

**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
<b>2018</b>		2.60%	-5.64%	-3.28%	2.99%	-3.21%	-2.39%	-7.23%	-3.29%	-10.38%	3.65%	-7.35%	<b>-29.66%</b>
<b>2019</b>	11.42%	6.40%	3.89%	1.28%	-14.85%	10.19%	-2.50%	0.76%	-2.28%	6.11%	2.97%	3.31%	<b>26.83%</b>
<b>2020</b>	-1.91%	-0.39%	-5.09%	8.76%	4.48%	12.81%	9.77%	3.69%	-4.00%	5.96%	4.32%	3.68%	<b>48.86%</b>
<b>2021</b>	7.22%	-1.89%	-8.65%	0.25%	0.27%	3.17%	-14.06%	-4.23%	-3.63%	4.31%	-4.15%	-2.27%	<b>-22.77%</b>
<b>2022</b>	-6.85%	-2.27%	-10.78%	-6.32%	2.38%	8.58%	-8.16%	-3.45%	-11.03%	-11.30%	15.13%	3.61%	<b>-29.40%</b>
<b>2023</b>	13.06%	-8.67%	-2.26%	-6.04%	-9.72%	5.72%	7.81%	-8.28%	-4.66%				<b>-14.66%</b>

**Cumulative Performance since 01.02.2018**



**Top 10 Holdings**

1	ALIBABA GROUP	8.9%
2	TENCENT HOLDINGS LTD	8.7%
3	KWEICHOW MOUTAI	4.1%
4	ANTA SPORTS	3.7%
5	MEITUAN DIANPING	3.3%
6	CONTEMPORARY AMPEREX	3.1%
7	BYD	3.0%
8	JD.COM	2.9%
9	PING AN INSURANCE	2.6%
10	SUNGROW POWER	2.4%

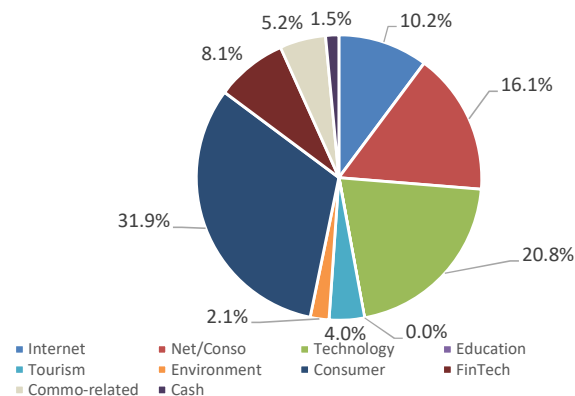
Sum top 10 **42.7%**

Sum top 20 **63.5%**

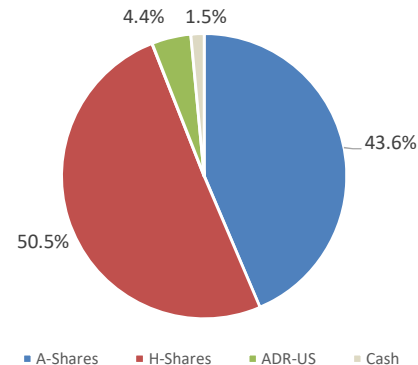
Cash : 1.5%

Number of positions : 47

**Allocation by Themes**



**Allocation by Market type**



**Performance Since Inception**

<b>Natixis HAM China 2.0</b>	Tot. Ret.	Volatility
	<b>-38.2%</b>	<b>26.1%</b>

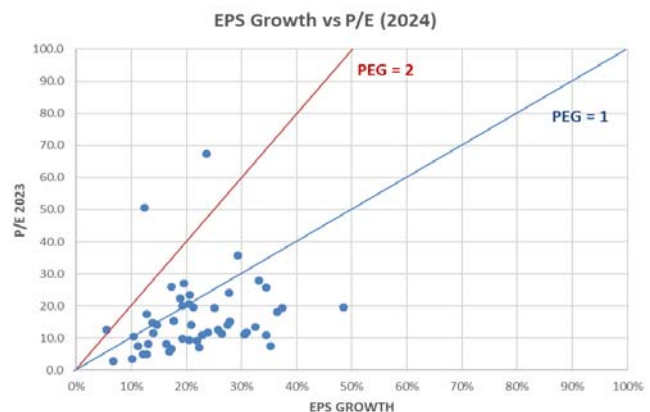
**Financial Statistics (Invested part)**

Portfolio	
EPS Growth 2023	<b>39.1%</b>
EPS Growth 2024	<b>21.7%</b>
P/E 2023 (forward)	<b>19.8</b> x
P/E 2024 (forward)	<b>16.2</b> x
PEG 2023	<b>0.51</b>
PEG 2024	<b>0.75</b>
ROE	<b>20.0%</b>
Margin EBITDA	<b>24.3%</b>
Market cap average	<b>99</b> bn (USD)
ESG	<b>BBB</b>

Source: factset / Bloomberg

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

**PEG Valorisation by positions (2024)**



## Comments

In September, all Chinese markets once again fell by between 2.5% and 5%, depending on the index, in a tight liquidity environment. Few sectors were spared, with only the energy (+4%) and utilities (+1.5%) sectors doing well. Consumer discretionary (-5.9%), IT (-5%) and communication services (-5%) were the most disappointing. These are the sectors in which we are most invested, with average PEGs of 0.4.

