences in the Funds' investment restrictions.

Further, both the NPF Japan Fund and the Matthews Japan Fund are subject to certain non-fundamental investment restrictions (which may be changed without shareholder approval). While some of those restrictions are the same (either because of the stated policy or applicable law), there are some differences. Those policy differences are not considered significant differences in the management of each Fund's portfolio by Matthews.

The differences in fundamental and non-fundamental investment restrictions between the Funds should not be regarded as significant. For additional information see page [47].

Q. Who will manage the Combined Fund once the Japan Fund Reorganization is completed?

A. Following the Japan Fund Reorganization, Matthews will serve as the investment adviser to the Combined Fund.

Q. How do the expense ratios and management fee rates of the Funds compare, and what are they estimated to be following the Japan Fund Reorganization?

A. As shown in the expense tables below, the expense ratio of shares of the Matthews Japan Fund is, and is expected to continue to be, lower than the expense ratio of shares of the NPF Japan Fund.

FEES AND EXPENSES (INVESTOR CLASS SHARES)

	NPF Japan Fund			Matthews Japan Fund	
	(Class A)	(Class C)	(Class S)	(Investor Class)	
	FYE 9/30/13			FYE	<i>Pro Forma</i>
				12/31/13	
<i>Shareholder Fees (fees paid directly from your investment)</i>					
Maximum Sales Charge (Load) Imposed on Purchases (as a % of offering price)	5.75%	None	None	None	None
Maximum Deferred Sales Charge (Load) for redemptions within one year of purchase (as a % of the offering price)	None*	1.00%	None	None	None
Redemption Fee (as a % of amount redeemed)**	2.00%	2.00%	2.00%	2.00%	2.00%
Small Account Fee	\$20.00	\$20.00	\$20.00	None	None
<i>Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)</i>					
Management Fees	0.60%	0.60%	0.60%	0.66%	0.66%
Distribution and/or Service (12b-1) Fees	0.25%	1.00%	0.07%	None	None
Other Expenses	1.15%	1.10%	1.15%	0.44%	0.41%
Administration and Shareholder Servicing Fees	-	-	-	0.14%	0.14%
Total Annual Fund Operating Expenses	2.00%	2.70%	1.82%	1.10%	1.07%
Fee Waiver and Expense Reimbursement***	(0.15)%	(0.10)%	(0.15)%	0.00%	0.00%
Total Annual Fund Operating Expenses After Fee Waiver and Expense Reimbursement***	1.85%	2.60%	1.67%	1.10%	1.07%

* No contingent deferred sales charge (“CDSC”), except on purchases over \$1,000,000, for which no front-end sales charge was paid, which are subject to a 1% CDSC for redemptions within twelve months of investing.

** No redemption fee by the Matthews Japan Fund will apply to shares issued as part of the Japan Fund Reorganization.

*** The NPF Japan Fund’s adviser, NAM USA, has contractually agreed to waive its management fee and, if necessary, to reimburse the NPF Japan Fund so that total operating expenses of the NPF Japan Fund are limited to 1.60% (excluding distribution and service (12b-1) fees, interest expense and certain other expenses) until January 28, 2015. Amounts waived or reimbursed in a particular fiscal year may be recaptured by NAM USA within three years of the waiver or reimbursement to the extent that recoupment will not cause the NPF Japan Fund’s expenses to exceed any expense limitation in place at the time those expenses were waived. The arrangement may not be terminated prior to January 28, 2015, except by action of the NPF Board.

FEES AND EXPENSES (INSTITUTIONAL CLASS SHARES)

	NPF Japan Fund (Class I)	Matthews Japan Fund (Institutional Class)	
	FYE 9/30/13	FYE 12/31/13	<i>Pro Forma</i>
<i>Shareholder Fees (fees paid directly from your investment)</i>			
Maximum Sales Charge (Load) Imposed on Purchases (as a % of offering price)	None	None	