

Let India's  
every purchase



power your  
portfolio.

Introducing

## HSBC Consumption Fund

(Thematic - An open ended equity scheme following consumption theme)

**NFO Start Date:** 10 August 2023

**NFO End Date:** 24 August 2023

**Reopening Date:** 7 Sep 2023

**NFO Deck:** July 2023

# Contents

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## Why Consumption Theme?

- India is at an inflection point
- India is where China was in CY06

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## India can replicate China success story

- Increase in ability to spend driven by
  - Demographic dividend
  - Disposable income
  - Access to credit
- Change in behaviour / spending pattern

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## Key Consumption Themes

- Penetration
- Unorganised to organised
- Premiumisation
- Digitisation / social influence

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## Thematic Funds?

- Performance and Volatility
- Consistency - Consumption Index performance
- Investment Universe – Themes & sectors

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## Why now – Market outlook

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## Presenting: HSBC Consumption Fund

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The fund equation

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Investment approach of the fund

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Investment strategy

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Summary

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Annexures – HSBC MF profile, Investment process

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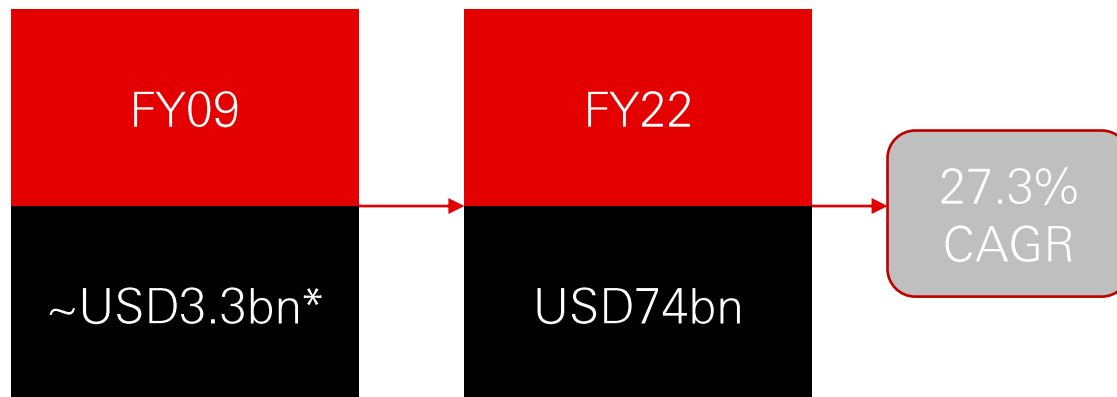
# Why

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# Consumption Theme

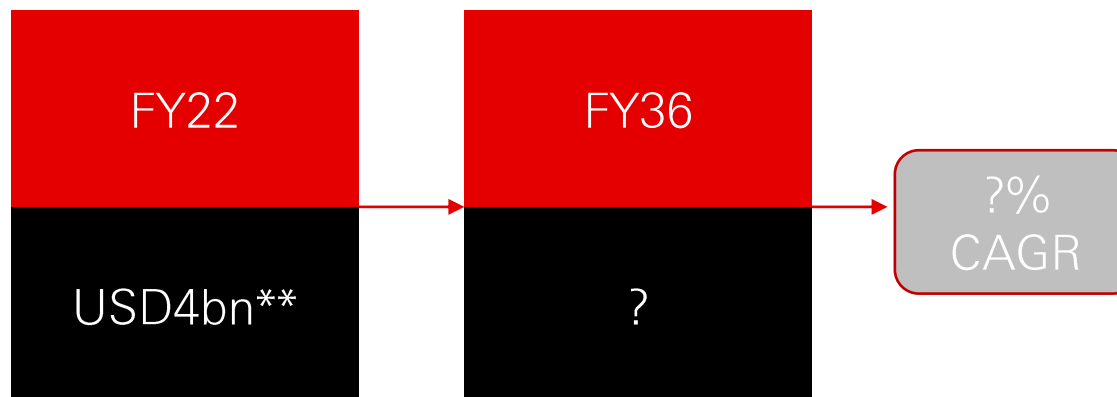
## China

Apple revenue  
post opening of  
1<sup>st</sup> store in China  
in 2009



## India

Apple opened its  
first store in India  
in 2023



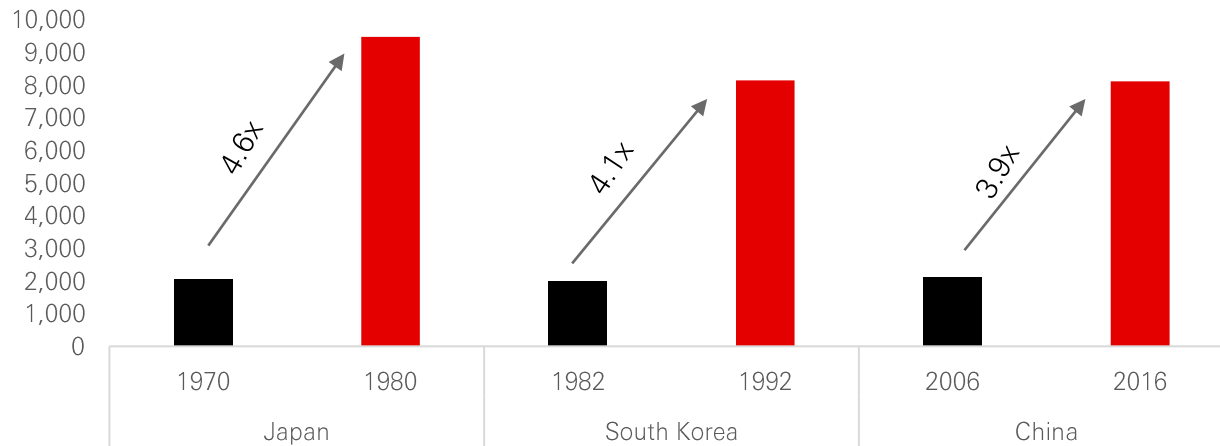
Source: Bloomberg, \* Total Asia Revenue including China is USD 3.3bn and China revenue is less than USD3.3bn, \*\*Based on media articles

# India is where China was in 2006

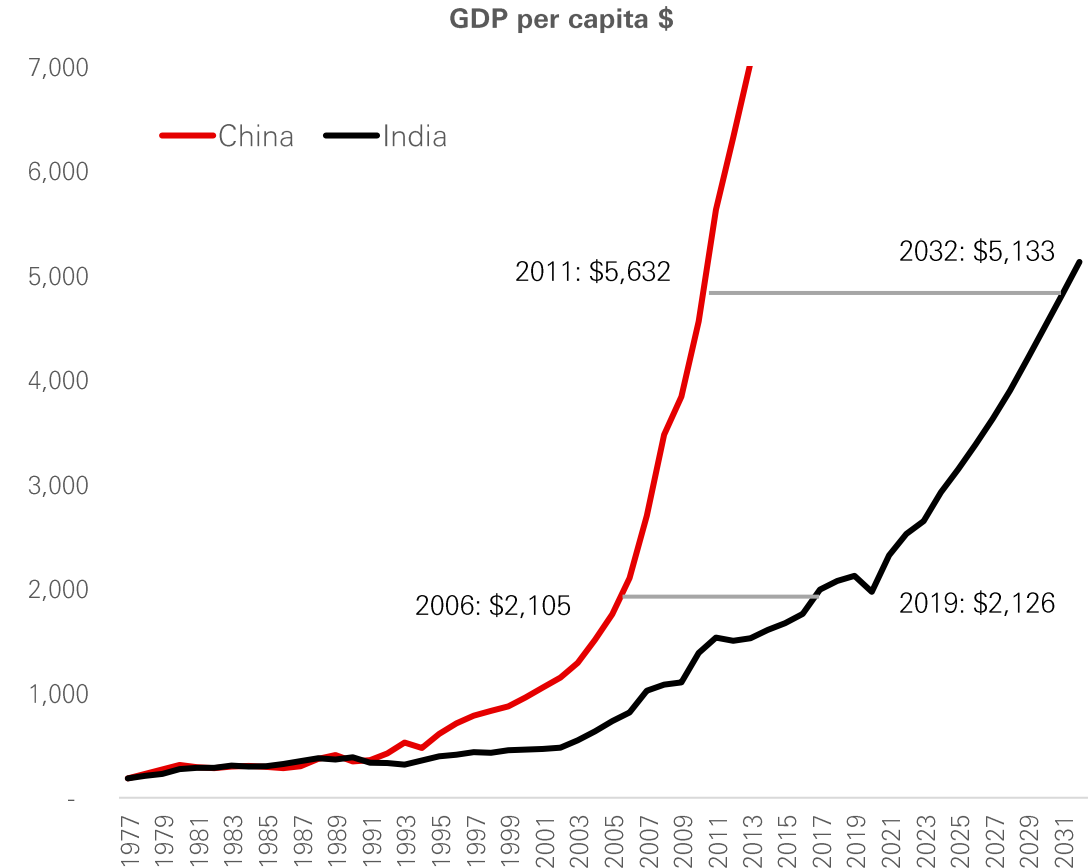
India crossed USD 2000 per capita income in CY19

- China per capita income crossed USD 2,000 in CY06
- China's growth in next 10 years (CY06-16) was 14.5%
- During this period
  - China Car sales grew by 5x from 5mn to 24mn (India FY23 car sales was 4mn)
  - China air passenger travel grew by 3x from 158mn to 488mn (India FY20 air passenger was 164mn)
  - Other categories like Food & Beverage grew 3.6x, Medicines & Medical appliances 3.5x and Sports Equipment 7.4x

## India's per capita path likely to be similar



## China vs India (Per capita income)



**India can replicate China consumption success story in the next 10-15 years**

Source: World bank, NBS of PRC, Bloomberg, Euromonitor, Latest available data updated, Data as on 31 May 2023

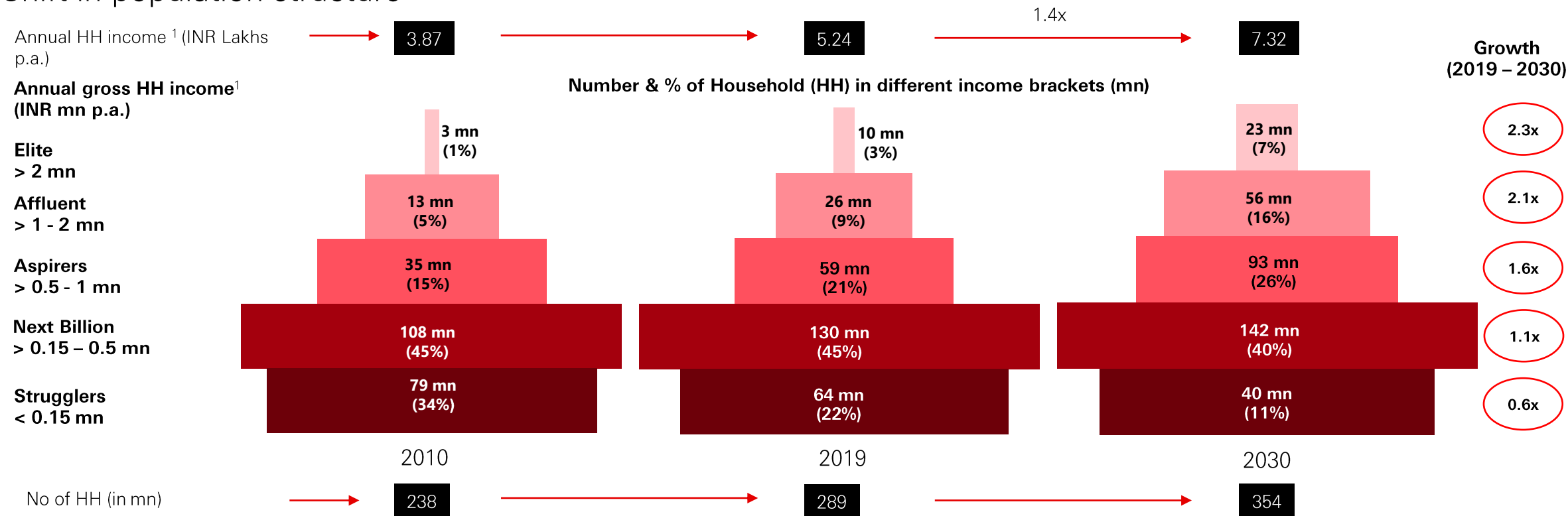
# **Why India can replicate China success story**

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## **Increase in ability to spend**

# Middle Class to redefine India’s consumption story

## Shift in population structure



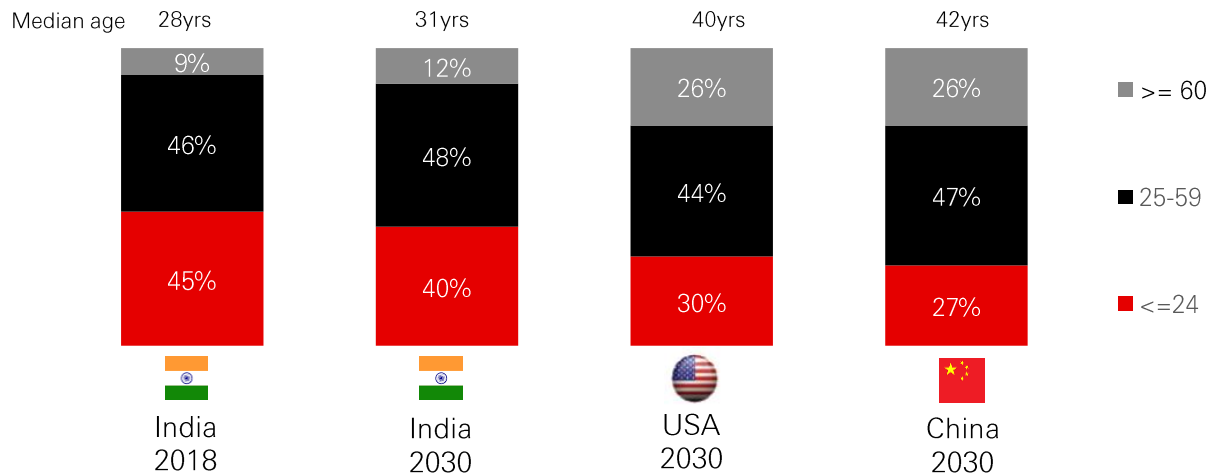
### India’s current and expected future population breakup holds the key

- 34 million new households (HH) likely to enter Aspirers category while 43 Mn HH to enter Affluent & Elite category by the end of this decade
- India is clearly well positioned to reap benefits of demographic dividend

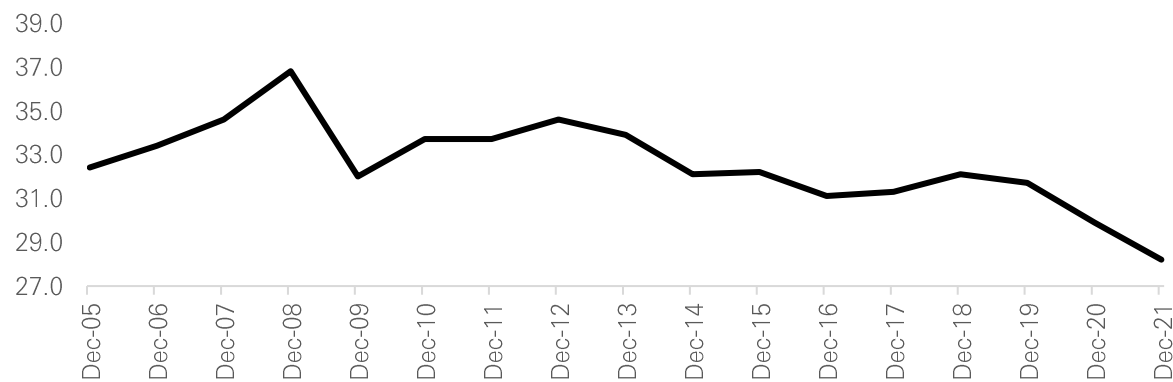
Source: BCG X Rai 2022, 1. Annual HH gross income based on 2019 prices, Bloomberg, For illustration purpose only.

