

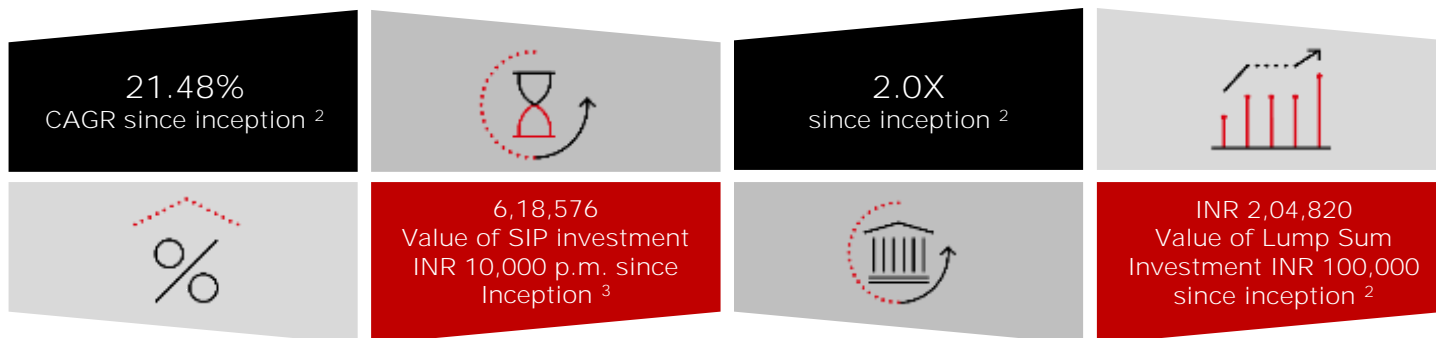
## Product Note

### HSBC Focused Fund (HFOF)

Focused Fund - An open ended equity scheme investing in maximum 30 stocks across market caps (i.e. Multi-Cap).

April 2024

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM <sup>&amp;</sup>
Focused Fund	Neelotpal Sahai and Cheenu Gupta	Nifty 500 TRI	22 July 2020	Rs. 1569.67 Cr



Portfolio	% to net assets
ICICI Bank Limited	8.71%
Reliance Industries Limited	5.68%
Larsen & Toubro Limited	5.63%
HDFC Bank Limited	5.53%
DLF Limited	5.43%
Oil & Natural Gas Corporation Limited	4.61%
Sun Pharmaceutical Industries Limited	4.13%
Axis Bank Limited	4.00%
Titan Company Limited	3.63%
Zensar Technologies Limited	3.48%

Sector - Allocation	% to net assets
Banks	18.24%
IT - Software	9.40%
Construction	9.08%
Finance	7.12%
Consumer Durables	6.88%
Pharmaceuticals & Biotechnology	6.70%
Industrial Products	6.62%
Petroleum Products	5.68%
Realty	5.43%
Oil	4.61%

Risk Ratios <sup>4</sup>	
Standard Deviation	12.33%
Beta	0.84

Risk Ratios <sup>4</sup>	
Sharpe Ratio <sup>5</sup>	0.63
R2	0.90

Entry Load\*: Not Applicable, Exit Load: If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment – Nil. If units redeemed or switched out are over and above the limit within 1 year from the date of allotment – 1%. If units are redeemed or switched out on or after 1 year from the date of allotment – Nil. A switch-out or a withdrawal under SWP may also attract an Exit Load like any Redemption. No Exit load will be chargeable in case of switches made between different options of the Scheme. No Exit load will be chargeable in case of Units allotted on account of IDCW reinvestments, if any. Exit load is not applicable for Segregated Portfolio. \* In terms of 10.4.1.a. of SEBI Master Circular on Mutual Funds dated May 19, 2023, no entry load will be charged to the investor.

Month End Total Expenses Ratios (Annualized)<sup>6</sup> – Regular<sup>7</sup>: 2.13%, Direct: 0.93%

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' has introduced two-tiered structure for benchmarking of certain categories of schemes. Accordingly, the benchmark has been classified as Tier 1 benchmark effective from 01 December 2021.

<sup>2</sup> As on 31 March 2024 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 2.3X to Rs. 2,32,410 from Rs.100,000 and delivered return of 25.72%. Please refer page no. 3 for detailed performance of HSBC Focused Fund.

<sup>3</sup> During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 6,47,583

<sup>4</sup> Quantitative Data disclosed are as per monthly returns (Annualized) for the last 3 years.

<sup>5</sup> Risk free rate: 7.90% (FIMMDA-NSE MIBOR)

<sup>6</sup> TER Annualized TER including GST on Investment Management Fees, <sup>7</sup> Continuing plans

<sup>&</sup>For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources/information-library/#accordion1446811090=4>.

Note: The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

Data as on 31 March 2024, HSBC Mutual Fund, Past performance may or may not be sustained in the future and is not indicative of future results..

## Fund Approach

The fund follows a flexi-cap strategy with a flexibility to invest across the market capitalization spectrum and sectors.

