

Product Note

HSBC Brazil Fund

An open ended fund of fund Scheme investing in HSBC Global Investments Fund - Brazil Equity Fund.
February 2024

| Fund Category | Fund Manager | Benchmark ¹ | Inception Date | AUM ^{&} |
|--------------------------|--------------------------|-----------------------------|----------------|----------------------|
| Fund of Funds (Domestic) | Sonal Gupta [#] | MSCI Brazil 10/40 Index TRI | 06 May 2011 | Rs. 41.79 Cr |

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.

| Risk Ratios ² | |
|--------------------------|--------|
| Standard Deviation | 29.32% |
| Beta | 0.94 |

| Risk Ratios ² | |
|---------------------------|-------|
| Sharpe Ratio ³ | -0.04 |
| R2 | 0.97% |

Entry Load*: Not Applicable, Exit Load: In respect of each purchase / switch-in of Units, an Exit Load of 1% is payable if Units are redeemed / switched out within 1 year from the date of allotment. No Exit Load will be charged, if Units are redeemed/switched-out after 1 year from the date of allotment. The exit loads set forth above is subject to change at the discretion of the AMC and such changes shall be implemented prospectively. *In terms of 10.4.1.a. of SEBI Master Circular on Mutual Funds dated May 19, 2023, no entry load will be charged to the investor effective August 1, 2009.

Month End Total Expenses Ratios (Annualized)³ – Regular⁴: 2.42%, Direct: 1.85%

Who Can Benefit From This Fund?

- Investor who wish to have geographical and sectorial diversification
- It 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

Investment commentary - HGIF Global Brazil- HBF – Underlying Fund

- At sector level, stock selection was negative for the month. Positive performance came from Consumer Discretionary and Communication Services, though this was offset by negative stock selection in Consumer Staples and Industrials.
- Consumer Discretionary security, MERCADOLIBRE INC with total effect 0.34% is the top contributor. Additionally, Consumer Staples security, SENDAS DISTRIBUIDORA SA was the second largest contributor with total effect 0.10%. Utilities security, CIA SANEAMENTO BASICO DE SP also contributed with total effect 0.06%.
- On the other side, detractors included Health Care security REDE D'OR SAO LUIZ SA with total effect -0.22%, Consumer Staples holding, ATACADAO SA with total effect -0.22%, and Industrials holding, WEG SA with total effect -0.10%.
- During this period, positions were initiated in ITAUSA SA.
- No positions were closed.
- Sector allocation effects are residual to stock selection. At sector level, effects were positive, given an overweight exposure to Consumer Staples.

¹ As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, 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

² Statistical Ratios disclosed are as per monthly returns (Annualized) for the last 3 years.

³ Risk free rate 6.85% (FIMMDA-NSE MIBOR), ⁴ TER Annualized TER including GST on Investment Management Fees

⁵ Continuing plans,

⁶ For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources/information-library/#&accordion1446811090-4>.

Note: The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

Source – HSBC Mutual Fund, Data as of 31 January 2024. Past performance may or may not be sustained in the future and is not indicative of future results.

[#] Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Fund of Fund (FOF) Note - The investors are bearing the recurring expenses of the scheme, in addition to the expenses of other schemes in which the Fund of Funds Scheme makes investments.

HGIF Global Brazil - Monthly Commentary

At sector level, stock selection was negative for the month. Positive performance came from Utilities and Consumer Discretionary, though this was offset by negative stock selection in Financials and Energy.

Consumer Discretionary security, MERCADOLIBRE INC with total effect 0.27% is the top contributor. Additionally, Utilities security, CIA SANEAMENTO BASICO DE SP was the second largest contributor with total effect 0.15%. Consumer Staples security, RAIA DROGASIL SA also contributed with total effect 0.11%.

On the other side, detractors included Consumer Staples security ATACADAO SA with total effect -0.17%, Consumer Discretionary holding, VIBRA ENERGIA SA with total effect -0.15%, and Energy holding, ULTRAPAR PARTICIPACOES SA with total effect -0.13%.

During this period, positions were initiated in NU HOLDINGS LTD/CAYMAN ISL-A.
Positions were closed in LOCALIZA RENT A CAR SA.

