

Equity Market Insights

India: a sustainable growth story

Content

Top-down macro thoughts

Equity Market Outlook

Key Pillars for Growth

HSBC Mutual Fund

Why HSBC Mutual Fund

Equity Investment Approach

Know Our Funds

Annexure

Macro thoughts



Why continue to invest in “India Growth” story

Building blocks in place to make India a sustained growth country

Reforms implemented in the last decade have put India on a virtuous and structural growth runway

- ◆ India has become **4th largest economy** in the world recently surpassing Japan’s GDP
- ◆ **Real GDP for Q3 FY26* expanded by a robust 7.8%**, up from 8.2% in 2QFY26 and 7.8% in Q1 FY26. India is expected to remain the **world's fastest-growing major economy**, with GDP estimated to grow at 7.6% in FY26.
- ◆ Government **remains on the path of fiscal consolidation** with fiscal deficit to GDP of 4.3% in FY27 (-10bps YoY). Reiterated its medium-term Debt/GDP target of 50% (+/- 1%) by March 2031.
- ◆ Government and RBI have been implementing measures to boost growth. **Earnings growth medium-term trajectory remains intact.**
- ◆ India has executed significant **trade deals** with **US, Europe, UK, New Zealand and Oman**, which have potential to give boost to the Indian economy.
- ◆ **Valuations** Nifty50 consensus EPS estimate for CY26/27 largely unchanged. Nifty trades on 20.4x 1-year forward PE. In-line with its 5-year average and a ~10% premium to its 10-year average.
- ◆ India is the **5th largest** equity market in the world now and it was 10th largest in 2014.
- ◆ **Reforms and policy stability** bedrock for long sustainable growth.

Source: Bloomberg, HSBC Mutual Fund, * October-December 2025, Past performance is not indicative of future returns. Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. For illustrative purpose only.

Growing potential to climb up the GDP ladder

Indian economy is estimated to add about \$1tn every 2 years going forward

Rank	2004	2009	2014	2019	2024	2025	2029E	GDP (\$ tn)
1	United States	35.7						
2	Japan	Japan	China	China	China	China	China	24.5
3	Germany	China	Japan	Japan	Germany	Germany	India	6.1
4	United Kingdom	Germany	Germany	Germany	Japan	India	Germany	5.4
5	France	France	United Kingdom	United Kingdom	India	Japan	Japan	4.8
6	China	United Kingdom	France	India	United Kingdom	United Kingdom	United Kingdom	4.7
7	Italy	Italy	Brazil	France	France	France	France	3.6
8	Spain	Brazil	Italy	Italy	Italy	Italy	Italy	2.7
9	Canada	Spain	Russia	Brazil	Canada	Russia	Canada	2.7
10	South Korea	Canada	India	South Korea	Brazil	Canada	Brazil	2.5
11	Mexico	India	Canada	Canada	Russia	Brazil	Russia	2.3
12	India	Russia	South Korea	Russia	South Korea	Spain	Spain	2.1

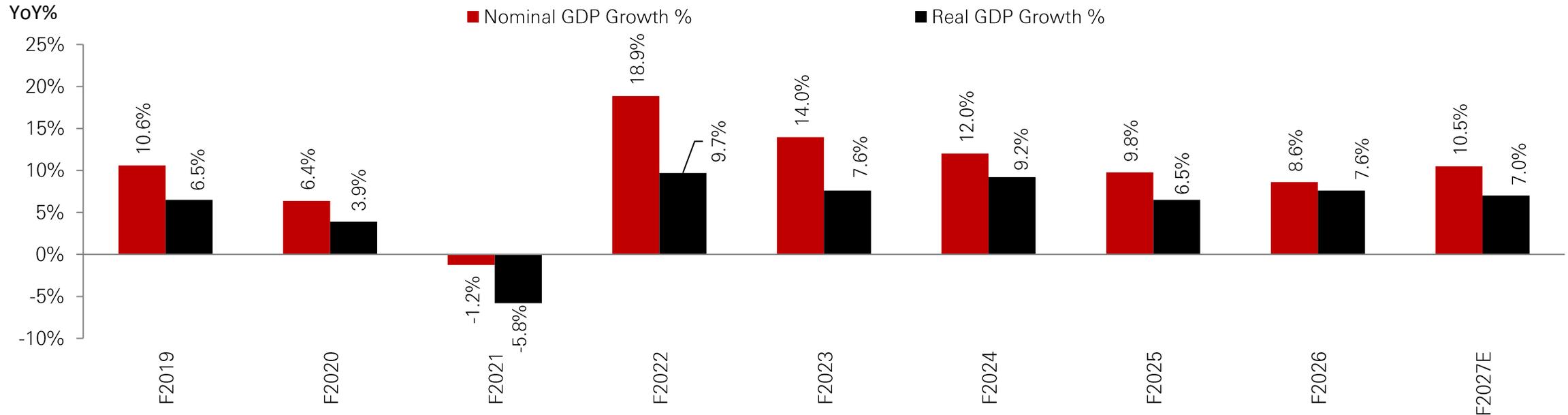
- Among top countries, India is the only one to witness double-digit nominal GDP growth over the next 5 years
- China moved from GDP of \$3.6tn in 2007 (similar to India's GDP currently) to \$10.5tn in 2014 (~3x in 7 years)

Source: IMF, Oxford Economics, The World Bank, RBI, BCG, Data as on 31 Dec 2025, Data based on GDP at current prices, 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 Strategy/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Strong GDP growth trend

- ◆ Overall economic growth in India has remained strong post pandemic.
- ◆ Real GDP has remained strong around 6-7% growth consistently, despite fiscal consolidation over the past few years.

Real and Nominal GDP growth momentum



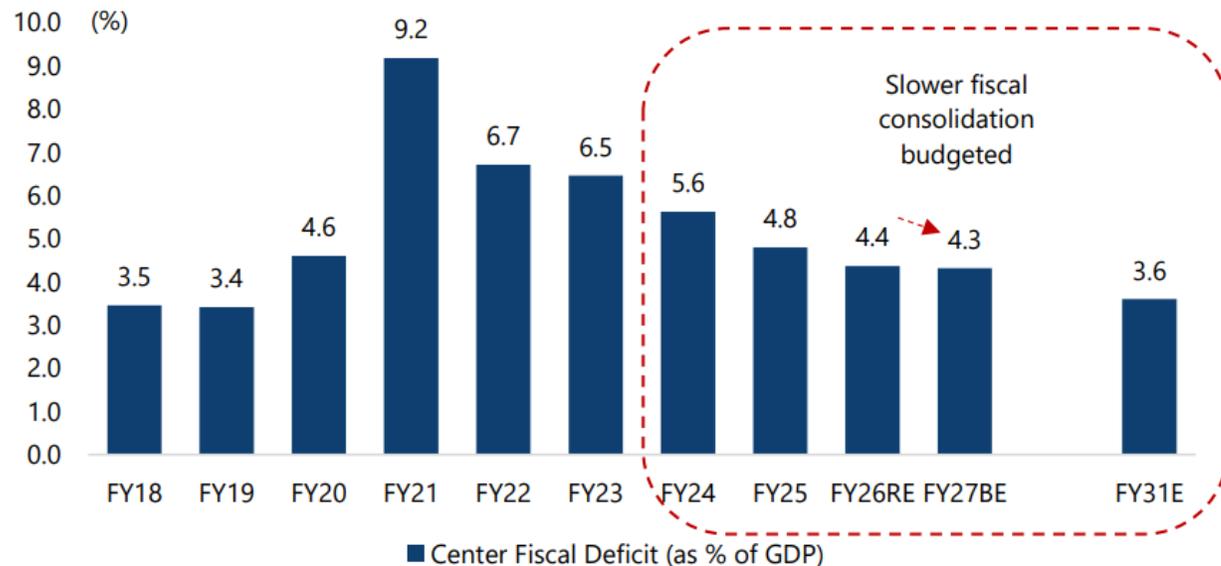
Source: CEIC, UBS estimates, HSBC Mutual Fund, Data as at February 2026.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target.

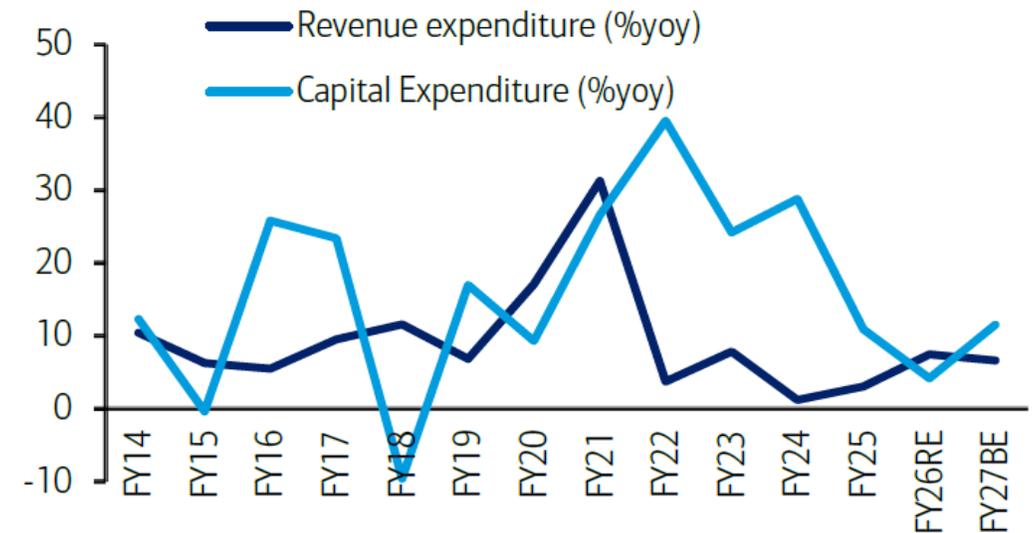
Fiscal consolidation firmly in place

- Central government's FY27 fiscal deficit (FD) pegged at 4.3% of GDP (versus 4.4% in FY26RE). The pace of fiscal consolidation has been reduced in FY27 with fiscal deficit down 10bps of GDP.
- Government's debt to GDP ratio is estimated to be 55.6% of GDP in FY27BE, down 50bps from FY26RE. The government reiterated its commitment to keep reducing its debt to attain a debt to GDP level of ~50% (+/- 1%) by March 2031 end.
- The government remains balanced on its spending towards revenue and capital expenditure. Revenue expenditure YoY growth is expected to moderate to 6.6% in FY27, while capital expenditure grew 12% YoY.

Centre likely to stick to fiscal deficit target



Revenue vs capital expenditure YoY growth

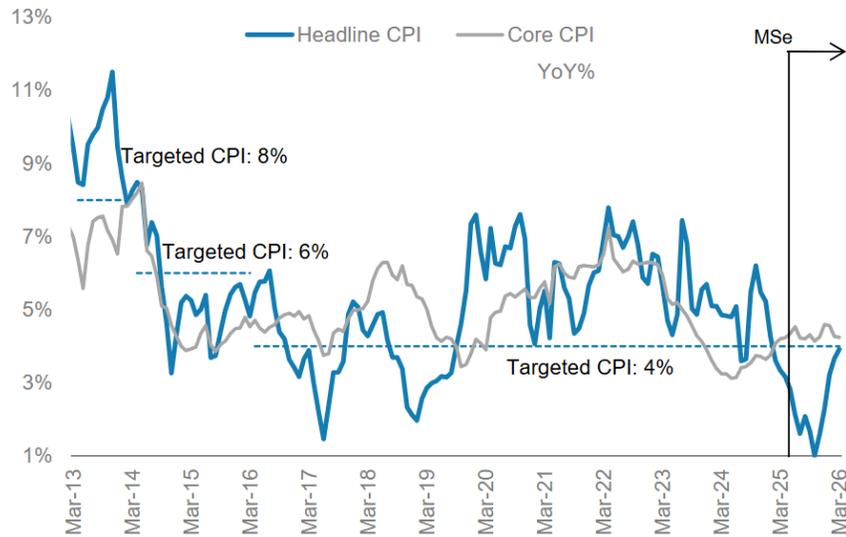


Source: Budget documents, Jefferies, Haver, BofA Global Research, HSBC Mutual Fund

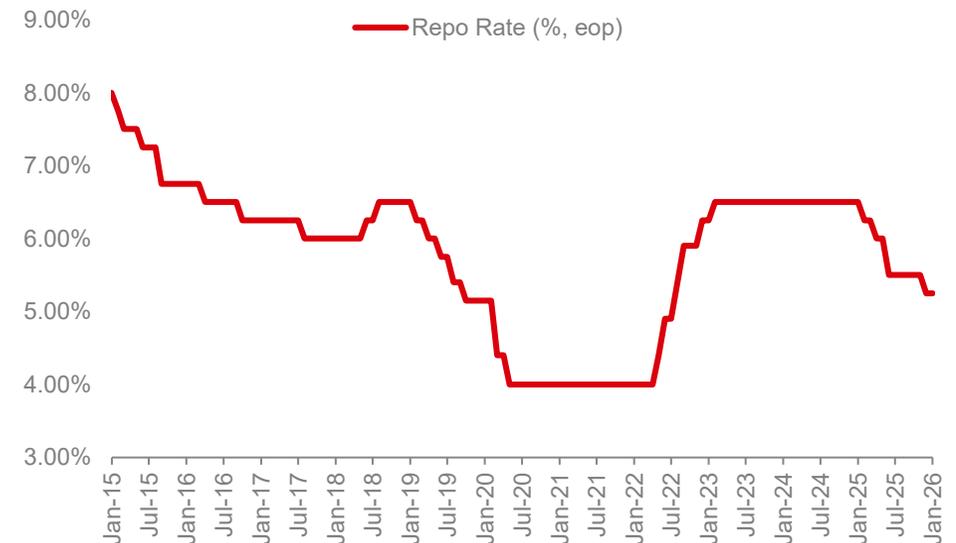
Inflation continues to remain benign

- ◆ India's inflation remains within the RBI target range of 4% (+/- 2%). While bulk of the fall in CPI is attributed to food inflation, even core inflation ex gold has been declining.
- ◆ India's repo rate has also come down steadily in line with inflation. RBI undertook 125bps rate cut in 2025.

