# **Natixis HAM China 2.0 USD**





## Fund Information

Active Managed Certificate Investment Type: Natixis SA / S&P rating A

Inception date: February 7th, 2018 Subscriptions:

Daily

Redemptions: Daily Administrator: Natixis Custody bank: Natixis Invest. manager: Natixis

Investment advisor: Colombo Wealth SA ISIN: XS1410001108

Bloomberg: NXSRHCS2

## **Investment Philosophy**

Natixis HAM China 2.0 invests in the 6-most dynamic and growing sectors in the transforming China Economy called China 2.0. Sectors are: Technology, Internet related to Consumption (ecommerce), Education, Tourism, FinTech and Environment. The universe of stocks is the A-Shares Markets (Shanghai and Shenzhen), Hong Kong (H-Shares) and Chinese companies listed in the US (ADR/ADS). The process is a pure bottom-up stock picking investing into the 5 to 8 leaders in each sectors. A special consideration is placed to the cash flow generation as well as the positionning within the sub-sectors, their competitive advantages, quality of the management and regulations.

Cash is used as a tool to smooth the high volatility of these themes.

Recommanded time holding period is over 5 years.

Performances USD													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
2018		2.25%	-5.32%	-3.90%	3.59%	-3.11%	-2.28%	-7.40%	-3.01%	-13.61%	4.28%	-3.83%	-29.00%
2019	8.42%	7.94%	1.12%	4.31%	-14.35%	8.55%	-1.07%	-0.30%	-2.15%	6.59%	3.21%	3.12%	25.65%
2020	-0.26%	-2.67%	-5.55%	10.27%	1.36%	15.41%	8.12%	5.74%	-5.14%	6.88%	5.69%	2.78%	48.92%
2021	6.87%	-2.79%	-9.84%	3.64%	-1.38%	4.30%	-15.61%	-3.26%	-3.80%	6.47%	-5.54%	-1.81%	-22.55%
2022	-7.97%	-2.30%	-10.38%	-6.17%	2.88%	9.08%	-9.06%	-2.09%	-11.90%	-15.29%	18.15%	5.24%	-29.90%
2023	12.30%	-9.88%	0.41%	-6.46%	-9.64%	3.98%	10.17%	-9.25%	-4.13%	-3.52%	-0.41%	-3.15%	-20.35%
2024	-10.89%	9.88%	1.63%	4.92%	-0.24%	-4.68%	-2.68%	0.24%	25.90%	-6.39%	-4.92%	0.87%	9.48%
2025	2.01%	8.87%	1.59%	-7.22%	3.31%								8.15%

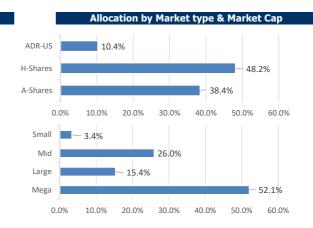
## Cumulative Performance since 01.02.2018 150 Natixis HAM China 2.0 130 110 90 70 50 01.18 00.118 00.119 00.

#### TENCENT HOLDINGS LTD 9.8% ALIBABA GROUP 6.8% 2 3 CONTEMPORARY AMPEREX 4.6% MEITUAN DIANPING 4.4% 4 5 **XIAOMI** 4.2% 6 **PETROCHINA** 3.9% CHINA CONSTRUCTION BANK 3.8% BYD 3.7% 8 3.5% PINDLIODLIO 9 10 PING AN INSURANCE 3.0%

**Top 10 Holdings** 

Sum top 10 47.6% Sum top 20 71.5% Number of positions: 38 Cash: 3.0%

Allocation by Sectors 1.2% 3.0% 1.4% 28.1% 14.0% 3.8% 17.0% 1.8% 13.3% 4.2% 3.9% Consumer Discretionary ■ Consumer Staples Communication Services Information Technology ■ Energy Healthcare Materials ■ Industrials Financials ■ Real Estate Utilities Cash



PEG Valorisation by positions (2025)

## **Performance Since Inception**

Tot. Ret. Volatility

Natixis HAM China 2.0 -32.0% 27.0%

Financial Statistics (Invested part)							
	Portfolio						
EPS Growth 2025	15.9%						
EPS Growth 2026	30.6%						
P/E 2025 (forward)	<b>18.4</b> ×						
P/E 2026 (forward)	<b>17.3</b> ×						
PEG 2025	1.16						
PEG 2026	0.56						
ROE	19.2%						
Margin EBITDA	23.8%						
Market cap average	<b>159</b> bn (USD)						
ESG rating (Morgan Stanley)	BBB						

Past performance is not a guarantee of future results. PRISMINVEST SA is not liable for database errors.