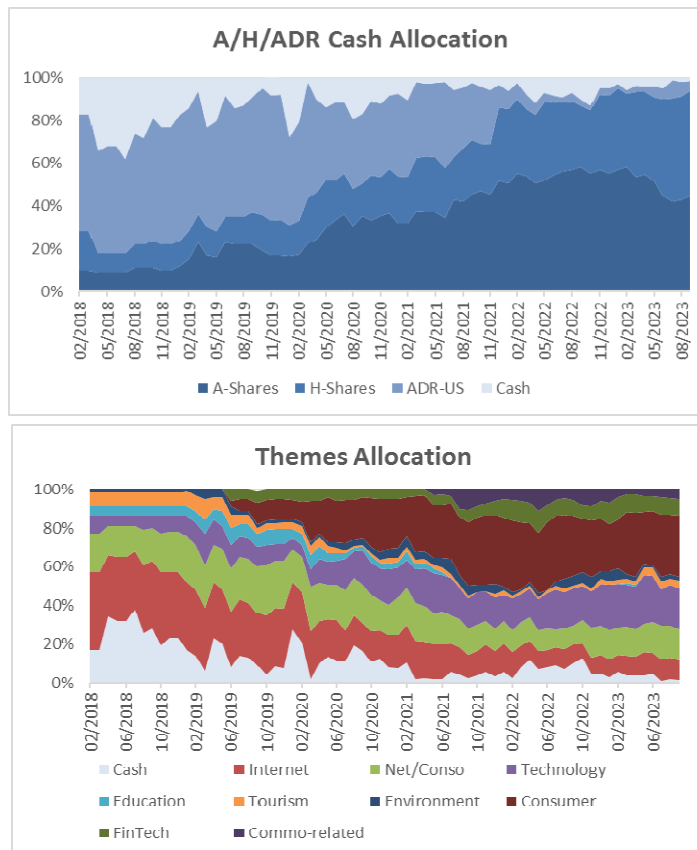
It is rare to see a situation like this, with China a pariah for international investors. As the earnings season gets underway in October, we expect to see some good surprises. A number of indicators are pointing in the right direction: a spectacular rise in flights and hotel occupancy rates, rising sales of electric cars, massive support for environmental initiatives and also some Western Investment Banks becoming more constructive about China.

At portfolio level, we took some profits on Pinduoduo and trimmed the riskiest positions to focus more on companies with high convictions. We took advantage of this market drawdown to increase our positions in ANTA Sports, CATL, BYD, Meituan, Alibaba, Netease and Trip.com.

BYD, for example, has become one of the largest manufacturer of electric cars (will likely replace Tesla's crown as the world's top-selling EV maker in 2023), and is beginning to flood the European market, particularly in Scandinavia and Germany. BYD has absolutely nothing to envy BMW, VW or even Mercedes. The Chinese have understood that an electric car has nothing to do with a combustion engine car. An EV car is a 'mobile' on four wheels! BYD offers a fascinating experience, with much more advanced technology than a Tesla, not to mention the Europeans, who are totally lagging behind. BYD will remain among our top positions as long as its growth continues: sales growth of 30% p.y. over 3 years, EPS of 54% in 2023, 37% in 2024. BYD is paying 0.86x 2024 sales and its PEG is 0.49! It still needs to improve its 10% margin, which is slightly lower than that of Western manufacturers.

Our best performers this month were Bosideng (Adult fashion) +10%, YUM China (KFC, ...) +6% and ENN Energy (Gas utilities) +6%. The worst were Zhejian Jinsheng (Crytalline silicon for semi) -15%, CATL (batteries) -14% and Li Ning (Sportswears) -11%. In terms of contribution Tencent, CATL, Alibaba and Meituan all contributed for -0.4% each, whilst Bosideng, Yam China, Wuxi Biologics and Akeso contributed by 0.1% each.

## "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.

The information provided in this document and sourced from third-parties may only be used for your internal use, may not be reproduced or disseminated in any form. None of the information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. All information and data in this document originate from generally available sources which Prisminvest viewed as reliable at the time of drafting this document. However, no liability can be assumed for their correctness, accuracy, completeness and appropriateness; all the information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. Prisminvest and any third-party expressly disclaim all warranties with respect to this information and in no event shall Prisminvest or any third-party have any liability for any damages.