Inflation trending down



Rate cut in-line with inflation trends



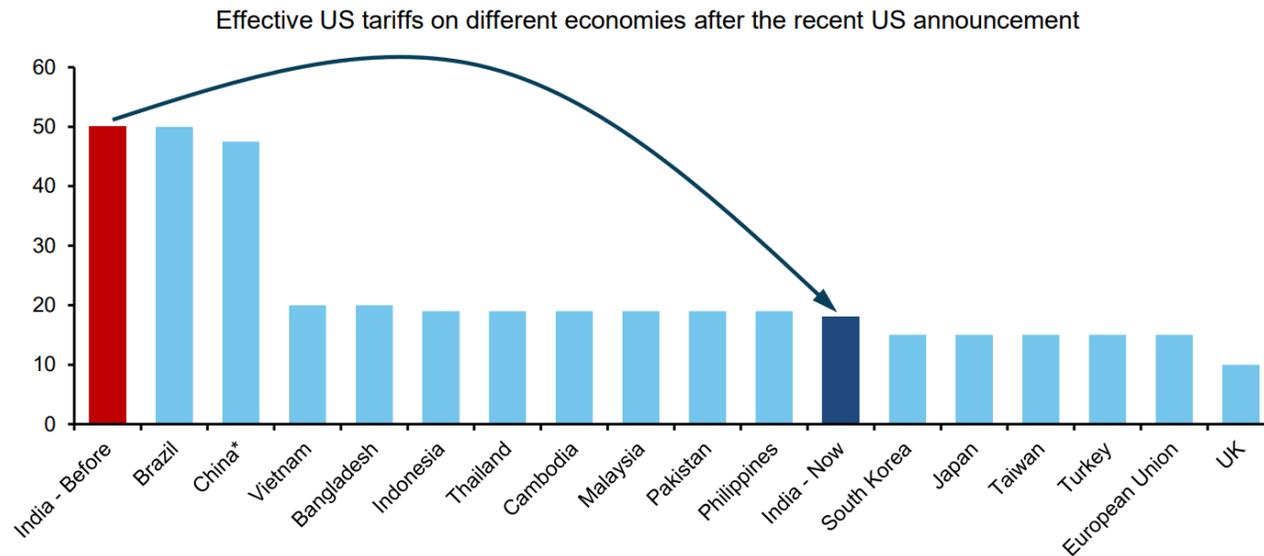
Source: CEIC, RBI, Bloomberg, Morgan Stanley Research, HSBC Mutual Fund, Data as at January 2026.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target.

Lower tariffs should provide boost to exports

- Effective tariff rate by US on India is down to about 18% from earlier 35% (with exemptions; 50% without exemptions) and the revised rate will be close to Asian peers (mostly around 15 -19%)
- India has done 8 free trade agreement covering 37 developed countries over the past 5 years (excluding US). Further, the government is in talks with atleast 10 countries for much such bilateral or free trade agreements.

US tariff rates on India now lower than some Asian peers

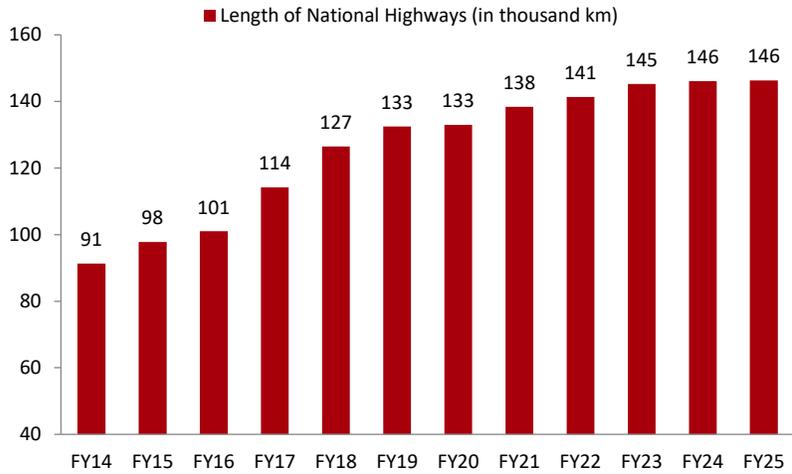


Deals With Countries	Benefits
India - Mauritius (2021)	India's first-ever trade deal with Africa
India - UAE (2022)	India-UAE trade crossed \$100 billion in FY25
India - Australia (2022)	India got zero-tariff access to Australia
India - EFTA (2024/25)	Commitment of \$100 billion in FDI
India - UK (2025)	99% of Indian exports-tariff-free
India - Oman (2025)	India's biggest-ever tariff cover in the Gulf
India - New Zealand (2025)	India's fastest trade deal ever - just 9 months
India - EU (2026)	Reduce duties on 96.6% of EU goods exports

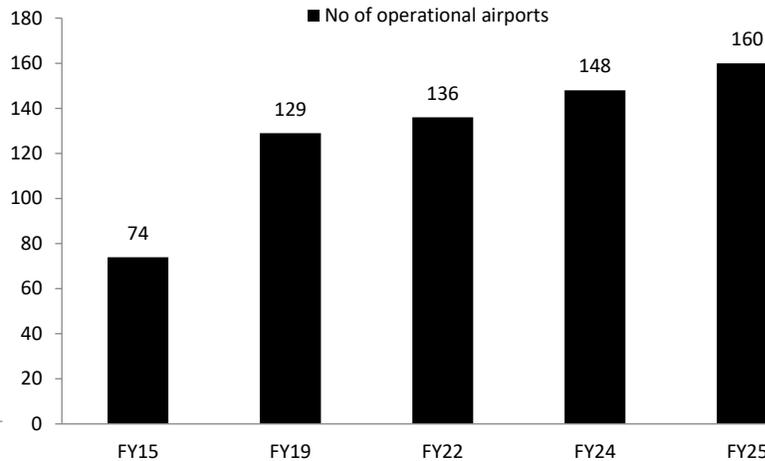
Source: White House Press Release, Petersen Institute for International Economics, Bernstein Analysis, News article. Latest available data as February 2026. The tariffs on China are effective average tariffs accounting for suspensions during truce. Investment involves risks. Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

India's infrastructure building spree; one of the driver of India's growth story

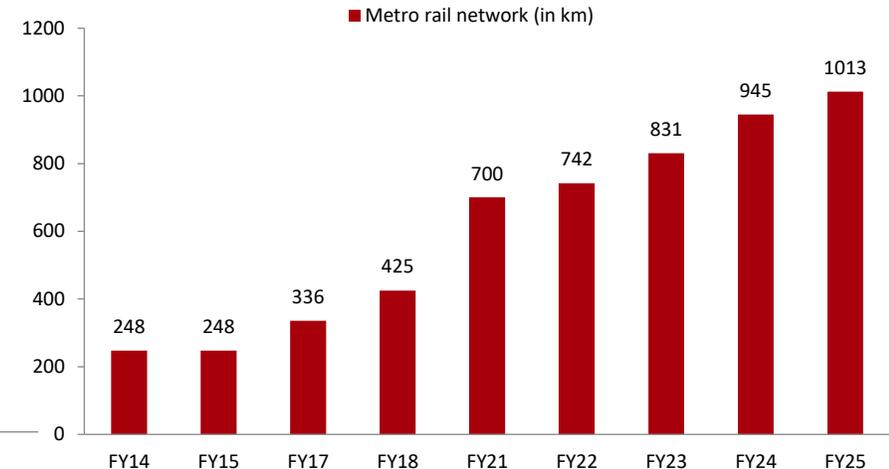
Roads: 28 km of roads being constructed every day



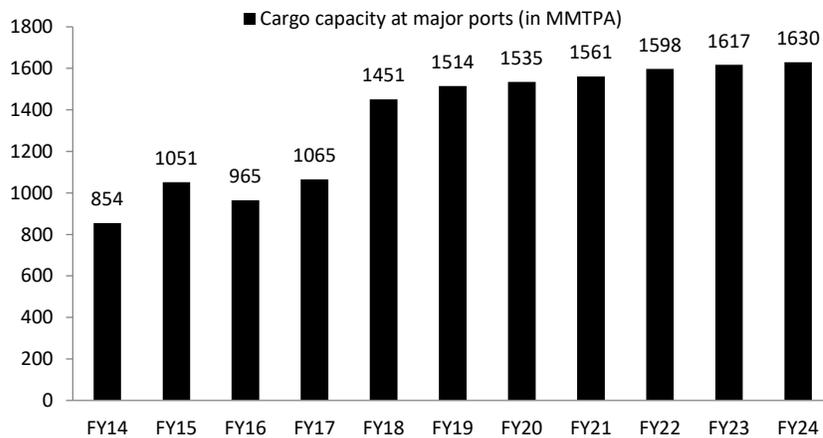
Aviation: More than 2x airports in 10 years



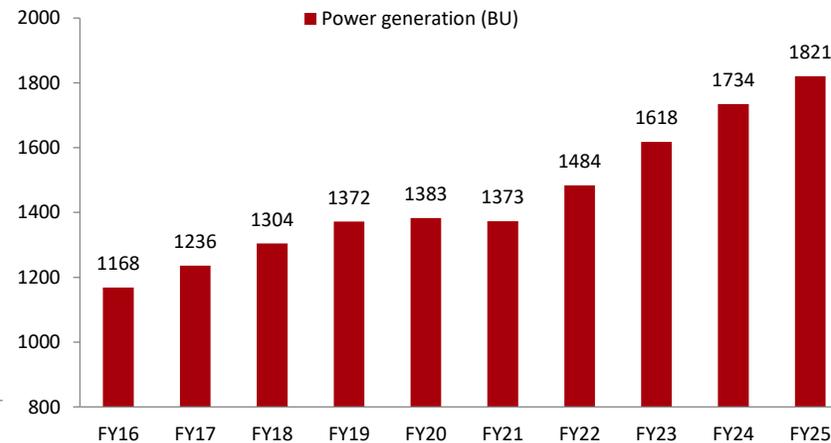
Metro rail: Network expanded 4x



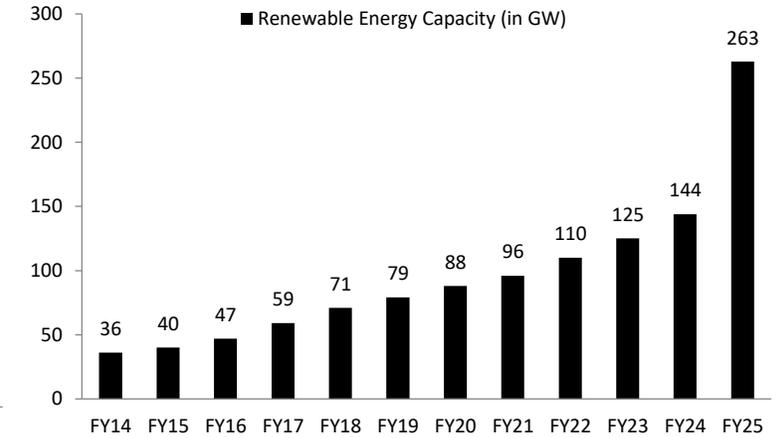
Cargo capacity ~2x in 10 years



Power generations increased significantly



Renewable energy: now ~50% of total energy capacity

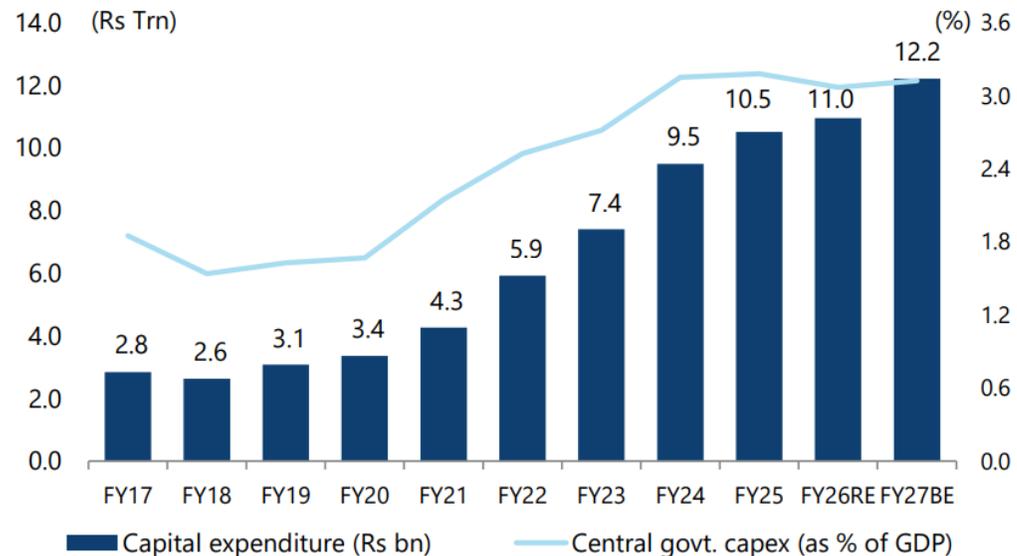


Source: UBS, Ministry of Civil Aviation, Press Information Bureau, Ministry of New and Renewable Energy, Ministry of Road Transport and Highways of India data as of FY25. Investment involves risks. Past performance does not predict future returns. Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. Latest available data as at February 2026. 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).

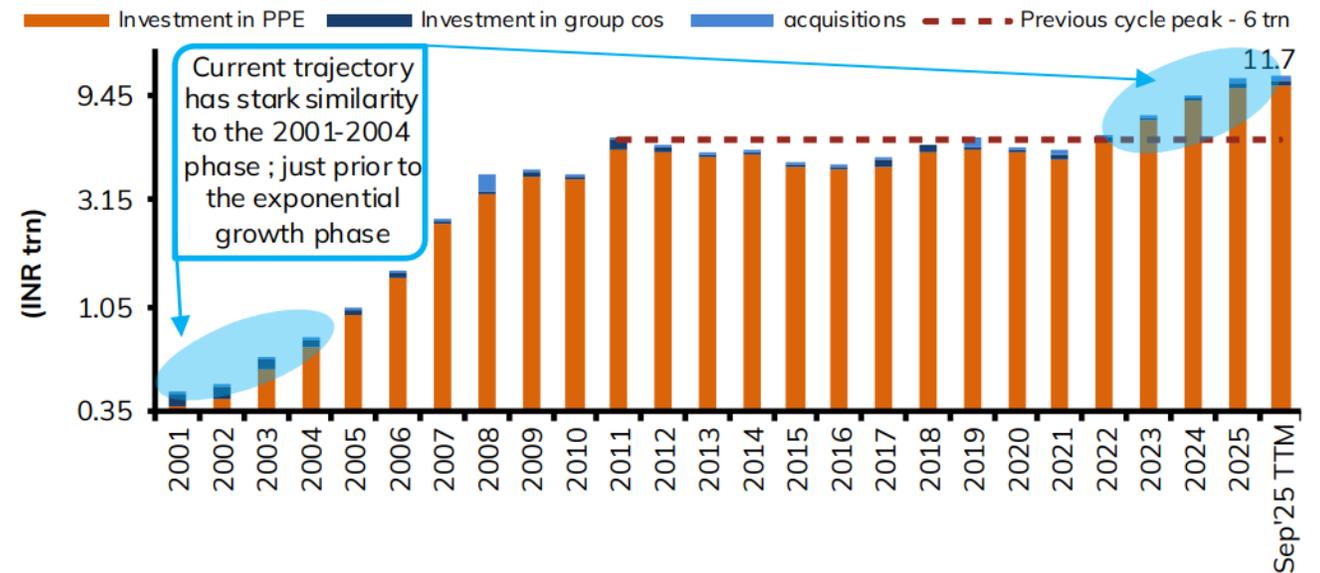
Investment cycle remains steady

- ◆ Government capex saw an acceleration post Covid, however, is broadly moving in-line with GDP post FY24
- ◆ Power, Defence and Railways are likely bright spots for FY27. Transfer to States for capex also saw strong growth.
- ◆ There has been healthy growth in private capex in new-age sectors, however, traditional capex-heavy sector growth has been subdued. This has kept the overall private capex growth muted, despite capacity utilization levels being high.