# India will have the youngest work force

In 2030, 77% of India's population will comprise Millennials & Gen Z



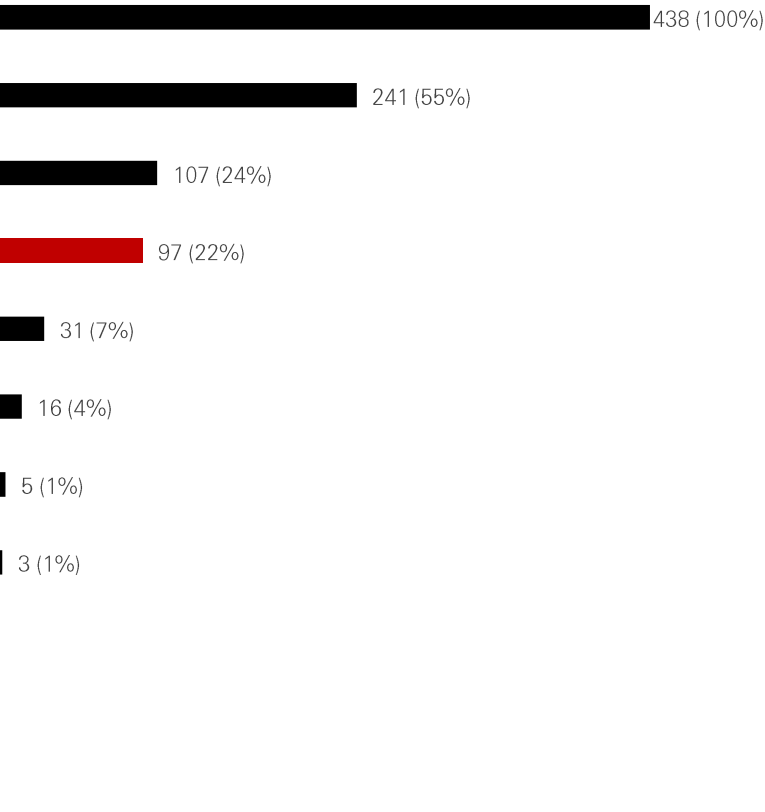
Reduced savings rate



Working population (2021) mn

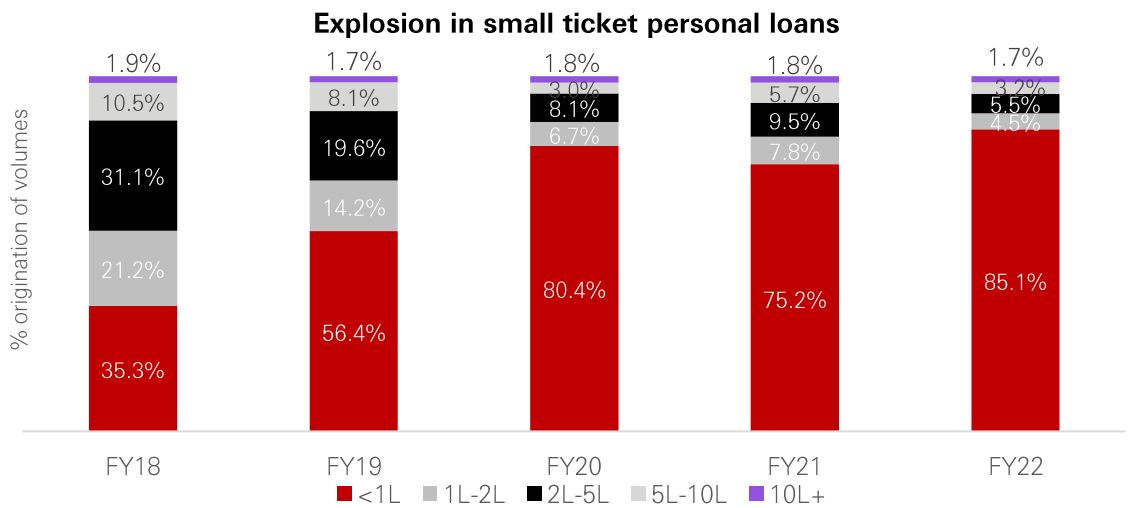
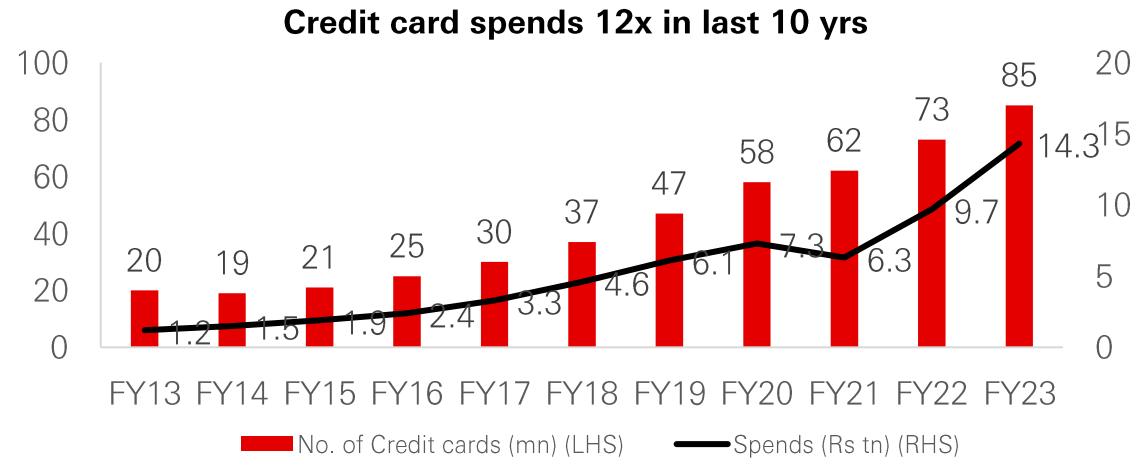
5130	World
774	Africa
798	ROW
940	INDIA
443	LATAM
188	Indonesia
206	Rest of AXJ
215	US
74	Japan
482	Europe
1011	China

Additions to working population (2021 to 2031E) mn



India expected to add 22% of the worlds working population by 2031





**Samsung 183 L 2 Star Digital Inverter Single Door Refrigerator (RR20C2412GS/NL, Gray Silver)**

Visit the Samsung Store  
4.2 ★★★★★ | 7,204 ratings | 205 answers  
**Amazon's Choice** for "fridge"

**Deal**  
-25% ₹13,490  
M.R.P.: ₹17,999  
8 Fulfilled  
Inclusive of all taxes  
EMI starts at ₹645. No Cost EMI available. EMI on

**Offers**

**No Cost EMI**  
Upto ₹1,566.96 EMI interest savings on select Credit Cards  
1 offer >

**Bank Offer**  
Upto ₹1,750.00 discount on select Credit Cards, HDFC...  
6 offers >

Free Delivery   10 days Replacement   1 Year Warranty   Top

Colour: **Inverter Grey**

₹13,490.00

₹13,490.00

Eligible for Free Open Box Inspection [Details](#)

Product Dimensions: 66.5D x 53.6W x 122H Cent

Brand: Samsung

Capacity: 183 litres

#### No Cost EMI

Amazon Pay Later   **Credit Card EMI**   Other EMIs

View only 'No Cost EMI' options

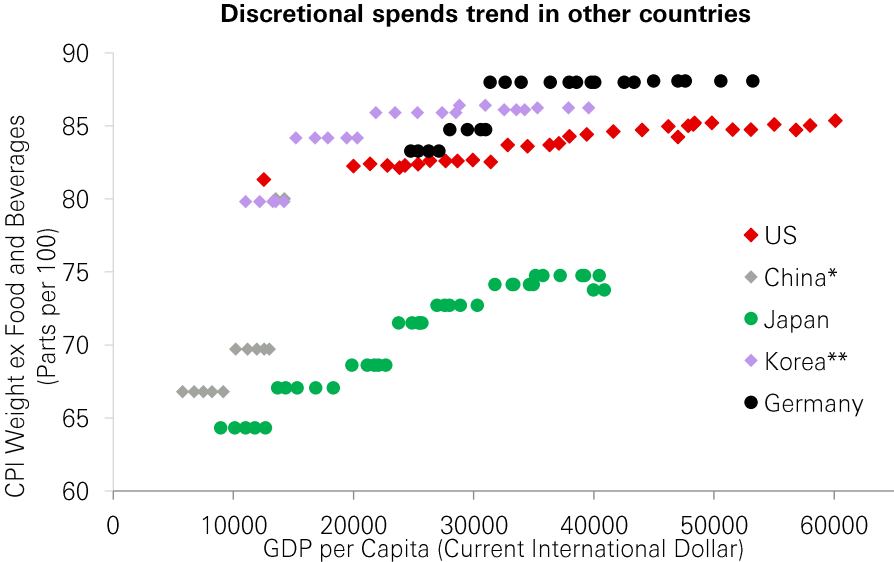
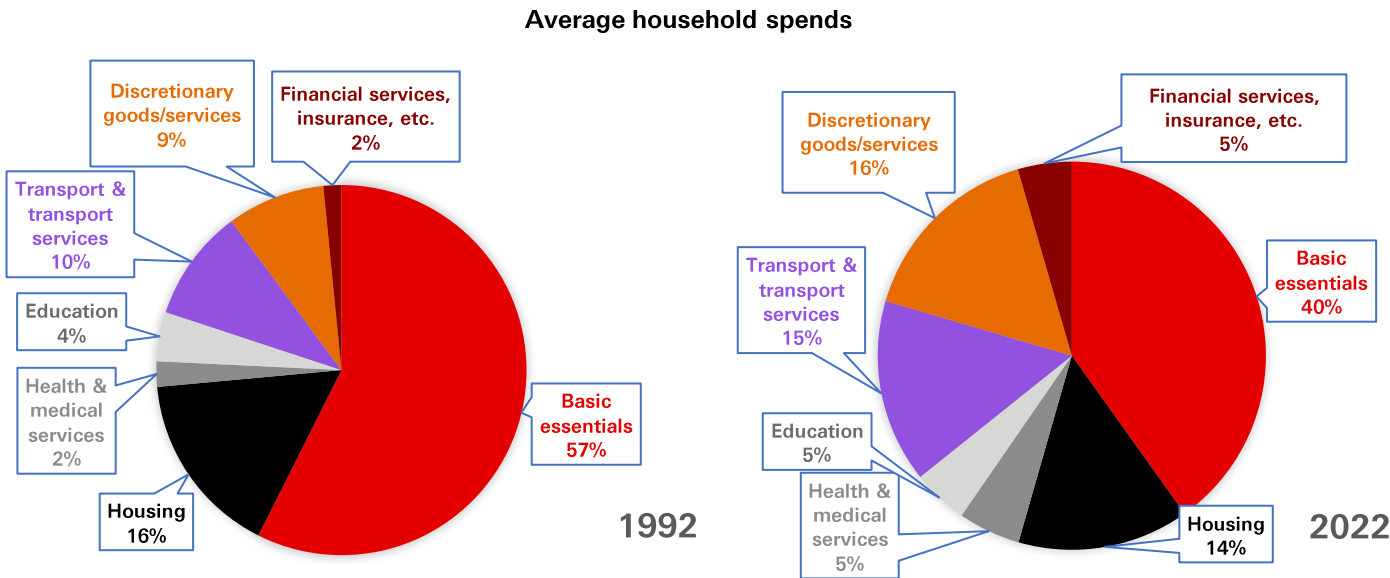
Amazon Pay ICICI Credit Card	Processing Fee of ₹199 by Bank	▼
HDFC Bank Credit Card	Processing Fee of ₹199 by Bank	▼
SBI Credit Card	Processing Fee of ₹199 by Bank	▼
ICICI Bank Credit Card	Processing Fee of ₹199 by Bank	▼
RBL Bank Credit Card	Processing Fee of ₹199 by Bank	▼
American Express Credit Card	Processing Fee of ₹99 by Bank	▼
IndusInd Bank Credit Card	Processing Fee of ₹199 by Bank	▼
Standard Chartered Bank Credit Card		▼
Kotak Mahindra Bank Credit Card	Processing Fee of ₹199 by Bank	▼
HSBC Bank Credit Card		▼
Bank of Baroda Credit Card	Processing Fee of ₹199 by Bank	▼

Information collateral replaces physical collateral

Source: RBI, CLSA, LHS – Left Hand Side, RHS – Right Hand Side, For illustration purpose only.

# Wallet share moving towards discretionary spends

	FY12	CAGR	FY22	CAGR	FY32e
Nominal GDP	\$1826bn	5.7%	\$3174bn	9.6%	\$7903bn
Consumption share of GDP	\$1026bn	6.3%	\$1883bn	9.2%	\$4544bn
Total Retail Market	\$461bn	5.4%	\$781bn	8.9%	\$1834bn
Grocery Retail	\$306bn	5.0%	\$499bn	6.5%	\$939bn
Non-Grocery Retail	\$155bn	6.2%	\$282bn	12.2%	\$895bn

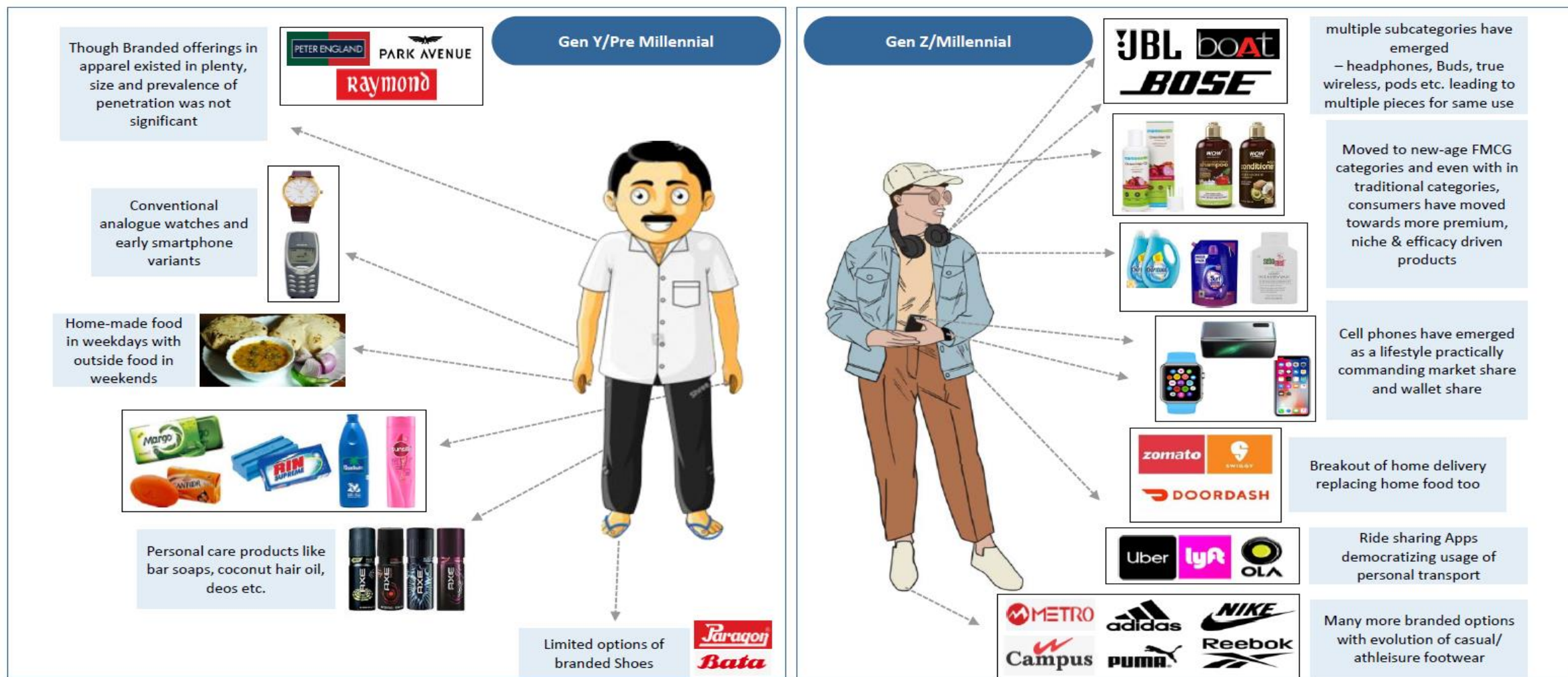


# **Why India can replicate China success story**

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## **Change in behaviour / spending pattern**

