



HSBC Brazil Fund

An Open-Ended Fund of Funds Scheme investing in HSBC Global Investments Fund - Brazil Equity Fund.

October 2022

Investment Objective:

The primary investment objective of the Scheme is to provide long term capital appreciation by investing predominantly in units/shares of HSBC Global Investment Funds (HGIF) Brazil Equity Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain proportion of its corpus in money market instruments and/or units of liquid mutual fund schemes, in order to meet liquidity requirements from time to time. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

Fund Details



Fund Manager

B. Aswin Kumar (since 06 October 2021)



AUM (as on 30.09.22)

28.49 Cr



Minimum Investment

Lumpsum	SIP	Additional Purchase
₹ 5,000	₹ 500	₹ 1,000



Standard Deviation ¹	38.76%
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Beta (Slope) ¹	0.95
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Sharpe Ratio ^{2, 1}	-0.21
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R2	0.98
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Benchmark⁴

MSCI Brazil 10/40 Index TRI



Inception Date

06 May 2011

Portfolio theme

HSBC Brazil Equity - Underlying Fund

Long-term drivers of EPS remain in place:

- Brazil EPS growth story is delayed but not derailed
- Stabilisation plan remains the primary underpinning to macro policy
- Low growth, but even lower rates
- Government and Central Bank supporting activity without compromising fiscal austerity. Adjustment via FX

Attractive Valuations:

- Volatility has created an attractive entry point in our view
- Structural change in allocation towards equities, but at a slower pace



Exit Load³

1% if redeemed / switched out within 1 year from date of allotment, else nil.

MONTHLY MARKET COMMENTARY

Contributors to relative performance included ITAU UNIBANCO HOLDING S-PREF(Financials) with a total effect of 0.21%. Additionally, RUMO (Industrials) was in the top two contributors with a total effect of 0.17%. Detractors included COSAN LTD-CLASS A SHARES (Energy) with a total effect of -0.34% and VALE (Materials) with a total effect of -0.26%. During this period, positions were initiated in LOCALIZA RENT A CAR SA-RIGHT. Sector allocation effects are residual to stock selection. At the sector level, effects were positive, given an underweight exposure to Utilities.

Data as on 30 September 2022

¹ Statistical Ratios disclosed are as per monthly returns (Annualized) for the last 3 years.

² Risk free rate: 6.17 (FIMMDA-NSE MIBOR) as on September 30, 2022

³ Effective from March 14, 2018 for prospective investments.

⁴ SEBI vide its circular no. SEBI/HO/IMD/IMD-II DF3/P/CIR/2021/652 dated October 27, 2021, on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' has introduced two-tiered structure for benchmarking of certain categories of schemes. Accordingly, the benchmark has been classified as Tier 1 benchmark. Furthermore, the same is effective from 01 December 2021

QUARTERLY MARKET COMMENTARY

The fund underperformed the reference benchmark on a gross basis this quarter.

Contributors to relative performance included **TELEFONICA BRASIL S.A.** (Communication Services) with a total effect of 0.47%. Additionally, **ITAU UNIBANCO HOLDING S-PREF** (Financials) was in the top two contributors with a total effect of 0.34%. Detractors included **SUZANO PAPEL E CELULO-PREF A** (Materials) with a total effect of -0.45% and **VALE** (Materials) with a total effect of -0.41%.

During this quarter, positions were initiated in **MERCADOLIBRE** and **LOCALIZA RENT A CAR SA-RIGHT** whilst positions were closed in **3R PETROLEUM OLEO E GAS**.

Sector allocation effects are residual to stock selection. At the sector level, effects were positive, given an underweight exposure to Communication Services.

HGIF Global Brazil- HBF – Underlying Fund

Portfolio

Instrument	Weight (%)
ITAU UNIBANCO HOLDING S-PREF	9.8%
BANCO BRADESCO S.A.	9.5%
VALE SA	8.7%
PETROBRAS - PETROLEO BRAS	7.9%
CENTRAIS ELETRICAS BRASILIER	5.9%
WEG SA	4.9%
B3 SA-BRASIL BOLSA BALCAO	4.8%
LOCALIZA RENT A CAR	4.7%
BANCO BTG PACTUAL SA-UNIT	4.2%
SUZANO PAPEL E CELULO-PREF A	4.1%
LOJAS RENNER S.A.	4.1%
AMBEV SA	4.0%
COSAN LTD-CLASS A SHARES	3.7%
GERDAU SA-PREF	3.5%
HAPVIDA PARTICIPACOES E INVE	3.3%
ATACADAO SA	2.4%
REDE D'OR SAO LUIZ SA	2.2%
ITAUSA SA	1.6%
ENERGISA SA-UNITS	1.6%
MAGAZINE LUIZA SA	1.1%
JBS SA	0.9%
NATURA COSMETICOS SA	0.9%
MERCADOLIBRE INC	0.9%
RAIA DROGASIL SA	0.8%
VIBRA ENERGIA SA	0.7%
BANCO DO BRASIL S.A.	0.6%
BB SEGURIDADE PARTICIPACOES	0.6%
KLABIN SA - UNIT	0.4%
INTER & CO INC	0.3%
BRF SA	0.3%
TOTVS SA	0.2%
Cash	1.2%
Total	100.00%