Central Government capex growth steady



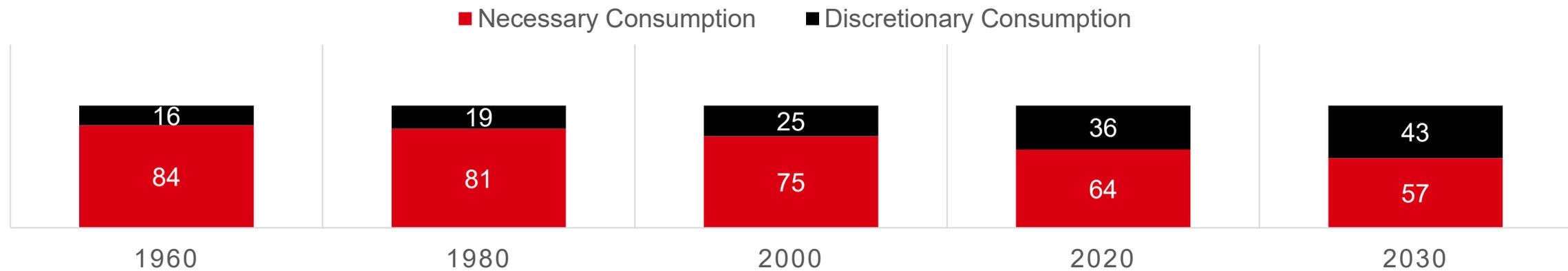
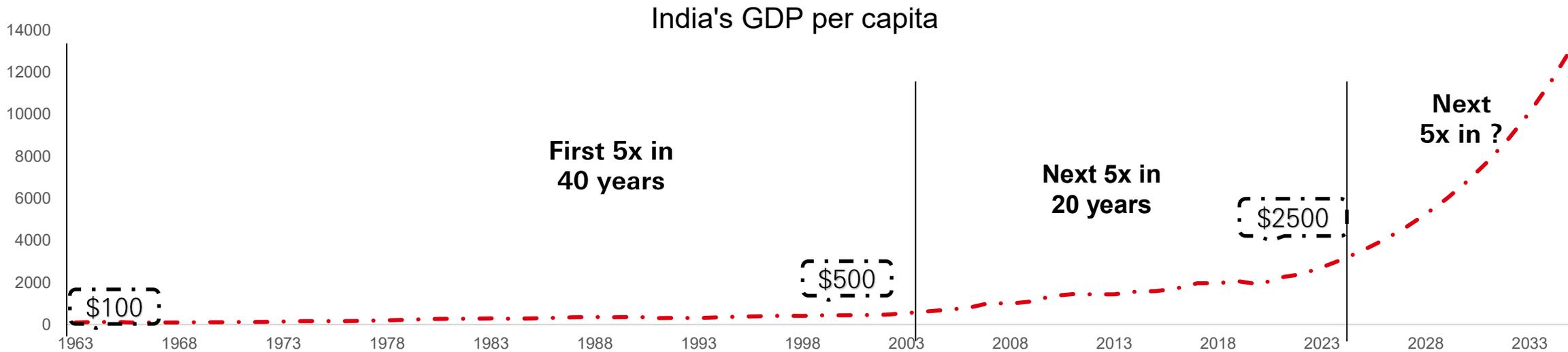
Early signs of private capex improvement



Source: Budget documents, Capitaline, Jefferies, ICICI Securities, HSBC Mutual Fund, Latest available data
 Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target.

Consumption basket is at an inflection point

Wallet share moving towards discretionary spends



Source: World bank, NBS of PRC, Bloomberg, Euromonitor, Latest available data updated, Data as on 31 Mar 2025

Source: BOFA, MOSPI, Morgan Stanley Research, Bloomberg. For illustration purpose only.

Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision. 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).

Digital payments have been key enabler for e-transactions



Jan Dhan ~577 mn accounts

(Basic savings bank accounts opened for the unbanked)



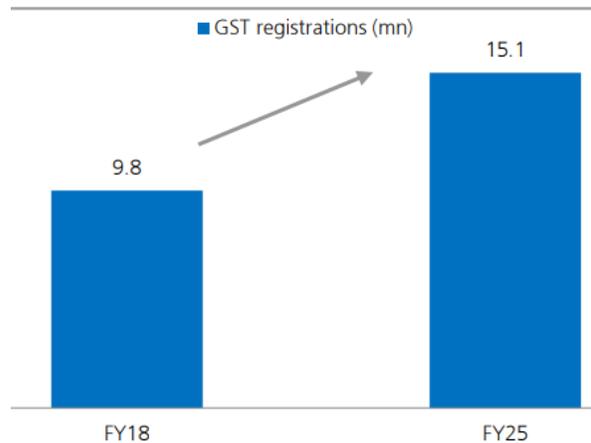
Aadhaar ~1.40 billion users

(An offline/online identity system for the residents)



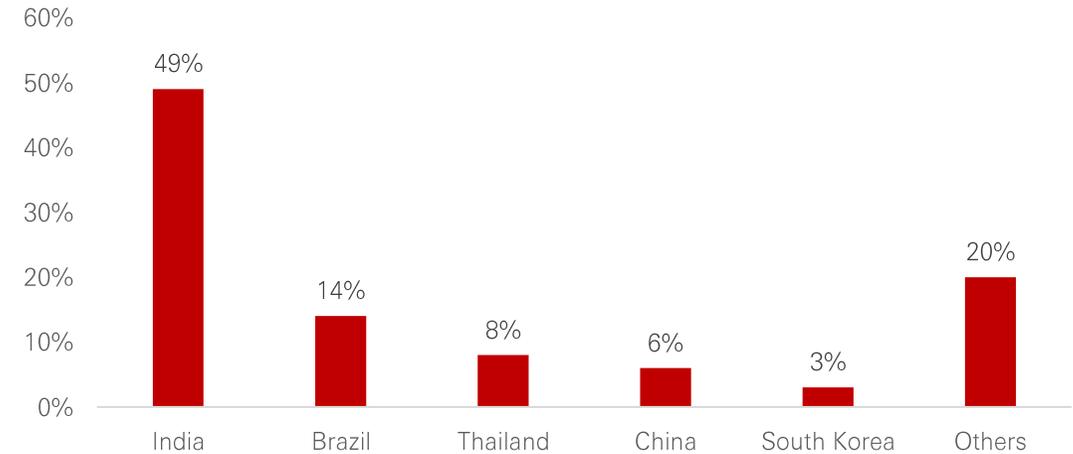
Mobile Internet ~881 mn

GST registrations driving formalization

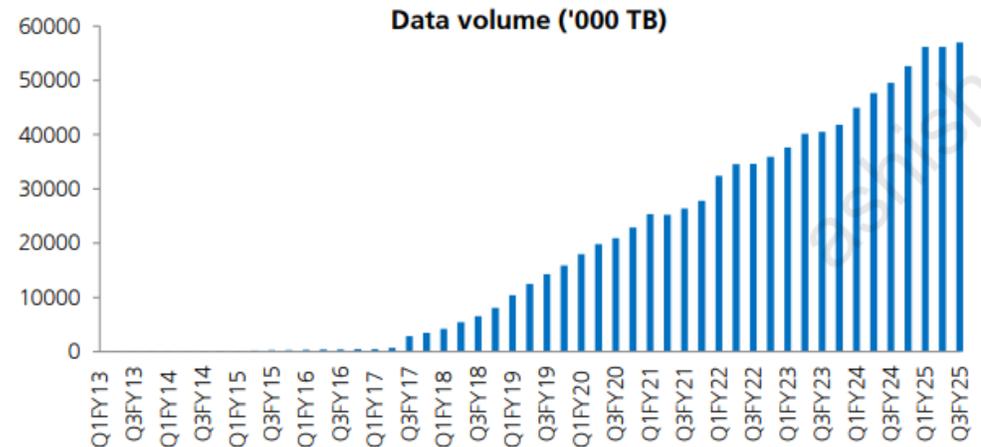


India leading in digital payments

Share in world wide digital payment (%)



Digital boom in India



Source: Source: World Bank, IMF, ITU, Global Findex database, NPCI, GSTN, RBI, UIDAI, PIB, TRAI, UBS. Digital payments- <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2200569®=3&lang=1>. Latest available data as at February 2026. 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). Past performance may or may not be sustained in future and is not a guarantee of any future returns. E refers to estimated.

Crucial reforms paving the path for a structural recovery

Bankruptcy Law

- **Financial sector balance sheets are strong with impaired loans at a 12-year low to fund the capex cycle**
- Corporate sector has repaired their balance sheets to bring down debt levels to a 15-year low

Push for Manufacturing

- **Production Linked Incentive Schemes (PLI) - \$34bn (around 1% of GDP) boost**
- Capex push by the Government as public capex increases continuously
- Reduction of Corporate Income Tax to make them more competitive

Startup Ecosystem

- **India - the third largest start-up ecosystem in the world**
- US, China and India are the countries with the maximum number of unicorns, Growing PE and VC investments in India

Improving liquidity conditions

- **Slew of measures by RBI to boost liquidity, including rate cuts**
- Transmission of front-loaded rate cut undergoing to boost credit growth

One nation one tax (GST) simplified

- **Rationalization of GST rates and simplification of the rate structure**
- To support consumption and improve purchasing power, Formalization of economy

Labour code

- **India implemented 4 comprehensive Labour Codes for Wages, Industrial Relations, Social Security, and Occupational Safety** consolidating 29 central labor laws to modernize, simplify, and enhance worker protection.
- Universal minimum wages, gig worker recognition, digital compliance, & 8 - 12 hour workdays, aiming to balance employer flexibility with worker safety & social security.

Real Estate Reforms

- **Transparency and accountability to protect home buyers**
- Guarantees timely delivery of projects, else penalties for builders
- Separate project-wise escrow accounts reduces fund diversion and project delays

India Ratings Upgrade

S&P raised India's long-term sovereign credit rating to 'BBB' in August 2025 (from 'BBB-') after 18 years. Morningstar DBRS' and Rating and Investment Information, Inc. (R&I), Japan has also upgraded India to 'BBB' in May 2025 and 'BBB+' in September 2025 respectively.

Source: Gol, Bloomberg, HSBC Mutual Fund, Data as at Dec 2025 or latest available. 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 Strategy/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

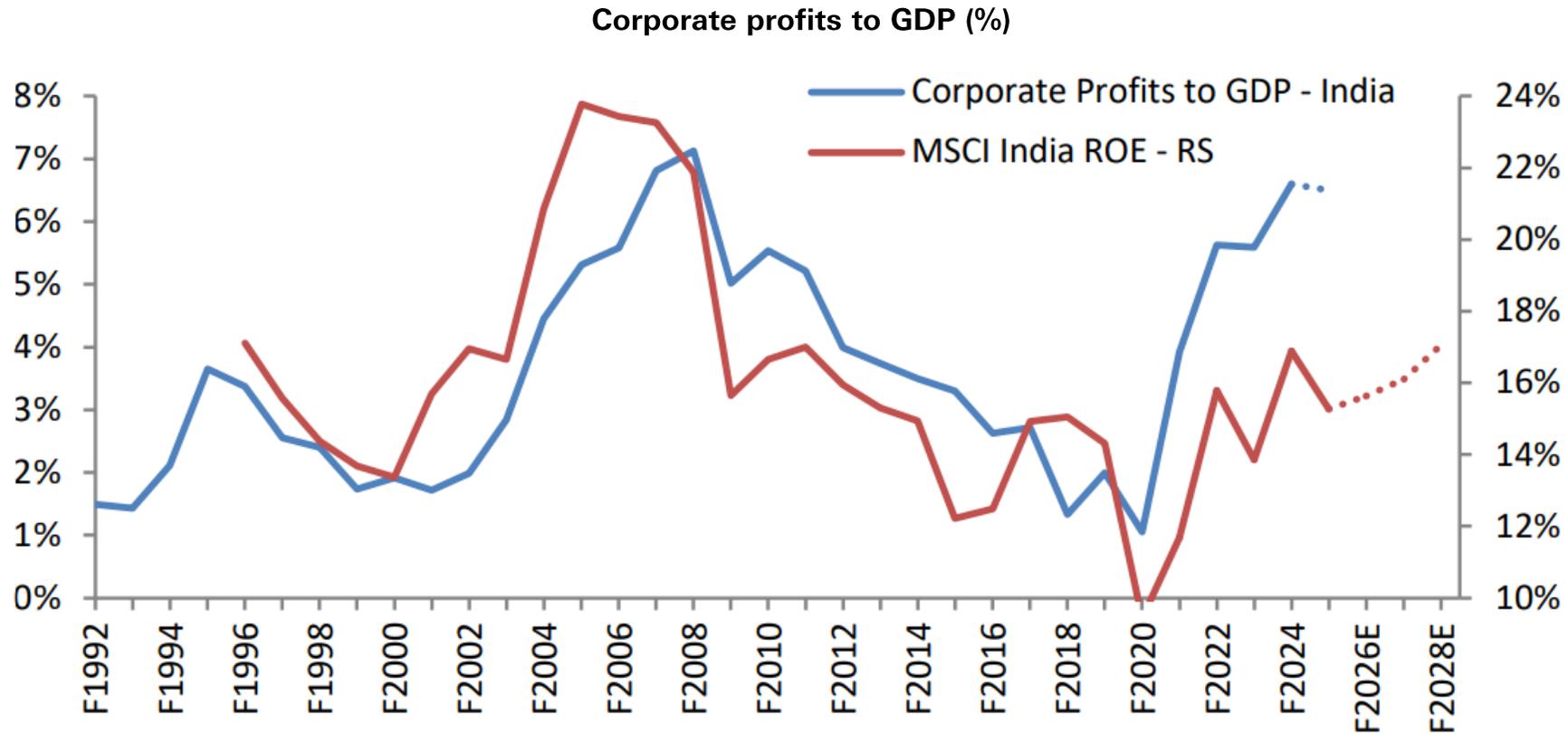
Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Equity Market outlook



