

# Natixis HAM China 2.0

USD

October 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%	-6.39%			<b>14.15%</b>

## Cumulative Performance since 01.02.2018



## Top 10 Holdings

1	TENCENT HOLDINGS LTD	8.9%
2	ALIBABA GROUP	5.8%
3	MEITUAN DIANPING	5.8%
4	BYD	4.3%
5	PINDUODUO	4.2%
6	CONTEMPORARY AMPEREX	4.2%
7	TRIP.COM	2.9%
8	CHINA MERCHANTS BANK	2.4%
9	ANTA SPORTS	2.3%
10	NETEASE INC	2.3%

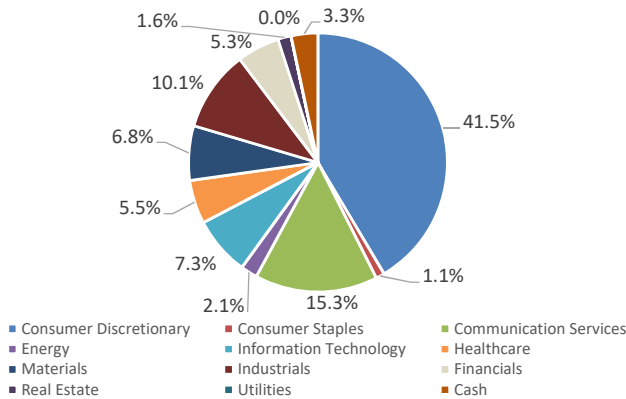
Sum top 10 **43.2%**

Sum top 20 **64.6%**

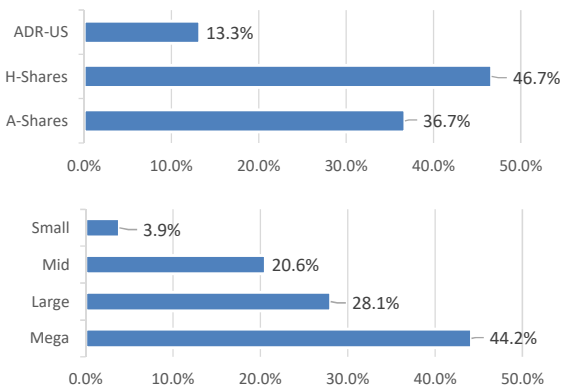
Number of positions : 46

Cash : 3.3%

## Allocation by Sectors



## Allocation by Market type & Market Cap



## Performance Since Inception

**Natixis HAM China 2.0** Tot. Ret. Volatility  
**-34.4%** **27.1%**

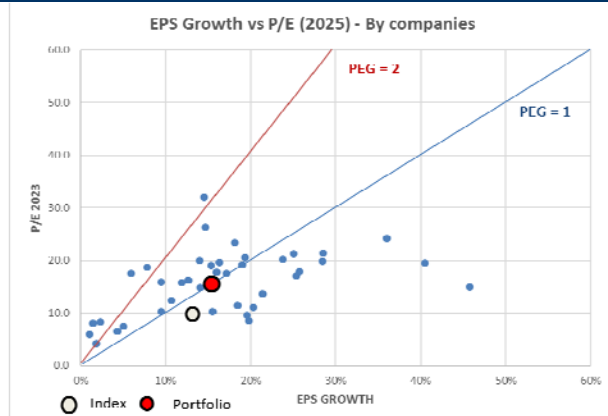
## Financial Statistics (Invested part)

Portfolio	
EPS Growth 2024	<b>30.6%</b>
EPS Growth 2025	<b>15.7%</b>
P/E 2024 (forward)	<b>18.8</b> x
P/E 2025 (forward)	<b>16.7</b> x
PEG 2024	<b>0.61</b>
PEG 2025	<b>1.07</b>
ROE	<b>19.0%</b>
Margin EBITDA	<b>24.0%</b>
Market cap average	<b>128</b> bn (USD)
ESG rating (Morgan Stanley)	<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 (2025)



## Comments

The Fund was down 6.4% in October more or less in line with classic chinese indexes. This is a normal "take profit" situation after the strong rally in September.

After a lacklustre first week due to the "golden week" in Mainland China, the market was in a "wait and see" situation as it awaited the US elections. The Chinese government's policy of taking small steps, albeit moderately interpreted by the market, will lead to a better economic situation in China. The good macroeconomic figures of recent weeks clearly point in the right direction. Although debt is the government's main concern, a number of measures to stimulate consumption are beginning to have a beneficial effect.