ESG rating (Morgan Stanley)

Source: factset / Bloomberg

EPS Growth vs P/E (2025) - By companies PEG = 2 PEG = 1 2025 20.0 0 EPS GROWTH ♠ Index Portfolio

#### Comments

The Fund was up 3.3% in May overperforming the All Shares Index by 0.6% and still beating the index by 0.3% on a year-to-date basis.

The strongest performing sector in the market was Energy with both energy and oil services companies rising better than 10% in the month despite volatility but little upward momentum in the oil price. Energy is a sector that we have avoided over recent months due to global supply concerns and domestic capacity issues. It remains the only sector with negative returns year to date. However, we do like **Petrochina** largely undervalued and offering a high dividend yield.

The weakest sectors in the month were Information Technology, under pressure from the rotation out of US megacap tech, and real estate. The real estate continues to struggle and explains why we do not have any position in this sector except **KE Holdings**, an internet plateform offering secondary RE items.

Among our significant active share positions, the most important contributor was **BYD** closely followed by **Li Auto**. With all the noise surrounding Musk and Tesla, the best Chinese automakers continue to deliver new models, strong sales growth and improving shareholder returns. Their key battery supplier **Contemporary Amperex** continues to grow both share and reputation. The stock, however, was an in-line performer in the month of May. Both BYD and CATL remain conviction positions in the portfolio along with **Xiaomi**. The other transport related position **DIDI Chuxing** (DIDIY US) also contributed positively to active share performance in the month.

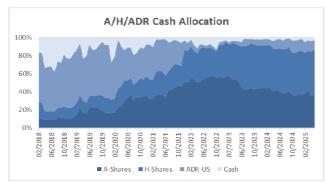
Although Chinese equity market has been rallying for nearly 12 months, we believe we are still in the early innings of a prolonged bull run not least because it remains significantly under owned in global portfolios. Global headlines continue to suggest the Chinese economy is in a doldrum while ignoring clear signs of fundamental improvements. For example, excavator sales had historically been a reliable barometer for the economy and domestic sales increased 38.3% year-on-year in the first quarter. During the May Day holiday, Chinese tourists spending increased 8% year-on-year reaching 180.3 billion yuan while the number of domestic trips was up 6.4% year-on-year reaching 314 million. Preliminary retail data from **Alibaba** show the early start to 618 shopping festival has already recorded explosive growth in consumer electronics and home appliances. Sales in these categories surged 283% between May 13th – 26th. **JD.com** started its 618 shopping festival later towards the end of May but also see sales of home appliances and electronics surging 380% year-on-year in just the first hour. With the 90-day deadline looming, it is in Beijing's interests to have a recovering domestic economy and a strong stock market as to strengthen its hand at the negotiation table with the U.S.

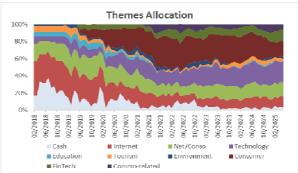
All in all, a saying has gone viral in Hong Kong: "China is becoming a silent bull market".

## PERFMORNANCE CONTRIBUTION FOR THE MONTH

10 - Largest Contribution	1	10 - Largest Detractor	
1 CATL	0.41%	1 PINDUODUO	-0.30%
2 PETROCHINA	0.39%	2 ALIBABA GROUP	-0.28%
3 CHINA PAC INSURANCE	0.39%	3 HAIDILAO	-0.20%
4 CHINA CONSTR BK	0.35%	4 KE HOLDINGS	-0.12%
5 TENCENT	0.33%	5 AKESO	-0.09%
6 NETEASE	0.24%	6 KWEICHOW MOUTAI	-0.01%
7 EASTROC BEVERAGE	0.22%	7 JD.COM	-0.01%
8 ZHONGJI INNOLIGHT	0.22%	8 -	-
9 MEITUAN DIANPING	0.21%	9 -	-
10 BYD	0.19%	10 -	-
<b>Best Performers</b>		<b>Worst Performers</b>	
1 CHINA PAC INSURANCE	16.5%	1 KE HOLDINGS	-9.1%
2 LI AUTO	16.2%	2 PINDUODUO	-9.6%
3 ZHONGJI INNOLIGHT	15.2%	3 NIGBO ORIENT	-4.4%

### "CHINESE SOUP" & THEMES HISTORICAL ALLOCATION





## Disclaimer

Past performance is not a reliable indicator of future performance and the value of investments may fall as well as rise. An investor may not be able to get back the amount invested and could lose all of their investment.

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