Corporate profit to GDP closer to all-time highs with improving RoEs

- ◆ Strong long-term correlation between GDP growth and corporate earnings
- ◆ The representation of corporate profits to GDP is closely following profitability measured by ROE

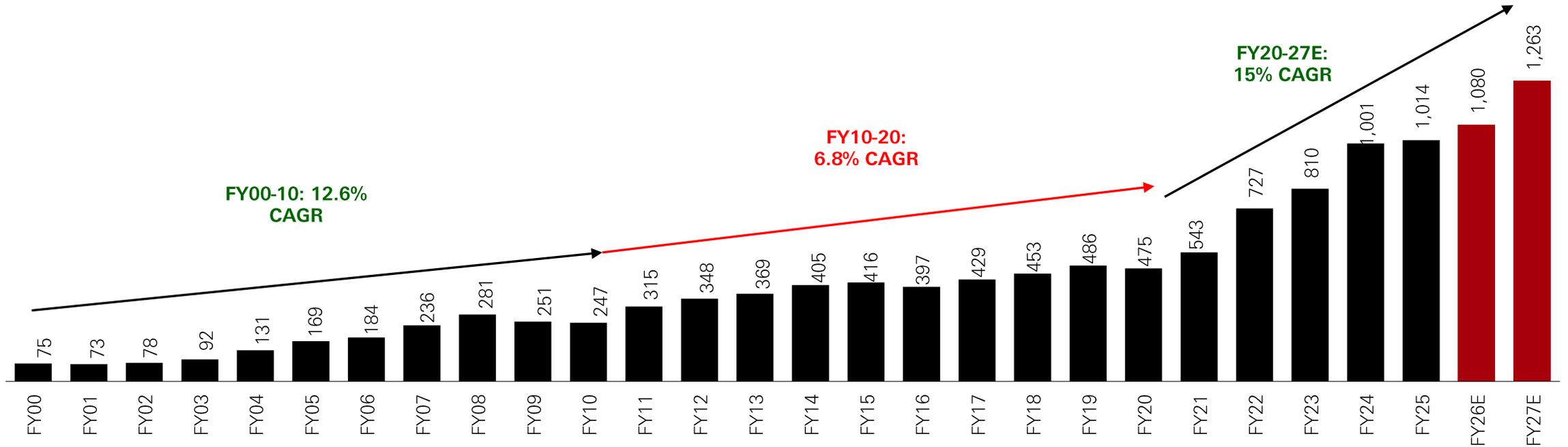


Source: RIMES, Worldscope, MSCI, CMIE, CEIC, Capitaline, Morgan Stanley Research (e) estimates, data as of January 2026

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Corporate earnings to grow teens on low base

- ◆ Nifty 50 earnings delivered 12% CAGR over the period FY 2000-10
- ◆ Earnings growth to reaccelerate in FY25-FY27 on a low base of FY25 as per recent projections

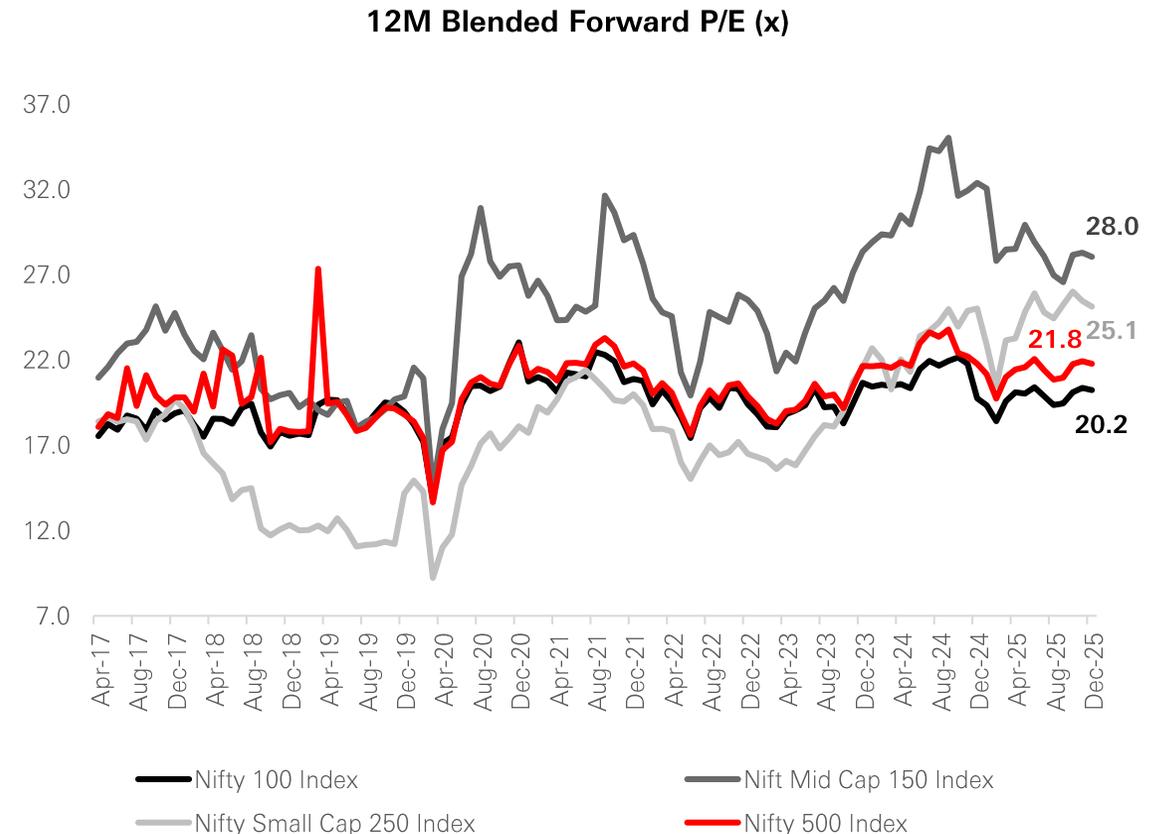
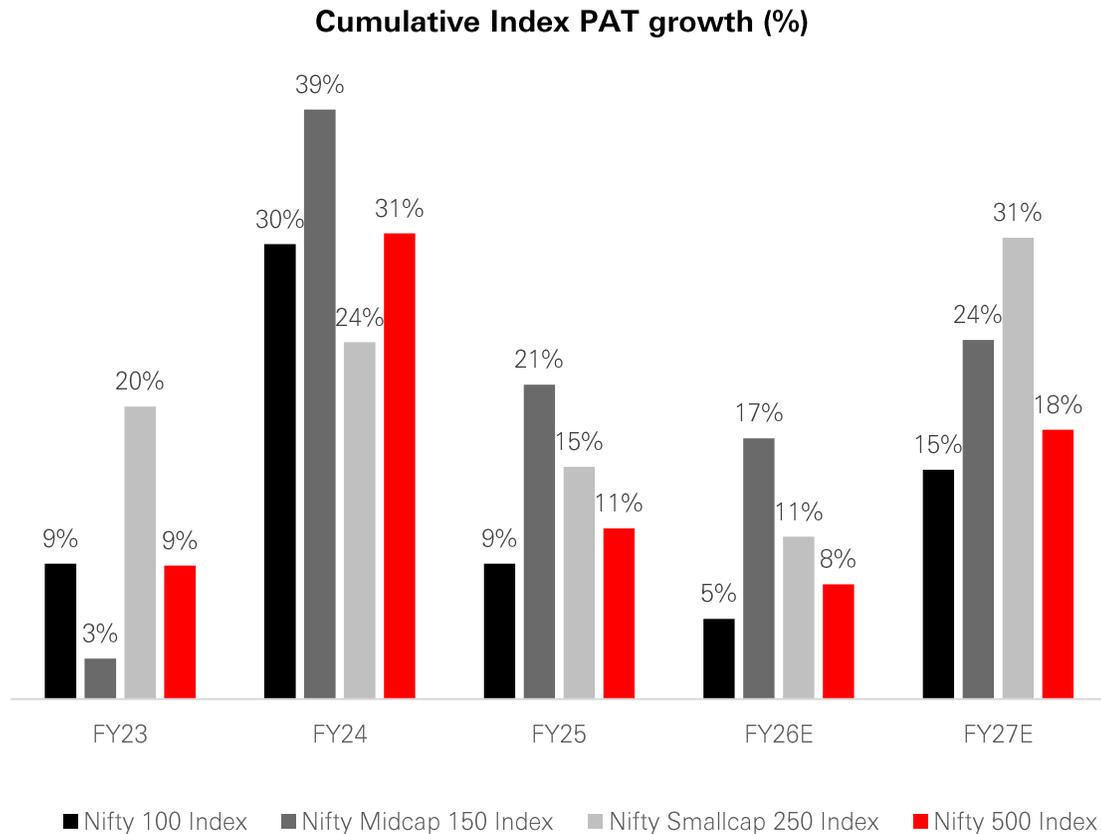


Source: MOSL, Bloomberg, Data as on 31 January 2026,

Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Note-The details provided above is as per the information available in public domain at this moment and subject to change. Please consult your financial advisor for any investment decisions.

Growth pick up likely to happen across categories; valuations have corrected from peak



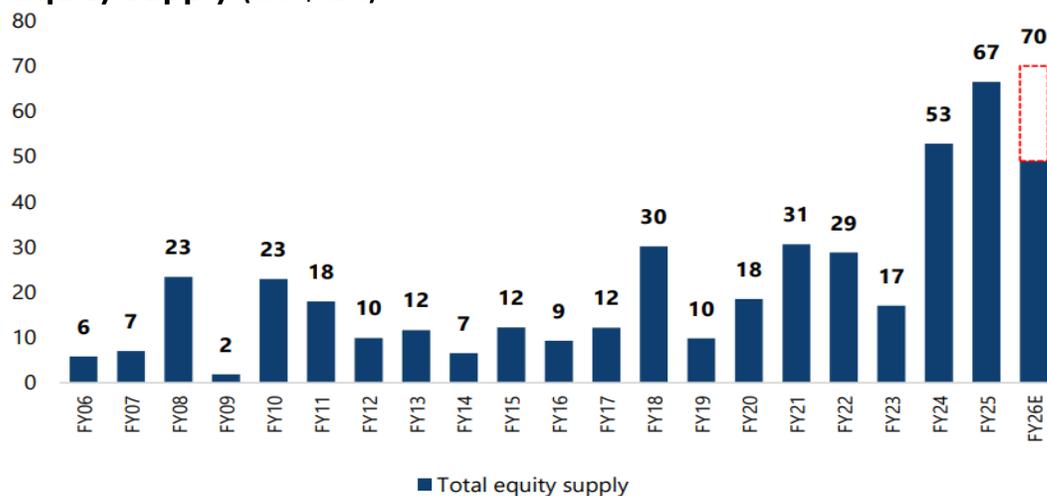
Source: Bloomberg. Latest available data as at December 2025, Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision. 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). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Issuances and FII outflows weigh on equity markets

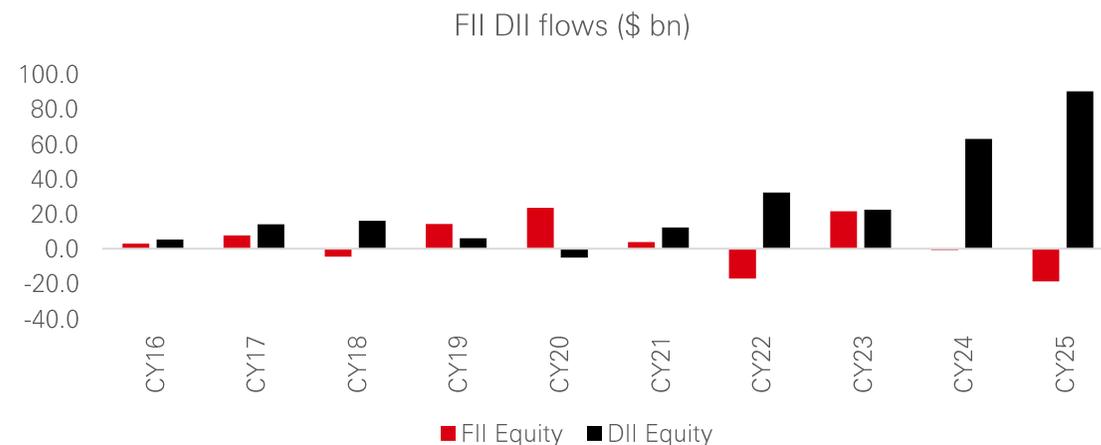
- During CY25, Indian equity markets have seen supply of ~\$70bn from IPO's or Promoters/ PEs blocks or QIPs.
- This, along with FII selling of \$19bn, has cumulatively sucked out nearly \$90bn from the equity markets.
- DII flows have offset this impact pumping ~\$90bn of inflows over the same period.
- We have a busy pipeline of upcoming IPOs which might result in healthy supply in the equity market.

