

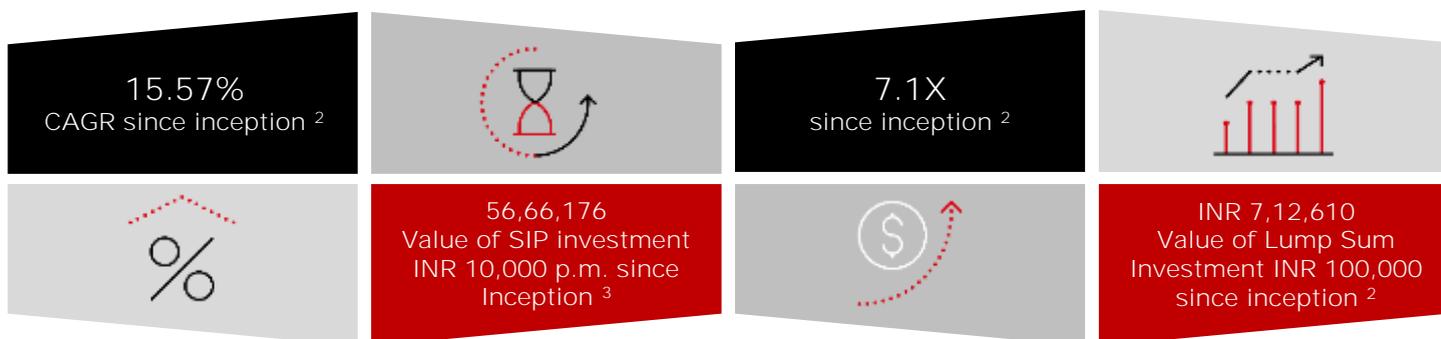
Product Note

HSBC Value Fund (HVAF) (Formerly known as L&T Value Fund)

Value Fund - An open ended equity scheme following a value investment strategy

August 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Value	Venugopal Manghat, Vihang Shankar Naik and Sonal Gupta [#]	Nifty 500 TRI	8 Jan 2010	Rs. 9077.27 Cr



Portfolio	% of net assets	Sector - Allocation	% of net assets
ICICI Bank Limited	5.95%	Banks	24.74%
NTPC Limited	4.05%	IT - Software	8.61%
State Bank of India	3.94%	Construction	6.78%
HDFC Bank Limited	3.69%	Industrial Products	5.47%
Jindal Stainless Limited	3.26%	Ferrous Metals	4.20%
The Federal Bank Limited	3.21%	Power	4.05%
ITC Limited	2.83%	Cement & Cement Products	4.00%
KEC International Limited	2.71%	Pharmaceuticals & Biotechnology	3.66%
Larsen & Toubro Limited	2.70%	Finance	3.47%
Mahindra & Mahindra Limited	2.61%	Automobiles	3.46%

Risk Ratios ⁴	
Standard Deviation	14.19%
Beta	0.90
Sharpe Ratio ⁵	1.42
R2	0.89

Load / Month End Total Expenses Ratios (Annualized) ⁷	
Entry Load	NA
Exit Load - NIL (after 1 year), 1% (before 1 year) ⁶	
Expense ratio (Other than Direct) ⁸	1.77%
Expense ratio (Direct)	0.80%

¹ 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.

² As on 31 July 2023 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 4.5X to Rs. 45,13,20 from Rs.100,000 and delivered return of 11.75%. Please refer page no.3 for detailed performance of HSBC Value Fund.

³ During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 44,71,561

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

⁵ Risk free rate: 6.60% (FIMMDA-NSE Mibor) as on July 31, 2023

⁶ 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

⁷ TER Annualized TER including GST on Investment Management Fees

⁸ Continuing plans [#] Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund

Data as on 31 July 2023, HSBC Mutual Fund

While volatility is a big fear for most investors, disciplined value investors don't equate volatility with risk. Such investors, instead, turn to buying stocks that are trading at a discount to their intrinsic value. Even the most successful global investors of all time advocate the value investing approach to unearth good businesses at good prices.

Why HSBC Value Fund?

