

Natixis HAM China 2.0

USD

May 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%	3.66%	1.34%								5.26%

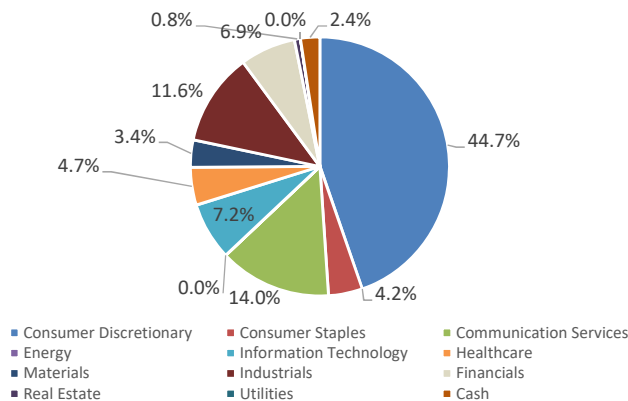
Cumulative Performance since 01.02.2018



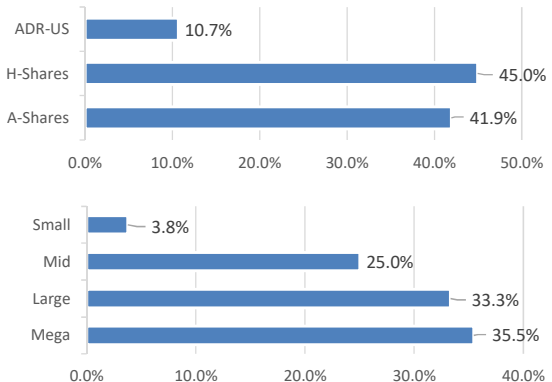
Top 10 Holdings

1	TENCENT HOLDINGS LTD	10.0%
2	PINDUODUO	6.5%
3	ALIBABA GROUP	5.9%
4	KWEICHOW MOUTAI	4.3%
5	ANTA SPORTS	4.2%
6	MEITUAN DIANPING	4.0%
7	BYD	3.3%
8	CONTEMPORARY AMPEREX	3.0%
9	TRIP.COM	2.6%
10	CHINA MERCHANTS BANK	2.5%
	Sum top 10	46.3%
	Sum top 20	67.5%
	Number of positions :	44
	Cash :	2.4%

Allocation by Themes



Allocation by Market type & Market Cap



Performance Since Inception

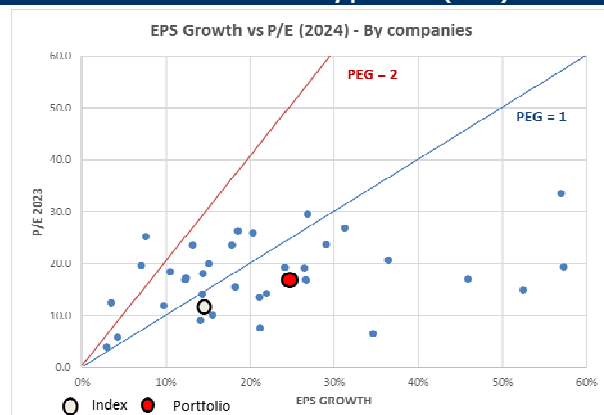
Natixis HAM China 2.0 Tot. Ret. Volatility
-39.4% **25.6%**

Financial Statistics (Invested part)

Portfolio	
EPS Growth 2024	25.2%
EPS Growth 2025	17.8%
P/E 2024 (forward)	17.1 x
P/E 2025 (forward)	14.4 x
PEG 2024	0.68
PEG 2025	0.81
ROE	21.4%
Margin EBITDA	26.0%
Market cap average	118 bn (USD)
ESG rating (Morgan Stanley)	BBB

Source: factset / Bloomberg

PEG Valorisation by positions (2024)



Comments

After starting May well, the A-share market corrected in the second half of the month, more than erasing its earlier gains. The CSI 300 index finished down 0.5% in US dollar terms, with big falls in some of the sectors, including IT (-7%), healthcare (-4.2%) and food & beverage (-3.7%). Other Chinese indexes finished the month between flat to up 1%.