Year	FII net flows (USD bn)	Nifty 50 Index	Midcap 100 Index	Smallcap 100 Index
CY08	-12.9	-52%	-59%	-71%
CY11	-0.5	-25%	-31%	-34%
CY18	-4.6	3%	-15%	-29%
CY22	-17.0	4%	4%	-14%
CY25	-18.8	12%	7%	-5%

Equity supply (US\$ bn)



Strong domestic inflows heavily outweighs FII selling (US\$ bn)



Source: NSE, BSE, Bloomberg, Prime Database, Jefferies, HSBC Mutual Fund, Latest available data as at December 2025, Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

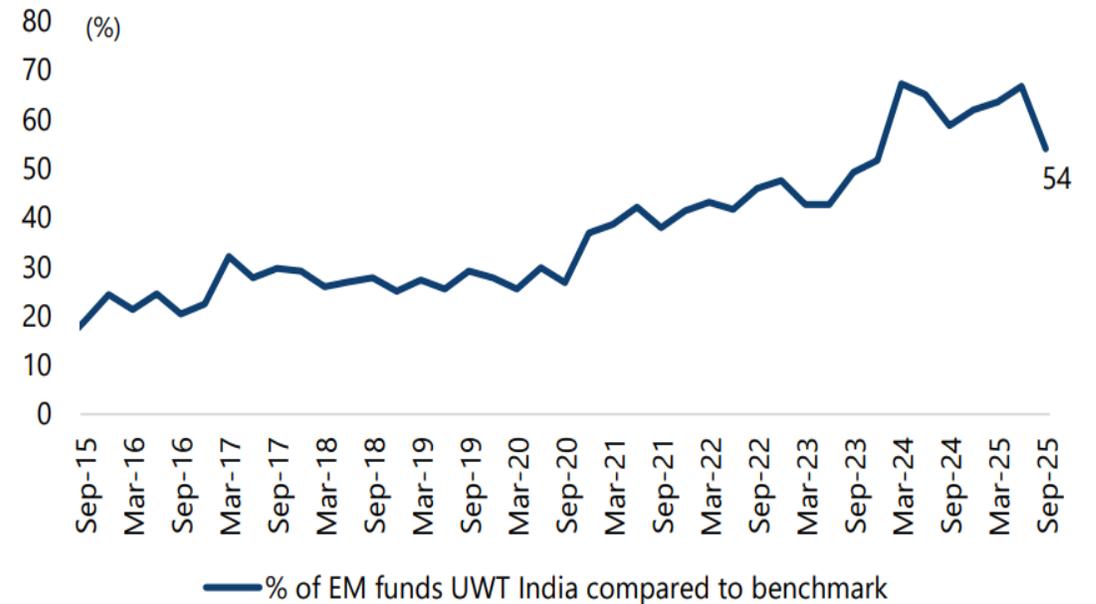
FII positioning in India close to weakest ever

- India's weight in Global Emerging Market Funds (relative to India's weight in MSCI EM) closer to lowest point over the past 25 years
- More flows into Emerging markets as investors diversify out of US into EM on back of a weaker dollar
- Announcement of US trade deal could be a key potential catalyst

India average weight relative to MSCI benchmark in EM funds (%)



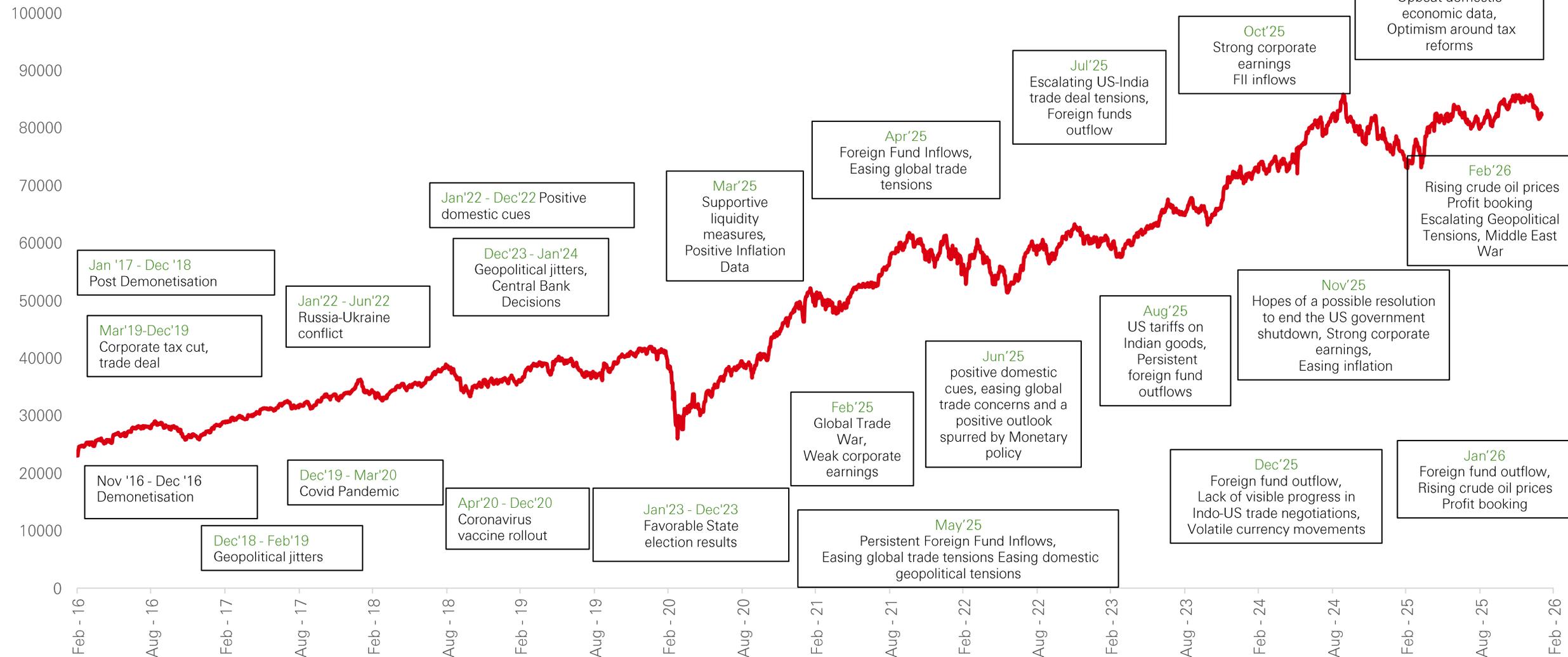
Percentage of funds UW on India compared to benchmark*



Source: MSCI, Refinitiv, EPFR Global, J.P. Morgan, Bloomberg, Jefferies, HSBC Mutual Fund. Latest available data as at December 2025. Sample of 63 large EM active funds with combined AUM of US\$310bn

Indian markets have always climbed the 'Wall of Worry'

BSE SENSEX Index Value



Source: BSE, Crisil, Data as on 28 Feb 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Note-The details provided above is as per the information available in public domain at this moment and subject to change. Please consult your financial advisor for any investment decisions.

Key pillars for growth



Key pillars for growth

1 Consumption

- ◆ Taxation benefits - GST rate cuts and simplified GST structure; personal income tax cuts
- ◆ Lower inflation and higher disposable income
- ◆ Premiumization
- ◆ Formalization of economy (Unorganized to Organized movement)
- ◆ Improving penetration across discretionary categories
- ◆ Urbanization
- ◆ Nuclearization

2 Digitalization/ Platforms

- ◆ Higher smartphone and internet penetration with low data costs
- ◆ Convenience with faster access
- ◆ Scalability with low marginal costs
- ◆ Wide variety of choices
- ◆ Personalized selection and better customer targeting
- ◆ Rich data history along with data mining capabilities
- ◆ Network effect

3 Manufacturing and Infrastructure

- ◆ Rising power demand
- ◆ EMS (Equipment Manufacturing services)
- ◆ Indigenization in defence
- ◆ Government incentives and policies like PLIs, low corporate tax rate and tax rationalization (inverted duty structure)
- ◆ Certification standards for specific sectors
- ◆ Better connectivity with expenditure across various industries like roads, railways, airports, telecom, etc.
- ◆ Ease of doing business

4 Financialization

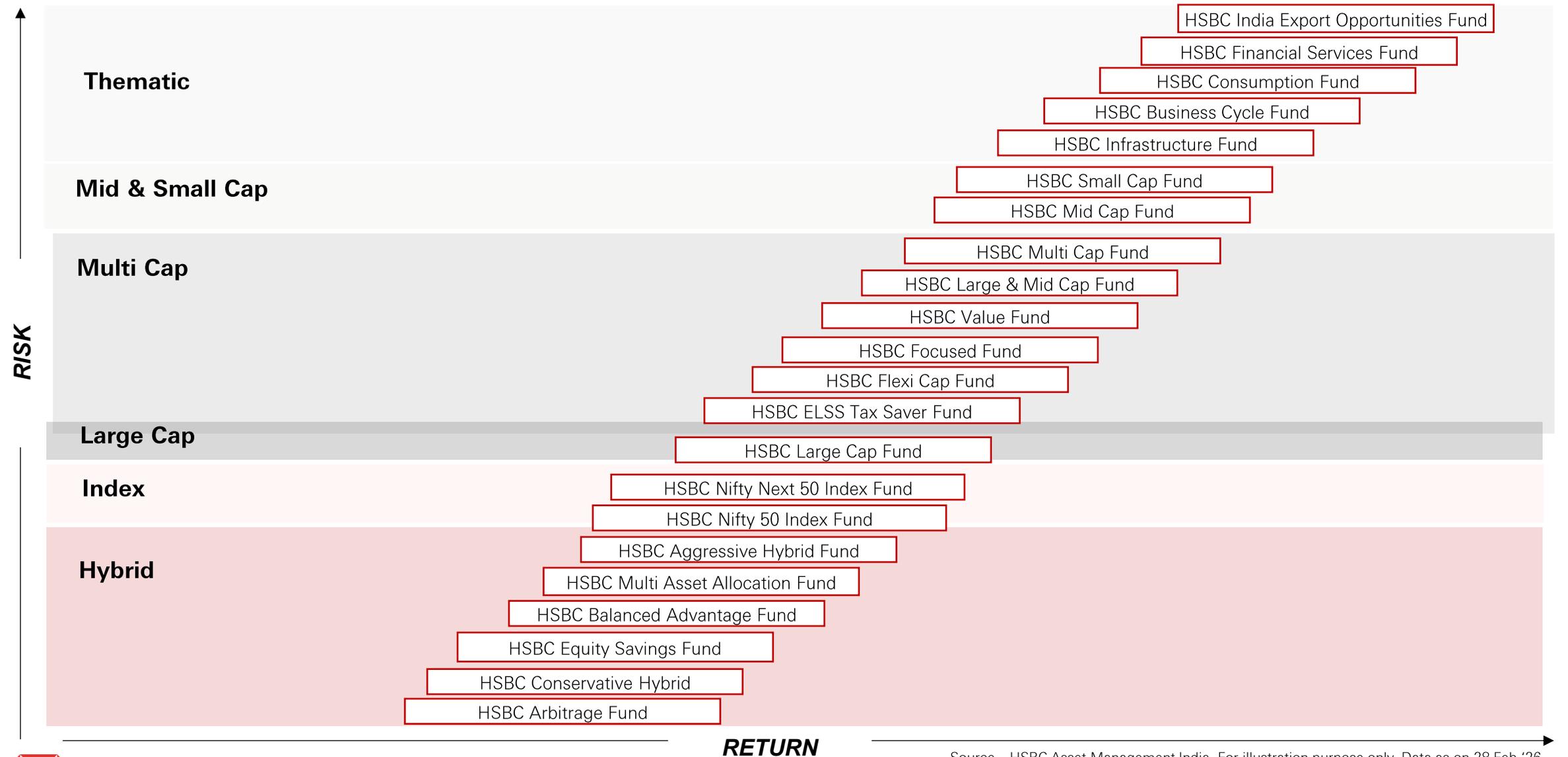
- ◆ Financial inclusion
- ◆ Faster growth of Ultra High Net-worth Individuals
- ◆ Investment into Digitisation ensuring ease of use, efficiency and protection
- ◆ Improved financial literacy
- ◆ High gross national savings
- ◆ Better asset quality and stronger balance sheet of financials and NBFCs

Source: HSBC Asset Management, Data as at December 2025, 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 Strategy/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Know our funds



Equity, Hybrid & Index diverse strategies (14 Equity + 6 Hybrid + 2 Index)