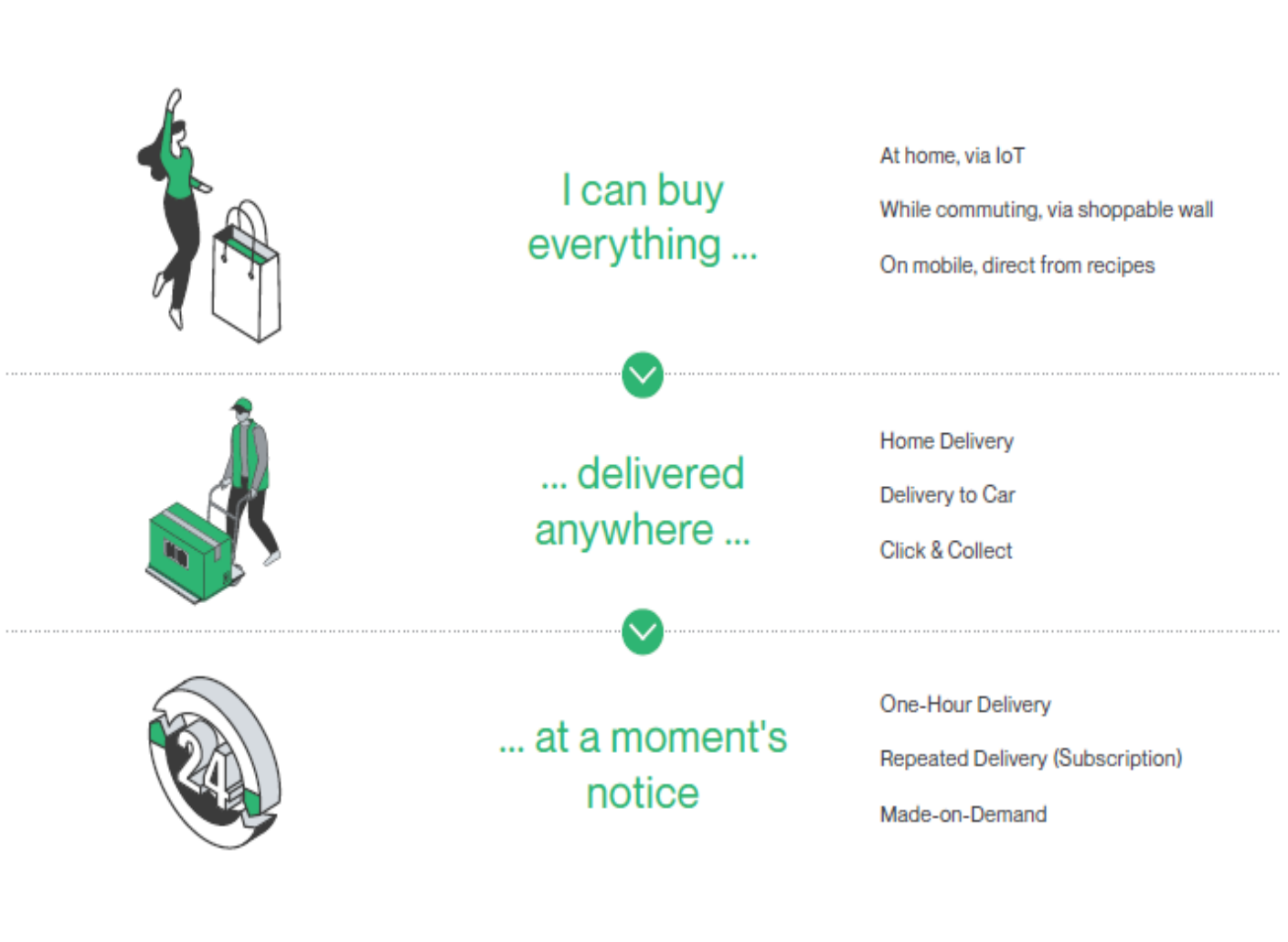
# Changing Spending Patterns









**New age consumer is upgrading their lifestyle**

Source – Avendus Spark, For illustration purpose only,

# Behaviour moving towards everything, anywhere, anytime



## Emergence of new spending categories

	Categories existed even a decade back	Category Expansion	Newer Disruption Categories
	Headphones & Earphones	Wireless Bluetooth, Sports	Truly Wireless, Earbuds, Bone Conducting
	Cable TV/In-house Entertainment	Android TV, Satellite TV	OTT Apps
	Accessories	Cell Phone Chargers, Wireless Charging	Power Bank
	Non-Home Food Consumption	Personal Takeaway	Home consumption replaced by outside food by aggregators
	Watches	Smart Watches	Health bands, fitness trackers
	Public Transportation	Taxi services	Motor Vehicle Aggregators

**Multiple non existing and niche segment of spends have emerged**

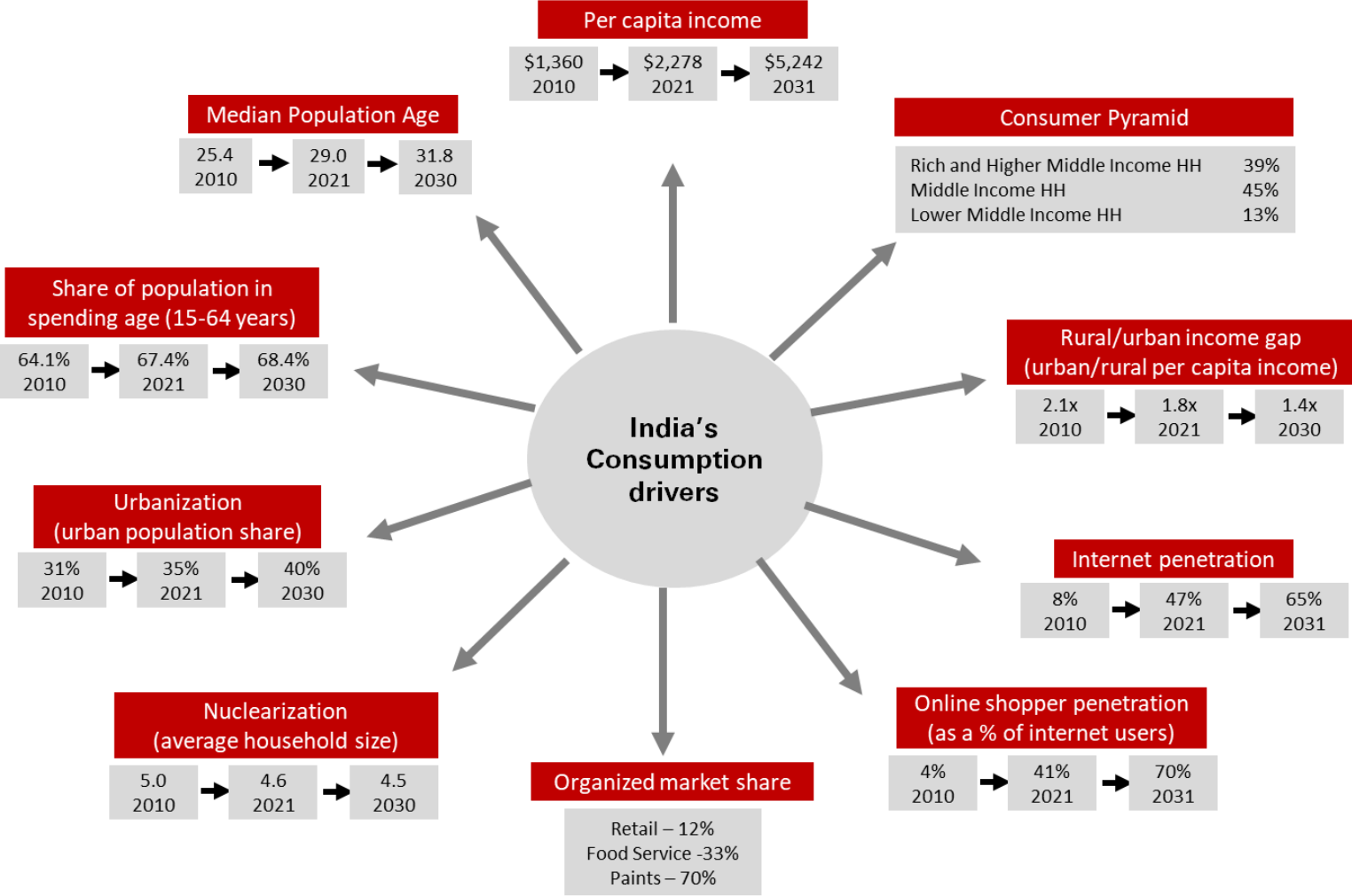
Source: Spark capital research, Bloomberg, For illustration purpose only.



# Key Consumption Themes

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# Drivers of future Spend

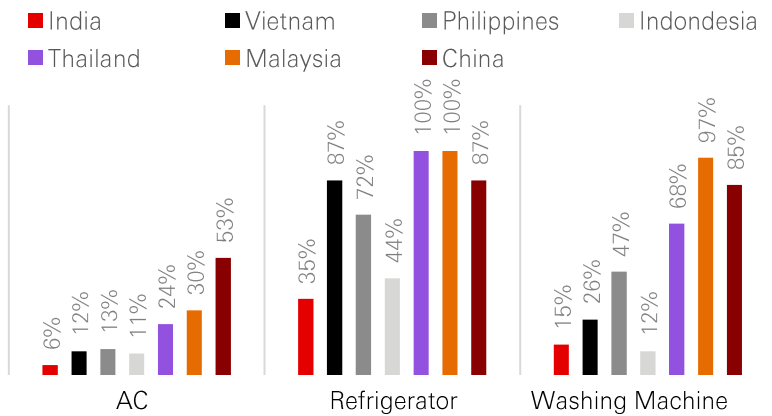


Source: Bloomberg, Morgan Stanley, BCG Rai 2022, For illustration purpose only.

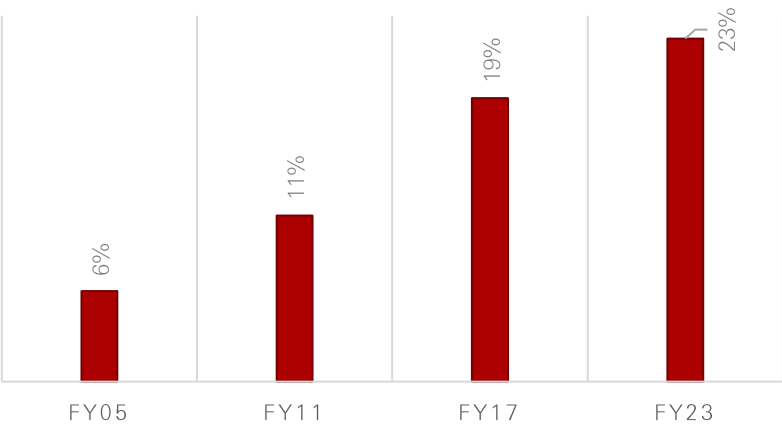


# Significant opportunity on penetration

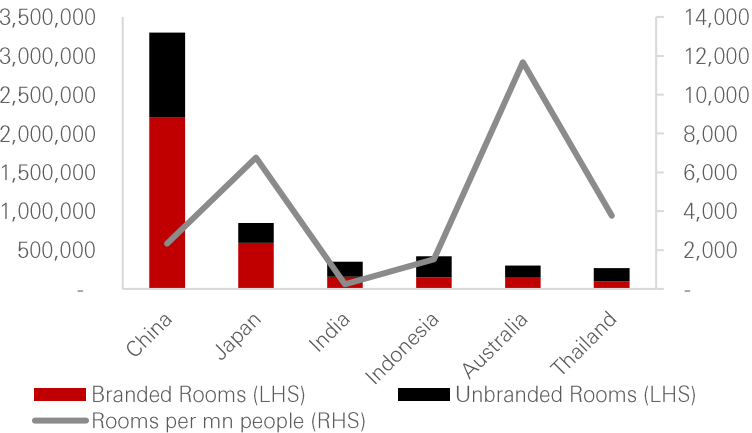
Country wise penetration of select consumption products



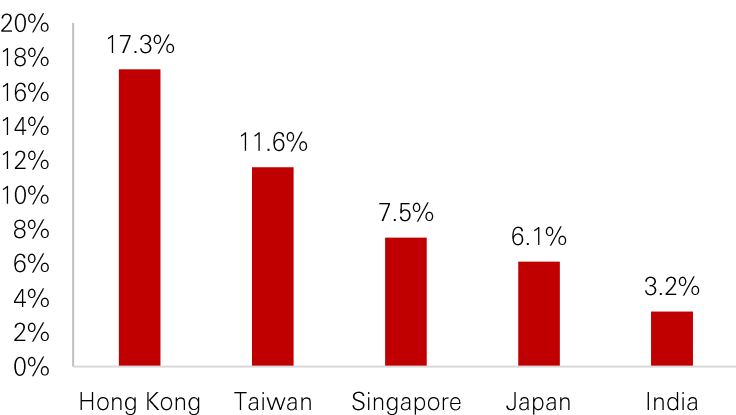
Passenger Vehicles penetration^



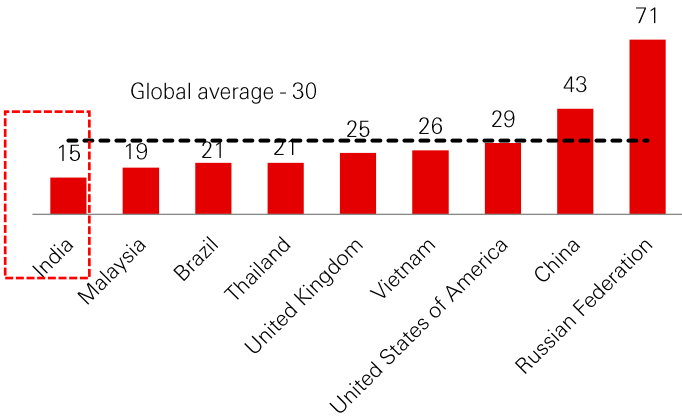
India hotel rooms – starkly lower vs peer countries ^^



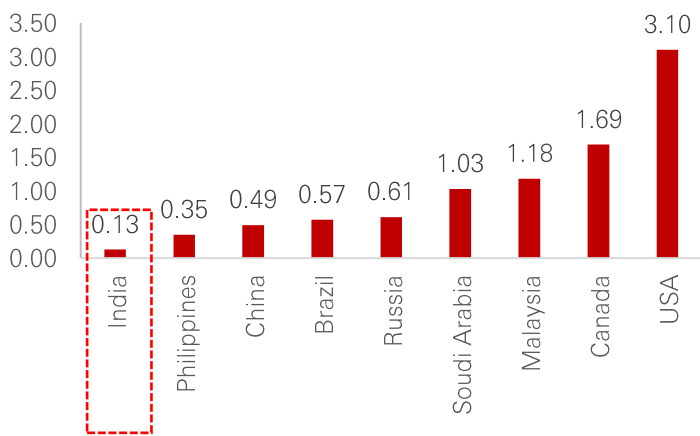
India Life Insurance premiums as % of GDP (CY21)



