

Aim to Benefit from business cycles

HSBC Business Cycles Fund



HSBC Business Cycles Fund

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Fund snapshot

Fund Category	Fund Manager	Benchmark ¹	Inception Date*	AUM&
Thematic Fund	Gautam Bhupal, Sonal Gupta [#]	NIFTY 500 TRI	20 Aug 2014	Rs. 1,091.90 Cr

Investment approach

- Business cycles approach

Parameters used

- Stage of economy or business cycle determines portfolio positioning

Key features

- