

# Natixis HAM China 2.0

USD

September 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.

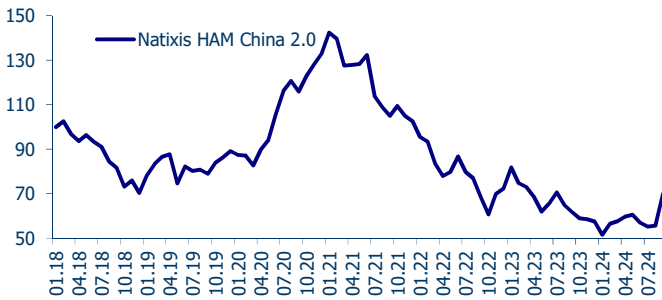
Cash is used as a tool to smooth the high volatility of these themes.

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>		2.25%	-5.32%	-3.90%	3.59%	-3.11%	-2.28%	-7.40%	-3.01%	-13.61%	4.28%	-3.83%	<b>-29.00%</b>
<b>2019</b>	8.42%	7.94%	1.12%	4.31%	-14.35%	8.55%	-1.07%	-0.30%	-2.15%	6.59%	3.21%	3.12%	<b>25.65%</b>
<b>2020</b>	-0.26%	-2.67%	-5.55%	10.27%	1.36%	15.41%	8.12%	5.74%	-5.14%	6.88%	5.69%	2.78%	<b>48.92%</b>
<b>2021</b>	6.87%	-2.79%	-9.84%	3.64%	-1.38%	4.30%	-15.61%	-3.26%	-3.80%	6.47%	-5.54%	-1.81%	<b>-22.55%</b>
<b>2022</b>	-7.97%	-2.30%	-10.38%	-6.17%	2.88%	9.08%	-9.06%	-2.09%	-11.90%	-15.29%	18.15%	5.24%	<b>-29.90%</b>
<b>2023</b>	12.30%	-9.88%	0.41%	-6.46%	-9.64%	3.98%	10.17%	-9.25%	-4.13%	-3.52%	-0.41%	-3.15%	<b>-20.35%</b>
<b>2024</b>	-10.89%	9.88%	1.63%	4.92%	-0.24%	-4.68%	-2.68%	0.24%	25.90%				<b>21.94%</b>

## Cumulative Performance since 01.02.2018



## Top 10 Holdings

1	TENCENT HOLDINGS LTD	9.0%
2	ALIBABA GROUP	6.3%
3	MEITUAN DIANPING	5.5%
4	CONTEMPORARY AMPEREX	4.1%
5	BYD	4.0%
6	ANTA SPORTS	4.0%
7	PINDUODUO	3.8%
8	KWEICHOW MOUTAI	3.1%
9	TRIP.COM	3.1%
10	MIDEA GROUP	2.7%

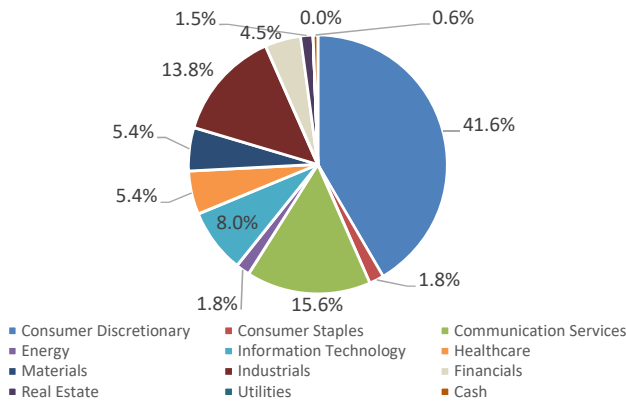
Sum top 10 **45.6%**

Sum top 20 **68.5%**

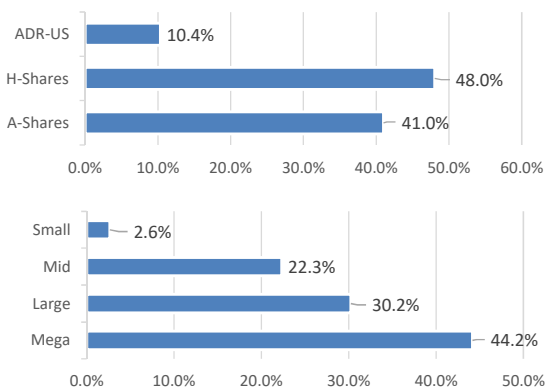
Number of positions : 41

Cash : 0.6%

## Allocation by Themes



## Allocation by Market type & Market Cap



## Performance Since Inception

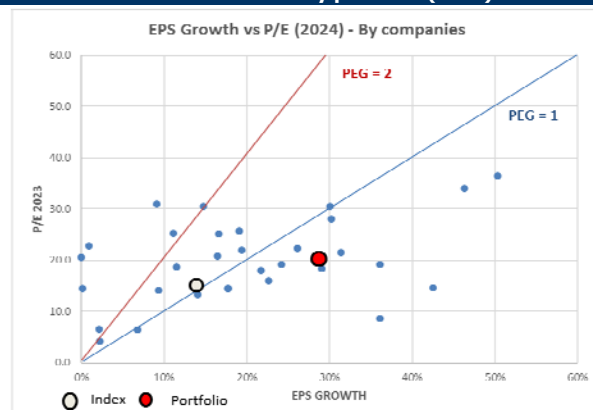
**Natixis HAM China 2.0** Tot. Ret. Volatility  
**-29.9%** **27.0%**

## Financial Statistics (Invested part)

Portfolio	
EPS Growth 2024	<b>28.9%</b>
EPS Growth 2025	<b>16.3%</b>
P/E 2024 (forward)	<b>20.0</b> x
P/E 2025 (forward)	<b>17.0</b> x
PEG 2024	<b>0.69</b>
PEG 2025	<b>1.04</b>
ROE	<b>20.7%</b>
Margin EBITDA	<b>24.9%</b>
Market cap average	<b>145</b> bn (USD)
ESG rating (Morgan Stanley)	<b>BBB</b>

Source: factset / Bloomberg

## PEG Valorisation by positions (2024)



## Comments

The Fund was up 25.9% in September, outperforming all China indices by 0.5% to 3%. This rally took place with the CNY and long end government bond yields strengthening, a starkly different picture than we see in the West or even Japan.

China Equities surged as domestic A shares posted their best monthly performance since December 2014 following the announcement of a large stimulus package focused on three core themes: (1) large cuts to the bank's reserve requirement ratios, making loan provision to the economy easier, including for company share buybacks; (2) the creation of monetary policy tools to support investment in the domestic stock market. Institutional investors can borrow against existing collateral to invest in the stock market. (3) The PBoC lowered the borrowing cost on \$5.3t worth of mortgages by 0.5% and three of the largest cities relaxed homebuyers' rules, cut down payments even for first homes and opened the window for mortgage refinancing. **These measures are potential game changers for China** as they set the stage for additional demand boosting and fiscal policy measures. Further RRR and interest rate cuts are expected.

The fund enjoyed full participation in this impressive rally as it was fully invested and overweight in the strong performing China consumer stocks (up 37% in the month), most notably **Alibaba** (+36%), **Haidilao** (+46%), **Meituan** (+46%) and **PDD** (+40%). This has been a core theme of the fund all year. Altogether these three generated over 6% of absolute performance in September with the overweight in Meituan alone generating 2.5% of performance. We believe that the policy intention is to stimulate consumer activity over the short and medium term. Consumer discretion remains our core focus.

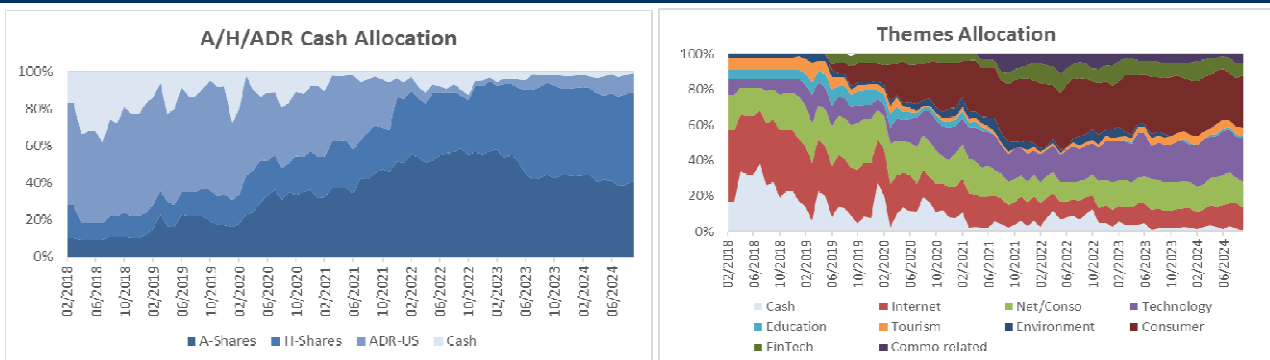
The active share of the portfolio delivered impressive returns during September in particular **CATL** and **Ningbo Tuopu** up 37% respectively and contributing over 2.4% of absolute performance for the month. The Fund's A shares portfolio performed very well with notable additional contributions from conviction positions **Midea**, **Sungrow Power**, **Yutong Bus**, **Sunresin Materials** and **Shenzhen Innovation Tech**.

Although we believe that Chinese equities have now entered a bull phase both fundamentally and technically, we are very aware of exogenous risks, especially the US elections. Overall, we would prefer to see the new administration in the White House adopt a "China deal driven" approach in key industries such as EVs and batteries. We are watching carefully for overbought indicators and will take a prudent approach to managing cash and exposure levels. Beginning of October we are already starting to take profits to some positions where valuations start to be stretched.

### PERFORMANCE CONTRIBUTION FOR THE MONTH

<p><b>10 - Largest Contribution</b></p> <table border="0" style="width: 100%;"> <tr><td>1 MEITUAN DIANPING</td><td style="text-align: right;">2.54%</td></tr> <tr><td>2 ALIBABA GROUP</td><td style="text-align: right;">2.24%</td></tr> <tr><td>3 CONTEMPORARY AMPEREX</td><td style="text-align: right;">1.55%</td></tr> <tr><td>4 PINDUODUO</td><td style="text-align: right;">1.55%</td></tr> <tr><td>5 TENCENT HOLDINGS LTD</td><td style="text-align: right;">1.51%</td></tr> <tr><td>6 SHENZHEN INOV TEC</td><td style="text-align: right;">1.05%</td></tr> <tr><td>7 TRIP.COM</td><td style="text-align: right;">1.02%</td></tr> <tr><td>8 ANTA SPORTS</td><td style="text-align: right;">0.93%</td></tr> <tr><td>9 NINGBO TUOPU</td><td style="text-align: right;">0.84%</td></tr> <tr><td>10 BYD</td><td style="text-align: right;">0.73%</td></tr> </table> <p><b>Best Performers</b></p> <table border="0" style="width: 100%;"> <tr><td>1 HISENSE HOME APPLIANCES</td><td style="text-align: right;">47.6%</td></tr> <tr><td>2 MEITUAN DIANPING</td><td style="text-align: right;">46.0%</td></tr> <tr><td>3 HAIDILAO INTERNATIONAL</td><td style="text-align: right;">45.8%</td></tr> </table>	1 MEITUAN DIANPING	2.54%	2 ALIBABA GROUP	2.24%	3 CONTEMPORARY AMPEREX	1.55%	4 PINDUODUO	1.55%	5 TENCENT HOLDINGS LTD	1.51%	6 SHENZHEN INOV TEC	1.05%	7 TRIP.COM	1.02%	8 ANTA SPORTS	0.93%	9 NINGBO TUOPU	0.84%	10 BYD	0.73%	1 HISENSE HOME APPLIANCES	47.6%	2 MEITUAN DIANPING	46.0%	3 HAIDILAO INTERNATIONAL	45.8%	<p><b>10 - Largest Detractor</b></p> <table border="0" style="width: 100%;"> <tr><td>1 PETROCHINA</td><td style="text-align: right;">-0.15%</td></tr> <tr><td>2</td><td></td></tr> <tr><td>3</td><td></td></tr> <tr><td>4</td><td></td></tr> <tr><td>5</td><td></td></tr> <tr><td>6</td><td></td></tr> <tr><td>7</td><td></td></tr> <tr><td>8</td><td></td></tr> <tr><td>9</td><td></td></tr> <tr><td>10</td><td></td></tr> </table> <p><b>Worst Performers</b></p> <table border="0" style="width: 100%;"> <tr><td>1 PETROCHINA</td><td style="text-align: right;">-10.0%</td></tr> <tr><td>2 CHINA CONSTRUCTION BANK</td><td style="text-align: right;">6.9%</td></tr> <tr><td>3 LUXSHARE PRECISION</td><td style="text-align: right;">11.4%</td></tr> </table>	1 PETROCHINA	-0.15%	2		3		4		5		6		7		8		9		10		1 PETROCHINA	-10.0%	2 CHINA CONSTRUCTION BANK	6.9%	3 LUXSHARE PRECISION	11.4%
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### "CHINESE SOUP" & THEMES HISTORICAL ALLOCATION



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