

Natixis HAM China 2.0

USD

December 2024



Fund Information	
Investment Type:	Active Managed Certificate
Issuer:	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 (e-commerce), 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 positioning within the sub-sectors, their competitive advantages, quality of the management and regulations.

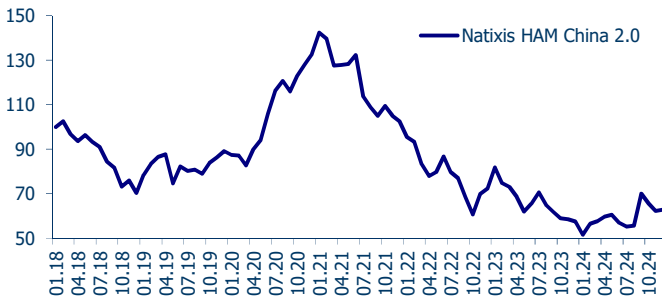
Cash is used as a tool to smooth the high volatility of these themes.

Recommended 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%

Cumulative Performance since 01.02.2018



Top 10 Holdings

1	TENCENT HOLDINGS LTD	10.0%
2	ALIBABA GROUP	6.8%
3	MEITUAN DIANPING	5.3%
4	CONTEMPORARY AMPEREX	5.0%
5	PINDUODUO	3.8%
6	PETROCHINA	3.8%
7	BYD	3.6%
8	MIDEA GROUP	3.3%
9	TRIP.COM	3.2%
10	CHINA CONSTRUCTION BANK	2.8%

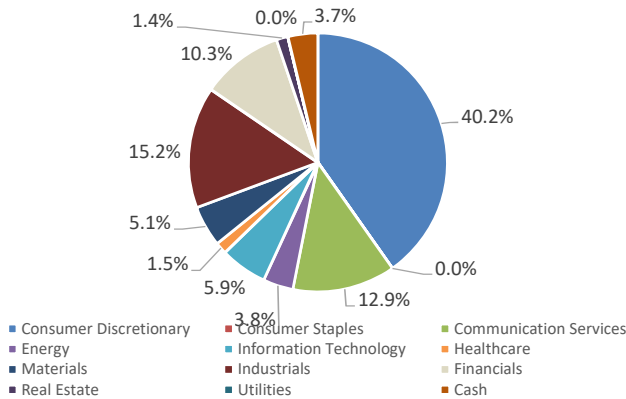
Sum top 10 **47.5%**

Sum top 20 **67.9%**

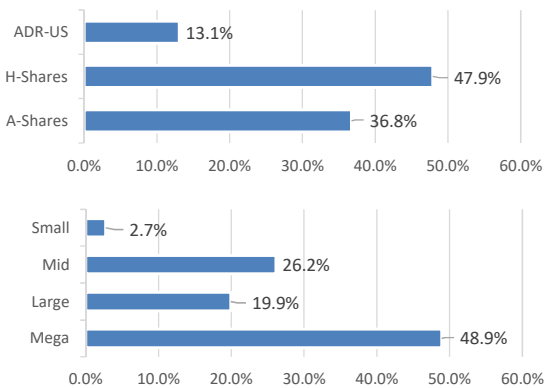
Number of positions : 42

Cash : 3.7%

Allocation by Sectors



Allocation by Market type & Market Cap



Performance Since Inception

Natixis HAM China 2.0 Tot. Ret. **-37.1%** Volatility **26.9%**

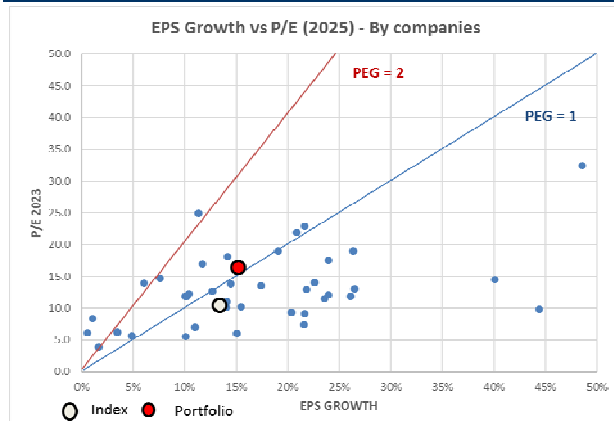
Financial Statistics (Invested part)

Portfolio	
EPS Growth 2025	15.1%
EPS Growth 2026	13.9%
P/E 2025 (forward)	18.5 x
P/E 2026 (forward)	13.6 x
PEG 2025	1.23
PEG 2026	0.98
ROE	19.5%
Margin EBITDA	23.3%
Market cap average	115 bn (USD)
ESG rating (Morgan Stanley)	BBB

Source: factset / Bloomberg

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

PEG Valourisation by positions (2025)



Comments

The Fund was up 0.9% in December in line with classic chinese indexes whilst Chinese markets endured another volatile and weaker than other markets across the region.

The fund was sharply impacted in the final days of the month by outsized sell-offs in a few of the strong performing conviction names. We believe that this was primarily driven by profit taking by investors after strong returns through the year. Meituan Dianping being a good example.

