

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

India is broadly where China was in CY06. Since then, China has seen an explosion in consumption spends across categories and we believe that India will follow a similar path. India is favorably positioned due to its demographics, formalisation of economy, increased women participation in workforce, etc. Aspirational Indians are more tech savvy and influenced by social media and ready to spend now than later through use of credit. We are witnessing consumption shifting from unorganised to organised, premium categories and consumer behavior moving towards buying everything anywhere. This should drive strong consumption spends in the coming decade. HSBC India Consumption fund will aim to capture this strong underlying growth trends in the country.

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

Grow consistently with HSBC Consumption Fund



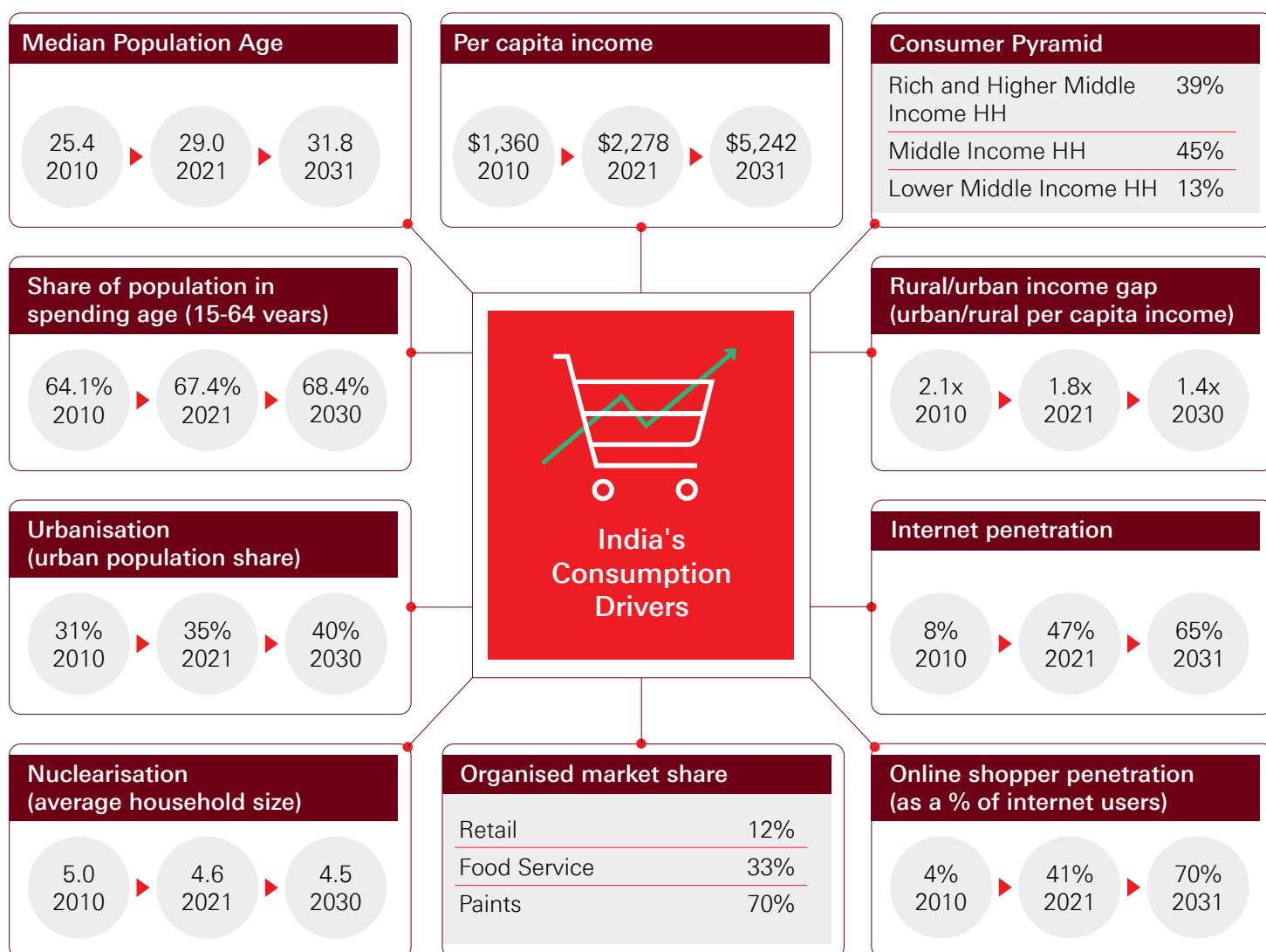
The Fund can generate long-term capital growth from an actively managed portfolio of companies engaged in or expected to benefit from consumption.

