

MCH

Matthews China Active ETF

Fund Description

MCH is actively managed to hold stocks of Chinese companies that are fundamentally screened for sustainable growth. The fund also considers ESG factors in the investment process.

FactSet Analyst Report

MCH launched as part of Matthews Asias first ETF offerings. It invests in common and preferred stocks of companies located in China, including administrative regions Hong Kong and Macau. The fund covers a wide array of investable Chinese shares, such as A-shares, B-shares, H-shares, N-shares, Red Chips, and P-Chips. It may also invest in constituents of its benchmark, the MSCI China Index. While the fund has an all-cap exposure, it expects to invest in large- and mid-cap companies. The fund looks for sustainable growth based on fundamental characteristics such as balance sheet information, size, cash flow stability, and financial health. The fund may also employ exclusionary ESG screens, which avoid controversial businesses, such as tobacco, weapons, and fossil fuels. The fund issuer may engage with its portfolio companies on sustainability and governance matters through active dialogue, exercising shareholder rights, and encouraging enhanced ESG disclosure and implementation.