Sector allocation effects are residual to stock selection. At sector level, effects were negative, given an underweight exposure

HGIF Global Brazil - Quarterly Commentary

At sector level, stock selection was positive for the quarter. Positive performance came from Utilities and Consumer Staples, though this was offset by negative stock selection in Materials and Energy.

Consumer Staples security, ATACADAO SA with total effect 0.31% is the top contributor. Additionally, Industrials security, RUMO SA was the second largest contributor with total effect 0.30%. Financials security, INTER & CO INC - BDR also contributed with total effect 0.23%.

On the other side, detractors included Materials security CIA SIDERURGICA NACIONAL SA with total effect -0.32%, Energy holding, ULTRAPAR PARTICIPACOES SA with total effect -0.27%, and Industrials holding, WEG SA with total effect -0.25%.

During this period, positions were initiated in LOCALIZA RENT A CAR SA.
Positions were closed in VIBRA ENERGIA SA, BB SEGURIDADE PARTICIPACOES, MAGAZINE LUIZA SA, and LOCALIZA RENT A CAR SA.

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

HGIF Global Brazil – Underlying Fund

Portfolio

| Instrument | Weight (%) |
|------------------------------|----------------|
| PETROBRAS - PETROLEO BRAS | 9.6% |
| VALE SA | 8.9% |
| BANCO BRADESCO S.A. | 8.3% |
| CENTRAIS ELETRICAS BRASILIER | 5.3% |
| BANCO BTG PACTUAL SA-UNIT | 5.1% |
| ITAU UNIBANCO HOLDING S-PREF | 4.8% |
| WEG SA | 4.2% |
| B3 SA-BRASIL BOLSA BALCAO | 4.1% |
| CIA SANEAMENTO BASICO DE SP | 3.5% |
| PRIOR SA | 3.5% |
| LOCALIZA RENT A CAR | 3.5% |
| AMBEV SA | 3.5% |
| TOTVS SA | 3.3% |
| SUZANO PAPEL E CELULO-PREF A | 3.2% |
| GERDAU SA-PREF | 2.8% |
| REDE D'OR SAO LUIZ SA | 2.5% |
| ITAUSA SA | 2.5% |
| BANCO DO BRASIL S.A. | 2.2% |
| COSAN LTD-CLASS A SHARES | 2.1% |
| MERCADOLIBRE INC | 2.0% |
| ENERGISA SA-UNITS | 1.9% |
| ATACADA0 SA | 1.8% |
| GPS PARTICIPACOES E EMPREEND | 1.6% |
| HAPVIDA PARTICIPACOES E INVE | 1.4% |
| LOJAS RENNER S.A. | 1.1% |
| INTER & CO INC - BDR | 1.1% |
| NATURA COSMETICOS SA | 1.0% |
| RAIA DROGASIL SA | 1.0% |
| NU HOLDINGS LTD/CAYMAN ISL-A | 1.0% |
| JBS SA | 0.9% |
| iShares MSCI Brazil ETF (DE) | 0.9% |
| Pooled | 0.9% |
| KLABIN SA - UNIT | 0.5% |
| Cash | 0.9% |
| Total | 100.00% |

Sector Allocation (%)

| Name | End Weight |
|------------------------|-------------|
| Financials | 28.9% |
| Materials | 15.4% |
| Energy | 15.2% |
| Utilities | 10.8% |
| Industrials | 9.3% |
| Consumer Staples | 8.2% |
| Health Care | 3.9% |
| Information Technology | 3.3% |
| Consumer Discretionary | 3.1% |
| Pooled | 0.9% |
| Cash | 0.9% |

Source – HSBC Asset Management, Data as on 31 January 2024

Note: The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

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 |
|---|----------------------|-----------------|
| Mutual Fund Units | | 97.38% |
| HSBC GIF BRAZIL EQUITY S3D | Overseas Mutual Fund | 97.38% |
| Cash Equivalent | | 2.62% |
| TREPS* | | 3.02% |
| Net Current Assets | | -0.40% |
| Total Net Assets as on 31-January-2024 | | 100.00% |