Penetration, premiumisation and shift from unorganised to organised driving consumption.

Some of the sectors from the Consumption sector offer consistent growth even in economic downturn.

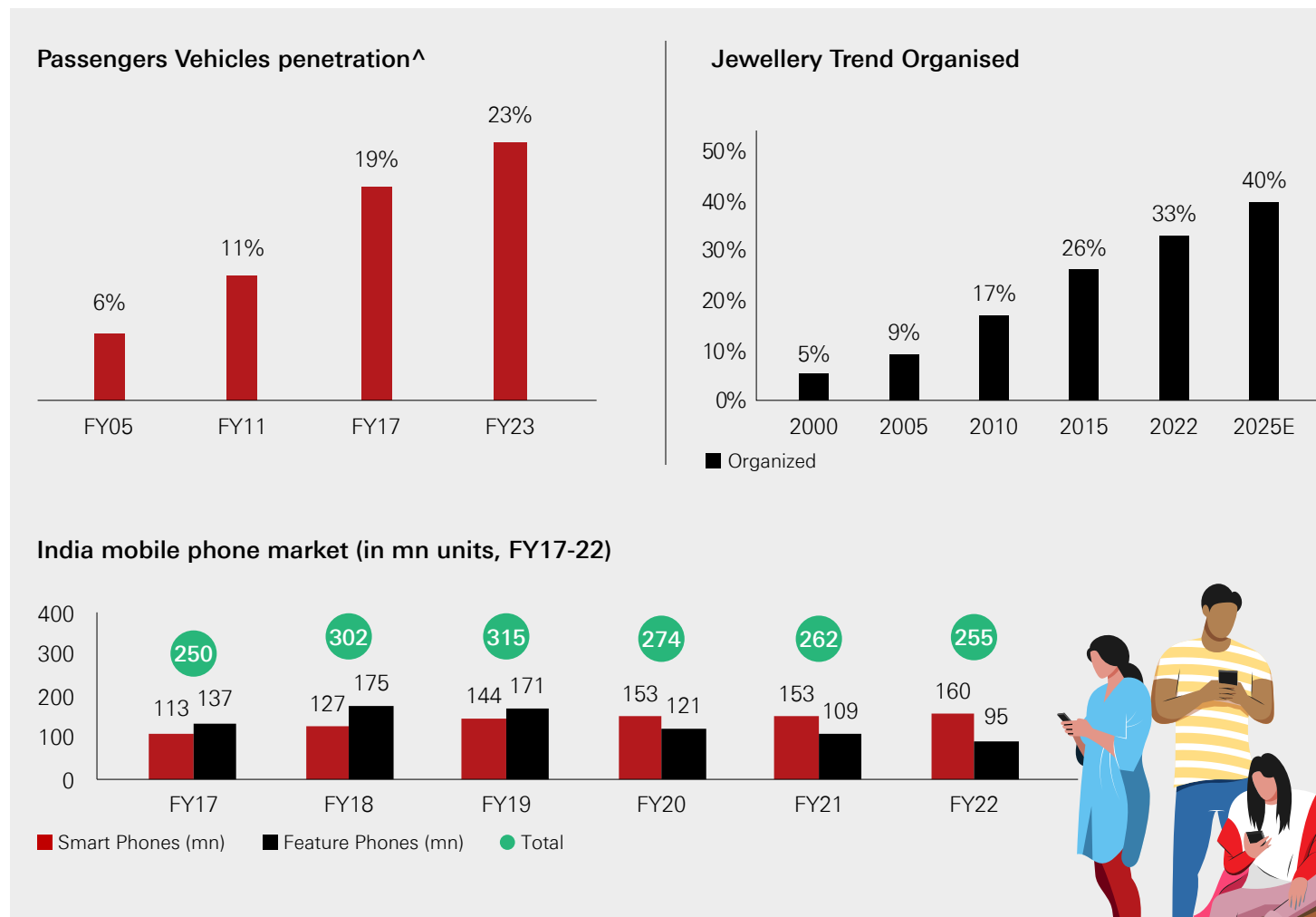
The fund with a minimum 80% weight in consumption and up to 20% outside consumption theme across sectors, offer high growth and consistency.

