

# Natixis HAM China 2.0

USD

November 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.

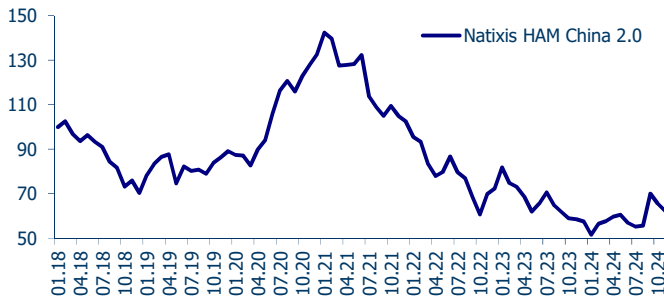
Cash is used as a tool to smooth the high volatility of these themes.

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%	-5.62%		<b>7.73%</b>

## Cumulative Performance since 01.02.2018



## Top 10 Holdings

1	TENCENT HOLDINGS LTD	9.6%
2	ALIBABA GROUP	6.8%
3	MEITUAN DIANPING	5.8%
4	CONTEMPORARY AMPEREX	5.0%
5	PINDUODUO	3.7%
6	BYD	3.6%
7	TRIP.COM	3.0%
8	PETROCHINA	2.9%
9	MIDEA GROUP	2.6%
10	CHINA CONSTRUCTION BANK	2.3%

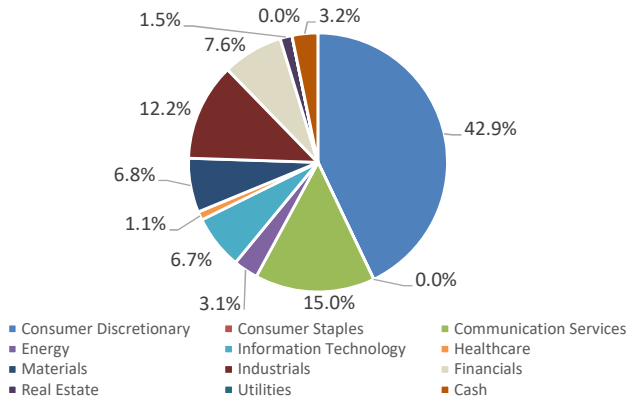
Sum top 10 **45.4%**

Sum top 20 **65.4%**

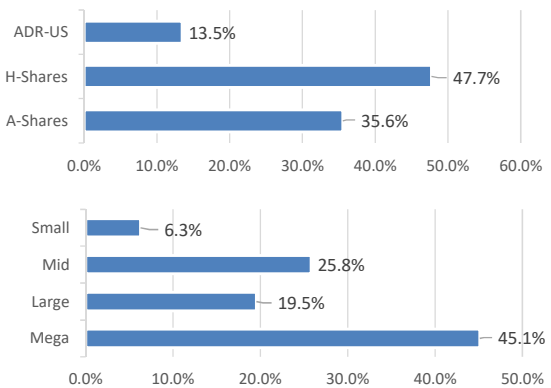
Number of positions : 43

Cash : 3.2%

## Allocation by Sectors



## Allocation by Market type & Market Cap



## Performance Since Inception

**Natixis HAM China 2.0** Tot. Ret. Volatility  
**-38.1%** **27.0%**

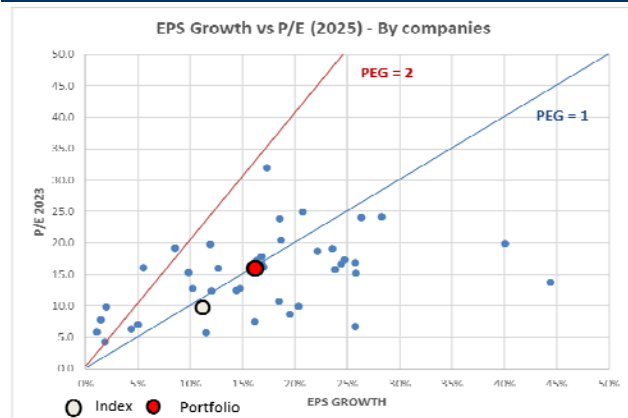
## Financial Statistics (Invested part)

Portfolio	
EPS Growth 2024	<b>28.8%</b>
EPS Growth 2025	<b>16.2%</b>
P/E 2024 (forward)	<b>18.8</b> x
P/E 2025 (forward)	<b>18.0</b> x
PEG 2024	<b>0.65</b>
PEG 2025	<b>1.11</b>
ROE	<b>19.5%</b>
Margin EBITDA	<b>24.1%</b>
Market cap average	<b>124</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 5.6% in October more or less in line with classic chinese indexes whilst Chinese markets endured another volatile month pivoting around the US election.

Markets rose 4.0% in the first week of the month but then were buffeted by the noise surrounding the US elections and the policy implications, falling 9% over the remainder of the month. The constant barrage of anti-China rhetoric focused on barring companies from technology inputs and hoisting tariff barriers on Chinese imports into the US. Foreign investors proved less resilient as the Hong Kong HIS index fell 7.3% from its November 7 mid-month high while domestic stocks were more stable dropping a smaller 5.3%.