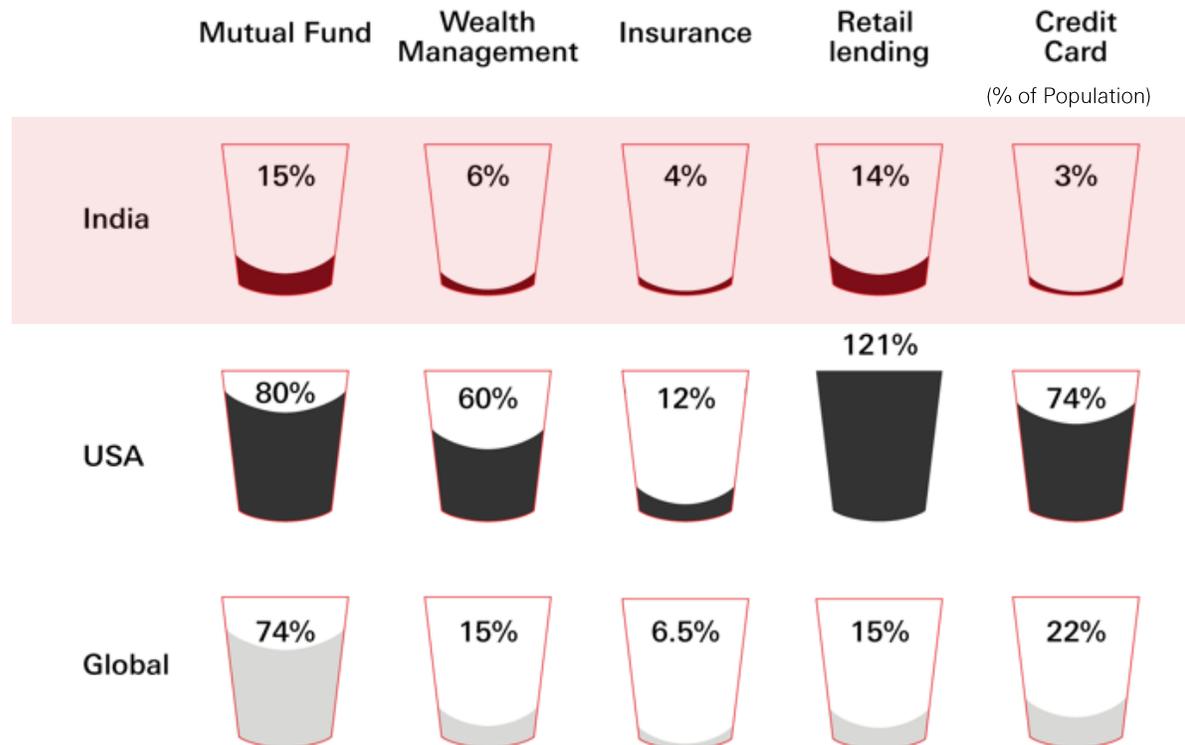


Annexure

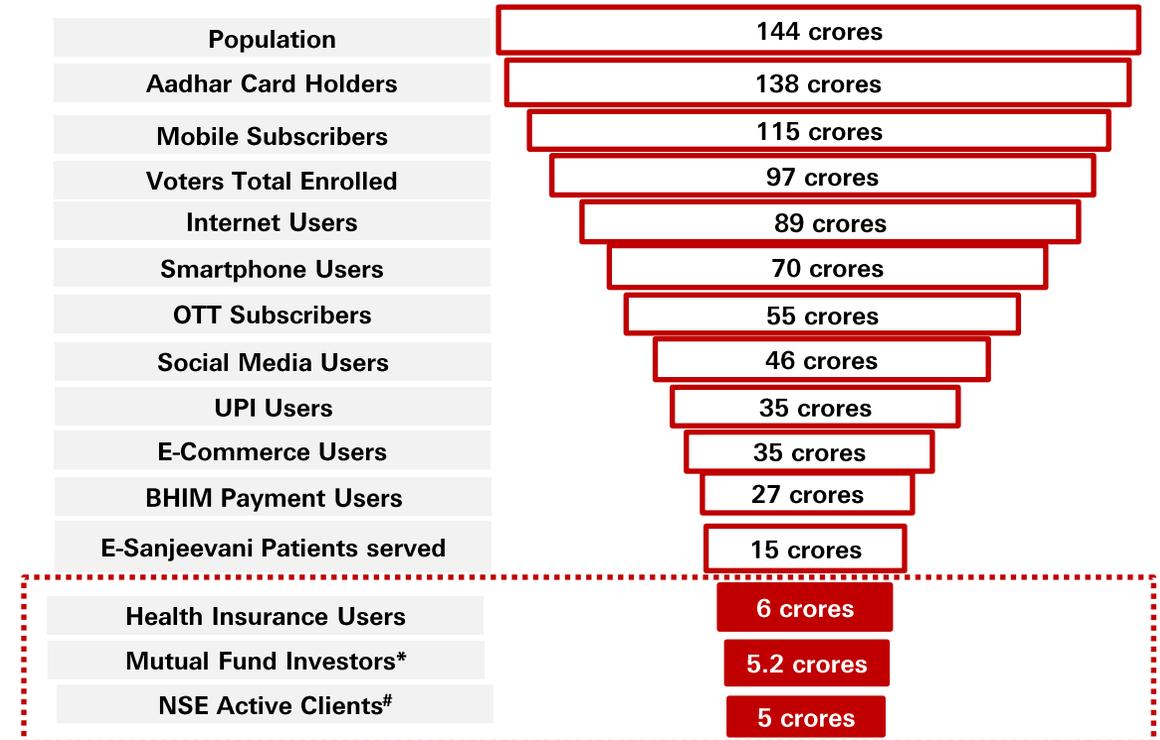


Financial services products still have low penetration in India

Penetration as a % of GDP



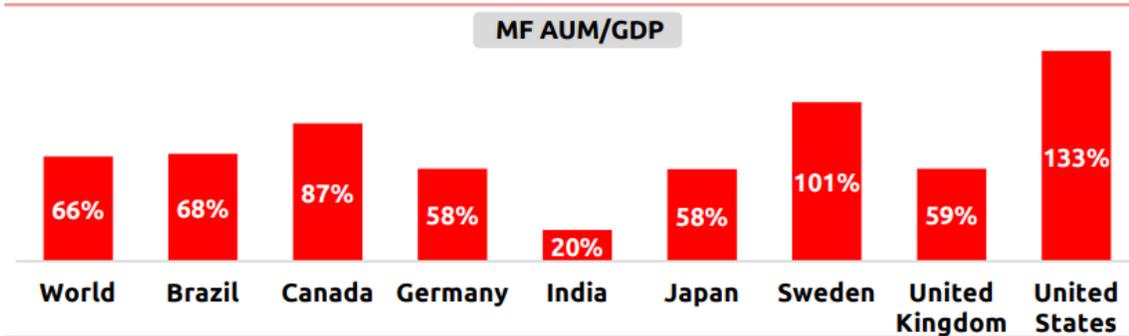
India stack



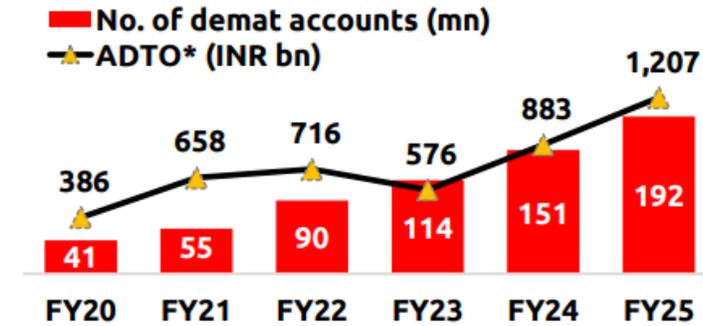
Source: Beams Fintech Internal analysis, RBI report, AMFI, NSE, SEBI, HSBC Mutual Fund. # Data as at December 2024, * Data as at March 2025, other latest available data as at December 2025. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute 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). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Financialization of savings and domestic ownership trend remains healthy

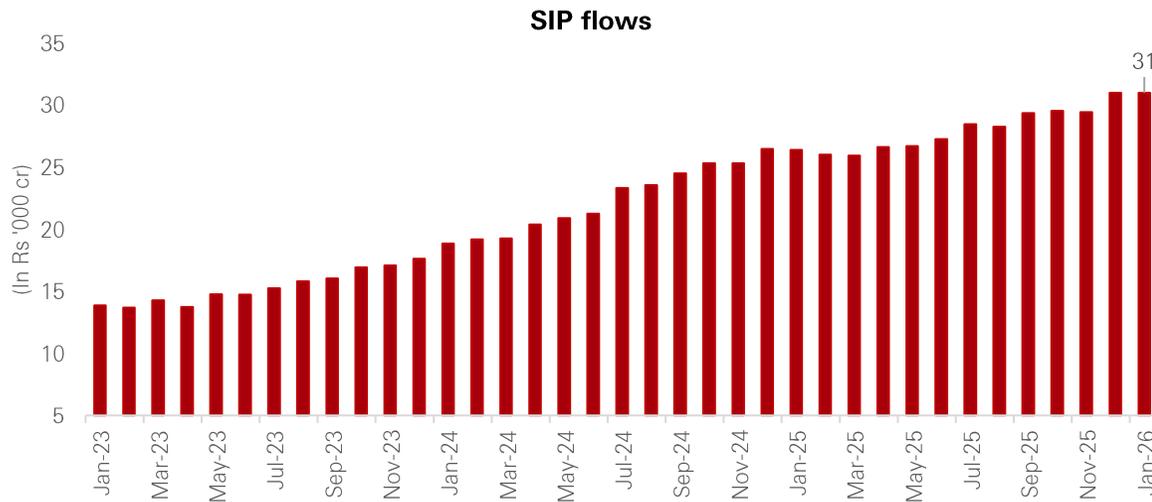
India remains underpenetrated compared to global peers



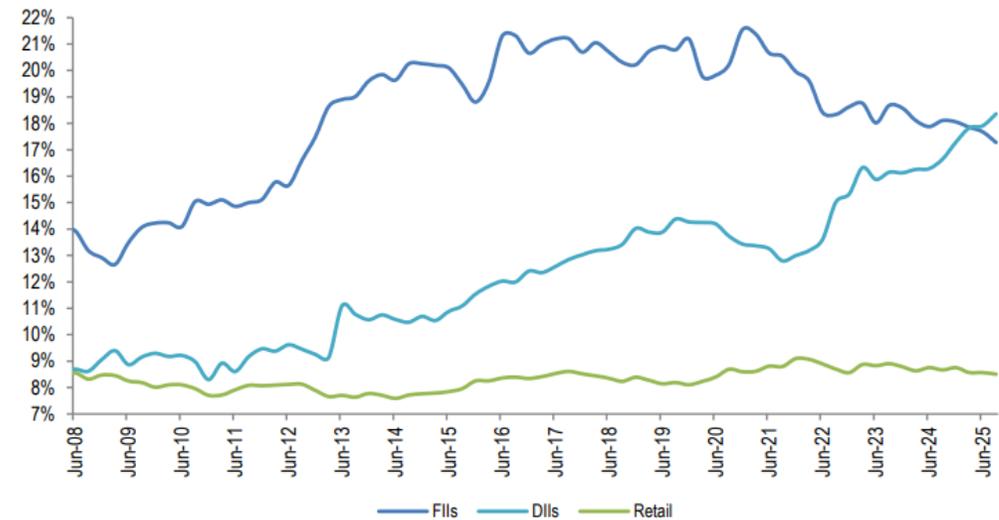
Demat accounts have increased 5x in 5 years



SIP flows from retail investors continue strongly



DII ownership overtakes FII share (BSE 500 Index)

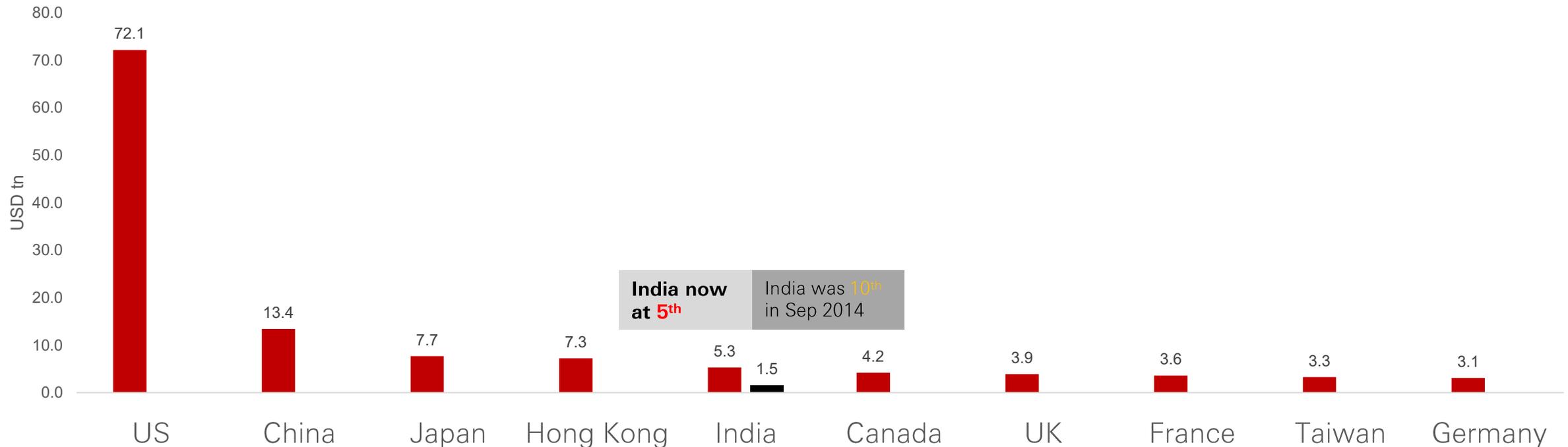


Source: World Bank, Intl. Investment Funds Association, Statista GDP, AMFI, CMIE, Bloomberg, RBI, CEIC, MOSPI, NSE, BSE, NSDL, CDSL, JP Morgan calculations, HSBC Asset Management. Data as on 28 Feb 2026 unless otherwise given. **Past performance may or may not be sustained in the future.**

Equity markets have kept pace with growing economy

- ◆ Indian equity markets are now **5th largest equity market** in the world and briefly surpassed Hong Kong few months back.
- ◆ Decade ago, Indian equity markets were 10th largest with a size of US\$1.5 trillion.

The world's largest exchanges by countries (US\$ tn)



Source: Bloomberg, Data as at December 2025

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target.

HSBC Mutual Fund



A global network of local experts

HSBC Asset Management



Presence in
20 locations

64 Americas

690 investment professionals

413 EMEA

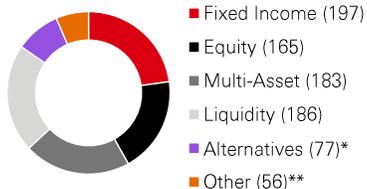
213 Asia -Pacific¹



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

USD 864bn under management

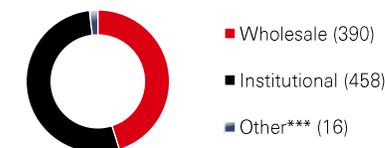
AuM by asset class (USD bn)



AuM by region (USD bn)



AuM by client type (USD bn)



1. Asia-Pacific includes employees 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 3.6bn from committed capital ("dry powder") as well as advisory and oversight assets.
**Other in asset class refers to HASE (USD 51.3bn as at Sep'25).
***Other in client type refers to asset distributed by Hang Seng Bank and Hang Seng Qianhai.

The world map is not accurate and is for illustration purpose only.

Source: HSBC Asset Management on 30 September 2025. Assets under management presented on a distributed (AUD) basis. Any differences are due to rounding.

Reach, Experience and Expertise



HSBC Asset Management India¹

USD 14.6 bn
Domestic MF assets
AUM

USD 4.9 bn[^]
Offshore advisory
AUM

2.9 mn+
Customers*

60
Locations

30
Investment
professionals

68,000+
Distribution
partners

With the global reach, over 25 years of experience and expertise, HSBC Mutual Fund offers immense potential to support distribution partners / clients effectively and help achieve significant mutual milestones

[^] AUM – Assets Under Management + Advisory, Data as of 31 Dec 2025, Domestic MF Assets excludes Domestic FOFs.

