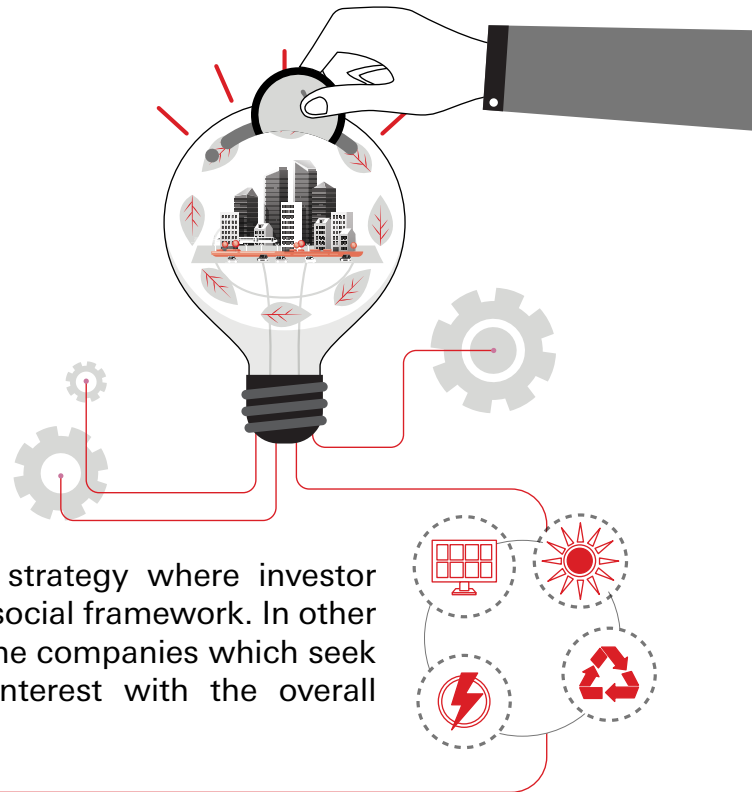


Mutual Fund

Invest responsibly with ESG Funds



Responsible investing is a type of investment strategy where investor selects a stock on basis of company's moral and social framework. In other words, responsible investors want to grow with the companies which seek sustainable growth and align their business interest with the overall environmental and social interests.



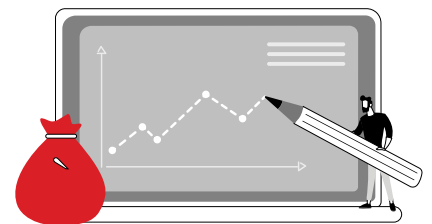
One way to invest responsibly in sustainable companies is through ESG mutual funds. ESG (Environmental, Social and Governance) investing allows you to invest in the companies that are acting responsibly and are actively reducing their negative impact on the world.

Under ESG mutual fund investing, the fund manager uses the traditional stock selection process where companies are analysed based on various financial parameters such as financial records, accounts, past performance, factors that are in line with its scheme objective, investment philosophy and overall stock selection strategy. In addition, he validates the company on certain non-financial parameters such as the company's environment-friendly initiatives, social and ethical practices adopted and their corporate governance framework.

Since ESG compliant companies are ethically sound they have potential to perform better than companies that are not following ESG practices.

Historically, the ESG Index* has beaten Nifty 100 & Nifty 50 indices and outperformed over 90% of large cap funds# over three years' horizon.

*Nifty 100 ESG Sector Leader Index | # Regualr Plans | Data as on October 2020 | Source: The Hindu Business Line



An ESG mutual fund evaluates and shortlists companies primarily based on their ESG profile.



E
(Environment friendly)



S
(Socially responsible)



G
(Corporate Governance)





- Advanced resource management policies to control global warming & worsening climate conditions
- Measures to reduce emissions & carbon footprint
- Adoption of green policies and environment-friendly ecosystem infrastructure



- Employee-friendly corporate culture
- Focus on human resources, relationships, fair and impartial work culture
- Potential to grow steadily over the years
- Strong track record



- Robust ethical practices
- Honest management to ensure sustainable growth of the company
- Adherence to compliance policies
- Overall strict governance to run a company



Globally, the number of ESG funds has tripled over the last decade* and considering its quick acceptance by investors more fund houses are set to adopt this theme of responsible investing in the near future.

*Source: ESG Data Market No Stopping Rise Now, Opimas research, March 2020

Why ESG investing is the right approach?



ESG compliant companies have the potential to deliver positive returns in the long run



Such an investment can leave a positive impact on society and the environment



It is an opportunity to contribute to nature-friendly future and ethical advancement

Take a step towards sustainable investing & become a responsible investor today with ESG fund.



An investor awareness initiative by HSBC Mutual Fund.

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

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