

BRADESCO GLOBAL FUNDS

Brazilian Equities Mid Small Caps



As of 30/09/2024

Description

The fund seeks to maximize returns by investing in publicly listed Mid and Small Cap Brazilian Equities – defined as those excluding the 25 largest constituents of the IBrX (Brazil's 100 most liquid stocks index). These equities should comply with the criteria outlined in Article 8 of the SFDR.

Investment Objective

To obtain a superior return in the medium and long term by investing mainly in Brazilian companies with small and medium market capitalization. The investment management method used is, by using a bottom-up approach (stock picking), to select the eligible companies according to their potential growth, their strategy, their macroeconomic environment and the quality of the management of these companies.

Investment Policy

Diversified portfolio with minimum of 85% of its net assets in shares and equity-related securities issued by Brazilian companies with small and middle market capitalization values, which are not included among the 25 largest holdings in Brazilian Stock Index – IBrX. At most 15% can be invested in stocks with greater liquidity and market capitalization, provided they are not included among the 10 largest holdings of the IBrX.

Portfolio is mainly invested in shares and equity-related securities issued by Brazilian companies listed on the Sao Paulo Stock Exchange, including Brazilian Depository Receipt (BDR), American Depository Receipts (ADR) and International Depository Receipts (IDR).

Snapshot

Fund Size	\$ 37,7 million
Inception Date	30/08/2011
Domicile	Luxembourg
Fund Legal Structure	SICAV
Base Currency	US Dollar
Settlement Frequency	Daily
Settlement Day	2

Share Class Information

	I USD
ISIN	LU0670732071
BBG Ticker	BREMSIU LX
Annual Fee	0,80%
Inception Date	30/08/2011
Minimum Investment	1.000.000

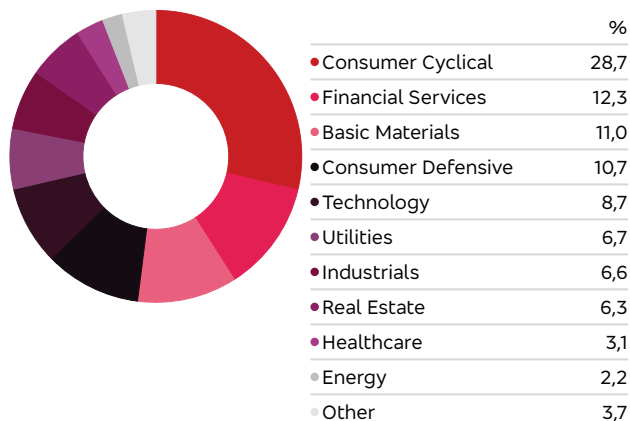
Performance

I USD	1 M	3 M	YTD	2023	2022	2021	Since Inception
Return	-2,28	-0,68	-24,66	9,27	-5,03	-16,03	-34,38

Investment Growth



Sector Allocation



Top 10 Holdings

Company	Sector	Fund (%)
Totvs SA	Technology	5,72
ALLOS SA	Real Estate	5,60
Grupo Mateus SA Ordinary Shares	Consumer Cyclical	5,57
SLC Agricola SA	Consumer Defensive	4,86
Vivara Participacoes SA Ordinary Shares	Consumer Cyclical	4,86
Cyrela Brazil Realty SA Empreend e Part	Consumer Cyclical	4,63
Hapvida Participacoes Investimento SA Ordinary Shares	Financial Services	4,59
Natura &Co Holding SA Ordinary Shares	Consumer Defensive	4,16
Metalurgica Gerdau SA Participating Preferred	Basic Materials	3,89
Klabin SA Ctf de Deposito de Acoes Cons of 1 Sh ' 4 Pfd Shs	Basic Materials	3,62

Total Number of Positions

33

Manager's Comments

Review

The Fund fell by 0.68% in the third quarter of 2024, in USD, while the IBOVESPA rose by 8.87% in dollar terms. During this period, there was a decrease in US inflation and an increase in the unemployment rate, enabling a 0.5 percentage point interest rate cut on September 18. This trend of cuts was followed by Mexico, Sweden, and Switzerland, signalling that further reductions are likely in the coming months. The same occurred with the European Central Bank, which also reduced the deposit rate by 0.25 percentage points. The Chinese economy stood out for the broad and combined stimulus announced, including monetary, fiscal, and measures aimed at the real estate and stock markets.

In Brazil, the SELIC rate was raised by 0.5 percentage points on September 18, and based on COPOM's communication, the rate is expected to continue rising. This was due to activity data that continued to indicate the economy remains heated, posing challenges for monetary policy. In addition to persistent high service inflation, electricity prices pressured by drought in the central-southeast region of the country underscore this inflationary backdrop.

Given this scenario, we are reducing the participation of commodity-producing companies and companies with higher beta linked to the domestic cyclical sector. At the same time, we are increasing holdings of companies less susceptible to interest rate hikes, seeking to reduce the Fund's risk profile during this transition period.

Outlook

The interest rate raising will bring monetary tightening, the Fund's investment universe may experience a reversal, as declining international interest rates will boost global equity allocations. These adjustments should stabilize the Fund's relative performance, positioning it to capitalize on attractive multiples and, in the long term, benefit from the changes introduced by the tax reform.

About Bradesco Asset Management

Fund Information

Manager

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Auditor

KPMG
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Registered Status

This fund is currently registered for sale in Luxembourg, Portugal, and Spain.

Transfer Agent, Custodian Bank and Administrator

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Disclaimer

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