

Natixis HAM China 2.0

USD

March 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%	1.88%										0.20%

Cumulative Performance since 01.02.2018



Top 10 Holdings

1	TENCENT HOLDINGS LTD	8.9%
2	ALIBABA GROUP	6.6%
3	ANTA SPORTS	4.3%
4	KWEICHOW MOUTAI	4.2%
5	MEITUAN DIANPING	3.7%
6	CONTEMPORARY AMPEREX	3.5%
7	PINDUODUO	3.3%
8	WANHUA CHEMICAL	3.1%
9	BYD	3.0%
10	TRIP.COM	2.5%

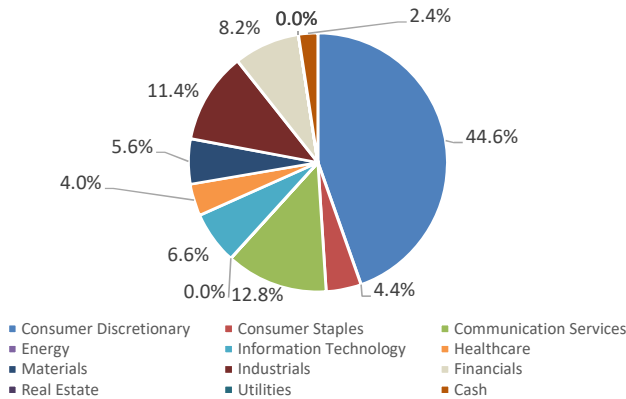
Sum top 10 **43.3%**

Sum top 20 **65.4%**

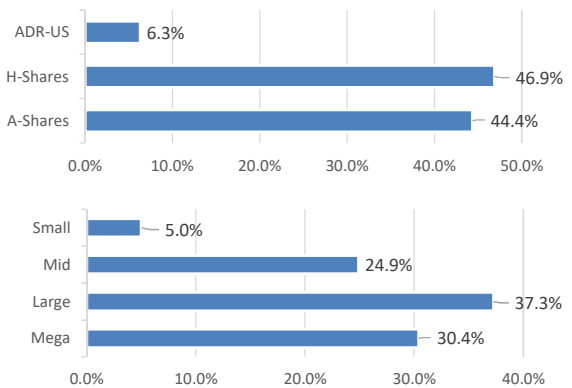
Number of positions : 44

Cash : 2.4%

Allocation by Themes



Allocation by Market type & Market Cap



Performance Since Inception

Natixis HAM China 2.0
Tot. Ret. **-42.4%** Volatility **25.6%**

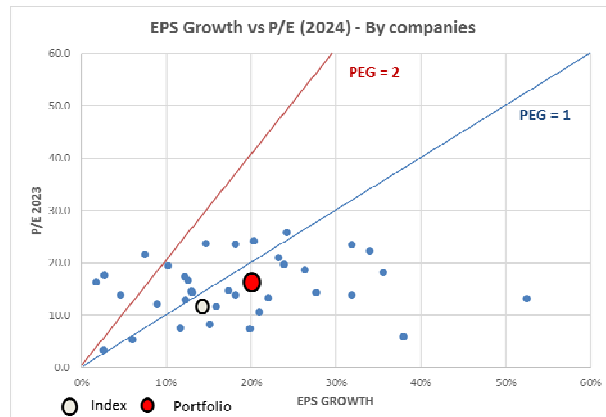
Financial Statistics (Invested part)

Portfolio	
EPS Growth 2024	20.7%
EPS Growth 2025	16.8%
P/E 2024 (forward)	15.4 x
P/E 2025 (forward)	13.0 x
PEG 2024	0.74
PEG 2025	0.78
ROE	21.2%
Margin EBITDA	25.5%
Market cap average	99 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

In March, the portfolio gained +1.88%, beating all the Chinese indices (MSCI 10/40 +0.4% and A Shares market +0.1%). Over the quarter, we managed to finish slightly positive while the indices are in negative territory.

This good result can be attributed to stock picking and the quality of the companies in the portfolio, most of which reported better-than-expected results and guidance. Although the energy sector was the big winner this quarter (+17%), even though we were unable to buy certain stocks such as CNOOC, the portfolio was able to generate strong capital gains on **TRIP.com, Anta Sports, Meituan, Tencent, Li Auto, Haier Smart Home, Midea, PDD and Sungrow Power**. In some cases, we took the opportunity to reduce certain positions and increase those that were still undervalued, such as **Jiangsu Hengi Hydraulic, Luxshare Precision and Miniso**.