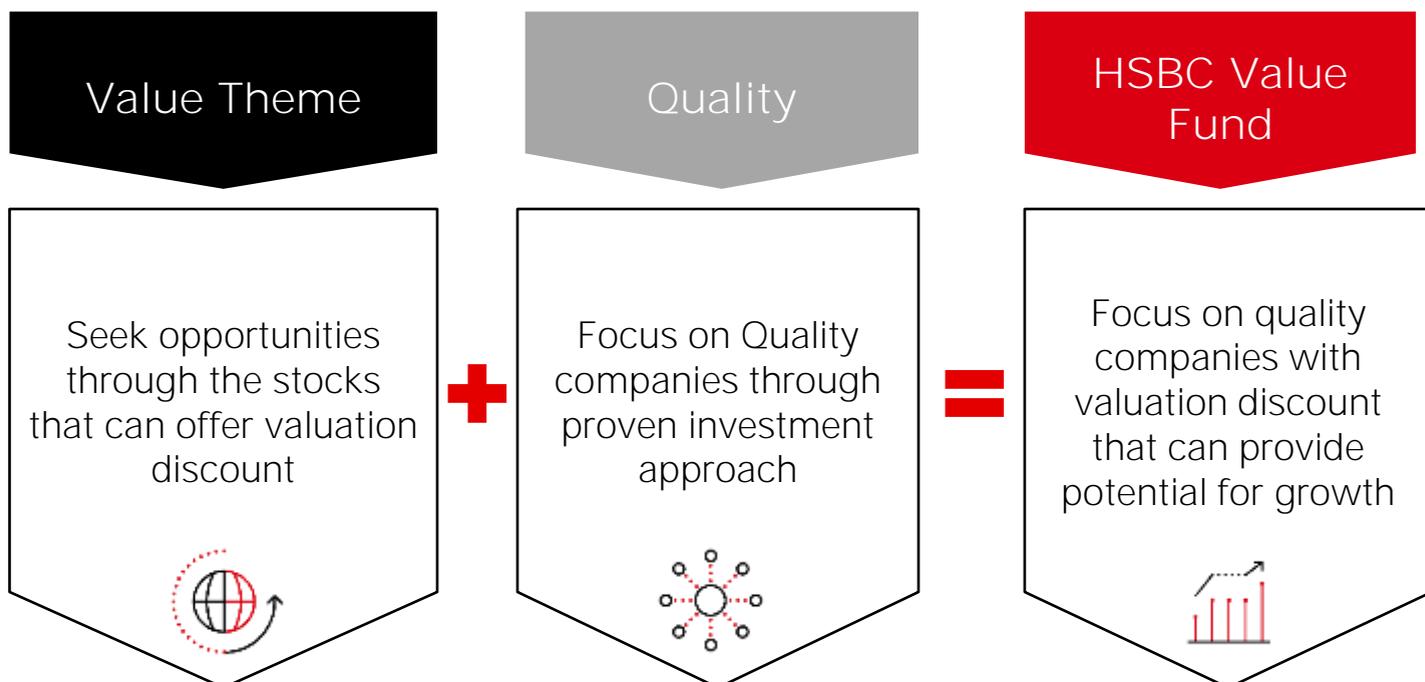
- To seek an exposure to value style companies
- Aim to identify undervalued stocks having the potential to deliver long term risk-adjusted returns
- Undervalued stocks would include stocks which the Fund Managers believe are trading at less than their assessed values
- Long term capital appreciation
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Philosophy

- Diversified equity fund with strong value bias that aims to deliver long term reasonable risk adjusted returns
- Focus on identifying valuation anomalies versus the economic potential of the business over the medium term
- Aims to minimize portfolio risk by investing in quality companies, monitoring corporate fundamentals closely
- The fund looks to invest in fundamentally strong companies that the fund manager believes are trading at less than their assessed values thus offering higher upside potential
- This approach not only helps in identifying undervalued stocks but also factor-in the risk elements while picking stocks

Investment Objective

The investment objective of the Scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity related securities, in the Indian markets with higher focus on undervalued securities. The Scheme could also additionally invest in Foreign Securities in international markets.



HSBC Value Fund (HVAF) | Product Note
[August 2023]

Fund Managers - Venugopal Manghat (No of Schemes Managed – 6) - Managing Fund Since 24 Nov 2012 and Vihang Shankar Naik (No of Schemes Managed – 4) - Managing Fund Since 17 Dec 2019 and Sonal Gupta (No of Schemes Managed - 5, for investment in foreign securities)

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 Invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Value Fund-Regular	12772	27.55	21516	29.10	19312	14.06	71261	15.57	08-Jan-10
Scheme Benchmark (Nifty 500 TRI)	11735	17.25	19490	24.91	18666	13.29	45132	11.75	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	44401	11.61	

Performance of other funds managed by the Fund Manager									Inception Date
Fund / Benchmark (Value of Rs 10,000 Invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Infrastructure Fund-Regular	13960	39.35	26412	38.23	19141	13.86	32851	7.79	27-Sep-07
Scheme Benchmark (NIFTY Infrastructure TRI)	12589	25.73	20160	26.33	20977	15.96	16578	3.24	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	47637	10.35	
HSBC Flexi Cap Fund-Regular	12184	21.70	18162	22.01	16709	10.81	181975	16.09	24-Feb-04
Scheme Benchmark (Nifty 500 TRI)	11735	17.25	19490	24.91	18666	13.29	149823	14.94	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	139248	14.51	
HSBC Business Cycles Fund-Regular	12354	23.40	21555	29.18	17931	12.38	28629	12.47	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	11735	17.25	19490	24.91	18666	13.29	29812	12.98	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	27932	12.16	
HSBC Small Cap Fund-Regular	13019	30.01	30123	44.42	21653	16.70	54440	20.16	12-May-14
Scheme Benchmark (NIFTY Small Cap 250 TRI)	13015	29.97	26980	39.21	20059	14.93	42616	17.02	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	31615	13.29	
HSBC Mid Cap Fund-Regular ⁹	12051	20.38	19385	24.69	17110	11.33	241503	18.26	09-Aug-04
Scheme Benchmark (NIFTY Midcap 150 TRI)	12715	26.98	24713	35.20	22157	17.24	NA	NA	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	152923	15.45	

PTP returns – Point to Point returns. | 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. | IDCW are assumed to be reinvested and Bonus is adjusted. | The performance details provided herein is 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 July 2023 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. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.

