

Natixis HAM China 2.0

USD

February 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		2.60%	-5.64%	-3.28%	2.99%	-3.21%	-2.39%	-7.23%	-3.29%	-10.38%	3.65%	-7.35%	-29.66%
2019	11.42%	6.40%	3.89%	1.28%	-14.85%	10.19%	-2.50%	0.76%	-2.28%	6.11%	2.97%	3.31%	26.83%
2020	-1.91%	-0.39%	-5.09%	8.76%	4.48%	12.81%	9.77%	3.69%	-4.00%	5.96%	4.32%	3.68%	48.86%
2021	7.22%	-1.89%	-8.65%	0.25%	0.27%	3.17%	-14.06%	-4.23%	-3.63%	4.31%	-4.15%	-2.27%	-22.77%
2022	-6.85%	-2.27%	-10.78%	-6.32%	2.38%	8.58%	-8.16%	-3.45%	-11.03%	-11.30%	15.13%	3.61%	-29.40%
2023	13.06%	-8.67%	-2.26%	-6.04%	-9.72%	5.72%	7.81%	-8.28%	-4.66%	-4.47%	-0.75%	-1.83%	-20.56%
2024	-10.32%	9.67%											-1.64%

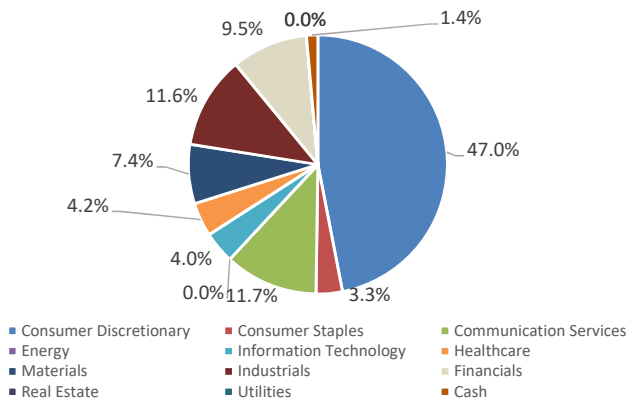
Cumulative Performance since 01.02.2018



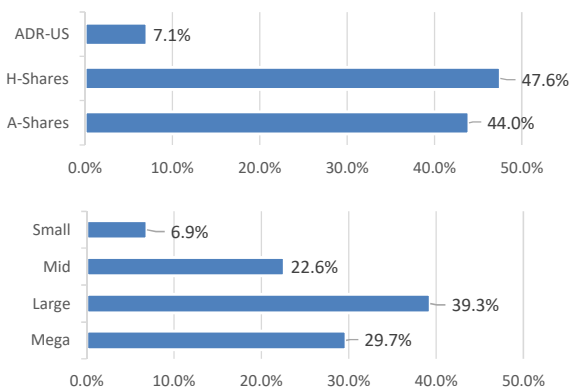
Top 10 Holdings

1	TENCENT HOLDINGS LTD	8.0%
2	ALIBABA GROUP	7.0%
3	KWEICHOW MOUTAI	4.2%
4	ANTA SPORTS	3.7%
5	PINDUODUO	3.6%
6	MEITUAN DIANPING	3.5%
7	TRIP.COM	3.4%
8	CONTEMPORARY AMPEREX	3.0%
9	WANHUA CHEMICAL	3.0%
10	BYD	3.0%
Sum top 10		42.4%
Sum top 20		67.2%
Number of positions :		43
Cash :		1.4%

Allocation by Themes



Allocation by Market type & Market Cap



Performance Since Inception

Natixis HAM China 2.0	Tot. Ret.	Volatility
	-43.4%	25.8%

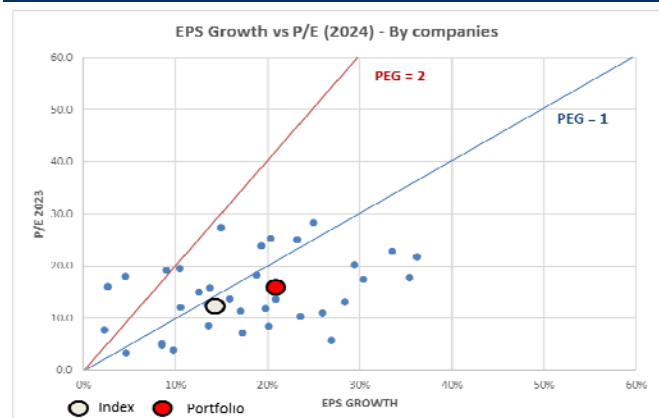
Financial Statistics (Invested part)

Portfolio	
EPS Growth 2024	21.1%
EPS Growth 2025	18.6%
P/E 2024 (forward)	15.3 x
P/E 2025 (forward)	12.8 x
PEG 2024	0.73
PEG 2025	0.69
ROE	20.4%
Margin EBITDA	25.1%
Market cap average	92 bn (USD)
ESG	BBB

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

After a weak January, February has offsetted almost the loss of the previous month. Our portfolio has again outperformed the MSCI China 10/40 by 0.9%. So far in March the portfolio is also overperforming most of the indexes showing a good positioning in growth quality names.