On the macroeconomic front, short-term data painted a somewhat more positive picture of the economy. According to the Statistics Bureau, industrial corporate profit increased 10.2% in the first two months compared with the same period last year. As the same index fell by 2.3% for the whole of 2023 as China struggled to recover from its Covid lockdown, we think that the latest figures showed a trend of corporate balance-sheet repairs. This may eventually lead to a greater willingness to invest. Corporations owned by foreign investors and private capital recorded much higher growth rates of 31% and 12.7%, respectively. Given that private enterprises are China's largest employers, we see this as good news for urban employment.

In further encouraging news, international trade seems to have made a good start to 2024. For the first two months, exports grew 10.3% (year on year, in renminbi terms) while imports grew by 6.7%. As more of the world's major economies move to an expansionary stance, external demand should improve. The messages from the National People's Congress held in Beijing generally matched expectations. The key targets for GDP growth (5%), CPI (3%) and the budget deficit (3%) were in line with last year's. Nevertheless, the State Council mentioned that it would issue special ultra-long-term bonds, with a total value of Rmb1 trillion in the first year. We are encouraged that the central government appears to be taking a more aggressive role in driving growth.

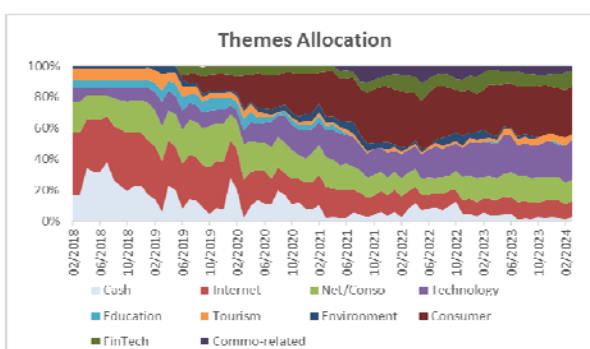
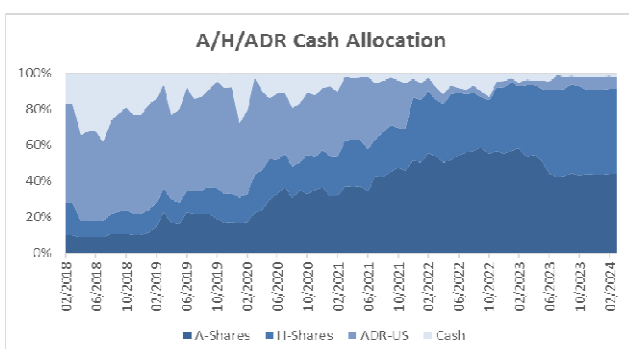
The market has stabilised and we are convinced that the time has come to consider China as one of the cheapest investments in the world, given its still-intact growth. Our recent trips have clearly shown the vitality of its economy, even if we are no longer in the same situation as in the years 2000-2010. Nevertheless, technology, innovation and the desire to do business are very much alive.

PERFORMANCE CONTRIBUTION FOR THE MONTH

10 - Largest Contribution		10 - Largest Detractor	
1 TENCENT	0.87%	1 LI AUTO	-0.44%
2 MEITUAN DIANPING	0.83%	2 ZHEJIANG JINGSHENG	-0.36%
3 CATL	0.56%	3 AIA	-0.32%
4 SUNGROW POWER	0.42%	4 ALIBABA	-0.24%
5 ANTA SPORTS	0.38%	5 PINDUODUO	-0.23%
6 JD.com	0.33%	6 JIANGSU HYDRAULIC	-0.19%
7 MINISO	0.22%	7 SUNRESIN MAT	-0.18%
8 HAIDILAO	0.21%	8 NETEASE	-0.16%
9 WULIANGYE	0.15%	9 PING AN INS	-0.10%
10 QFIN	0.15%	10 TRIP.COM	-0.09%

Best Performers		Worst Performers	
1 HAIDILAO	23.2%	1 LI AUTO	-31.6%
2 MEITUAN DIANPING	21.4%	2 AIA	-15.5%
3 JD.com	21.2%	3 JIANGSU HYDRAULIC	-12.2%

"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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