

Plexus Management Services

NFO Review: HSBC BRAZIL FUND

Offer Period	15th Apr 2011 – 29th Apr 2011
Scheme Type	An open-ended Fund of Funds scheme
Unit Price & Subscription:	Unit Price: Rs. 10 per unit. Subscription : Rs. 5000
Load & options.	Entry load: Nil Exit load: 1% if redeemed within 365 days from the date of allotment/investment. Options: Growth Option & Dividend
Fund Objective:	The primary investment objective of the Scheme is to provide long term capital appreciation by investing predominantly in units / shares of HSBC Global Investments 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.
Benchmark:	MSCI Brazil 10/40 Index
Fund Manager	Gaurav Mehrotra, Niren Parekh & Sanjay Shah

Idea Distiller:

Brazil has emerged as an allocation magnet for fund managers across the world. However, a focussed fund on Brazil was not available to Indian residents who wanted a global diversification in their portfolio. The funds seeks to rectify the gap in the fund basket.

Asset allocation:

Item	Percentage
Debt & Cash equivalent:	0%-5%
Equities & Equity related securities	95%-100%

Peer Scheme

JPMorgan JF Greater China Equity Off-shore

Track record:

Management	Fund Manager
Risk: n/a	Risk: n/a
Return: n/a	Return: n/a

Scheme DNA:

Unique Idea: ★ ★ ★ ★ ☆
Return Possibility: ★ ★ ★ ★ ☆
Risk: ★ ★ ★ ★ ☆
Operability: ★ ★ ★ ★ ☆

Comments:

An attractive proposition for the “savvy investor” but not so for the retail person. The fund provides an exciting alternative to an India centric portfolio and has the promise of providing significant upside potential.

Oomph appeal:

High. I would buy.