

Product Note

HSBC Brazil Fund

Fund of Funds (Overseas) - An open ended fund of fund scheme investing in HSBC Global Investment Funds - Brazil Equity Fund.

November 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM ^{&}
Fund of Funds (Overseas)	Sonal Gupta [#]	MSCI Brazil 10/40 Index TRI	06 May 2011	Rs. 36.15 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	31.82%
Beta	0.95

Risk Ratios ²	
Sharpe Ratio ³	0.10
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.

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 6.84% (FIMMDA-NSE MIBOR), ⁴ TER Annualized TER including GST on Investment Management Fees

⁵ Continuing plans,

[&]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 October 2023. Past performance may or may not be sustained in the future and is not indicative of future returns.

[#] 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.

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

Financials security, INTER & CO INC - BDR with total effect 0.16% is the top contributor. Additionally, Health Care security, HYPERA SA was the second largest contributor with total effect 0.15%. Consumer Discretionary security, MAGAZINE LUIZA SA also contributed with total effect 0.14%.

On the other side, detractors included Health Care security REDE D'OR SAO LUIZ SA with total effect -0.15%, Energy holding, ULTRAPAR PARTICIPACOES SA with total effect -0.12%, and Communication Services holding, TELEFONICA BRASIL S.A. with total effect -0.11%.

During this period, no positions were opened. Positions were closed in 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.

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

Issuer	Industries	% to Net Assets
Mutual Fund Units		96.78%
HSBC GIF BRAZIL EQUITY S3D	Overseas Mutual Fund	96.78%
Cash Equivalent		3.22%
TREPS*		3.47%
Net Current Assets		-0.25%
Total Net Assets as on 31-October-2023		100.00%

*TREPS : Tri-Party Repo
Data as of 31 October 2023

International - Mutual Fund Units	96.78%
Reverse Repos/TREPS	3.47%
Net Current Assets	-0.25%
Total Net Assets as on 31-October-2023	100.00%

Source – HSBC Mutual Fund, Data as on 31 October 2023, The above information 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.

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HGIF Global Brazil – Underlying Fund

Portfolio

Instrument	Weight (%)
VALE SA	9.8%
PETROBRAS - PETROLEO BRAS	9.1%
BANCO BRADESCO S.A.	8.0%
WEG SA	5.8%
ITAU UNIBANCO HOLDING S-PREF	4.9%
CENTRAIS ELETRICAS BRASILIER	4.9%
BANCO BTG PACTUAL SA-UNIT	4.8%
PRIOR SA	4.2%
B3 SA-BRASIL BOLSA BALCAO	3.8%
LOCALIZA RENT A CAR	3.7%
AMBEV SA	3.7%
SUZANO PAPEL E CELULO-PREF A	3.5%
GERDAU SA-PREF	3.1%
TOTVS SA	2.9%
CIA SANEAMENTO BASICO DE SP	2.9%
REDE D'OR SAO LUIZ SA	2.2%
BANCO DO BRASIL S.A.	2.0%
COSAN LTD-CLASS A SHARES	2.0%
ENERGISA SA-UNITS	1.9%
ITAUSA SA	1.7%
ATACADAO SA	1.7%
MERCADOLIBRE INC	1.6%
HAPVIDA PARTICIPACOES E INVE	1.4%
INTER & CO INC - BDR	1.2%
RAIA DROGASIL SA	1.1%
VIBRA ENERGIA SA	0.9%
NATURA COSMETICOS SA	0.9%
JBS SA	0.9%
BB SEGURIDADE PARTICIPACOES	0.8%
LOJAS RENNEN S.A.	0.7%
iShares MSCI Brazil ETF (DE)	0.6%
[Pooled]	0.6%
KLABIN SA - UNIT	0.6%
GPS PARTICIPACOES E EMPREEND	0.5%
Cash	2.2%
Total	100.00%

Sector Allocation (%)

Name	End Weight
Financials	27.2%
Materials	17.0%
Energy	15.2%
Industrials	10.1%
Utilities	9.7%
Consumer Staples	8.2%
Health Care	3.6%
Consumer Discretionary	3.3%
Information Technology	2.9%
Pooled	0.6%
Cash	2.2%

Source – HSBC Asset Management, Data as on 31 October 2023

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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	9332	-6.68	11629	5.15	7699	-5.09	6619	-3.25
Scheme Benchmark (MSCI Brazil 10/40 Index TRI)	9854	-1.46	14503	13.18	10879	1.70	13788	2.60
Additional Benchmark (Nifty 50 TRI)	10701	7.01	16976	19.27	19487	14.27	40139	11.76

06-May-11

06-May-11

PTP returns – Point to Point returns. | Past performance may or may not be sustained in the future and is not indicative of future returns. 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 October 2023 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-à-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	1490000	
Market Value as on October 31, 2023 (₹)	119,309	356,098	561,919	1,356,686	
Scheme Returns (%)	-1.07	-0.71	-2.58	-1.51	
MSCI Brazil 10/40 Index TRI - Scheme Benchmark (₹)	123,640	398,810	673,718	2,027,915	
MSCI Brazil 10/40 Index TRI - Scheme Benchmark Returns (%)	5.68	6.77	4.58	4.82	
Nifty 50 TRI - Additional Benchmark (₹)	124,728	421,048	859,035	3,517,151	
Nifty 50 TRI - Additional Benchmark Returns (%)	7.40	10.45	14.34	13.01	

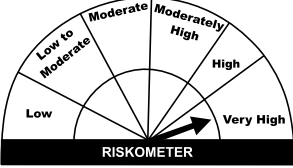

Past performance may or may not be sustained in the future and is not indicative of future returns. For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. 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 October 2023

[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
HSBC Brazil Fund An open ended fund of funds scheme investing in HSBC Global Investment Funds - Brazil Equity Fund. This product is suitable for investors who are seeking*: <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>Investors understand that their principal will be at Very High risk</p>	Benchmark Index: MSCI Brazil 10/40 Index TRI 

* 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 October 31, 2023.

Past performance may or may not be sustained in the future and is not indicative of future returns. Source: HSBC Mutual Fund, data as on 31 October 2023

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