India hospital bed density vs other countries\*



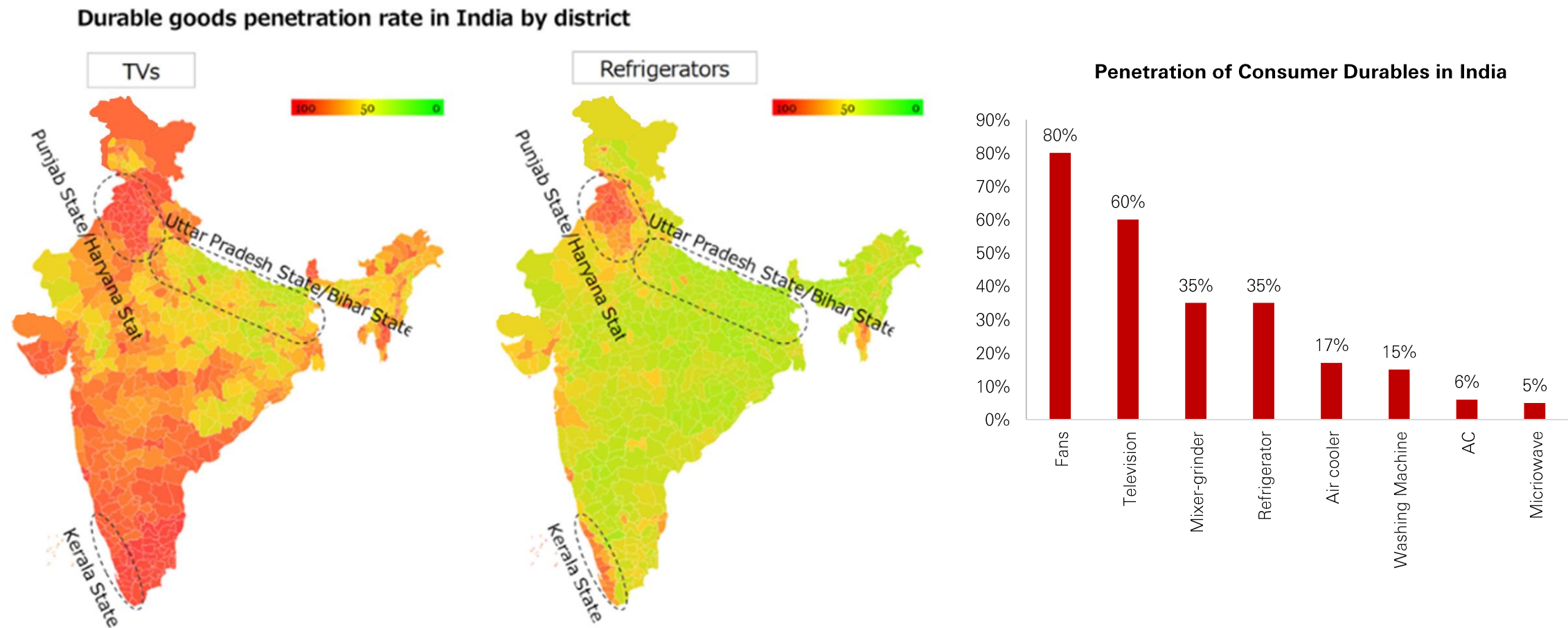
Airline seat per capita in various markets (FY20)



Multiple categories give a long runway for growth

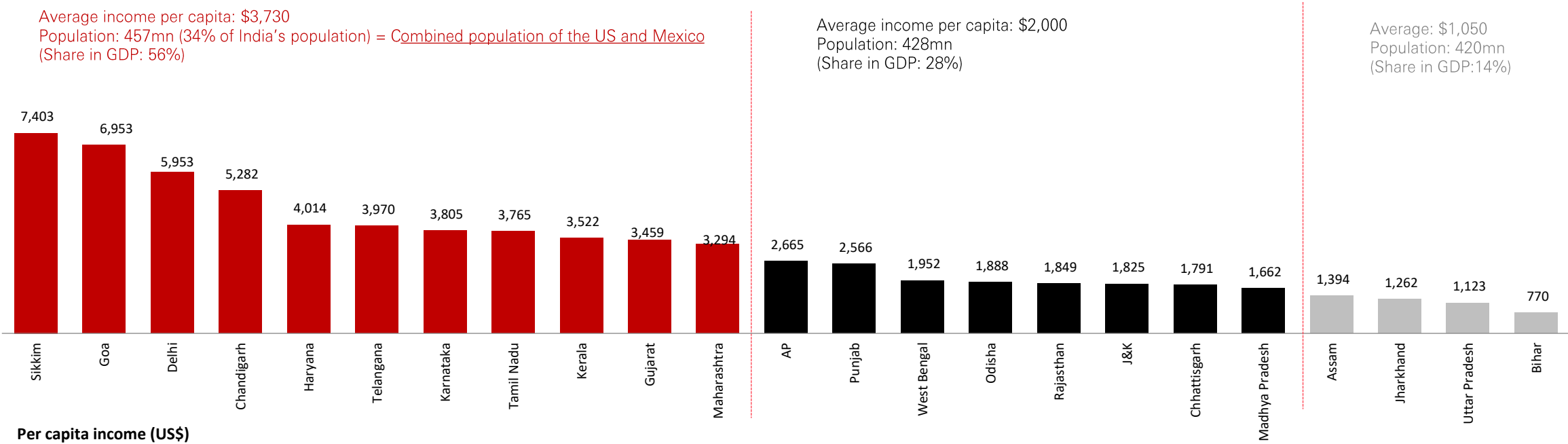
Source: Kantar, CLSA, Credit Suisse, MOFSL, Bharat FIH DRHP, JLL research, Kotak ^^ India branded rooms per mn people CY21, ^% of people that own Passenger vehicles per 1000 person in India, \* Hospital beds per 10,000 population FY22

# Significant divergence of penetration between states



Source: Compiled by MGSSI based on data from the Ministry of Health and Family Welfare using "India MAP", MOFSL, For illustration purpose only

11 large Indian states with 457mn population have already crossed the \$3,000 per capita income mark  
8 other states have reached the \$2,000 per capita income mark



Goa / Chandigarh spends very differently than UP / Bihar

# Asian Paints – Penetration illustration

FY01 Revenue – 1,196 crs

17% cagr

FY08 Revenue – 3,670 crs

19% cagr

FY16 Revenue – 14,272 crs

13% cagr

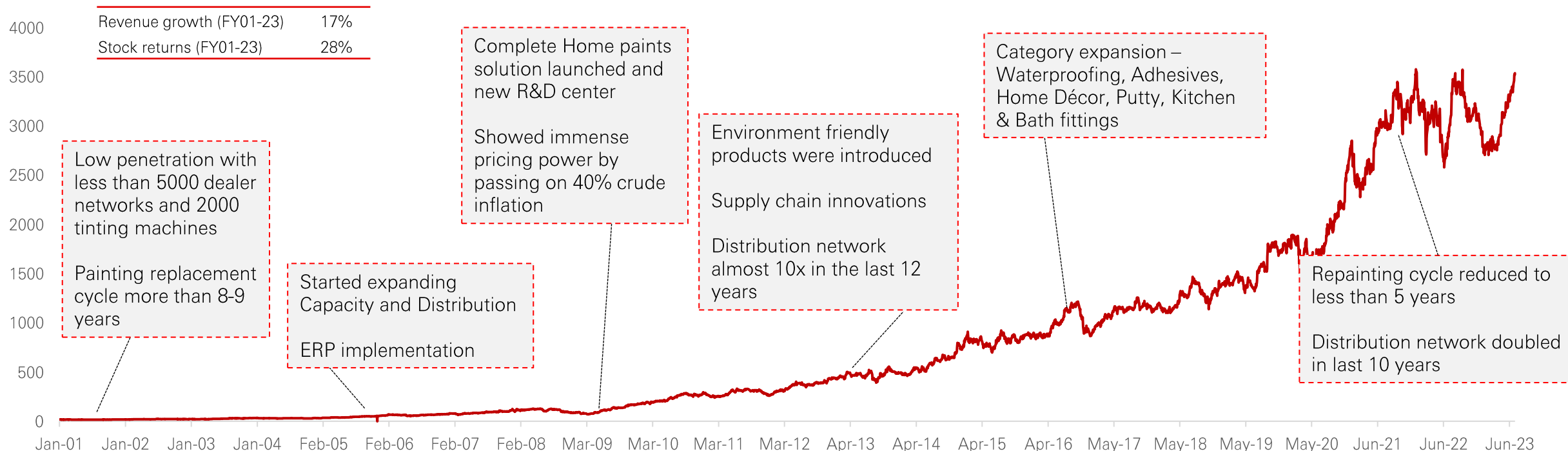
FY23 Revenue – 34,489 crs

Stock Returns

33% cagr

28% cagr

22% cagr



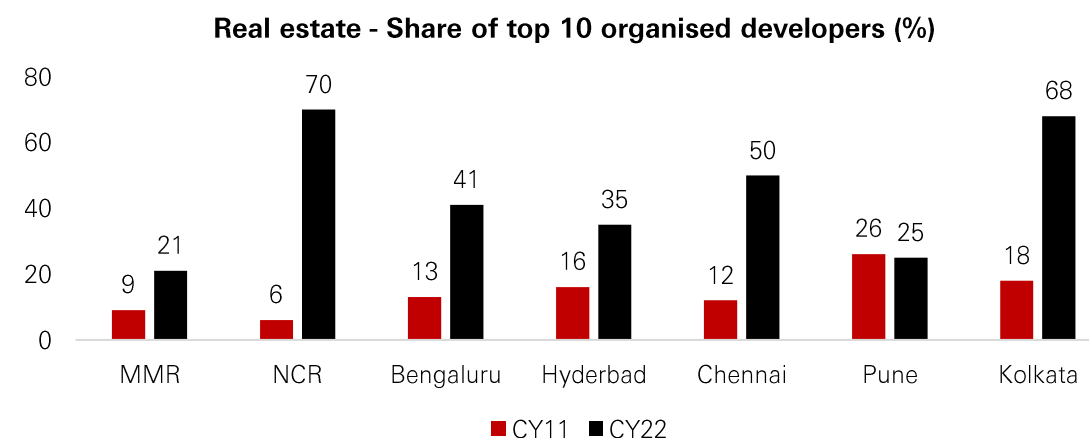
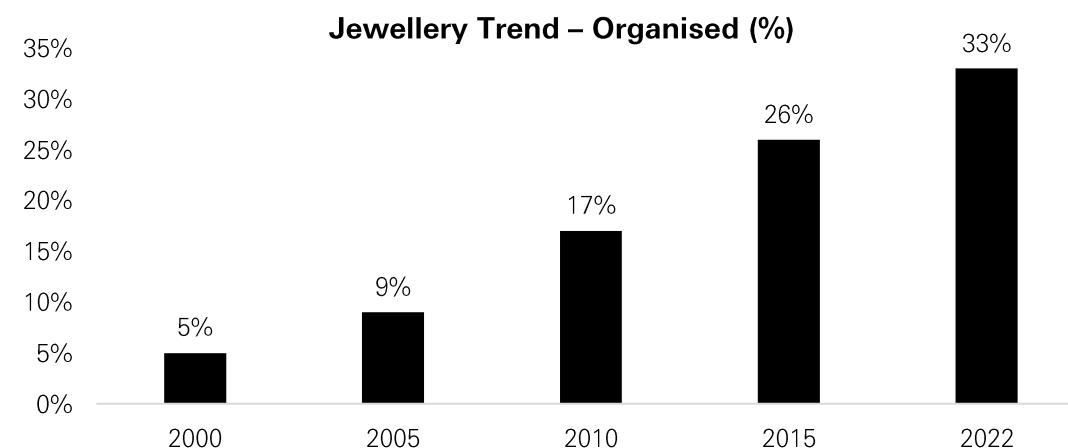
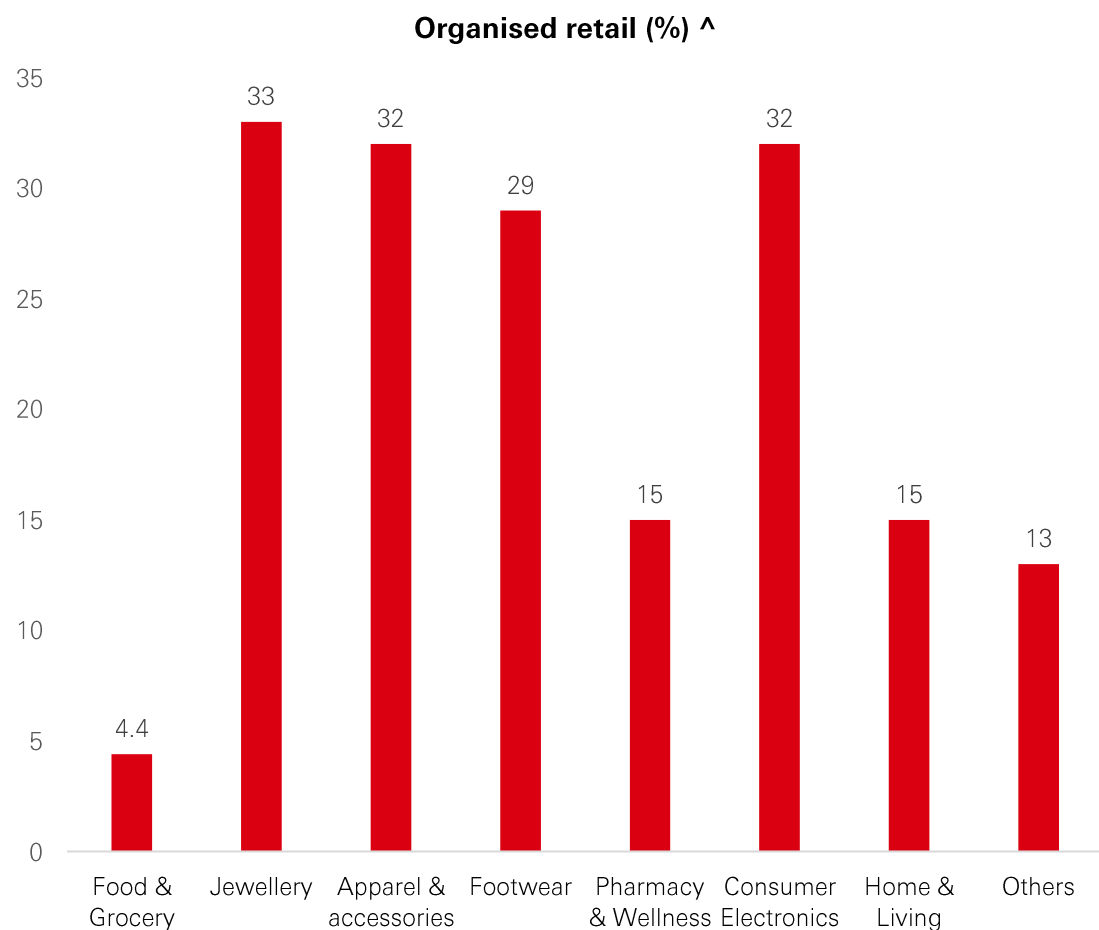
**Underpenetrated themes like Auto, Durables, Hospitality, Airlines & Insurance give a long runway for growth**

Source: Company data, Bloomberg. Data as on 30 June 2023

The above company/stock is mentioned for illustration purpose only. The above data/information represents historic performance of the company and for illustration purpose only. The scheme may or may not have future positions in this stock. The above graphs/ analysis should not be construed as an investment advice or research report or recommendation to buy or sell any stock mentioned above. The returns provided above have been rounded off and hence there may be minor differences between point-to-point returns vis-a-vis returns indicated above. Past performance may or may not sustain and doesn't guarantee the future performance.