February's rebound was partially due to the regulators' efforts to stabilise the market. Early in the month, the "national team" of state-backed financial companies spent more than Rmb 400 billion on buying exchange-traded funds. But now that the market has been bailed out of the crisis, we expect monetary and fiscal policy to become the main drivers of the recovery. There were some bold moves in monetary policy during the month. Although the one-year loan prime rate (LPR) was left unchanged at 3.45%, the five-year LPR was cut by 25 basis points to 3.95%, beating market expectations. Rate cuts of this magnitude are rare. Given that the bulk of an individual's long-term debt is typically a mortgage, the rate cut is a clear stimulus for the property market. This comes on top of the loosening of various property-purchase constraints, even in first-tier cities, and indicates a more benevolent policy environment for property. Of course, companies in general will also benefit from lower financing costs. And we believe there is still room for further rate cuts.

During February the trading activity was pretty busy. We added earlier in the month into **Meituan Dianping, Sungrow Power, Will Semiconductor, BYD, AIA Insurance, and Haidilao**. We shaved **Alibaba** and **Tencent** as we do think this money would be better allocated into growth quality names. We took nice profits from **Haier Smart Home, Midea** and **Zijin Mining** which benefited from Gold price.

Li Auto was the largest contributor this month after their results announcements. After a 70% rise in a couple of days, we were happy to trimm the position at a better risk management level.

We are convinced that we are only at the beginning of the rise of the Chinese market. The macroeconomic figures are much better than expected, particularly on the CPI front (+0.7% in February). The pundits who predicted slow deflation in China may well have been wrong ... as always! According to our local contacts, consumer spending is picking up well in China, albeit in lower-cost segments, but business is flourishing. Regarding the equity markets, volatility could still be high, but with a 'put' from the national team to reassure investors.

PERFORMANCE CONTRIBUTION FOR THE MONTH

10 - Largest Contribution

1 LI AUTO	1.15%
2 TRIP	0.98%
3 MEITUAN DIANPING	0.87%
4 ANTA	0.63%
5 NINGBO TUOPU	0.50%
6 NETEASE	0.42%
7 WANHUA CHEMICAL	0.42%
8 YUM CHINA	0.40%
9 ZHEJIANG SANHUA	0.35%
10 SHENZHEN INOV	0.32%

10 - Largest Detractor

1 PINDUODUO	-0.05%
2 BAIDU	-0.02%
3 <i>No other negative contributors</i>	
4	
5	
6	
7	
8	
9	
10	

Best Performers

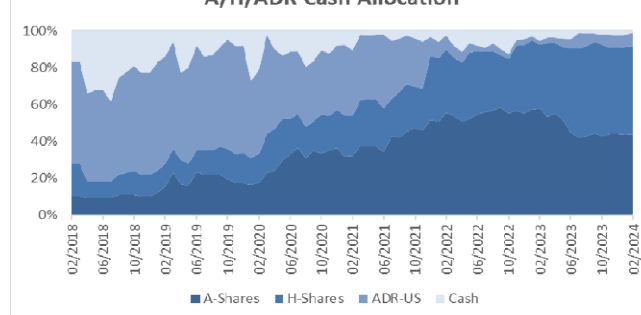
1 LI AUTO	67.1%
2 MEITUAN DIANPING	27.4%
3 YUM CHINA	27.4%

Worst Performers

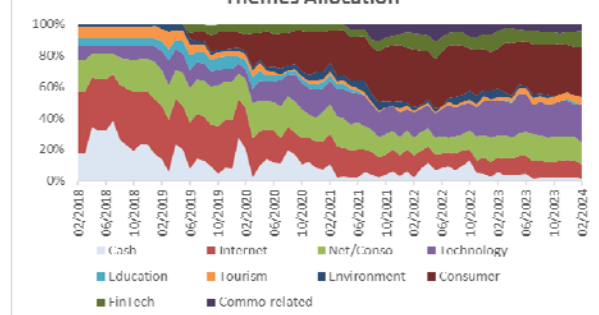
1 BAIDU	-1.9%
2 PINDUODUO	-1.5%
3 CHINA RESOURCES LAND	0.0%

"CHINESE SOUP" & THEMES HISTORICAL ALLOCATION

A/H/ADR Cash Allocation



Themes 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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