



# BTG Pactual SICAV Latin American Equity Fund

Monthly Report June 2021

## Cumulative Performance<sup>1</sup>

	MTD	1 year	3 years	4 years	Since Inception
<b>Fund</b>	3.29%	43.99%	19.35%	14.12%	6.70%
<b>Index</b>	2.59%	44.11%	15.36%	15.31%	-5.75%

## Annual Performance<sup>1</sup>

	YTD	2020	2019	2018	2017	2016
<b>Fund<sup>1</sup></b>	8.99%	-12.43%	19.70%	-6.67%	22.35%	16.57%
<b>Index</b>	8.26%	-13.78%	17.55%	-4.39%	29.33%	23.39%

## Performance Since Inception



<sup>1</sup>Performance of Class A net of Fees. Index Performance since inception of Class A. **Past performance is not a reliable indicator of future results**

## INVESTMENT OBJECTIVE

The primary objective of the Fund is to generate long-term returns from capital growth and to outperform the MSCI Latin America 10/40 Net USD index by investing primarily in a portfolio of investments in equity and equity-equivalent securities of companies which have their registered office in or are listed on a stock exchange or other Regulated Market in Latin America as well as companies with significant operations or carrying out a preponderant part of their business activities in Latin America.

<b>Custodian</b>	J.P. Morgan Bank Luxembourg S.A.
<b>Base currency</b>	USD
<b>Currencies available</b>	USD, EUR, BRL
<b>Share calculation</b>	Every Business Day
<b>Subscription/Redemption</b>	Daily
<b>Fund AUM</b>	USD 162.20 m
<b>Strategy AUM<sup>1</sup></b>	USD 351.53 m

## KEY RISK

The Fund is not guaranteed and your investment is at risk. The value of an investment in shares will depend on a number of factors including, but not limited to, market and economic conditions, sector, geographical region and political events. The fluctuation in value of currencies or the conversion from one currency to another can adversely affect the return of your investment. Investments in emerging markets are potentially more illiquid (cannot quickly and easily be converted into cash) than those in established markets.

<b>Annual management charge</b>	<b>USD Share Class A</b> Up to 1.25%
<b>Ongoing charges<sup>4</sup></b>	1.54%
<b>Minimum initial investment</b>	US\$ 1,000
<b>Launch date</b>	03 September 2012
<b>ISIN Code</b>	LU0815616999

<b>Annual management charge</b>	<b>USD Share Class I<sup>2</sup></b> Up to 0.90%
<b>Ongoing charges<sup>3</sup></b>	1.16%
<b>Minimum initial investment</b>	US\$ 5,000.000
<b>Launch date</b>	03 September 2012
<b>ISIN Code</b>	LU0815620082

<sup>1</sup>Total AUM considering the same strategy managed through other investment vehicles. <sup>2</sup>This shareclass was dormant from 04 December 2015 to 11 November 2019. <sup>3</sup>The ongoing charges figure is based on the expenses from 30/06/2021 and may vary from year to year. The ongoing charges is the annual management fee plus additional expenses. <sup>4</sup>The ongoing charges figure is based on the expenses from 30/06/2021 and may vary from year to year. The ongoing charges is the annual management fee plus additional expenses.

Please refer to the Important Information at the end of this document. All Information as of June 30, 2021 unless otherwise stated.

## COUNTRY BREAKDOWN

Brazil	66.53%
Mexico	24.58%
Chile	3.91%
Peru	0.86%
Other <sup>5</sup>	2.25%
Colombia	0.00%

<sup>5</sup>Other countries include Argentina, Uruguay and Panama

## GROSS EXCESS RETURN

Country	Since Inception	YTD	Month
Brazil	-0.60%	-0.71%	0.36%
Mexico	-2.10%	-0.48%	-0.30%
Chile	2.32%	1.43%	0.00%
Colombia	-0.34%	0.50%	-0.11%
Peru	0.97%	0.54%	0.17%
Other <sup>6</sup>	0.42%	-0.11%	0.09%

<sup>6</sup>Other countries include Argentina, Uruguay and Panama

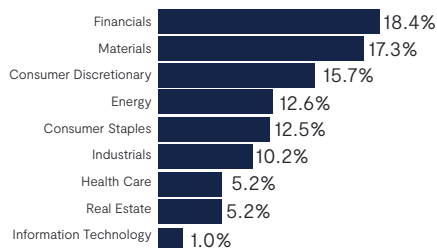
## STATISTICS

	Fund	Benchmark
Annualized Ret.	0.74%	-0.68%
Annualized Std. Dev.	25.44%	26.28%
Sharpe <sup>7</sup>	0.00	-0.06
Tracking Error <sup>8</sup>	7.96%	-
Tracking Error 1Y	7.07%	-

<sup>7</sup> Assumed risk-free rate is the 1 month Libor.

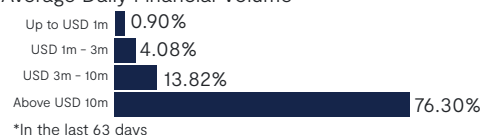
<sup>8</sup> Considering 12 months.

## EXPOSURE BY SECTOR

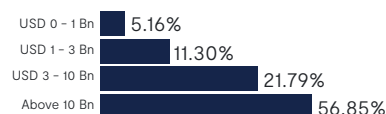


## LIQUIDITY

### Average Daily Financial Volume\*



## MARKET CAPITALIZATION



## PORTFOLIO MANAGERS' COMMENTS

### PERFORMANCE

The BTG Pactual SICAV Latin America Fund appreciated 3.29% (net of fees) during June 2021, while the MSCI Latin America Index posted a 2.59% return during the month. The outperformance was mostly caused by positive stock selections in our Brazilian holdings, partially offset by negative stock selection in Mexico and Chile and not holding any names in Colombia. At the stock level, the main contributors to performance were consumer names in Brazil such as Natura and Grupo SBF as well as fuel distributor Cosan (all benefitting from the gradual economic reopening), while the main detractors were our underweight positions in Petrobrás and Vale.

### TRANSACTIONS

We had another active month, introducing four new companies to the portfolio and removing three. In Brazil, we continued to rebuild our exposure to Petrobrás and added to names that we believe will perform under a reopening scenario – these include Lojas Renner, Burger King and PagSeguro. In Mexico we added retailer Liverpool to the portfolio also as a reopening play. We reduced our exposure to commodities during the month given positive performance, rotated out of some large outperformers in Mexico, and reduced our exposure to B3 due to potential higher competition in the future.

### POSITIONING AND OUTLOOK

We are overweight in the two largest markets in the region – Brazil and Mexico. We expect Brazil to continue to benefit from the interest rate normalization by the Central Bank, which should help to bring inflation back to the target range and provide some stability to the Real, and better than expected economic activity as the country slowly works its way out of the Covid pandemic, which has led to an increase in consensus GDP growth forecasts for this year. Mexico is also performing, aided by the recovery in the US economy and benefitting from the commercial ties between the two countries. The situation in the Andean region remains less favorable – we are underweight Chile given a stronger than expected performance of leftist parties in the elections. We have also continued to reduce our exposure to Peru given expectations of higher taxation and royalties under the incoming administration. Finally, we remain zero weighted in Colombia and Argentina.



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