Profit pool consolidation with dominant players to continue and disruption to accelerate this shift.

Stock selection focuses on earnings growth trajectory and within that, the emphasis lies on earnings surprises.

Since valuations are in line with its historical averages, earnings visibility and relative earnings growth are the key criteria of stock selection.

## Key portfolio themes

- Our portfolio is a high-conviction portfolio which is positioned for stocks with earnings visibility in the near term and growth in medium to long term.
- Portfolio construction is through bottom-up stock selection and there is an emphasis on sustainable earnings growth, relative earnings and earnings surprises.
- The current set up of the market is that of moderating inflation, peaked interest rates, improving current account and balance of payment, and reviving growth. That means we are likely to witness improving macro data. However, we are not seeing its impact on corporate earnings that continues to have downward revision. Consensus earnings estimates of FY24 and FY25 look optimistic. The markets have been steady as the time-correction has led the valuations to be in line with historical averages. We have tamed our pro-cyclical bias and increased our exposure in the defensive sectors to de-risk our portfolio.

## Investment Objective

To seek long term capital growth through investments in a concentrated portfolio of equity & equity related instruments of up to 30 companies across market capitalization. However, there is no assurance that the investment objective of the Scheme will be achieved.

## Why HSBC Focused Fund?

To seek long term growth from an actively managed portfolio comprising of up to 30 companies across market capitalization (i.e. Multi Caps)

Top down and bottom up approach will be used to invest in equity and equity related instruments

Investments will be based on the Investment Team's analysis of business cycles, regulatory reforms, competitive advantages and more

HSBC Focused Fund (HFOF) | Product Note  
[April 2024]

Fund Manager - Neelotpal Sahai Effective 29 Jul 2020. Total Schemes Managed - 3

Fund Manager - Cheenu Gupta Effective 01 Jun 2023. Total Schemes Managed - 12

Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		Since Inception		22-Jul-20
	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	
HSBC Focused Fund-Regular Plan--	14023	40.49	15586	15.97	20482	21.48	
Scheme Benchmark (Nifty 500 TRI)	14049	40.75	16970	19.32	23241	25.72	
Additional Benchmark (Nifty 50 TRI)	13008	30.27	15736	16.35	20905	22.15	

Past performance may or may not be sustained in the future and is not indicative of future results. The performance details provided herein are of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of March 2024 for the respective schemes. Returns for 1 year and above are Compounded Annualized. Returns for less than 1 year is Simple Annualized. Load is not taken into consideration for computation of performance. Different plans shall have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged to the Regular Plan.

As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023, the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated May 19, 2023, on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes. -- Face value Rs 10

Returns for Equity & FOF schemes has been calculated as on last business day NAV provided as on 28 March 2024.

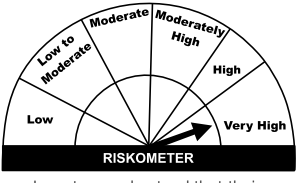

SIP Performance - HSBC Focused Fund – Regular Plan					Inception Date: 22-Jul-20
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	NA	440000	
Market Value as on March 28, 2024 (₹)	1,42,040	4,74,046	NA	6,18,576	
Scheme Returns (%)	36.40	18.83	NA	18.97	
Nifty 500 TRI - Scheme Benchmark (₹)	1,42,236	4,85,682	NA	6,47,583	
Nifty 500 TRI - Scheme Benchmark Returns (%)	36.74	20.57	NA	21.63	
Nifty 50 TRI - Additional Benchmark (₹)	1,37,023	4,61,308	NA	6,09,230	
Nifty 50 TRI - Additional Benchmark Returns (%)	27.82	16.89	NA	18.09	

Past performance may or may not be sustained in the future and is not indicative of future results. For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. Load is not taken into consideration.

Source: HSBC Mutual Fund, data as on 31 March 2024

[Click here](#) to check other funds performance managed by the Fund Manager

## Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter
<p><b>HSBC Focused Fund</b>  <b>Focused Fund</b> – An open ended equity scheme investing in maximum 30 stocks across market caps (i.e. Multi-Cap).</p> <p><b>This product is suitable for Investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Long term wealth creation</li> <li>• Investment in equity and equity related securities across market capitalization in maximum 30 stocks</li> </ul>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Very High risk</p>	<p><b>Benchmark Index: NIFTY 500 TRI</b></p>  <p><b>RISKOMETER</b></p>

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

**Note on Risk-o-meters:** Riskometer is as on 31 March 2024, Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme

Past performance may or may not be sustained in the future and is not indicative of future results. Source: HSBC Mutual Fund, data as on 31 March 2024

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 HSBC Mutual Fund, 9-11th Floor, NESCO - IT Park Bldg. 3, Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063. Maharashtra.  
 GST - 27AABCH0007N1ZS, Email: [investor.line@mutualfunds.hsbc.co.in](mailto:investor.line@mutualfunds.hsbc.co.in) | Website: [www.assetmanagement.hsbc.co/in](http://www.assetmanagement.hsbc.co/in)

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