

MCHS

Matthews China Discovery Active ETF

Fund Description

MCHS is actively managed, seeking long-term capital appreciation through investments in small- and mid-cap stocks of Chinese companies with perceived sustainable growth potential.

FactSet Analyst Report

MCHS aims to capitalize on growth opportunities within the Chinese market, including its administrative district, Hong Kong. It seeks sustainable growth based on fundamental characteristics such as balance sheet strength, employee count, cash flow stability, management quality, product lines, marketing strategies, corporate governance, and financial health. With a primary focus on small companies, the fund allocates at least 65% of its assets to common and preferred stocks of these enterprises, with the remaining portion comprising mid-caps. While the fund can explore opportunities outside of China, it caps non-Chinese exposure by 20%. The fund identifies Chinese affiliations for companies based on legal structure, revenue sources, and trading markets. For securities, considerations include issuer location, fund usage, asset backing, index inclusion, or currency denomination. Investments may include ADRs and GDRs.