# Visible shift from unorganised to organised players

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**Organised retail has significant growth opportunities ahead**

# Titan industries – Unorganised to organised illustration

FY01 Revenue – 708 crs

23% cagr

FY08 Revenue – 2,997 crs

22% cagr

FY15 Revenue – 11,913 crs

17% cagr

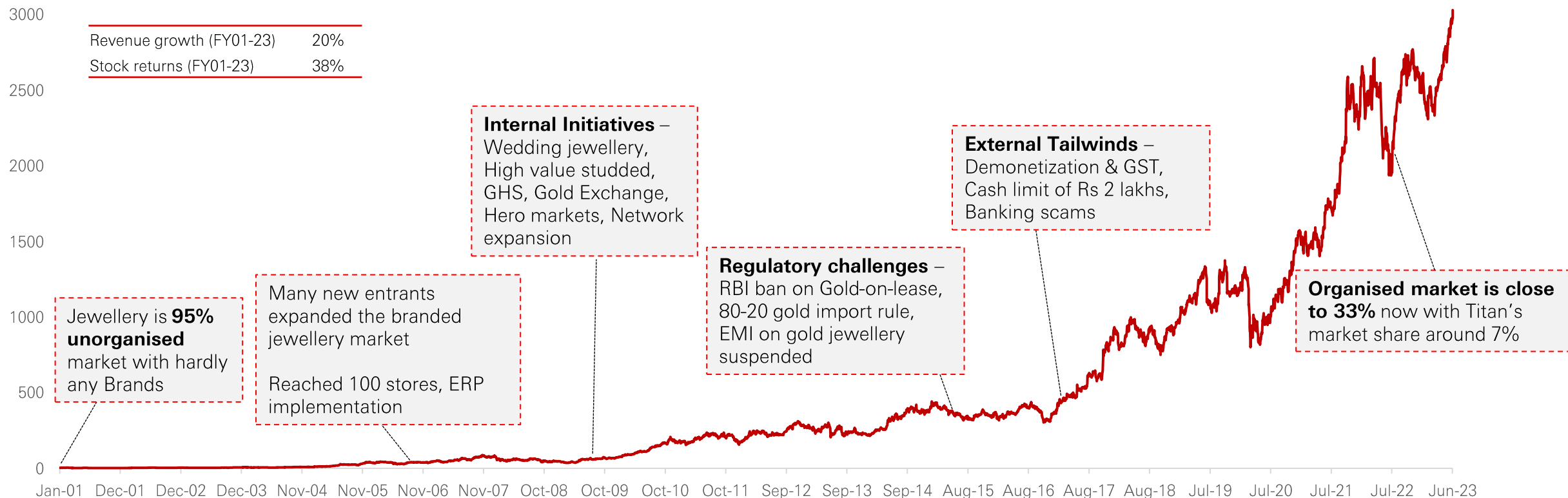
FY23 Revenue – 40,575 crs

Stock Returns

59% cagr

33% cagr

30% cagr



**Organised Jewelers have 33% market share now vs 6% in 2007**

Source: Company data, Bloomberg. Data as on 30 June 2023

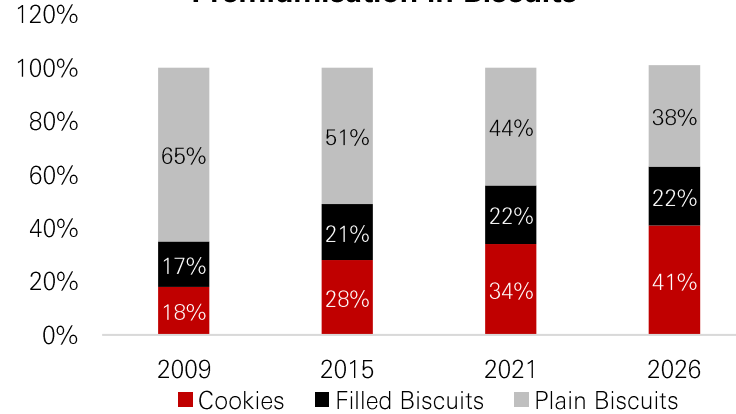
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# Moving towards premiumization

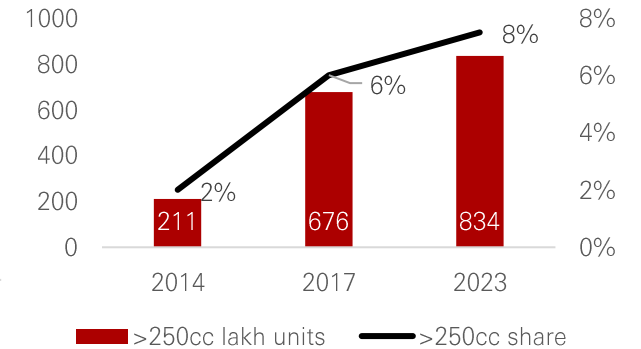
23

- Regulatory / Technology / Preference changes driving premiumization (leading to significant price Jump)
  - Lighting – CFL to LED
  - Fan – AC motor to BLDC motor
  - Refrigerator – Direct Cool to Frost Free
  - AC – Window to Split, Fixed Speed to Invertor
  - Soaps – Bars to Liquid Body Wash
  - Detergent – Powder to Liquid detergent
  - Mobile – Feature to Smart Phone, 2G to 4G to 5G
  - Travel – Train to Aeroplane
  - Cars – Manual to Automatic, Infotainment system

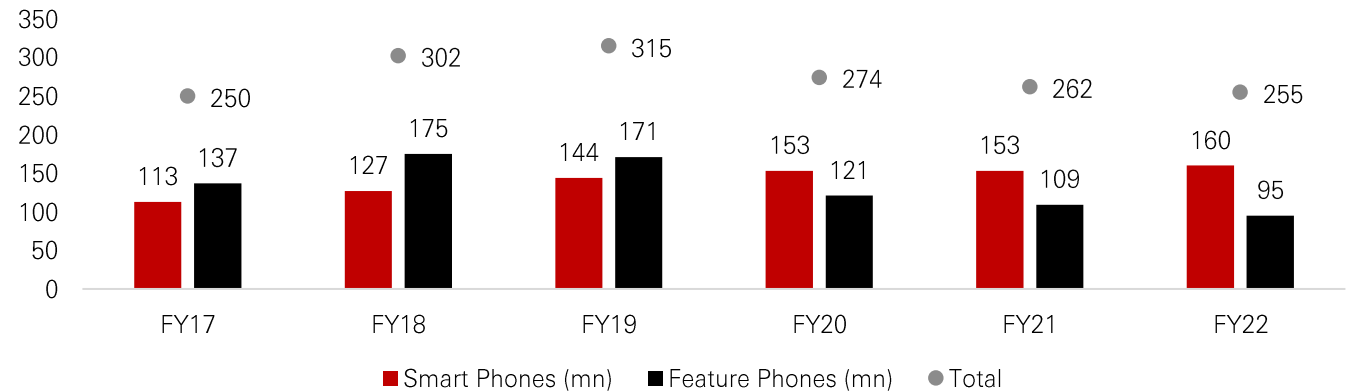
**Premiumisation in Biscuits**



**Rising share of premium motorcycles**

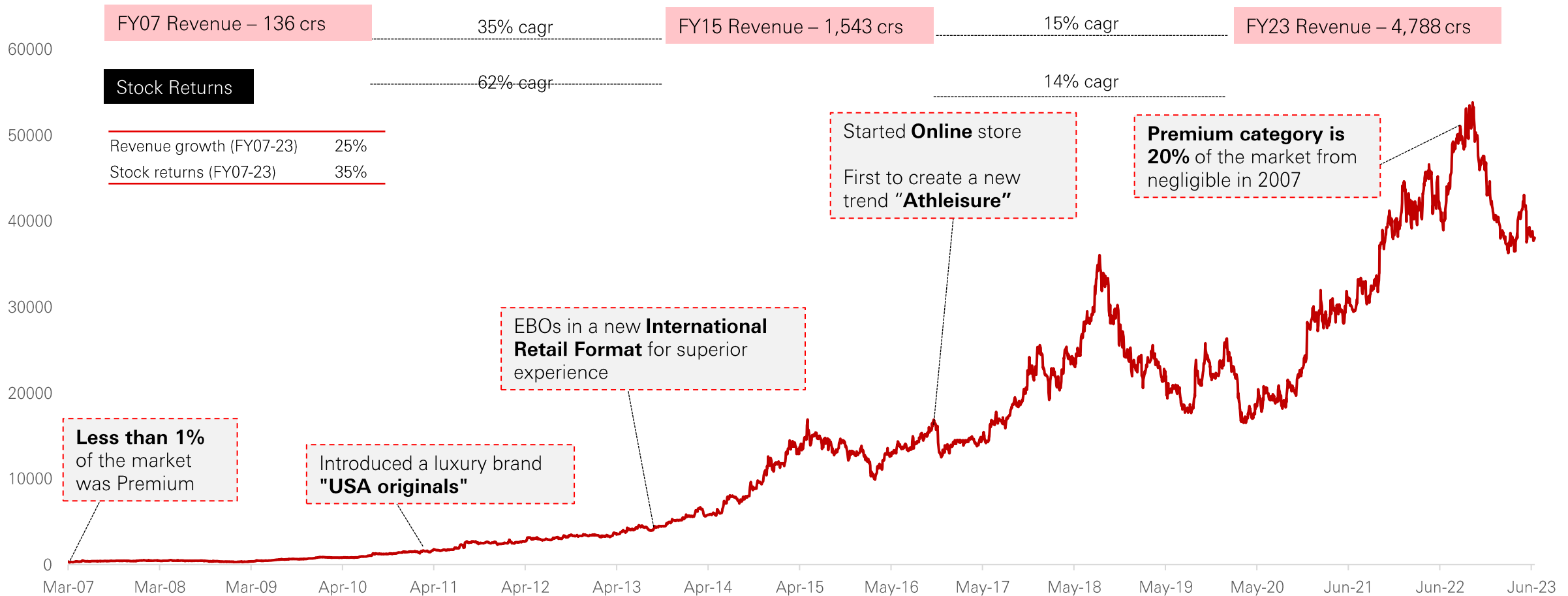


**India mobile phone market (in mn units, FY17-22)**



Source: Bloomberg, Goldman, Axis Capital, Company data

# Page industries – Premiumisation illustration



Source: Company data, Bloomberg. Data as on 30 June 2023

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# Digital payments are everywhere now

## India in 1 tweet

UPI, payments and the adoption of tech in small town India



In a small town like Muzaffarnagar, people pay ₹7 for a glass of milk via UPI; why are you going on and on about Bangalore?

In Gujarat, we pay ₹2 via UPI for a matchbox

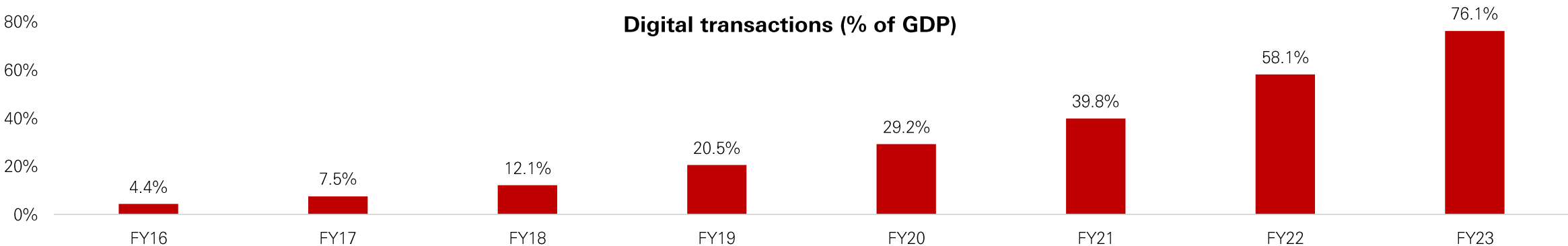
No Wi-Fi required  
No electricity required  
No POS machine required

#MeraDeshBadalRahaHai courtesy @narendramodi  
@PMOIndia @NPCI\_BHIM @NPCI\_NPCI @UPI\_NPCI



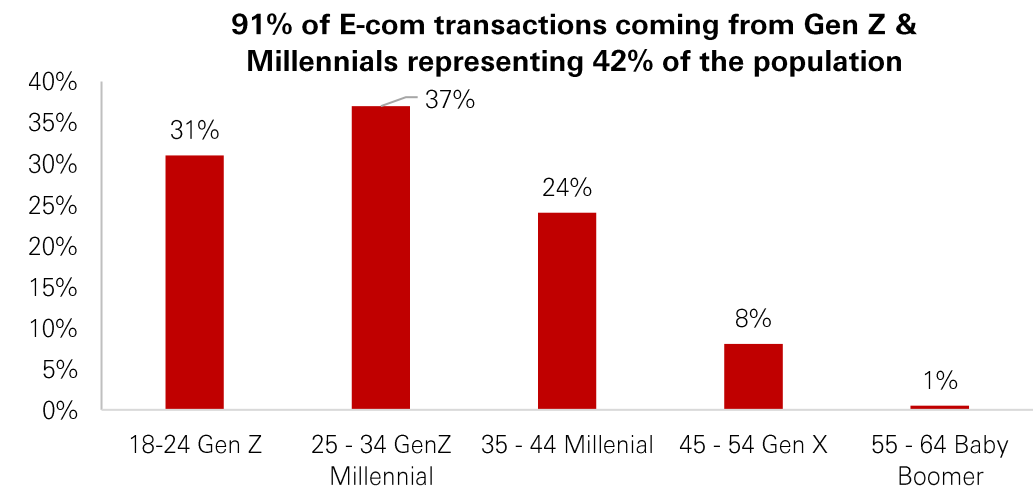
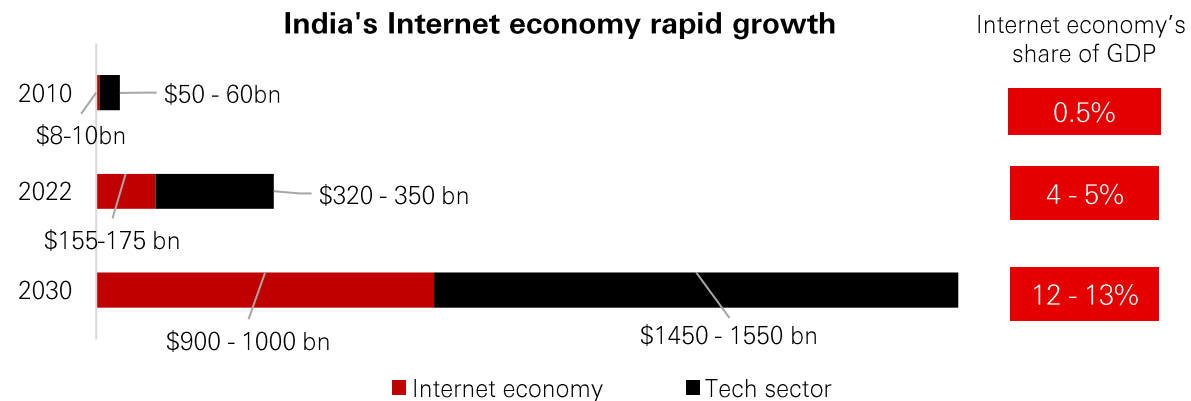
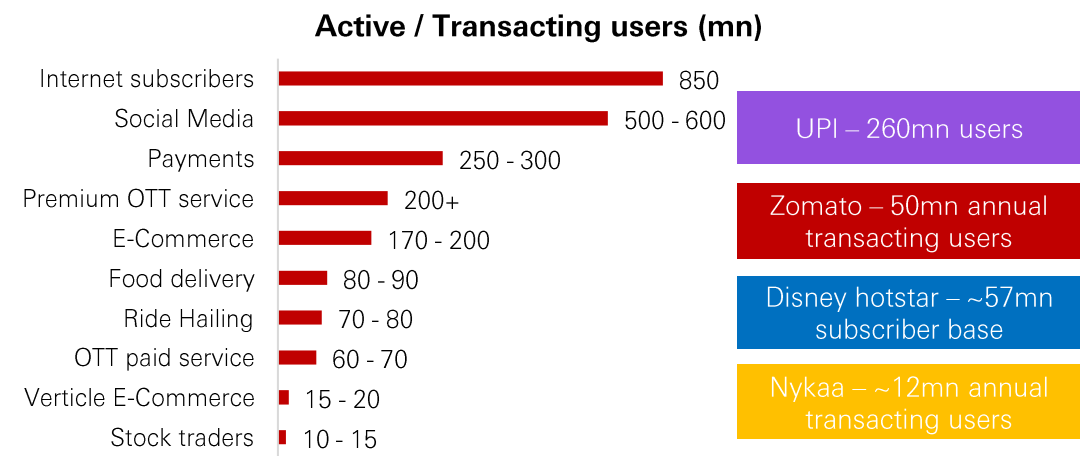
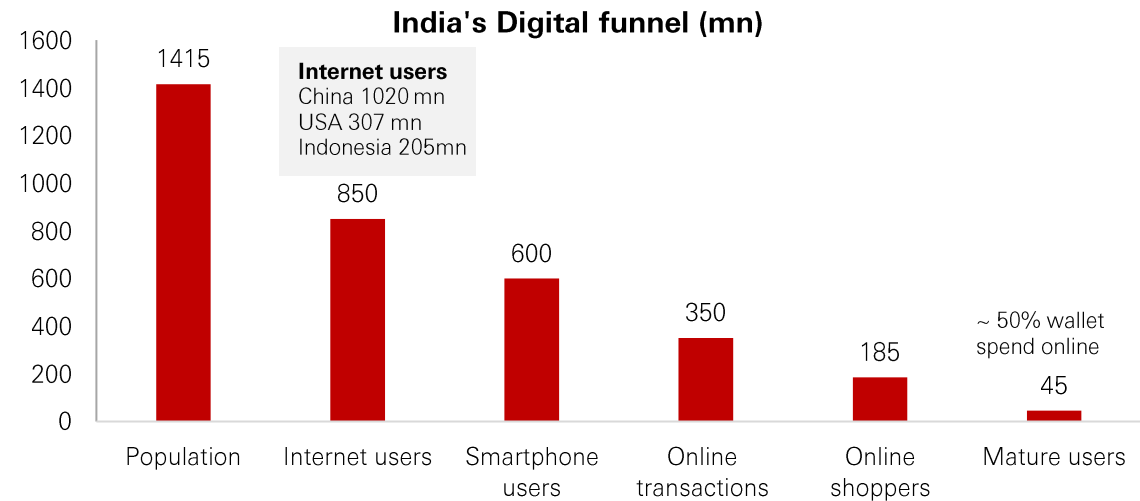
2:45 PM · Nov 3, 2021 · Twitter for iPhone