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.

⁹ HSBC Mid Cap Fund: The launch date of the S&P BSE 150 Mid Cap TRI is November 30, 2017 whereas the inception date of the scheme is August 09, 2004. The corresponding benchmark returns since inception of the scheme is not available.

[#]Note - Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund. Past performance may or may not be sustained in the future. Source: HSBC Mutual Fund, data as on 31 July 2023

Name of Scheme	Fund Manager	No. of funds managed and Co-managed
HSBC Value Fund	Venugopal Manghat- Since Nov 24,2012 Vihang Shankar Naik- Since Dec 17,2019	Venugopal Manghat-6 Vihang Shankar Naik-4
HSBC Infrastructure Fund	Venugopal Manghat- Since Dec 17, 2019 Gautam Bhupal-Since Nov 26, 2022	Venugopal Manghat-6 Gautam Bhupal-8
HSBC Flexi Cap Fund	Vihang Shankar Naik- Since Nov, 26 2022 Venugopal Manghat- Since Nov, 26 2022	Vihang Shankar Naik-4 Venugopal Manghat-6
HSBC Multi Cap Fund	Venugopal Manghat - Since Jan 30, 2023 Kapil Lal Punjabi - Since Jan 30, 2023	Venugopal Manghat – 6 Kapil Lal Punjabi - 10
HSBC Business Cycles Fund	Gautam Bhupal- Since June 01, 2023 Venugopal Manghat- Since Aug 20, 2014	Gautam Bhupal-8 Venugopal Manghat-6
HSBC Small Cap Fund	Venugopal Manghat- Since Dec 17, 2019 Vihang Shankar Naik- Since Dec 17, 2019	Venugopal Manghat-6 Vihang Shankar Naik-4
HSBC Midcap Fund	Vihang Shankar Naik- Since June 28 2016 Cheenu Gupta- Since Nov 26 2022	Vihang Shankar Naik-4 Cheenu Gupta-8

Past performance may or may not be sustained in the future. Source: HSBC Mutual Fund, data as on 31 July 2023

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SIP Performance HSBC Value Fund – Reg					Inception Date: 08-Jan-10
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1620000	
Market Value as on July 31, 2023 (₹)	140,816	502,773	1,012,044	5,666,176	
Scheme Returns (%)	33.84	22.99	21.06	17.07	
Nifty 500 TRI - Scheme Benchmark (₹)	134,779	467,513	939,930	4,471,561	
Nifty 500 TRI - Scheme Benchmark Returns (%)	23.73	17.76	18.02	13.98	
Nifty 50 TRI - Additional Benchmark (₹)	133,069	458,661	912,222	4,273,100	
Nifty 50 TRI - Additional Benchmark Returns (%)	20.90	16.41	16.79	13.38	

Product Label Scheme name and Type of scheme	*Riskometer of the Fund / benchmark
<p>This product is suitable for investors who are seeking*:</p> <p>HSBC Value Fund (Erstwhile L&T India Value Fund) - 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. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Small Cap Fund (Erstwhile L&T Emerging Businesses Fund) - Small Cap Fund – An open ended equity scheme predominantly investing in small cap stocks</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 (Benchmark : NIFTY Small Cap 250 TRI) <p>HSBC Infrastructure Fund - Thematic Fund (Erstwhile L&T 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. (Benchmark : NIFTY Infrastructure TRI) <p>HSBC Flexi Cap Fund - 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. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Business Cycles Fund (Erstwhile L&T Business Cycles Fund) - Thematic Fund - An open ended equity scheme following business cycles based investing theme.</p> <ul style="list-style-type: none"> An open ended equity scheme following business cycles based investing theme. 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. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Midcap Fund (Erstwhile L&T Midcap Fund) - Midcap Fund – An open ended equity scheme predominantly investing in mid cap stocks.</p> <ul style="list-style-type: none"> Long term wealth creation Investment in equity and equity related securities of mid cap companies. (Benchmark : NIFTY Midcap 150 TRI) <p>HSBC Multi Cap Fund - (Multicap 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 capitalisation. (Benchmark : NIFTY 500 Multicap 50:25:25 TRI) 	 <p>Investors understand that their principal will be at Very High risk</p> 

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. 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.

The performance details provided herein is 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 July 2023 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. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.

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.

* 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 July 2023. 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. Source: HSBC Mutual Fund, data as on 31 July 2023

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