

# Bourse Brazil Latin Fund

Fund Fact Sheet

January 31 2020

Managed by



## Fund Objective

The Investment Objective of the Fund is to seek a balance between long term capital growth and income by investing in a diversified portfolio of which (1) not less than 80% of the Deposited Property will be invested in Brazil and other Latin American jurisdictions and (2) no more than 20% of the Deposited Property will be invested outside of Brazil and other Latin American jurisdictions.

## Fund Characteristics

Date of Inception: June 11 2013  
 Investment Style: Long-Term Growth  
 Asset Class Focus: Equities  
 Benchmark: Latin America Equity Index

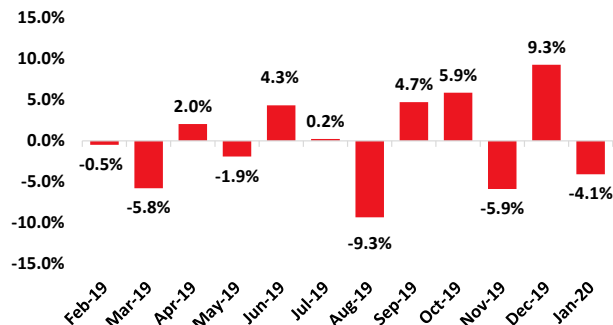
## Market Commentary

On the 31st January 2020, the Latin American market, measured by the MSCI Emerging Markets Latin America (MXLA) Index, recorded a YTD decline of 5.70%. The performance of the MXLA is heavily impacted by the Brazilian equity market which comprises 64.59% of the index. The Bourse Brazil Latin Fund in comparison is slightly overweight in terms of its holdings in both the Brazilian and Mexican equity market. Improvements in the Mexican equity market thus far have aided in offsetting declines associated with Brazil. The BBLF would have fallen to a lesser degree than the MXLA index, recording a 4.07% year to date decline.

Brazil's Bovespa Index fell 5.34% year to date in USD terms. Markets experienced some headwinds as Brazil's currency continued to be adversely affected by the low benchmark interest rate of 4.5%, a historic low for the country. The Brazilian government is scheduled to submit a bill that is aimed at reducing public sector costs and benefits in coming weeks. Brazil's Economy Minister has projected that this "administrative reform" bill will be approved this year, this being one of the latest in a number of policies proposed by the Brazilian government to reduce its fiscal deficit bill. Brazil experienced a set back in January, witnessing a deterioration of its balance of payments position relative to the rest of the world. At year end, Brazil's current account deficit widened to US\$50.8B or 2.76% of GDP, the widest it has been since 2015; comparatively at the end of 2018, Brazil had a current account deficit of US\$41.5B or 2.20% of GDP.

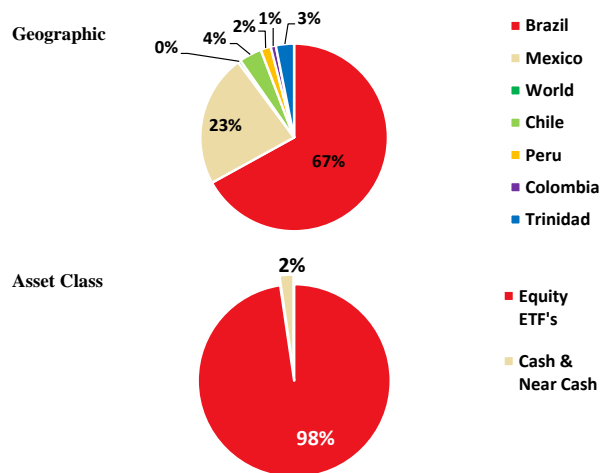
The Mexbol Index, which tracks the performance of Mexico's stock market rose 3.49% YTD, outperforming the Brazilian Bovespa Index, a complete reversal from a mere month ago. The Mexican equity market benefitted improved investor sentiment arising from the finalisation of the USMCA trade deal. The new trade deal builds on and amends policies previously established by NAFTA (the predecessor of the USMCA). One of the new policies established by the USMCA includes easier unionisation for Mexican workers.

## Monthly Performance



Returns	Unit NAV	US\$	NAV Change (US\$)	Total Return (%)	Annualized Return (%)
Year to Date	9.06		(0.38)	-4.1%	
1 Month	9.44		(0.38)	-4.1%	
3 Month	9.18		(0.12)	-1.3%	
6 Month	9.13		(0.08)	-0.8%	
1 Year	9.30		(0.25)	-2.7%	
3 Year	8.03		1.03	12.8%	4.1%
5 year	9.75		(0.69)	-7.1%	-1.5%
Inception	10.00		(0.94)	-9.4%	-1.5%

## Fund Allocation



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