Digital transactions (% of GDP)



**In 6 years, India became the world's highest digital payments volume generator**

# Digitization



**Internet economy is set to become a USD 1 trillion market**

Source: Bloomberg, Indus valley Annual report 2023, Nykaa presentation, Data as of June 2023

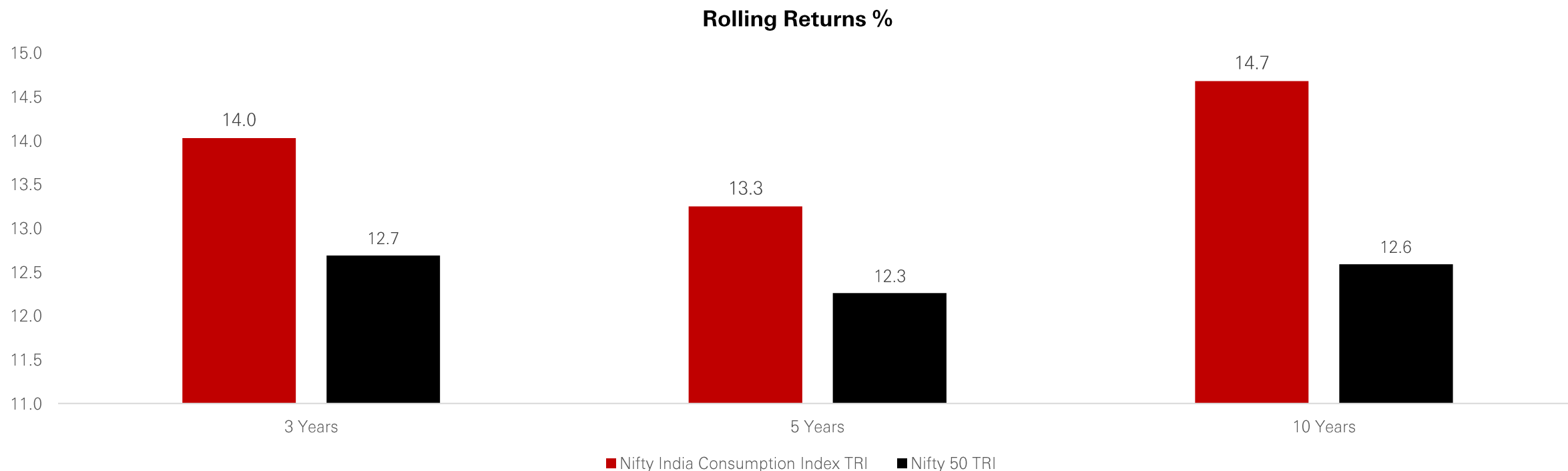
# Thematic Funds

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Consumption

## Bringing performance consistency with Consumption funds

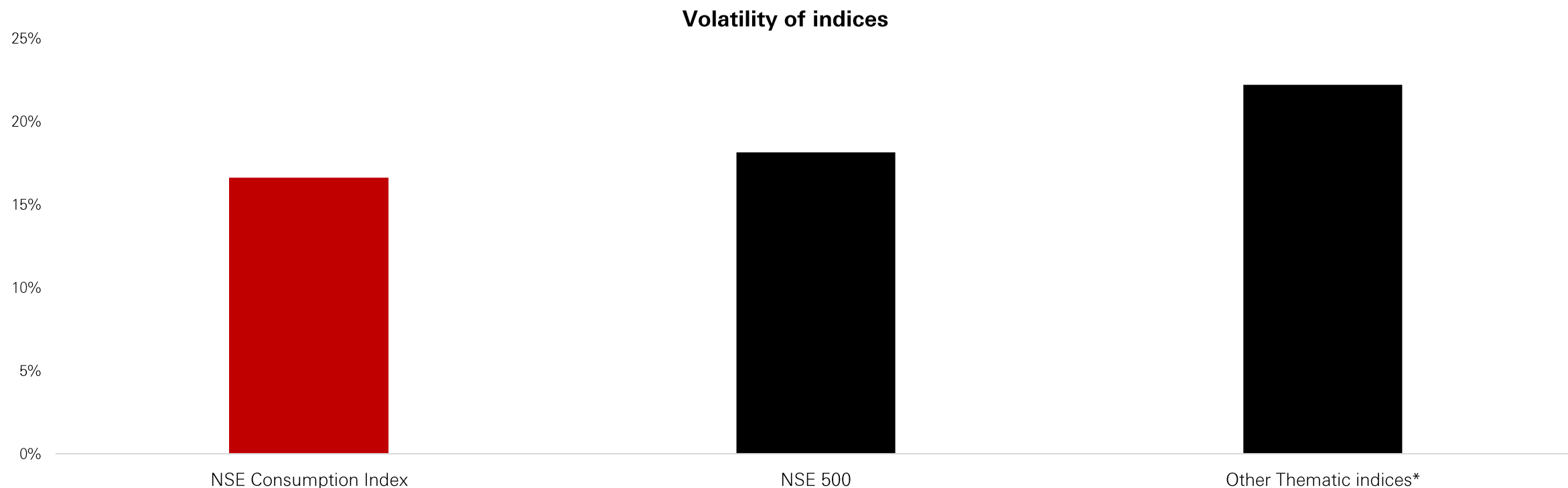
Always keep winners on your side



**Consumption strategy has potential to perform consistently across investment horizons**

Source: MFI ICRA, NSE, Daily rolling returns for respective periods using index values since Jun '13 till Jun '23, Data as on 30 June 2023, Compounded Annual Growth Rates (CAGR), **Past performance may or may not be sustained in the future.**

## Consumption Index's volatility is lowest among other thematic indices as well as lower than Nifty 500



**Consumption funds have potential to deliver better risk adjusted performance**

Source: Bloomberg,, Volatility = Standard Deviation, Data since 1 Jan '09 till 30 June '23, \* Average of other thematic indices, Other Thematic Indices list - NSE Nifty India Consumption Index TR, NSE Nifty Infrastructure Index TR, NSE Nifty Pharma Index TR, NSE Nifty Financial Services Index TR, Nifty IT TR Index, Nifty Housing TR index, NSE Nifty Media Index TR, NSE Nifty Commodities Index TR, NSE Nifty Services Sector Index TR, Nifty Transportation & Logistics TR index, NSE Nifty Private Bank Total Return Index, NSE Nifty CPSE Total Return Index, Nifty Transportation & Logistics TR index. **Past performance may or may not be sustained in the future.**

Consumption Index is in Quartile 1/2 for eight out of thirteen years

Rank	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Jun'23
1							Nifty India Consumption Index		Nifty India Consumption Index				
2	Nifty India Consumption Index				Nifty India Consumption Index								
3													Nifty India Consumption Index
4		Nifty India Consumption Index											
5			Nifty India Consumption Index									Nifty India Consumption Index	
6													
7								Nifty India Consumption Index					
8				Nifty India Consumption Index							Nifty India Consumption Index		
9													
10													
11						Nifty India Consumption Index							
12										Nifty India Consumption Index			
13													

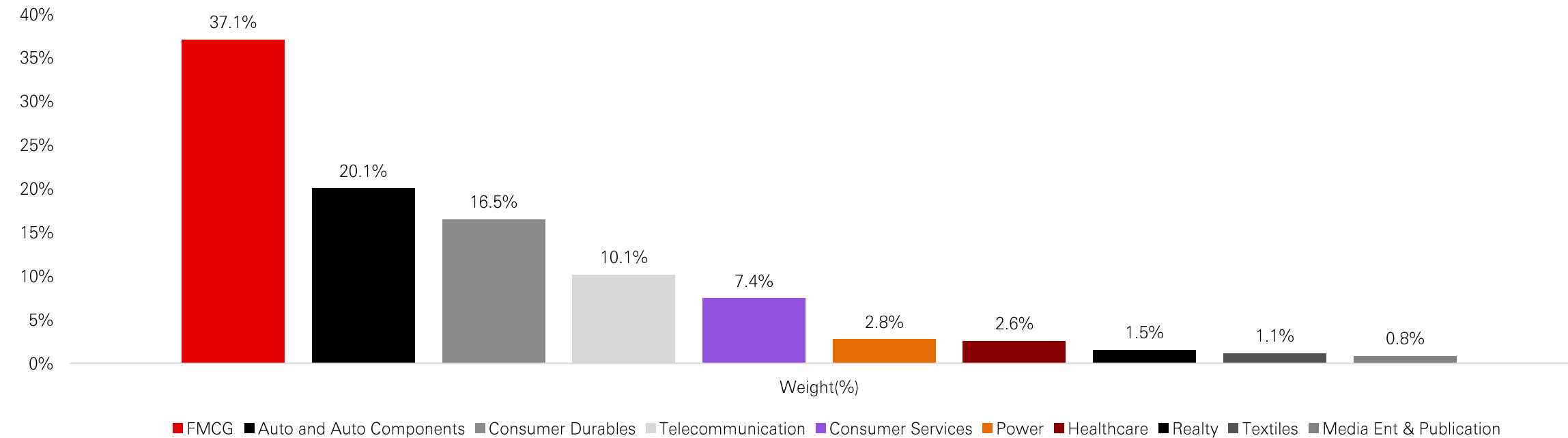
## Consumption theme is a sizeable part of portfolio universe

NSE 500	Number of Companies	Market Cap (Rs crores)
Automobile and Auto Components	30	17,74,416
Capital Goods	10	2,89,780
Consumer Durables	28	10,74,001
Consumer Services	26	8,20,497
Fast Moving Consumer Goods	30	24,03,403
Financial Services	47	55,55,381
Healthcare	44	13,84,891
Media, Entertainment & Publication	6	65,751
Oil, Gas & Consumable Fuels	5	19,44,403
Realty	13	3,60,349
Telecommunication	6	6,51,443
Textiles	10	1,33,705
Others	2	2,32,394
<b>Total</b>	<b>257</b>	<b>1,66,90,415</b>
Large Cap	61	1,30,23,940
Mid Cap	78	25,19,395
Small Cap	118	11,47,080
<b>Total</b>	<b>257</b>	<b>1,66,90,415</b>

Note: 257 companies out of NSE 500 belong to the consumption or consumption related theme, Source: Bloomberg, Data as on 31 May 2023

# Benchmark universe

Consumption Index - Sector composition



Source: NSE, NSE Disclaimer: All information contained herewith is provided for reference purpose only. NSE Indices Limited (formerly known as India Index Services & Products Limited-IISL) ensures accuracy and reliability of the above information to the best of its endeavors. However, NSE Indices Limited makes no warranty or representation as to the accuracy, completeness or reliability of any of the information contained herein and disclaim any and all liability whatsoever to any person for any damage or loss of any nature arising from or as a result of reliance on any of the information provided herein. The information contained in this document is not intended to provide any professional advice. The Fund may or may not have positions in these stocks. The above statements analysis should not be construed as an investment advice or a research report or a recommendation to buy or sell any security covered under the respective sector/s Industry Leadership in terms of market share/ Sales/ Profitability considered. Data as on 30 Jun 2023

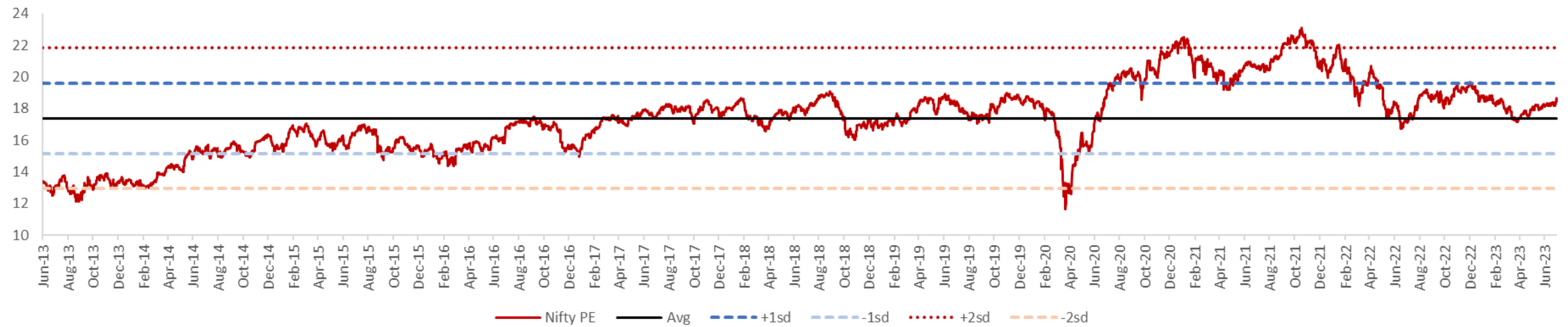


# Why now?

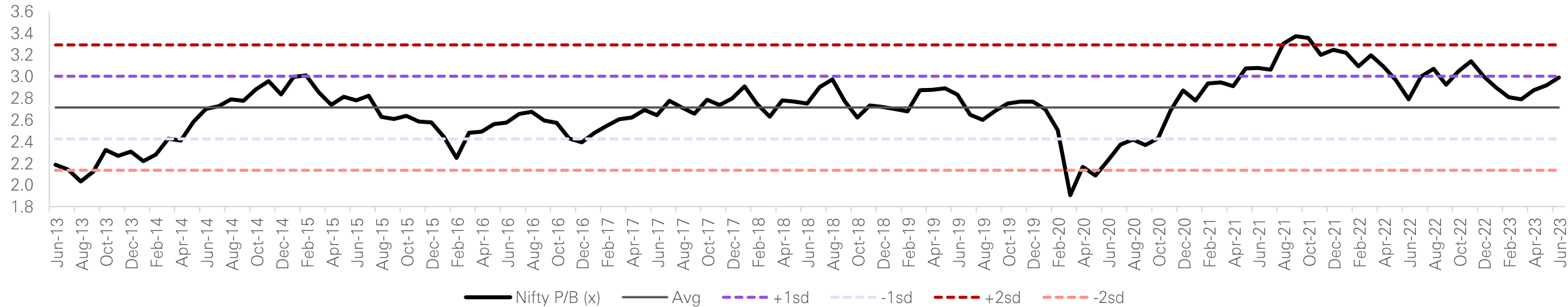
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# Market valuations

