

# Natixis HAM China 2.0

USD

April 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.

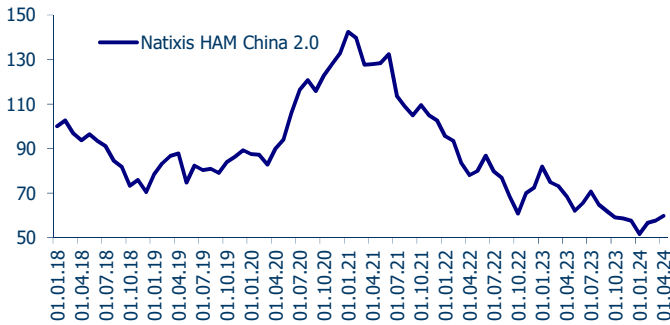
Cash is used as a tool to smooth the high volatility of these themes.

Recommended time holding period is over 5 years.

## Performances USD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
<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%	-4.47%	-0.75%	-1.83%	<b>-20.56%</b>
<b>2024</b>	-10.32%	9.67%	1.88%	3.66%									<b>3.87%</b>

## Cumulative Performance since 01.02.2018



## Top 10 Holdings

1	TENCENT HOLDINGS LTD	9.9%
2	ALIBABA GROUP	6.8%
3	ANTA SPORTS	4.4%
4	PINDUODUO	4.2%
5	MEITUAN DIANPING	4.1%
6	KWEICHOW MOUTAI	3.8%
7	BYD	3.1%
8	CONTEMPORARY AMPEREX	3.1%
9	LUXSHARE PRECISION	2.6%
10	SHENZHEN MINDRAY	2.5%

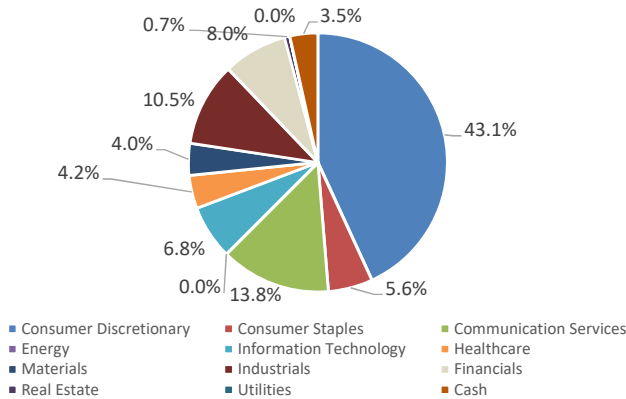
Sum top 10 **44.4%**

Sum top 20 **66.4%**

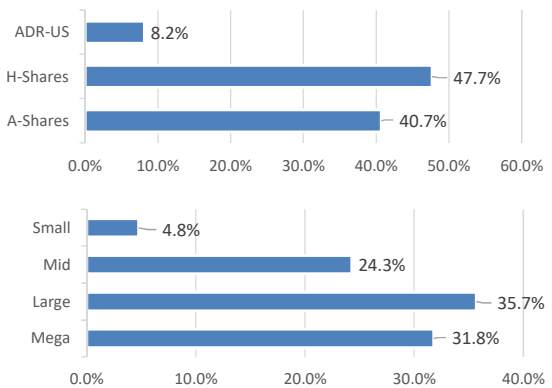
Number of positions : 43

Cash : 3.5%

## Allocation by Themes



## Allocation by Market type & Market Cap



## Performance Since Inception

**Natixis HAM China 2.0** Tot. Ret. Volatility  
**-40.2%** **25.7%**

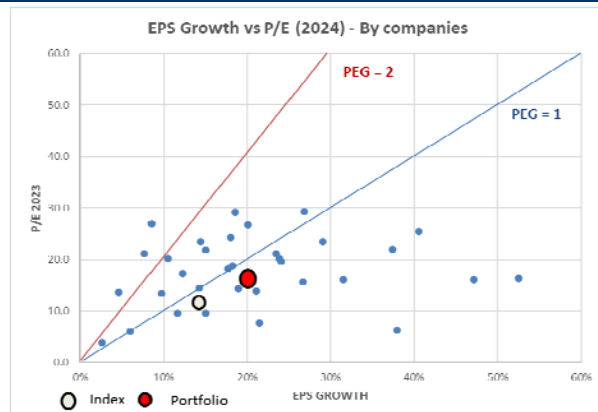
## Financial Statistics (Invested part)