Drivers of Consumption



Source – HSBC Mutual Fund, Bloomberg, BCG X Rai 2022, For illustration purpose only.

Penetration, Premiumisation and shift from Unorganised to Organised driving consumption



Focus of HSBC Consumption Fund

HSBC Consumption Fund will explore right opportunities arising out of broader trends/themes such as



Unorganised to
Organised shift



Penetration
led growth



Emerging
categories



Premiumisation



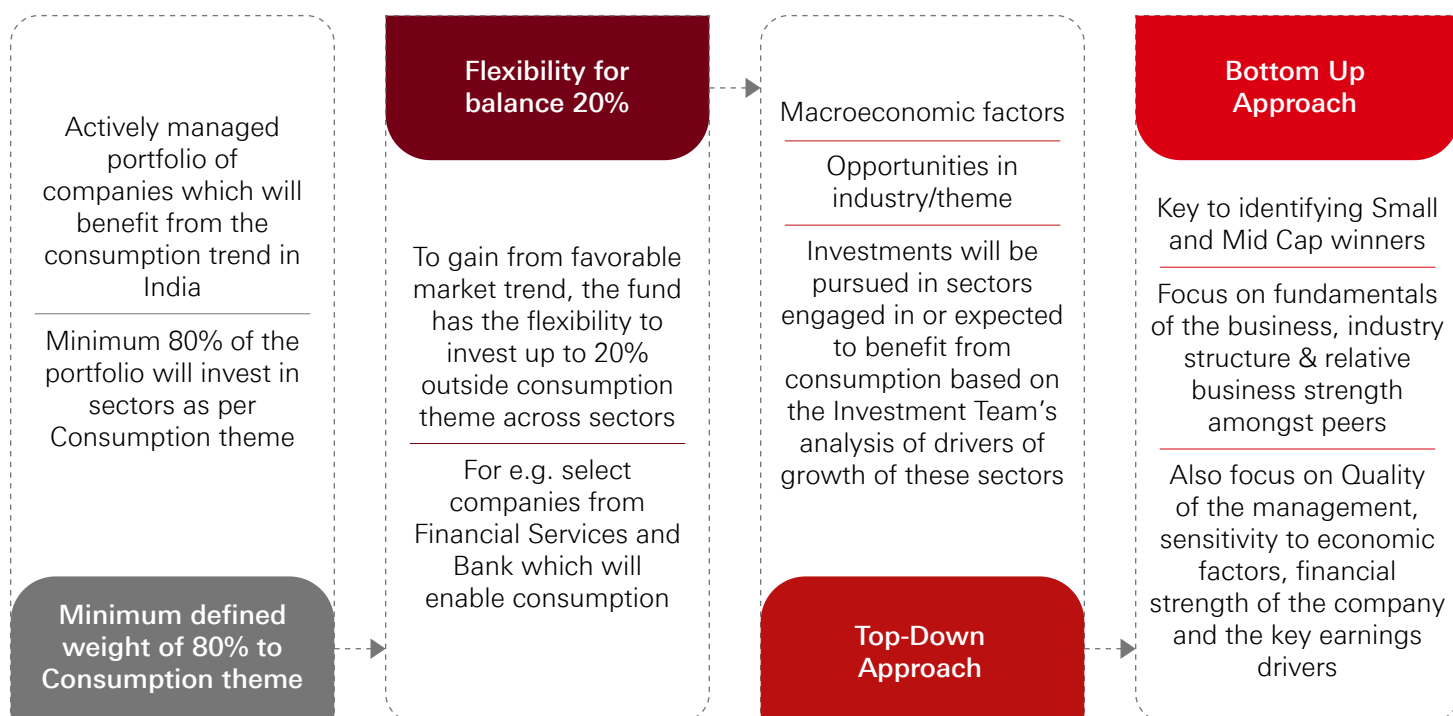
Digitisation

- The fund is an actively managed portfolio of companies engaged in consumption and consumption related theme.
- The fund will have a portfolio with a minimum 80% weight in consumption and up to 20% outside consumption theme across sectors.

Access multiple benefits with the HSBC Consumption Fund

Source: Spark capital research, Bloomberg, Data as on 30 June 2023, [^]% of people that own Passenger vehicles per 1000 persons in India. **For illustration purpose only.**

Investment Strategy – HSBC Consumption Fund (HCOF)

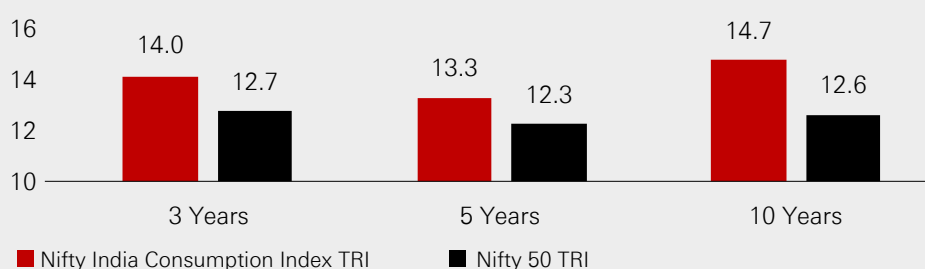


Fund to gain from consistent allocation of 80% to pure consumption theme

Opportunity across sizes - LEAP