Nifty currently trades at PE(x) of 18.6x



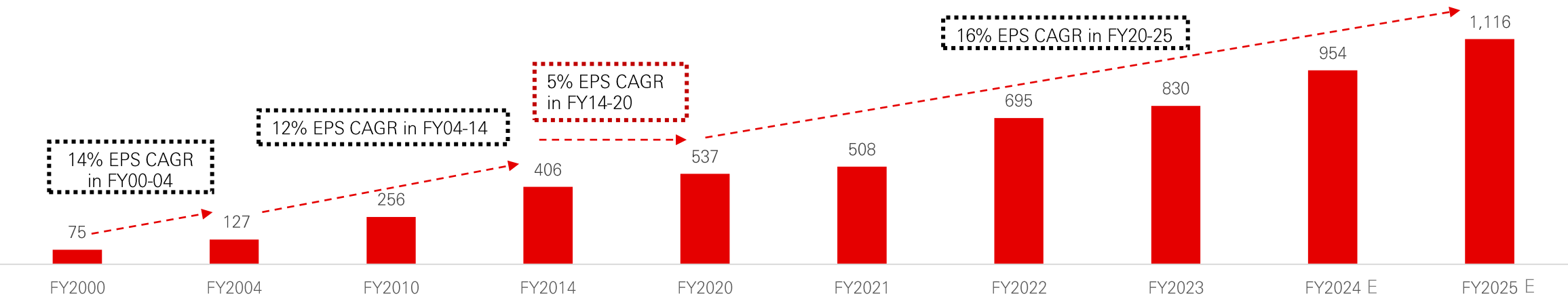
Nifty-PB currently trades at 3x



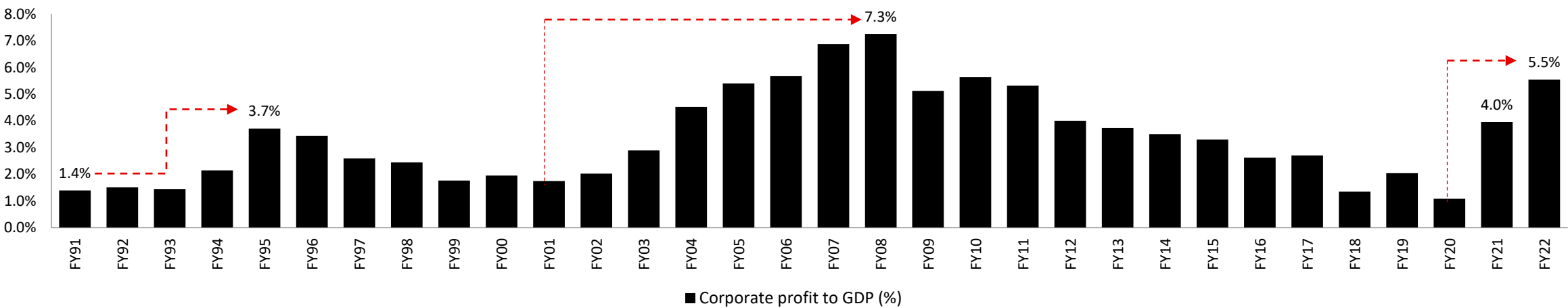
Source: MOSL, Bloomberg

# Strong earnings expectations

Nifty EPS is expected to more than double between FY20-FY25



## Corporate earnings cycle is at the cusp of a turnaround

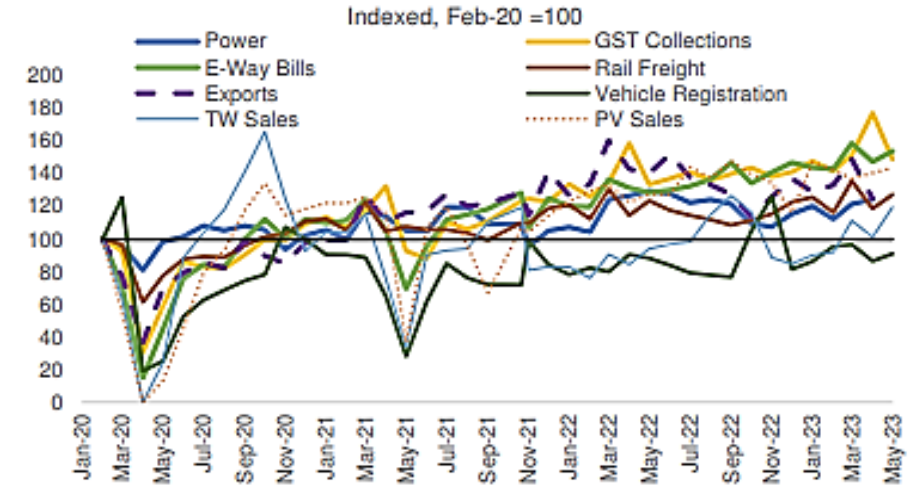


Source: CMIE, Avendus Spark and Bloomberg, E: Estimates

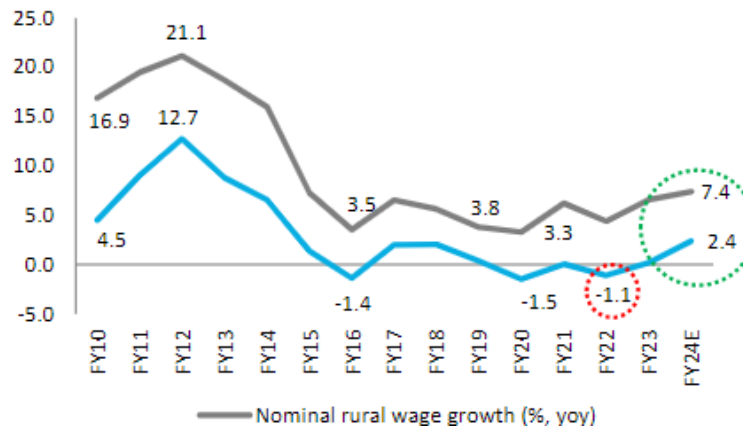
# High-frequency data suggest economy in expansion phase

- Several indicators – such as GST Collections, E-way bills, Power consumption, Retail loan growth, PMI services, Air passengers flown, Auto sales – have shown an improving trend, indicating a pickup in discretionary consumption
- Rural demand, which has been range-bound, is now indicating early signs of a pickup
- MNC Sentiment at multi-year high as number of MNCs like Amazon, Cisco, Microsoft, Mondelez are expected to start / expand operation in India
- Commodity prices and inflation have cooled off, better margins for corporates
- RBI and Fed have paused rate hike cycle. India interest rate is still below historical average.

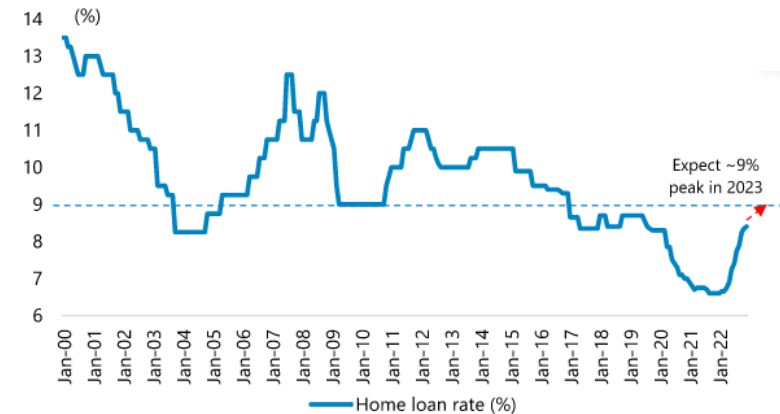
## High Frequency Indicators signaling smart recovery



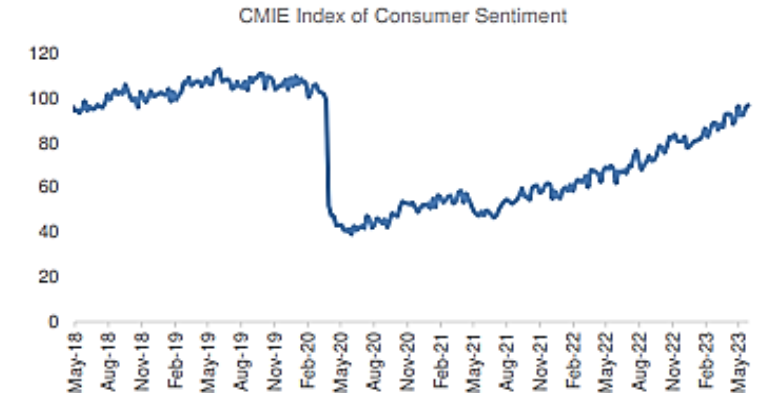
## Real Rural wages turned positive



## Despite recent spike, interest rates below long-term avg



## Improving Consumer Sentiment



Source: Morgan Stanley, Bloomberg, Consumption Expenditure (Annual Growth %), Data as on 31 May 2023

# Presenting Grow consistently with consumption

## HSBC Consumption Fund

Thematic Fund - An open ended equity scheme following consumption theme

Product Label

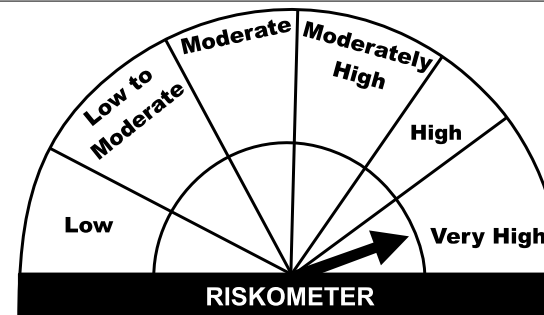
**HSBC Consumption Fund**

(An open ended equity scheme following consumption theme)

This product is suitable for investors who are seeking\*:

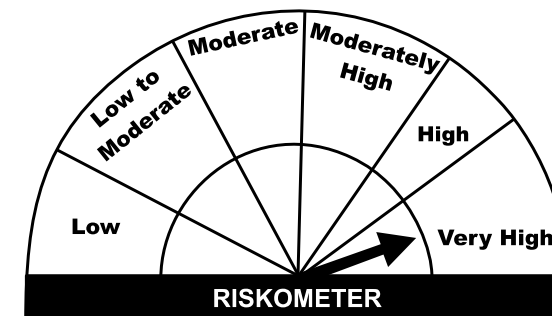
- To create wealth over long-term
- Investment predominantly in equity and equity related securities of companies engaged in or expected to benefit from Consumption and consumption related activities

Scheme Risk-o-meter



Investors understand that their principal will be at Very High risk

Benchmark Risk-o-meter  
Benchmark Index :  
NIFTY India Consumption Index TRI

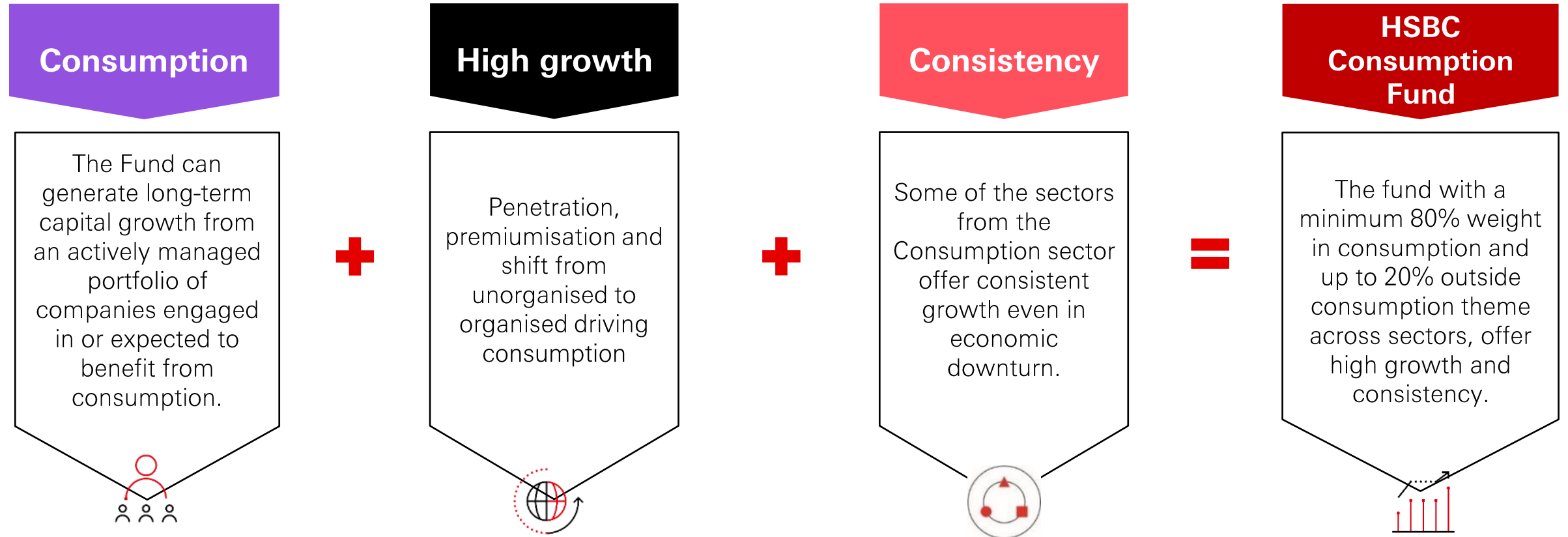


\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Product labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

# One fund three benefits

HSBC Consumption Fund

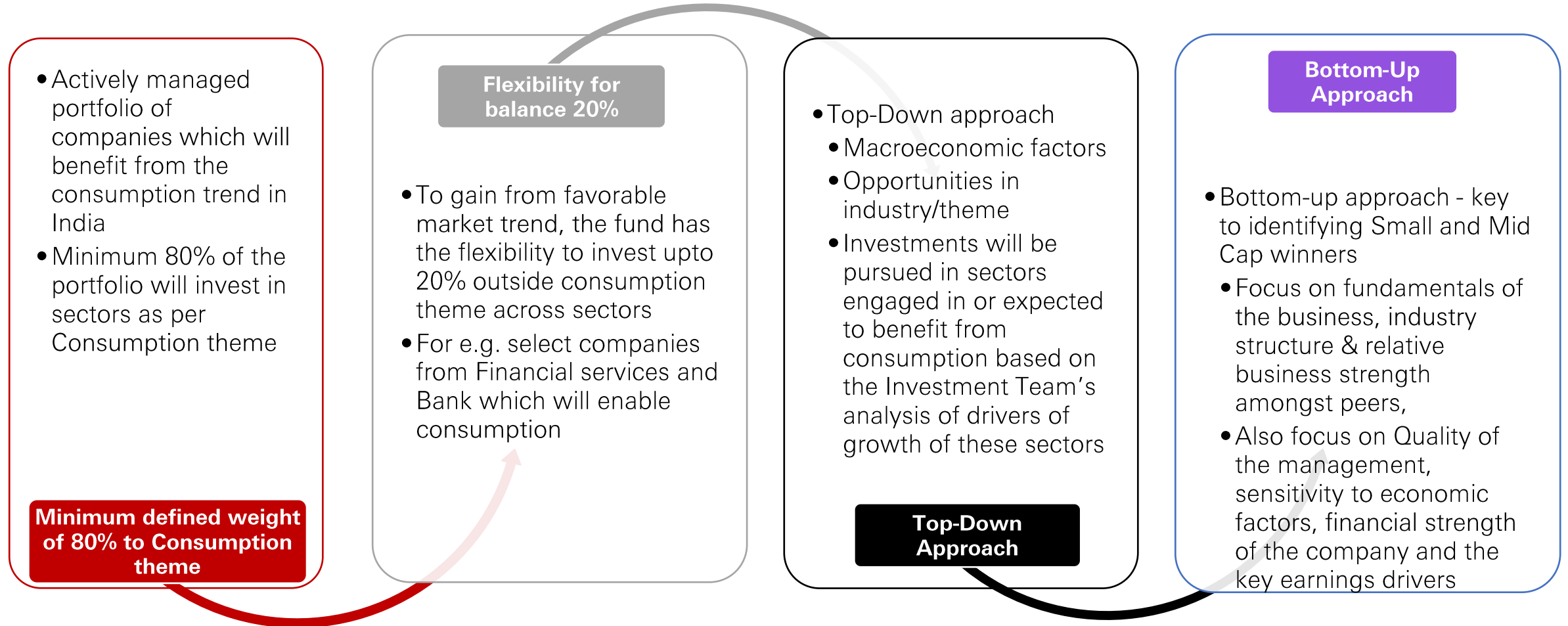


**Access multiple benefits with the HSBC Consumption Fund**

Source – HSBC Mutual Fund, For illustration purpose only.