Portfolio	
EPS Growth 2024	<b>20.1%</b>
EPS Growth 2025	<b>17.8%</b>
P/E 2024 (forward)	<b>17.6</b> x
P/E 2025 (forward)	<b>14.7</b> x
PEG 2024	<b>0.87</b>
PEG 2025	<b>0.83</b>
ROE	<b>21.0%</b>
Margin EBITDA	<b>25.7%</b>
Market cap average	<b>118</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 April, the portfolio gained +3.66%, bringing YTD at +3.87%. As Chinese markets rallied just after the May 1st bank holiday the portfolio was up YTD 9.55% on May 3rd. China surged by more than 20% from the bottom! Yet global investors' enthusiasm is still muted and there's barely any fanfare. However, a lot of good news came out this month and gave a breath into the market.

This good result can be attributed to stock picking again. Our good timing on **Haidilao** (restaurant chain), **Miniso** (retailer), **Meituan** and **Anta Sports** did help to the performance. Detractors came from **Li Auto**, **Zhejiang Jingsheng**, **AIA Insurance**, **PDD** and **Alibaba** mainly.

Beijing launched new initiatives and reforms aimed at stabilizing the economy. The trade-in programs for old appliances and vehicles offering a one-time subsidy surpassed market expectations. Most importantly, the total amount of subsidy has no upper limit and the central government will fund 60% of the trade-in programs, contrasting previous initiatives that were funded by local governments. The battered real estate sector also received a boost with several tiered-2 cities removing all remaining purchase restrictions and banks accelerating lending to "white-list" property projects. In fact, more than 460 billion yuan (ca. USD 63.5 bn) of bank credits have been approved as of March 31st which is over 100% increase from mid-February.

The rapid rise of A.I. computing is creating a surge in construction of mega data centers that place further strain on the existing power grid. Nvidia's CEO, Jensen Huang, predicts that over a trillion U.S. dollar worth of data center infrastructure will be built across the world over the next four to five years. The International Energy Agency (IEA) estimates that electricity consumption by data centers globally will exceed 1,000 TWh by 2026, more than double the amount consumed today. As such, IEA predicts that 80 million kilometers (50 million miles) of power grids worldwide must be added or upgraded by 2040, nearly doubling the current global power infrastructure. China has already become the world's largest transformer-technology developer. Exports of transformers from China nearly doubled to USD 46.5 billion in 2023 from USD 24.3 billion in 2016. In just the first two months of this year, large power transformer exports soared 61% year-on-year to ca. USD 600 million. Transformer lead times are increasing as demand outpaces supply (current average lead time is 130 weeks per Wood Mackenzie) and as such, prices have soared 70% since 2020. The significant shortage for power equipment and exponential growth in power demand creates the perfect mismatching scenario that China can exploit with its manufacturing prowess for years to come. We are currently building positions to take profit of this major theme going forward.

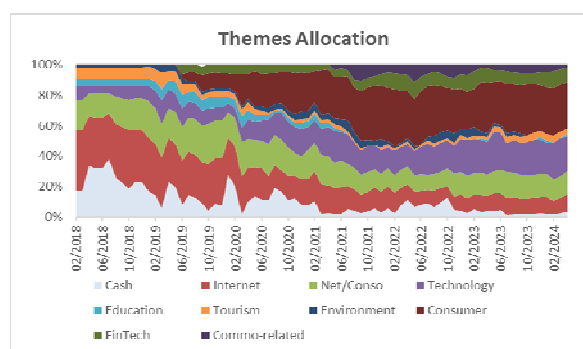
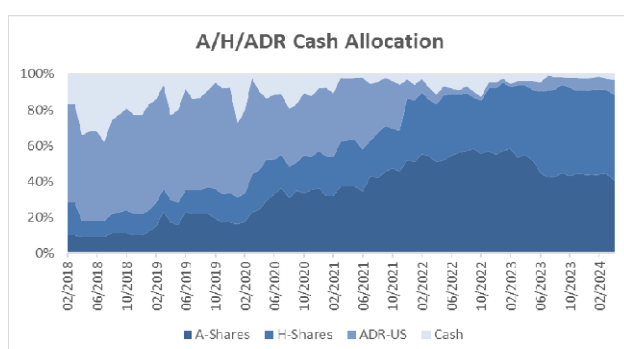
## PERFORMANCE CONTRIBUTION FOR THE MONTH

10 - Largest Contribution		10 - Largest Detractor	
1	TENCENT 0.87%	1	LI AUTO -0.44%
2	MEITUAN DIANPING 0.83%	2	ZHEIJIANG 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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