Once again our portfolio outperformed this month, up 1.34%. This good result can be attributed to **Pinduoduo**, up 19.7% over the month and contributing 1.29% to May's result. **Luxshare Precision** was a beneficial trade, up 17.5% and the 3rd biggest contributor this month. **Anta Sports** and **Li Auto** were our main detractors, although Li Auto is a small position in the portfolio. We took advantage of weakness in **Netease** at the beginning of June to increase our position.

BYD recently announced the launch of a new hybrid vehicle with a range of 2,500km by Chinese standards (1,900km by EU standards) consuming 2.9 litres/km at a price of USD 18,000! This announcement was well received by the market, with the share price rising rapidly by 10%. BYD is without doubt the spearhead of the Chinese car industry. BYD is trading at 15x P/E(25), 0.7x P/S(25) with an ROE of 24%, 4x cash flow and a net margin of 12%, far higher than any other car company.

On the macroeconomic front, the biggest headlines came from the property market, following the rollout of a range of supportive policies in mid-May. The downpayment ratio was cut to 15% for first homes and 25% for second ones, and the minimum mortgage rate was removed, allowing commercial banks more autonomy. More importantly, for the first time, local governments have been encouraged to purchase residential houses at reasonable prices to establish a programme of affordable housing (for both rent and sale). This is a direct and effective way to help reduce the vast inventory of unsold residential houses. Most big cities rushed to support the property-market effort. Even some first-tier cities, including Guangzhou and Shanghai, started to lift some purchase bans, such as those on second homes. We already see signs of transaction volumes warming up. It would be unwise to predict a complete turnaround, but with more supportive policies and stimulus measures on the way, we believe this is likely to be the turning point for the property market and thus the Chinese market and economy as a whole.

PERFORMANCE CONTRIBUTION FOR THE MONTH

10 - Largest Contribution

1 PINDUODUO	1.29%
2 TENCENT	0.45%
3 LUXSHARE	0.26%
4 AIA	0.15%
5 PING AN INSURANCE	0.09%
6 KE HOLDINGS	0.09%
7 CHINA CONSTR BANK	0.08%
8 BYD	0.06%
9 SUNRESIN NEW MAT	0.05%
10 NEW ORIENTAL EDUCATION	0.05%

10 - Largest Detractor

1 ANTA SPORTS	-0.25%
2 LI AUTO	-0.22%
3 NETEASE	-0.19%
4 BAIDU	-0.19%
5 NINGBO TUOPU	-0.17%
6 MEITUAN DIANPING	-0.16%
7 KWEICHOW MOUTAI	-0.14%
8 CHINA RESOURCES BEER	-0.13%
9 SHENZHEN MINDRAY	-0.10%
10 CONTEMPORARY AMPEREX	-0.07%

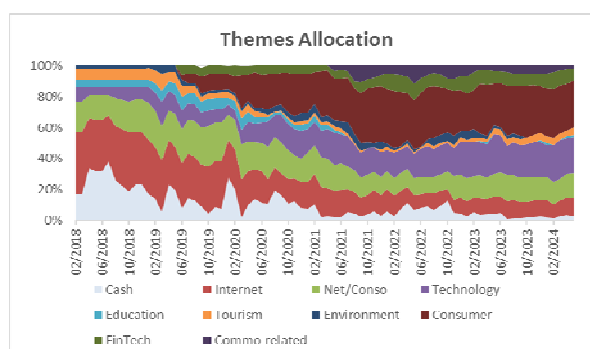
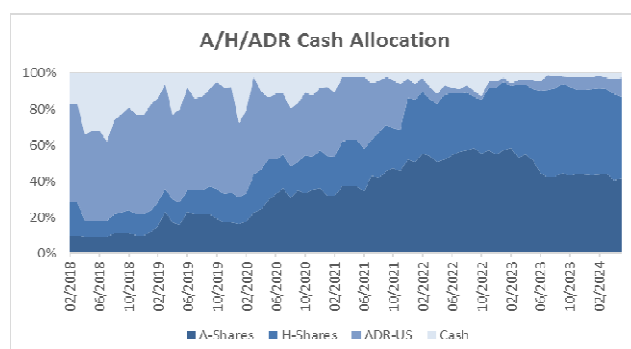
Best Performers

1 PINDUODUO	19.7%
2 LUXSHARE	17.5%
3 KE HOLDINGS	12.2%

Worst Performers

1 LI AUTO	-24.9%
2 CHINA RESOURCES BEER	-11.2%
3 BAIDU	-10.7%

"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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