# Investment Strategy

## HSBC Consumption Fund



**Fund to gain from consistent allocation of 80% to pure consumption theme**

## Focus themes

- Unorganised to organised shift
- Penetration
- Premiumisation
- Urbanisation

### Opportunity across sizes - LEAP

	<b>Large Cap – Leader</b> Top 100 companies	<ul style="list-style-type: none"><li>• Well established businesses</li><li>• Mature players with long track record</li><li>• Higher liquidity</li><li>• Stable earnings growth and less volatile</li></ul>
	<b>Mid Cap – Emerging Aspirants</b> 101st to 250th companies	<ul style="list-style-type: none"><li>• Potential Large Caps</li><li>• Proven track record with higher growth prospects</li><li>• Comparatively higher volatility versus Large Caps</li><li>• Potential valuation multiple re-rating candidates</li></ul>
	<b>Small Cap - Pearls</b> 251st company and beyond	<ul style="list-style-type: none"><li>• Niche and emerging businesses</li><li>• High potential for growth</li><li>• Relatively more volatile and less liquidity</li><li>• Higher research arbitrage</li></ul>



# Investment Allocation

## HSBC Consumption Fund

The Fund Manager may invest in sector/industries which satisfy the consumption theme. The Fund Manager may also invest in other sectors as may be added in Nifty Consumption Index from time to time.

Under normal circumstances, it is anticipated that the asset allocation of the Scheme will be as follows:

Instruments	Indicative Allocation (% of net assets)		Risk Profile
	Minimum	Maximum	
Equities & Equity related securities of companies engaged in or expected to benefit from consumption and consumption related activities	80%	100%	Very High
Equity and equity related securities of companies engaged in or expected to benefit from other than consumption and consumption related activities	0%	20%	Very High
Debt Securities & Money Market instruments (including Cash & cash equivalents, units of Liquid and Overnight mutual funds)	0%	20%	Low to Medium
Units of REITs and InvITs	0%	10%	Very High

**An actively managed portfolio of companies engaged in or expected to benefit from consumption**

Source: HSBC Mutual Fund

## Summary: Advantage Consumption Fund

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### HSBC Consumption Fund



The Fund can generate long-term capital growth from an actively managed portfolio of companies engaged in or expected to benefit from consumption.



Mid and Small Caps across consumption and consumption enablers expected to offer high growth.



Some of the sectors from the Consumption sectors have potential to offer consistent growth even in economic downturn.



The fund with a minimum 80% weight in consumption and up to 20% outside consumption theme across sectors, offers high growth and consistency.

Source: HSBC Mutual Fund

# HSBC Consumption Fund

Thematic - An open ended equity scheme following consumption theme

## Investment Objective

- The investment objective of the Fund is to generate long-term capital growth from an actively managed portfolio of equity and equity related securities of companies engaged in or expected to benefit from consumption and consumption related activities. However, there can be no assurance or guarantee that the investment objective of the scheme will be achieved.

## Benchmark (Tier 1)

- Nifty India Consumption Index TRI

## Investment strategy

- A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in sectors engaged in or expected to benefit from consumption and consumption related activities based on the Investment Team's analysis of drivers of growth of these sectors. Selective stock picking will be done from these sectors. The fund manager in selecting scrips will focus on fundamentals of the business, industry structure & relative business strength amongst peers, quality of the management, sensitivity to economic factors, financial strength of the company and the key earnings drivers. Valuation methods such as relative valuation, fundamental valuation, etc. will also be used for identifying the investment opportunities.

## Fund Manager

- Gautam Bhupal
- Sonal Gupta (For Overseas investments)

## Load

- Units redeemed or switched out upto 10% of the units purchased or switched in within 1 year from the date of allotment – Nil
- Units redeemed or switched out over and above the limit within 1 year from the date of allotment – 1%
- Nil if redeemed or switched out on or after 1 year from the date of allotment

Source – HSBC Mutual Fund, Refer to the SID of HSBC Consumption Fund for more details,

# Annexure

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# HSBC Asset Management

Investment professionals working across key locations

Presence in  
**20+** locations

**645** investment professionals



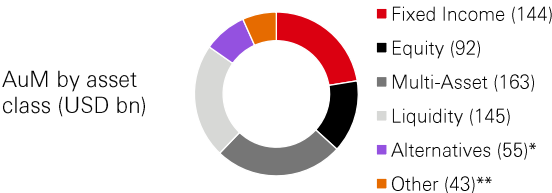
**78** Americas

**382** EMEA

**185** Asia-Pacific<sup>1</sup>

● HSBC Asset Management offices - Countries and territories where our investment teams sit are in bold

## USD641bn under management



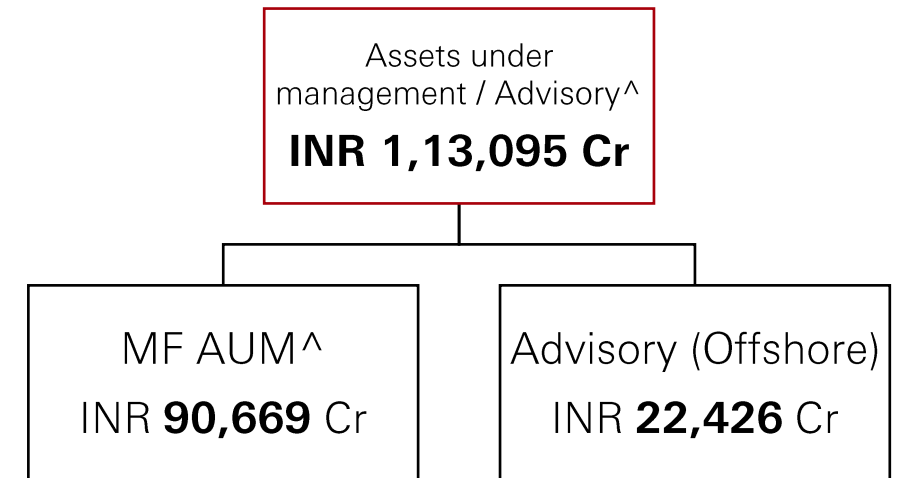
1. Asia-Pacific includes employees and assets of Hang Seng Bank, in which HSBC has a majority holding.  
2. HSBC Jintrust Fund Management company is a joint venture between HSBC Asset Management and Shanxi Trust Corporation Limited.  
\* Alternatives assets excludes USD 5.50bn from committed capital ("dry powder") as well as advisory and oversight assets.  
\*\*Other in asset class refers to the assets of Hang Seng Bank, in which HSBC has a majority holding, and of HSBC Jintrust Fund Management, a joint venture between HSBC Asset Management and Shanxi Trust Corporation Limited.

\*\*\*Other in client type refers to asset distributed by Hang Seng Bank  
Source: HSBC Asset Management as at 31 March 2023. Assets under management are presented on a distributed (AUD) basis. Any differences are due to rounding.

# HSBC Asset Management^

## Expertise and experience

- HSBC Mutual Fund is a brand used by HSBC Asset Management India (part of Global HSBC Asset Management company)
- Launched first fund in 2002
- Managers/sub-advisors of Indian equity and debt assets from more than 20 years



Asset class wise disclosure of AUM & AAUM (Rs. in Lakhs)		
Category	AUM as on the last day of the Quarter	Average AUM for the Quarter
Income	2,199,929	2,215,509
Equity (other than ELSS)	4,691,534	4,490,185
Liquid	1,771,346	1,699,598
Gilt	22,525	22,877
Equity ELSS	347,711	329,632
Fund of Funds investing overseas	33,854	34,822
Total	9,066,899	8,792,624
Fund of Funds investing Domestic	13,109	12,884

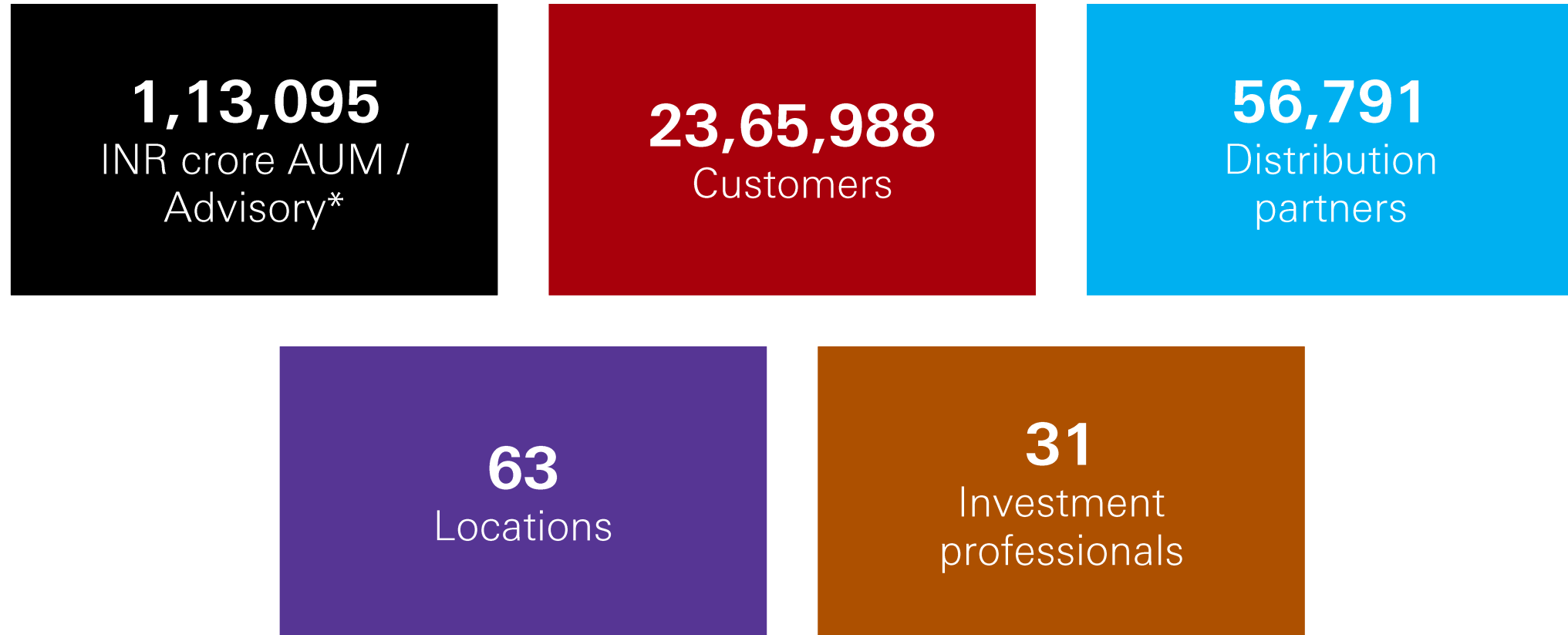
Disclosure of percentage of AUM by geography	
GEOGRAPHICAL SPREAD	% of Total AUM as on the last day of the Quarter
Top 5 Cities	79%
Next 10 Cities	13%
Next 20 Cities	5%
Next 75 Cities	3%
Others	0%
Total	100%

^ HSBC Asset Management (India) Pvt Ltd. Data as of 30 June 2023, Any differences are due to rounding, HSBC Mutual Fund – HSBC MF, ^ Assets under management and Advisory of HSBC Asset Management India,

## Reach, experience and expertise

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### HSBC Mutual Fund



The reach, experience and expertise of HSBC MF has the potential to support distribution partners / clients effectively and help achieve significant mutual milestones.

# Equity - Investment Philosophy

Guiding principles that drive investment philosophy and approach

## Investment mandate

- Ensures that the fund manager adheres to the investment style stated in the prospectus or offer documents

## Active fund management

- Focus and conviction on long-term business fundamentals
- Disciplined yet active fund management can generate superior long-term performance

## Research based stock selection

- Focus is on identifying stocks with
  - Strong business fundamentals
  - Better growth prospects and
  - Undervalued relative to their intrinsic worth

## Robust risk management

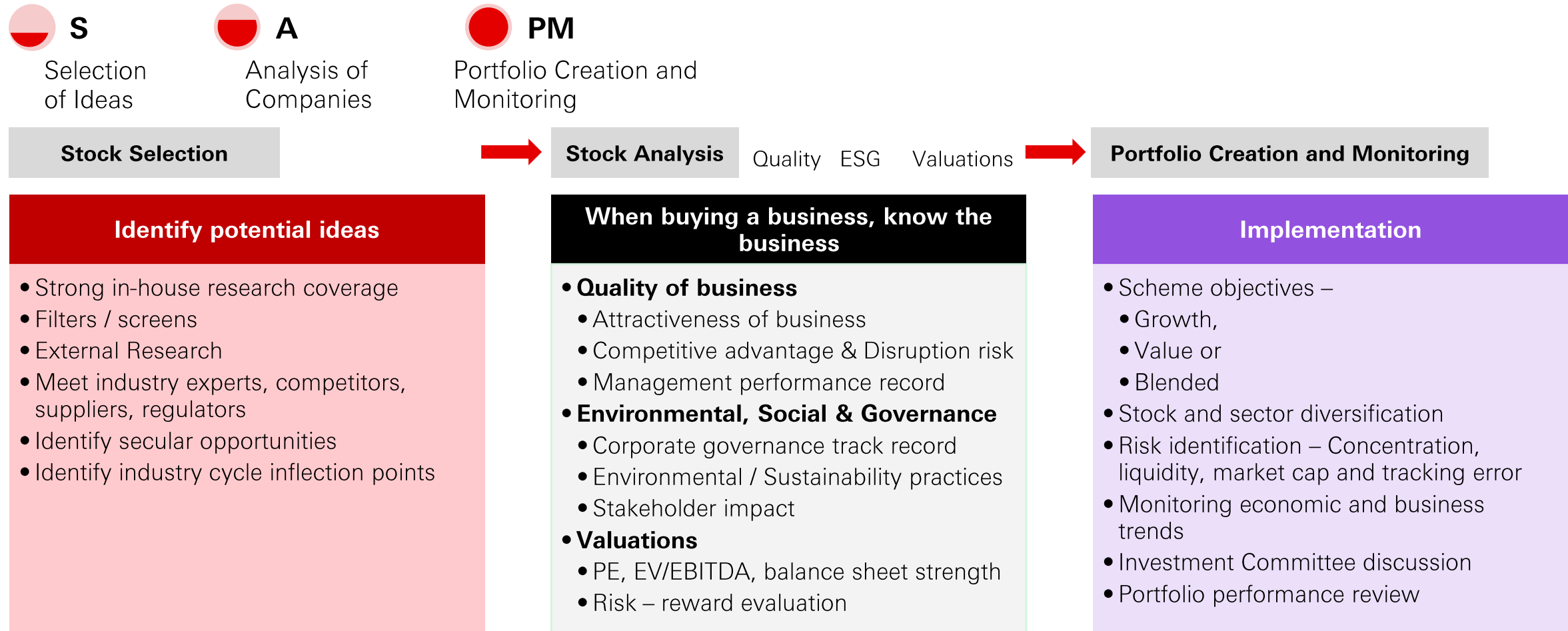
- A robust framework for evaluating, monitoring and managing various risks are an integral part of the investment process

Source: HSBC Mutual Fund



# Equity - Investment Process

Power of SAPM - Equity investment process comprises three stages



Source: HSBC Mutual Fund

# Disclaimer

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## **Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

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