*TREPS : Tri-Party Repo
Data as of 31 January 24

Asset Allocation – Fund of Fund

| | |
|--|---------|
| International - Mutual Fund Units | 97.38% |
| Reverse Repos/TREPS | 3.02% |
| Net Current Assets | -0.40% |
| Total Net Assets as on 31-January-2024 | 100.00% |

Fund Manager - Sonal Gupta Effective 02 Dec 2022. Total Schemes Managed - 15

| Lump Sum Investment Performance | | | | | | | | | Inception Date |
|---|--------------|---------------|--------------|---------------|--------------|---------------|-----------------|---------------|----------------|
| Fund / Benchmark (Value of Rs 10,000 Invested) | 1 Year | | 3 Years | | 5 Years | | Since Inception | | |
| | Amount in Rs | PTP Returns % | Amount in Rs | PTP Returns % | Amount in Rs | PTP Returns % | Amount in Rs | PTP Returns % | |
| HSBC Brazil Fund - Regular Plan | 11128 | 11.28 | 10499 | 1.63 | 7867 | -4.68 | 7546 | -2.18 | 06-May-11 |
| Scheme Benchmark (MSCI Brazil 10/40 Index TRI) | 11833 | 18.33 | 13398 | 10.22 | 11291 | 2.46 | 15815 | 3.66 | |
| Additional Benchmark (Nifty 50 TRI) | 12435 | 24.35 | 16510 | 18.15 | 21276 | 16.29 | 45758 | 12.67 | |

PTP returns – Point to Point returns. | Past performance may or may not be sustained in the future and is not indicative of future results. The performance details provided herein are of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of January 2024 for the respective schemes. Returns for 1 year and above are Compounded Annualized. Returns for less than 1 year is Simple Annualized. Load is not taken into consideration for computation of performance. Different plans shall have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged to the Regular Plan. As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023, the scheme returns vis-a-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated May 19, 2023, on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes.

| SIP Performance - HSBC Brazil Fund - Regular | | | | | Inception Date: 06-May-11 |
|--|---------|---------|---------|-----------------|---------------------------|
| Scheme Name & Benchmarks | 1 Year | 3 Years | 5 Years | Since Inception | |
| Total amount invested (₹) | 120000 | 360000 | 600000 | 1520000 | |
| Market Value as on January 31, 2024 (₹) | 132,328 | 402,760 | 644,046 | 1,576,934 | |
| Scheme Returns (%) | 19.54 | 7.42 | 2.80 | 0.57 | |
| MSCI Brazil 10/40 Index TRI - Scheme Benchmark (₹) | 135,267 | 445,698 | 764,483 | 2,356,077 | |
| MSCI Brazil 10/40 Index TRI - Scheme Benchmark Returns (%) | 24.35 | 14.37 | 9.62 | 6.65 | |
| Nifty 50 TRI - Additional Benchmark (₹) | 138,356 | 459,869 | 946,878 | 4,041,588 | |
| Nifty 50 TRI - Additional Benchmark Returns (%) | 29.47 | 16.56 | 18.30 | 14.42 | |


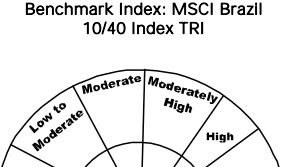
Past performance may or may not be sustained in the future and is not indicative of future results. For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. Load is not taken into consideration.

Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Source: HSBC Mutual Fund, data as on 31 January 2024

[Click here](#) to check other funds performance managed by the Fund Manager

Product Label

| Scheme name and Type of scheme | Scheme Risk-o-meter | Benchmark Risk-o-meter |
|--|--|---|
| <p>HSBC Brazil Fund An Open-Ended Fund of Funds Scheme investing in HSBC Global Investments Fund - (HGIF) Brazil Equity Fund.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> To create wealth over long term Invests in equity and equity related securities through feeder route in Brazilian markets |  <p>RISKOMETER</p> <p>Investors understand that their principal will be at Very High risk</p> | <p>Benchmark Index: MSCI Brazil 10/40 Index TRI</p>  <p>RISKOMETER</p> |

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

Note on Risk-o-meters: 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. 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. Risk-o-meter is as on January 31, 2024.

Past performance may or may not be sustained in the future and is not indicative of future results. Source: HSBC Mutual Fund, data as on 31 January 2024

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