Any differences are due to rounding, * Customers = 29,12,262, Distribution Partners, 68444 ¹ HSBC Asset Management (India) Private Limited

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>

Progression: 2023 to 2025



	2023	2025
Customers	2.3 mn +	2.9 mn +
Distributors	56,239	68,000 +
Assets under management + Advisory^ (USD bn)	USD 11.7 bn	USD 19.5 bn

Combined efforts of the integrated team led to this strong growth

Source: HSBC Mutual Fund, 2023 : Data as of 31 Mar 2023, 2025 : Data as of 31 Dec 2025, Customers : 2023 - 23,65,988, 2025 - 29,12,262, Distributors : 2023 - 56,239, 2025 – 68,444, Any differences are due to rounding, Mutual Fund –MF, ^ Assets under management (MF) + Advisory of HSBC Asset Management India, 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>

**What makes us
different**



Why HSBC Mutual Fund

What makes us different

Global partner

- Global investment **trends focus**
- **Knowledge sharing** through the global parent asset management business



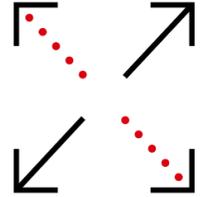
Growth approach

- Growth oriented approach with more **focus on emerging Mid and Small Cap** segments
- Focus on **long-term business fundamentals** led by a good quality management team



Active share

- Aim for **higher Active investment share** over the fund benchmarks
- Conviction is backed with in-depth research capabilities performed by a **stable and experienced research team**

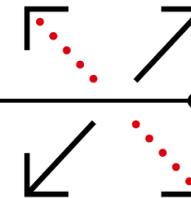


Risk management

- Stringent **Risk management processes** standardised globally
- Access to **customised global investment tools** and efficient operational processes



High active share backed by strong research



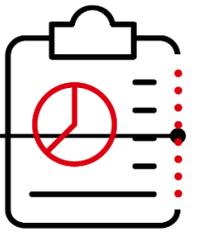
~87% of equity strategies* have active share - more than 60%

Scheme name	AUM (Rs crs)	Active share %
HSBC Small Cap Fund	15,375	69.8%
HSBC Value Fund	14,750	67.4%
HSBC Mid Cap Fund	12,448	73.5%
HSBC Multi Cap Fund	5,301	62.5%
HSBC Flexi Cap Fund	5,279	59.3%
HSBC Large & Midcap Fund	4,706	69.2%
HSBC ELSS Tax Saver Fund	4,023	60.3%
HSBC Infrastructure Fund	2,300	66.1%
HSBC Large Cap Fund	1,894	41.4%
HSBC Focused Fund	1,693	77.4%
HSBC Consumption Fund	1,685	58.7%
HSBC India Export Opportunities Fund	1,263	80.1%
HSBC Business Cycles Fund	1,101	69.6%
HSBC Financial Services Fund	864	

Total: Rs. 72,683 crore

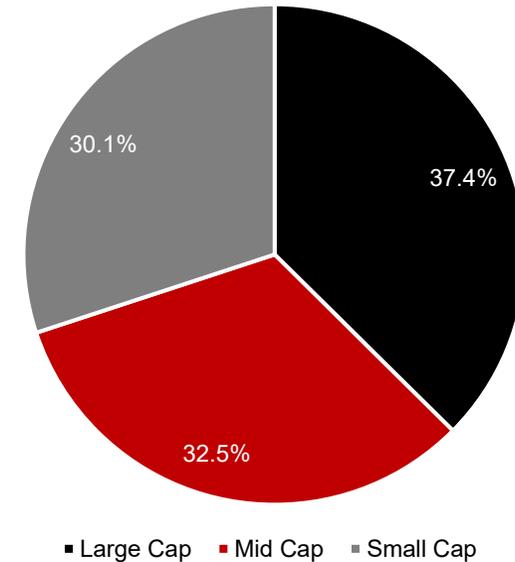
Source: Bloomberg, HSBC Mutual Fund; Data as on 28 February 2026. * We have considered active equity strategies by AUM size for calculation of active share number. We have not considered passive, arbitrage, hybrid equity strategies and FoFs for the purpose of above calculation.
 Note: The sector(s)/stock(s)/issuer(s) 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).

Growth approach mindset with strong and stable team



Investment Team	Count	Average experience (years)
Fund Managers (including CIO)	7	24
Research Analysts (including Head of Research)	7	12
Dealers	5	21
Investment Specialist	1	15
Investment Co-ordinator	1	23

AUM SPLIT- MARKET CAP

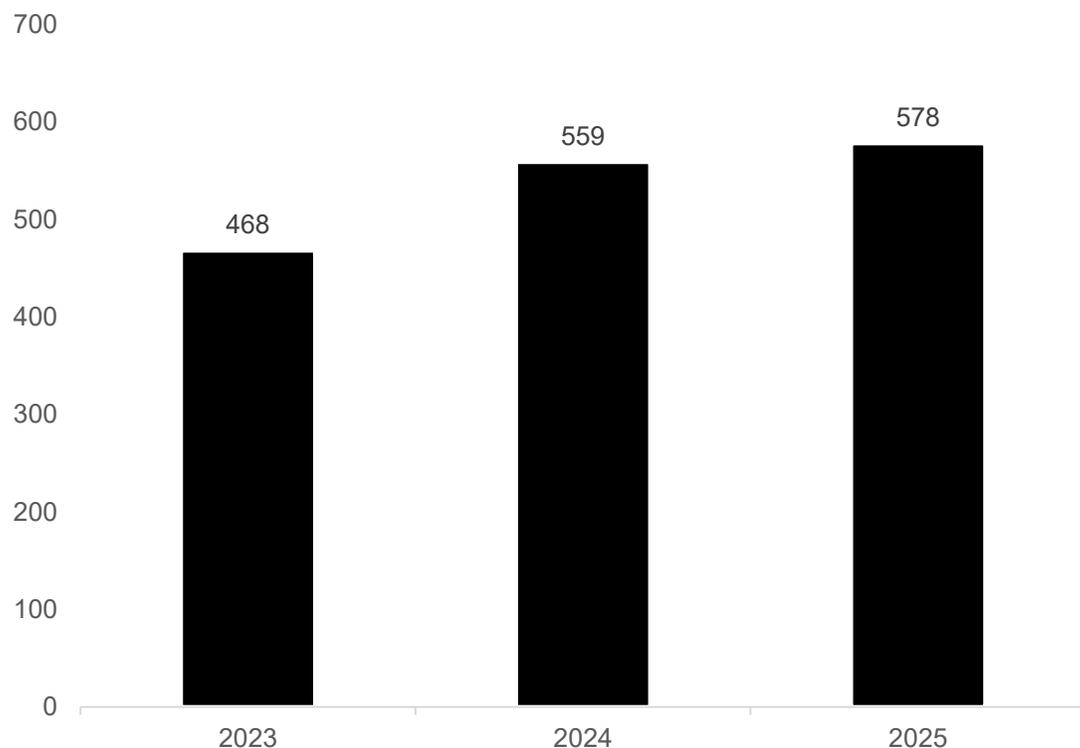


Leveraging the integrated team's expertise and experience in broader markets

Source: HSBC Asset Management India, Data as of 31 Jan '26, * Exposure to Small and Mid Cap classification across all HSBC MF Equity and Hybrid funds (Excludes Domestic FOFs and Index Funds)

Investment universe: 2023 to 2025

Total Stocks in coverage



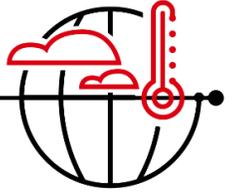
Focus on quality investment coverage across industries

Sectors (GICS)	2025 Total stocks
Financials	86
Information Technology	46
Materials	90
Consumer Discretionary	91
Energy	10
Consumer Staples	31
Industrials	110
Health Care	72
Utilities	13
Communication Services	11
Real Estate	18
Total	578

Source – HSBC Mutual Fund, Bloomberg, Latest available data as on 31 Dec '25, Sectors - Auto & Auto comps, Pharma & Healthcare, Paints, Media, Textiles, Consumer Staples, Consumer Discretionary, Durables and building materials, Real Estate, O&G Sugar Telecom, Capital Goods, Power & infra, Logistics, Tech Services, Metals, Cement, Banks and lenders, Financial services, Chemical and Paper. GICS - Global Industry Classification Standard

*Large Cap: top 100 stocks on full market capitalisation basis; Mid caps - next 150 stocks based on full market capitalization; Small Cap: Stocks in Nifty 250 small cap index.

Risk Management



Governance Forums & Key risk drivers

Central to product design & Investment process

Investment Management Committee (IMC)

- Provides 'front line' governance of investment and trading activities
- Responsible for overseeing people, process and performance

Risk Management Meeting (RMM)

- Risk governance forum established to review material risks
- Stress testing for all funds on a monthly basis
- Responsible for the oversight of risk and internal controls

Effective monitoring of portfolio volatility and risk exposures

Investment Risk

- Monitoring & management through ex-ante tracking error
- Ex-ante tracking error ranges are reviewed and approved
- Measurement and monitoring of ex-ante portfolio volatility

Liquidity Risk

- Monitored using internal liquidity models
- Liquidity is assessed in normal and stressed market conditions

Portfolio Construction

- In line with stated investment objective / asset allocation
- Diversification across sectors and themes as per scheme objective
- Strict adherence to regulatory limits

Position sizing

- Due consideration of market segment weight in the benchmark
- Evaluation of market characteristics viz. Liquidity, market impact

Source: HSBC Mutual Fund, The views expressed above were held at the time of preparation and are subject to change without notice.

Equity Investment approach



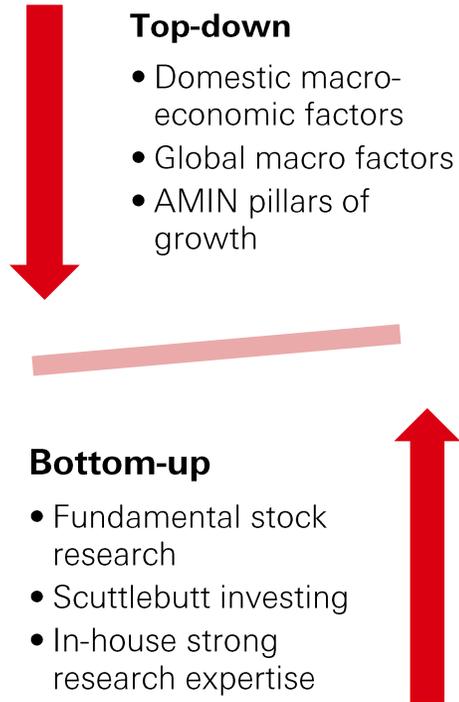
Equity - Investment approach and brief process

Power of SAPM - Equity investment process comprises three stages



Portfolio construction approach

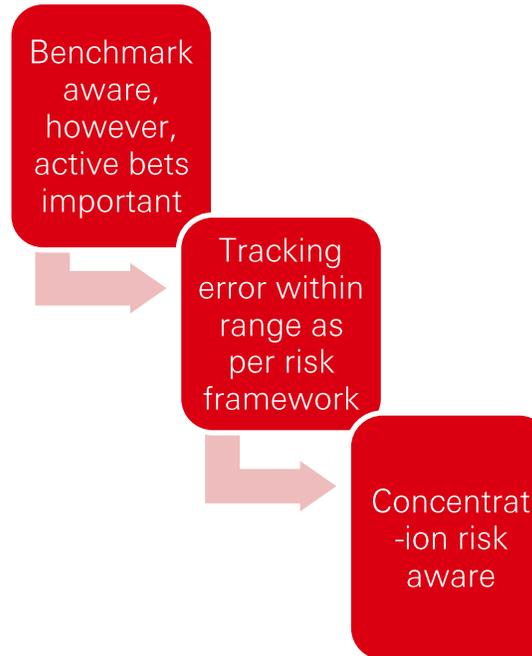
Top Down / Bottom Up



Diversification



Active share

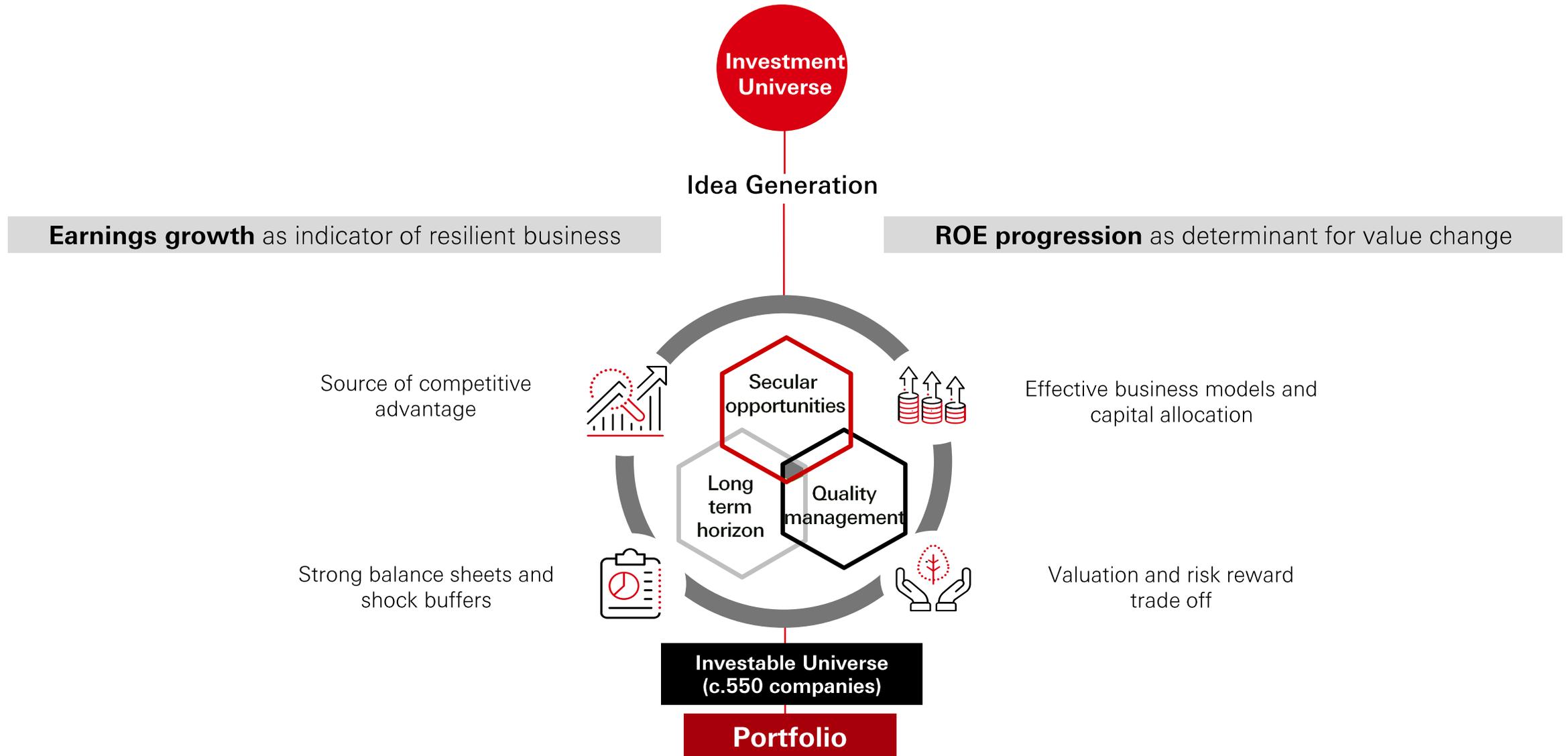


Margin of safety

- Absolute valuations
- Relative valuations
- Liquidity considerations

Source: HSBC Asset Management India. Data as on 31 Dec '25, Note - The information above is provided by and represents the opinions of HSBC Asset Management India and it is a representative overview of the investment process, which may differ by product, mandate or market conditions and it is subject to change without notice. The information 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. Any views expressed were held at the time of preparation and are subject to change without notice. For illustrative purpose only. Representative overview of the process, which may differ by product, client mandate or market conditions. .