We are not expecting a September-style rally over the next few weeks, but it is a safe bet that the market is now trending upwards, albeit with some volatility. We are particularly convinced that the themes in the portfolio, such as innovation, technology and robotisation, will receive government support. Trump's election to the White House does not change the situation: China has known for 8 years that it needs to focus its economy on domestic demand and exports to ASEAN and South Global countries. Raising tariffs, even on the automotive industry, will have little effect. **BYD**, for example, exports less than 2% to Europe/US. In many cases, the Chinese have already built factories outside China and even in the USA, such as **Wanhua** in Missouri, a leader in certain polymers.

Our recent additions such as **Pop Mart** (toys), **Ehang** (manned drones), **Xiaomi** (phones, EVCars) and **BJ Vastdata** (Data Center) and many others have helped the performance and partially cut the losses of big market cap like Tencent, Alibaba, and PDD.

**Meituan Dianping** has been our favourite stock for some time now. The Meituan application has become not only indispensable but viral for living in China. Even in restaurants, people order their menu through the app rather than the traditional way with the menu. Prices are cheaper and the subtle distribution of costs means that both the restaurant and Meituan make money by making the consumer think they've got a good deal! Meituan provides access to a number of services that are unique in the world, all in one application: airline tickets, hotels, taxis, personal services, food, restaurants, shows, etc. With millions of transactions a day, we will let the reader to make the math... The company is highly profitable. EPS Growth is 25% a year for the next 3-years, top line growth by 15% in average and trading at 20x P/E f. EBITDA margin is stable at 15% for a while. As of beginning of november, Meituan is our second largest position in the portfolio.

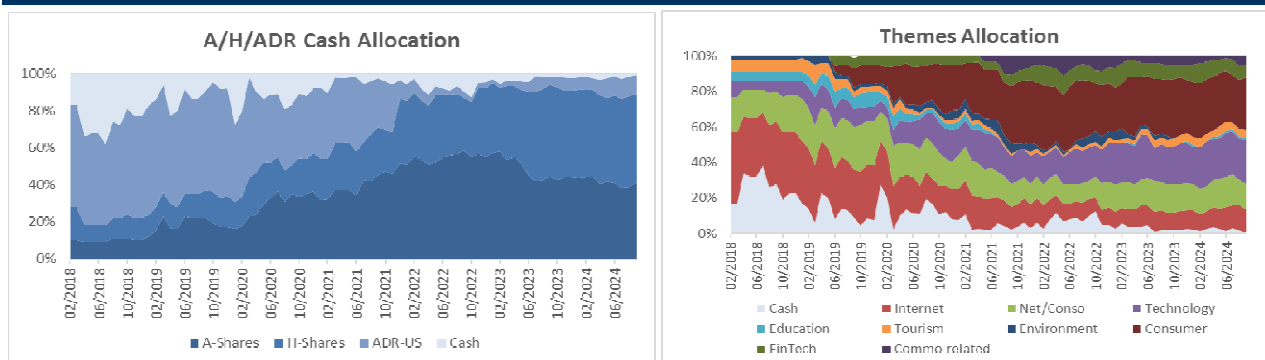
## PERFORMANCE CONTRIBUTION FOR THE MONTH

10 - Largest Contribution		10 - Largest Detractor	
1 MEITUAN DIANPING	0.35%	1 TENCENT	-0.81%
2 XIAOMI	0.35%	2 ALIBABA	-0.81%
3 POP MART INTL	0.31%	3 PDD	-0.44%
4 BEKE HOLDINGS	0.17%	4 NETEASE	-0.40%
5 EHANG	0.16%	5 WANHUA CHEMICAL	-0.34%
6 BJ VASTDATA	0.07%	6 HAIDILAO	-0.29%
7 TRIP.COM	0.06%	7 ANTA SPORTS	-0.29%
8 CCB	0.06%	8 BAIDU	-0.28%
9 SATELLITE CHEMICAL	0.01%	9 NEW ORIENTAL EDU	-0.24%
10 FUTU	0.01%	10 JIANGSU HENGLI	-0.22%

Best Performers		Worst Performers	
1 POP MART INTL	22.2%	1 JIANGSU HENGLI	-19.2%
2 EHANG	20.4%	2 WANHUA CHEMICAL	-18.8%
3 XIAOMI	18.6%	3 NETEASE	-17.8%

## "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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