



DIVERSIFICATION MATTERS Report 11

Xingtai Capital finds growth opportunities in China

For Xingtai Capital investing in China is about going beyond the headline names that everyone knows like Tencent or Alibaba. They adopt a value-driven approach to investing in Chinese growth, and believe growth will be driven by the consumer in China. Xingtai has outperformed this year by identifying unique opportunities that aren't vulnerable to outside forces like the pandemic or the trade war. Nor are they in big name conglomerates that are popular with other China-focused managers.

Xingtai Capital is a long-only investor in Chinese stocks. The strategy is fundamental, bottom-up focused and the universe is all-caps growth equities across all exchanges. The two key principals are Michelle Leung, CEO, and Bingchao Cao, CIO.

Xingtai Capital's investment team is based locally and on-the-ground in Shanghai. From there, Xingtai are able to identify value dislocations and find ideas that others have ignored or misunderstood. The team are focused on buying into the drivers of domestic growth in China with a high margin of safety. Many of these companies are therefore immune to big macro trends driving share prices elsewhere. These kinds of companies are also unlikely to fall victim to the ongoing trade war between the US and China. This year, COVID-19 ended up being a positive boost for the property management services sector as investors looking for domestic growth focused companies with high visibility rotated away from other consumer related segments.

So far, it's working. Xingtai's flagship strategy is up 32.5% year to date through

August and annualising 23.4% over the last 3 years (net of fees). On September 22, Leung will be presenting an in-depth look at Xingtai's strategy for identifying Chinese growth companies in Opalesque's upcoming webinar "Diversification Matters: Outperforming Strategies".

The event is free to attend and registration is available [here](#).

Profiles of the other speakers:

[A new fund of funds eyes regulated digital currencies](#)

[A multi-strategy approach to volatility trading drives Deep Field Capital's year to date outperformance](#)

[Cayler Capital's Energy Program outperforms during a volatile year for oil](#)

Upcoming Webinar:

DIVERSIFICATION MATTERS - More outperforming strategies

Time: Tuesday, Sep. 22nd 10 am EST

Details and free registration here: www.opalesque.com/webinar/