Materials, a sector we are underweight but in which we have a single conviction position was a positive contributor. The more important contribution was a positive return in the month from the polymers group **Sunresin New Materials**. We continue to have a zero-weight position in healthcare as we believe the stocks are overexposed to licensing and regulatory crackdown risk. The sole position we hold for a while is **Shenzhen Mindray**, the leader in medical devices.

Consumer discretionary was the weakest sector and the managers continued to cut the exposure to consumer preferring to focus on high value-added industries or more straightforward consumer plays. **Anta Sports** was cut significantly this month and we cut also, **Pop-Mart**, **Kweichow Moutai** and **Wuliangye** (totally sold) in the same vein.

Many of our companies reported updated earnings and outlooks during the month. There were few significant surprises in the reports though some groups pared back future expectations. Where this happened, the stocks sold off despite the business performance. For example, **FUTU**, a US listed online HK brokerage business in which the fund holds a conviction off benchmark position delivered a 3% beat of Bloomberg consensus estimates and 20% QoQ growth in client assets, yet the stock traded lower. We believe this was one such instance and we continue to hold the position. In a similar vein, **Xiaomi**, the handset maker which now makes the SUV that Jim Farley, the CEO of Ford “drives and does not want to give up” (Business Insider – 23.10.24), reported 30% YoY revenue growth, wider margins and improved sales targets. We believe this story has a way to run and the stock remains a top 15 position in the fund.

The sentiment in the markets remains fragile as investors await greater clarity on the implementation of trade tariff and sanction policy by the incoming administration in the US. However, the evidence that we see in the sectors that we like is one of steady growth in sales and margins from solid businesses and a slowly recovering domestic consumer. Industrial and value consumer companies with strong and defensible business models or brands remain the core of our portfolio and the largest over-weights. In the end the market is a weighing machine, and these businesses are delivering the returns that should excite long term investors. **We took note that Howard Marks, founder of Oaktree Capital, went on the record last week to state that China is where the value is today.**

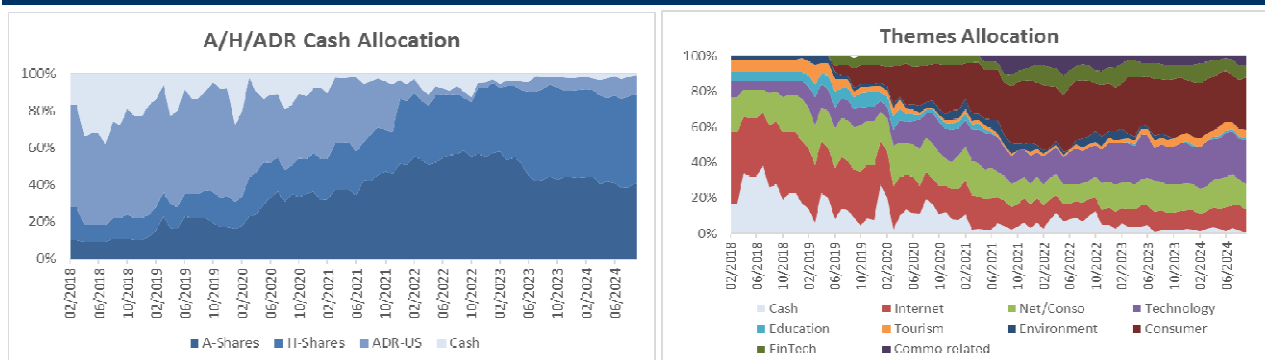
### PERFORMANCE CONTRIBUTION FOR THE MONTH

10 - Largest Contribution		10 - Largest Detractor	
1 NINGBO TUOPU	0.26%	1 ALIBABA	-0.79%
2 CATL	0.22%	2 PDD	-0.74%
3 SUNRESIN	0.19%	3 MEITUAN	-0.44%
4 POP MART	0.18%	4 BYD	-0.36%
5 NETEASE	0.16%	5 SUNGROW POWER	-0.28%
6 FULL TRUCK	0.08%	6 ZHONGJI INNOLIGHT	-0.26%
7 HONGFA TECH	0.07%	7 KE HOLDINGS	-0.21%
8 XIAOMI	0.06%	8 LUXSHARE PRECISION	-0.17%
9 TRIP.COM	0.04%	9 BAIDU	-0.17%
10 JIANGSU HENGLI HYDRAULIC	0.02%	10 SATELLITE CHEMICALS	-0.15%

Best Performers		Worst Performers	
1 NINGBO TUOPU	18.0%	1 PINDUODUO	-19.9%
2 FULL TRUCK	11.8%	2 KE HOLDINGS	-14.0%
3 SUNRESIN	11.0%	3 ZHONGJI INNOLIGHT	-13.0%

### "CHINESE SOUP" & THEMES HISTORICAL ALLOCATION



#### Disclaimer

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