

These Are Some Of The Top Ideas From The Invest For Kids Conference

JACOB WOLINSKY, CONTRIBUTOR

I WRITE ABOUT HEDGE FUNDS WITH A FOCUS ON EMERGING MANAGERS

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Fall is investment conference season in the U.S., and there are always many to choose from every year. One of the more prominent annual conferences in Chicago is the Invest for Kids conference, which raises money for non-profit organizations that support children from underserved Chicago neighborhoods.

This year marked the 15th annual Invest for Kids conference, and several fund managers presented some very interesting investment ideas. Here are some of the best ideas presented at this year's conference.

Tiffany Hsiao/ Artisan Partners - BYD

First up is Tiffany Hsiao's thesis for Chinese electric vehicle maker BYD, which Warren Buffett has held for many years, although Berkshire Hathaway BRK.B [-0.6%](#) began to sell some shares starting last year. However, Hsiao remains bullish on BYD, which she sees as being insulated from the widely discussed risk of investing in Chinese companies now.

She noted that although Tesla TS-LA [+3.9%](#) captures the lion's share of the EV-related headlines, BYD is actually the world's largest EV brand. Tiffany chalks BYD's success up to its visionary chairman and founder, Wang Chuanfu. She appreciates that he is shareholder-friendly, client-focused, and execution focused—and



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Tiffany Hsiao/Artisan Partners - BYD.

that he loves his car.

BYD has actually been innovating in the area of batteries for the last three decades. She also believes the company's proprietary battery technology provides solutions for all the worries people have regarding buying EVs, which are range anxiety, safety, and the expensive price tag.

For example, BYD's EV battery pack won't catch fire when a nail is driven into it. Additionally, BYD's vehicles can reach a full charge in less than 30 minutes and deliver a 375-mile range.

BYD's battery packs are cheaper because they are more efficient to manufacture and use less rare-earth materials than other EV batteries. The battery pack usually accounts for about half the manufacturing cost of an EV.

While many fund managers have pulled back on investing in Chinese equities, Hsiao believes BYD is insulated from the risks of investing in China and from other geopolitical tensions. She clarified that any consumption concerns in China aren't actually due to affordability, adding that when consumers there buy a car, they usually do so in cash. Additionally, EV sales in China continue to surpass expectations despite the tapering growth and economic weakness over the last three years.

Hsiao also believes BYD is somewhat insulated from the growing geopolitical tensions on both the supply and demand side. The company is vertically integrated, manufacturing its own batteries, designing its own vehicles, and creating its own smart electronics.

Additionally, China is the world's largest EV market with a compound annual growth rate of 5% over the last decade. However, there plenty of opportunities for BYD outside China.

Finally, she also explained why she expects growth in the EV maker's stock. Hsiao believes that BYD has transformed into China's domestic EV champion. She also sees lots of alpha ahead for the company as it expands globally. Tiffany also notes that BYD stock is uncorrelated to the U.S. equity market and to large tech companies that investors already own, like NVIDIA NVDA [+1.2%](#) DIA 0.0% or Tesla.

This content has been adapted from its original format

To read the full story, go to <https://www.forbes.com/sites/jacobwolinsky/2023/11/28/these-are-some-of-the-top-ideas-from-the-invest-for-kids-conference/?sh=265a29cd4046>

Tiffany Hsiao is the portfolio manager of the Artisan China Post-Venture Strategy. This article represents the views of Forbes Reporter Jacob Wolinsky and Tiffany Hsiao as of 28 November 2023, and those views and opinions presented are their own. Artisan Partners is not responsible for and cannot guarantee the accuracy or completeness of any statement in the discussion. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. This discussion is not intended to be a recommendation of any individual security. Securities mentioned, but not listed here are not held in the Portfolio as of the date of this report.

For the purpose of determining the portfolio's holdings, securities of the same issuer are aggregated to determine the weight in the Strategy. The holdings mentioned comprised the following percentages of a representative account within the Artisan China Post-Venture Strategy Composite's total net assets as of 30 Sep 2023: BYD Co Ltd 5.4%. The listing of holdings does not constitute investment advice or a recommendation of any individual security. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities.

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