Stock selection approach



Source: HSBC Asset Management. Note - The information above is provided by and represents the opinions of HSBC Asset Management India and it is a representative overview of the investment process, which may differ by product, mandate or market conditions and it is subject to change without notice. The information 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. Any views expressed were held at the time of preparation and are subject to change without notice. For illustrative purpose only. Representative overview of the process, which may differ by product, client mandate or market conditions. .

Product Label

Scheme name and Type of scheme	Riskometer of the Scheme	Riskometer of the benchmark (as applicable)
<p>This product is suitable for investors who are seeking*:</p> <p>HSBC Large Cap Fund (An open ended equity scheme predominantly investing in large cap stocks)</p> <ul style="list-style-type: none"> To create wealth over long term. Investment in predominantly large cap equity and equity related securities. As per AMFI Tier I Benchmark i.e. Benchmark Index : NIFTY 100 TRI <p>HSBC Large and Mid Cap Fund (An open ended equity scheme investing in both large cap and mid cap stocks)</p> <ul style="list-style-type: none"> Long term wealth creation and income Investment predominantly in equity and equity related securities of Large and Mid cap companies As per AMFI Tier I Benchmark Index: NIFTY Large Midcap 250 TRI <p>HSBC Business Cycles Fund (An open ended equity scheme following business cycles based investing theme)</p> <ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity-related securities, including equity derivatives in Indian markets with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy. As per AMFI Tier I Benchmark i.e. Benchmark Index: NIFTY 500 TRI <p>HSBC Focused Fund (An open ended equity scheme investing in maximum 30 stocks across market caps (i.e. Multi-Cap)</p> <ul style="list-style-type: none"> Long term wealth creation Investment in equity and equity related securities across market capitalization in maximum 30 stocks. As per AMFI Tier I Benchmark i.e. Benchmark Index: NIFTY 500 TRI 	 <p>The risk of the scheme is Very High Risk</p>	 <p>The risk of the benchmark is Very High Risk</p>
<p>HSBC Balanced Advantage Fund (An open ended dynamic asset allocation fund)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Long term capital appreciation and generation of reasonable returns Investment in equity and equity related instruments, derivatives and debt and money market instruments <p>As per AMFI Tier I Benchmark Index : Nifty 50 Hybrid composite debt 50:50 Index</p>	 <p>The risk of the scheme is Moderately High Risk</p>	 <p>The risk of the benchmark is High Risk</p>

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

Note on Risk-o-meters: Riskometer as on 28 Feb 2026, 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

Product Label

Scheme name and Type of scheme	*Scheme Risk-o-meter	Benchmark Risk-o-meter of the benchmark (as applicable)
<p>HSBC ELSS Tax saver Fund (An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term capital growth • Investment predominantly in equity and equity-related securities. As per AMFI Tier I Benchmark Index: NIFTY 500 TRI <p>HSBC Midcap Fund (An open ended equity scheme predominantly investing in mid cap stocks)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term wealth creation • Investment in equity and equity related securities of mid cap companies. As per AMFI Tier I Benchmark i.e. Benchmark Index: Nifty Midcap 150 TRI 	 <p>The risk of the scheme is Very High Risk</p>	 <p>The risk of the benchmark is Very High Risk</p>
<p>HSBC Aggressive Hybrid Fund (An open ended hybrid scheme investing predominantly in equity and equity related instruments)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term wealth creation and income • Investment in equity and equity related securities and fixed income instruments <p>As per AMFI Tier I Benchmark Index : NIFTY 50 Hybrid Composite Debt 65:35 Index</p>	 <p>The risk of the scheme is Very High Risk</p>	 <p>The risk of the benchmark is High Risk</p>
<p>HSBC Equity Savings Fund (An open ended scheme investing in equity, arbitrage and debt)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Generation of regular income by predominantly investing in arbitrage opportunities in the cash and derivatives segment and long-term capital appreciation through unhedged exposure to equity and equity related instruments. • Investment in equity and equity related instruments, derivatives and debt and money market instruments. <p>As per AMFI Tier I Benchmark Index: NIFTY Equity Savings Index</p>	 <p>The risk of the scheme is Moderately High Risk</p>	 <p>The risk of the benchmark is Moderate Risk</p>

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

Note on Risk-o-meters: Riskometer as on 28 Feb 2026, 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

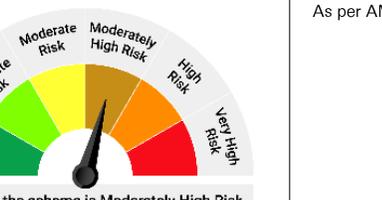
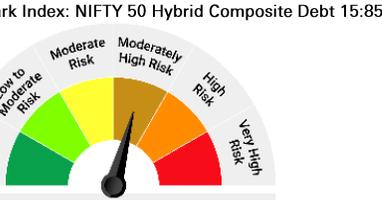
Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter of the benchmark (as applicable)
<p>HSBC Small Cap Fund (An open ended equity scheme predominantly investing in small cap stocks) This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term capital appreciation • Investment predominantly in equity and equity related securities, including equity derivatives in Indian markets with key theme focus being emerging companies (small cap stocks) and foreign securities As per AMFI Tier I Benchmark i.e. Benchmark Index: Nifty Small Cap 250 TRI <p>HSBC Value Fund (An open ended equity scheme following a value investment strategy)</p> <ul style="list-style-type: none"> • Long term capital appreciation • Investment predominantly in equity and equity-related securities in Indian markets and foreign securities with higher focus on undervalued securities. As per AMFI Tier I Benchmark i.e. Benchmark Index : NIFTY 500 TRI <p>HSBC Flexi Cap Fund (An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks)</p> <ul style="list-style-type: none"> • To create wealth over long term • Investment in equity and equity related securities across market capitalizations. As per AMFI Tier I. Benchmark Index : NIFTY 500 TRI <p>HSBC Infrastructure Fund (An open-ended Equity Scheme following Infrastructure theme)</p> <ul style="list-style-type: none"> • To create wealth over long term • Investment in equity and equity related securities, primarily in themes that play an important role in India's economic development As per AMFI Tier I Benchmark i.e. Benchmark Index: NIFTY Infrastructure TRI <p>HSBC Multi Cap Fund (An open ended equity scheme investing across large cap, mid cap, small cap stocks)</p> <ul style="list-style-type: none"> • To create wealth over long-term • Investment predominantly in equity and equity related securities across market capitalization As per AMFI Tier I. Benchmark Index : NIFTY 500 Multi-cap 50:25:25 TRI <p>HSBC Nifty 50 Index Fund (An open ended Equity Scheme tracking Nifty 50 Index)</p> <ul style="list-style-type: none"> • Long term capital appreciation • Investment in equity securities covered by the NIFTY 50. As per AMFI Tier I. Benchmark Index : NIFTY 50 TRI <p>HSBC Nifty Next 50 Index Fund (An open ended Equity Scheme tracking Nifty Next 50 Index)</p> <ul style="list-style-type: none"> • Long term capital appreciation • Investment in equity securities covered by the Nifty Next 50 As per AMFI Tier I. Benchmark Index : Nifty Next 50 TRI 	 <p>The risk of the scheme is Very High Risk</p>	 <p>The risk of the benchmark is Very High Risk</p>

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

Note on Risk-o-meters: Riskometer as on 28 Feb 2026, 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

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter of the benchmark (as applicable)
<p>This product is suitable for investors who are seeking*:</p> <p>HSBC Consumption Fund (An open ended equity scheme following consumption theme)</p> <ul style="list-style-type: none"> 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 <p>As per AMFI Tier I Benchmark i.e. Benchmark Index : Nifty India Consumption Index TRI</p>	 <p>The risk of the scheme is Very High Risk</p>	 <p>The risk of the benchmark is Very High Risk</p>
<p>HSBC Arbitrage Fund (An open ended scheme investing in arbitrage opportunities)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Generation of reasonable returns over short to medium term Investment predominantly in arbitrage opportunities in the cash and derivatives segments of the equity markets, and debt and money market instrument <p>As per AMFI Tier I Benchmark i.e. Benchmark Index : Nifty 50 Arbitrage Index</p>	 <p>The risk of the scheme is Low Risk</p>	 <p>The risk of the benchmark is Low Risk</p>
<p>HSBC Conservative Hybrid Fund (An open ended hybrid scheme investing predominantly in debt instruments)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Capital appreciation over medium to long term Investment in fixed income (debt and money market instruments) as well as equity and equity related securities. 	 <p>The risk of the scheme is Moderately High Risk</p>	<p>As per AMFI tier 1 Benchmark Index: NIFTY 50 Hybrid Composite Debt 15:85 Index</p>  <p>The risk of the benchmark is Moderately High Risk</p>

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

Note on Risk-o-meters: Riskometer as on 28 Feb 2026, 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

Product Label

HSBC Multi Asset Allocation Fund		
<p>*Scheme Riskometer</p>  <p>The risk of the scheme is Very High Risk</p>	<p>(An open ended scheme investing in Equity & Equity Related instruments, Debt & Money Market Securities and Gold / Silver ETFs)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term wealth creation • Investment in equity and equity related securities, fixed income instruments and Gold / Silver ETFs. <p>As per AMFI Tier I. Benchmark Index: BSE 200 TRI (65%) + NIFTY Short Duration Debt Index (20%) + Domestic Price of Gold (10%) + Domestic Price of Silver (5%)</p>	<div style="display: flex; justify-content: space-around;"> <div data-bbox="1472 254 1803 511"> <p>BSE 200 TRI</p>  <p>The risk of the benchmark is Very High Risk</p> <p>Domestic Price of Gold</p>  <p>The risk of the benchmark is High Risk</p> </div> <div data-bbox="2020 254 2351 511"> <p>NIFTY Short Duration Debt Index</p>  <p>The risk of the benchmark is Low to Moderate Risk</p> <p>Domestic Price of Silver</p>  <p>The risk of the benchmark is Very High Risk</p> </div> </div>

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<p>HSBC India Export Opportunities Fund (An open ended equity scheme following export theme)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • To create wealth over long term. • Investment predominantly in equity and equity related securities of companies engaged in or expected to benefit from export of goods or Services <p>As per AMFI Tier I Benchmark i.e. Benchmark Index: Nifty 500 TRI</p> <p>HSBC Financial Services Fund (An open-ended equity scheme investing in financial services sector)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • To create wealth over long term • Investment predominantly in equity and equity related securities of companies engaged in financial services businesses <p>As per AMFI Tier I Benchmark i.e. Benchmark Index: BSE Financial Services TRI</p>	 <p>The risk of the scheme is Very High Risk</p>	 <p>The risk of the benchmark is Very High Risk</p>

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

Note on Risk-o-meters: Riskometer as on 28 Feb 2026, 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

Disclaimer

Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Investors are requested to note that as per SEBI (Mutual Funds) Regulations, 1996 and guidelines issued thereunder, HSBC AMC, its employees and/or empaneled distributors/agents are forbidden from guaranteeing/promising/assuring/predicting any returns or future performances of the schemes of HSBC Mutual Fund. Hence please do not rely upon any such statements/commitments. If you come across any such practices, please register a complaint via email at investor.line@mutualfunds.hsbc.co.in.

NSE Disclaimer: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Draft Scheme Information Document. The investors are advised to refer to the Scheme Information Document for the full text of the 'Disclaimer Clause of NSE. The HSBC Nifty 50 Index Fund offered by "the issuer" is not sponsored, endorsed, sold or promoted by NSE Indices Limited (formerly known as India Index Services & Products Limited (IISL)). NSE Indices Limited does not make any representation or warranty, express or implied (including warranties of merchantability or fitness for particular purpose or use) to the owners of HSBC Nifty 50 Index Fund or any member of the public regarding the advisability of investing in securities generally or in the HSBC Nifty 50 Index Fund linked to Nifty 50 Index TRI or particularly in the ability of the Nifty 50 Index TRI to track general stock market performance in India. Please read the full Disclaimers in relation to the Nifty 50 Index TRI in the in the Offer Document / Prospectus / Scheme Information Document.

The HSBC Nifty Next 50 Index Fund offered by "the issuer" is not sponsored, endorsed, sold or promoted by NSE Indices Limited (formerly known as India Index Services & Products Limited (IISL)). NSE Indices Limited does not make any representation or warranty, express or implied (including warranties of merchantability or fitness for particular purpose or use) to the owners of HSBC Nifty Next 50 Index Fund or any member of the public regarding the advisability of investing in securities generally or in the HSBC Nifty Next 50 Index Fund linked to Nifty Next 50 Index TRI or particularly in the ability of the Nifty Next 50 Index TRI to track general stock market performance in India. Please read the full Disclaimers in relation to the Nifty Next 50 Index TRI in the in the Offer Document / Prospectus / Scheme Information Document."

Disclaimer: This document has been prepared by HSBC Asset Management (India) Private Limited (HSBC) for information purposes only and should not be construed as i) an offer or recommendation to buy or sell securities, commodities, currencies or other investments referred to herein, or ii) an offer to sell or a solicitation or an offer for purchase of any of the funds of HSBC Mutual Fund, or iii) an investment research or investment advice. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Investors should seek personal and independent advice regarding the appropriateness of investing in any of the funds, securities, other investment or investment strategies that may have been discussed or referred herein and should understand that the views regarding future prospects may or may not be realized. In no event shall HSBC Mutual Fund/HSBC Asset management (India) Private Limited and / or its affiliates or any of their directors, trustees, officers and employees be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of information / opinion herein.

This document is intended only for those who access it from within India and approved for distribution in Indian jurisdiction only. Distribution of this document to anyone (including investors, prospective investors or distributors) who are located outside India or foreign nationals residing in India, is strictly prohibited. Neither this document nor the units of HSBC Mutual Fund have been registered under Securities law/Regulations in any foreign jurisdiction. The distribution of this document in certain jurisdictions may be unlawful or restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions. If any person chooses to access this document from a jurisdiction other than India, then such person do so at his/her own risk and HSBC and its group companies will not be liable for any breach of local law or regulation that such person commits as a result of doing so.

© Copyright. HSBC Asset Management (India) Private Limited 2026, ALL RIGHTS RESERVED. HSBC Mutual Fund, 9-11th Floor, NESCO - IT Park Bldg. 3, Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063. Maharashtra. GST - 27AABCH0007N1ZS, website:www.assetmanagement.hsbc.co.in

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