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

Consumption index 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.

Grow consistently with HSBC Consumption Fund

HSBC Consumption Fund with a minimum 80% weight in consumption index and up to 20% outside its benchmark where key consumption enablers will be in focus can offer high growth and consistency over a long term.

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	Fund Manager
Nifty India Consumption Index TRI	Gautam Bhupal & Sonal Gupta (For overseas investments)

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PRODUCT LABELLING

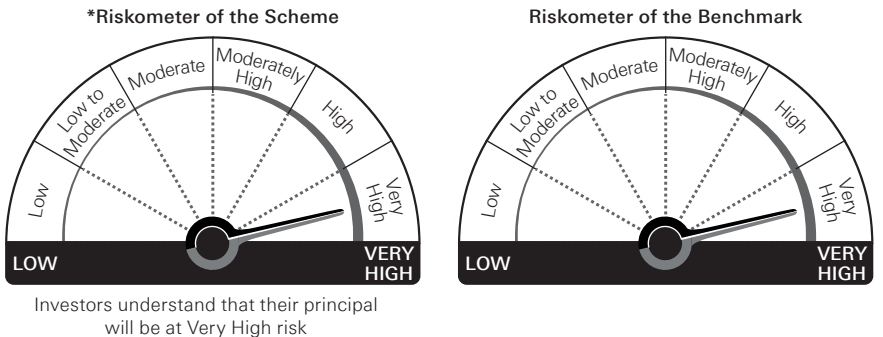
HSBC Consumption Fund (Thematic - An open ended equity scheme following consumption theme)

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

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

(Benchmark: Nifty India Consumption Index TRI)



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.

Source – HSBC Mutual Fund, ICRA MFI, Data as on 30 June '23, Refer to the SID of HSBC Consumption Fund for more details

Disclaimer: HSBC Asset Management

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