Data as on 30 September 2022, Source – HSBC Asset Management

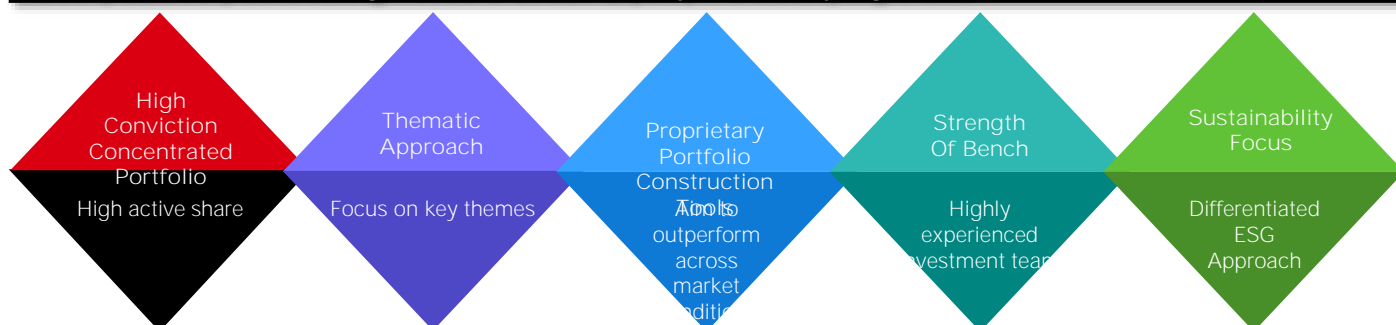
Sector Allocation (%)

Name	End Weight
Financials	31.5%
Materials	16.8%
Energy	11.6%
Industrials	9.6%
Consumer Staples	9.4%
Utilities	7.5%
Consumer Discretionary	6.8%
Health Care	5.5%
Information Technology	0.2%
Cash	1.2%

Who Can Benefit From This Fund?

- Investor who wish to have geographical and sectorial diversification leading to risk reduction
- It can helps in diversifying a predominantly domestic portfolio
- Different geographical economies may deliver varying and contrasting risk adjusted performance in various economic & investment cycles
- Provides opportunities to invest in various themes

Competitive positioning - HSBC Brazil Equity - Underlying Fund



The above information are for illustrative purpose only and it should not be considered as investment research, investment recommendation or advice to any reader of this content to buy or sell investments. The Fund may or may not have any future position in these stocks.

HSBC Brazil Fund

An Open-Ended Fund of Funds Scheme investing in HSBC Global Investments Fund - Brazil Equity Fund.

Fund of Funds - Portfolio

Issuer	Industries	% to Net Assets
EQUITY		
HGIF - Brazil Equity (Share Class S3D)	Overseas Mutual Fund	99.40%
Cash Equivalent		0.60%
TREPS*		1.11%
Net Current Assets:		-0.51%
Total Net Assets as on 30-September-2022		100.00%

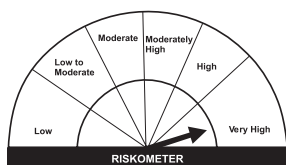
*TREPS : Tri-Party Repo
Data as of 30 September '22

Asset Allocation – Fund of Fund

Overseas Mutual Fund	99.40%
Reverse Repos/TREPS	1.11%
Net Current Assets	-0.51%
Total Net Assets as on 30-September- 2022	100.00%

HSBC Brazil Equity Fund Riskometer

HSBC Brazil Equity Fund



Investors understand that their principal Will be at Very High risk

Fund of Funds (Overseas) - An Open-Ended Fund of Funds Scheme investing in HSBC Global Investments Fund - (HGIF) Brazil Equity Fund.

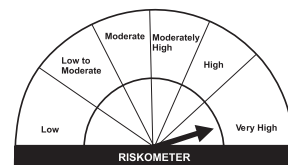
This product is suitable for investors who are seeking:**

- To create wealth over long term
- Invests in equity and equity related securities through feeder route in Brazilian markets

****Investors should consult their financial advisers if in doubt about whether the product is suitable for them.**

Please note that the above risk-o-meter is as per the product labelling of the scheme available as on the date of this communication/ disclosure. As per SEBI circular dated October 5, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular Scheme.

Benchmark: MSCI Brazil 10/40 Index TRI



Source: HSBC Asset Management, India

Disclaimer:

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Mutual fund investments are subject to market risks, read all scheme related documents carefully.