Our position in **China Commercial Bank** was an important positive contributor in a sector in which we started the month with a benchmark underweight exposure. All the major SOE banks performed strongly over the month and our underweight in the commercial banks was an important contributor to the relative performance.

The outstanding performers in the portfolio was **Xiaomi** (1810 HK), it is a significant active share positions. Xiaomi, the handset manufacturer with a fast-growing automotive subsidiary, rose 24.5% in the month. We have mentioned the glowing reviews of the Xiaomi 7 from the Ford CEO in previous communications. Among the long standing conviction positions, the portfolio also enjoyed strong relative performance from **BYD, Trip.com** and **Midea**. We retain conviction expressed in active share of the portfolio in all three.

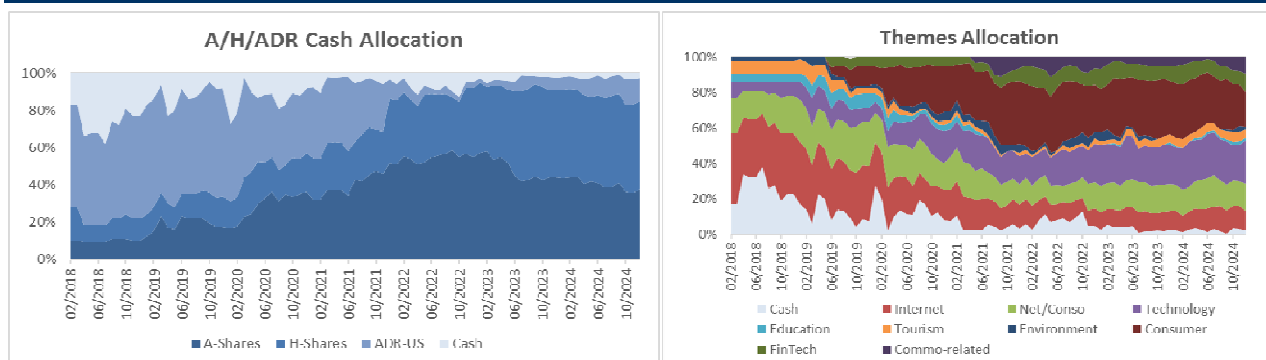
The looming return of Donald Trump back into the Oval Office has investors bracing for the impact his "America First" policies will have on the global economy. A Sino-U.S. Trade War 2.0 is a major concern where any additional tariff against China will only add to the list of economic challenges that confront the world's second largest economy. However, we are increasingly of the view that the tough rhetoric on China is simply a ploy to stage a grand performance that ultimately leads to a negotiation outcome that President Trump can claim as a win. Anecdotally the show may have already started with the appointment of David Perdue (a former corporate executive that outsourced production to China) as the U.S. ambassador to China and Elon Musk increasingly flexing his influence on foreign policies (i.e. pressuring Republicans to abandon a key U.S.-China investment restriction). President Trump even said in a press conference that "China and the United States can together solve all of the problems of the world", echoing President Xi's speech at the G20 summit a month earlier.

The stabilization of the housing prices remains the key driver in reviving domestic consumption and the green shoots that occurred in October continued into November with price stabilization (some even had price increases) across tier 1 and 2 cities. Beijing, Shanghai, and Shenzhen all recorded the highest number of transactions for second-hand homes in 20 months, 44 months, and 46 months respectively. Provinces such as Shanxi, Hainan, and Hubei are also implementing more stimulus measures to bolster the housing sector ranging from further lowering down payment requirement and removing mortgage rate floor to subsidizing housing purchases and increasing the allowed borrowing amount against the Housing Provident Fund. Together with a hardened focus on economic recovery, the housing sector is likely to stabilize in 2025 which in turn stabilizes household wealth.

PERFORMANCE CONTRIBUTION FOR THE MONTH

10 - Largest Contribution		10 - Largest Detractor	
1 TENCENT	0.49%	1 MEITUAN DIANPING	-0.52%
2 XIAOMI	0.49%	2 SUNGROW POWER	-0.20%
3 PETROCHINA	0.42%	3 BEIJING VASTDATA TECH	-0.14%
4 CCB	0.30%	4 FUTU	-0.13%
5 MIDEA	0.22%	5 ALIBABA	-0.09%
6 TRIP.COM	0.20%	6 NINGBO TUOPU	-0.09%
7 BYD	0.19%	7 WANHUA CHEMICAL	-0.08%
8 CHINA MERCHANT	0.18%	8 ZIJIN MINING	-0.06%
9 SATELLITE CHEMICAL	0.09%	9 SHENZHEN INOV	-0.05%
10 SHENZHOU INTL	0.09%	10 PING AN INSURANCE	-0.03%
Best Performers		Worst Performers	
1 XIAOMI	24.5%	1 BEIJING VASTDATA TECH	-14.9%
2 PETROCHINA	11.1%	2 MEITUAN DIANPING	-9.9%
3 CCB	11.0%	3 SUNGROW POWER	-9.8%

"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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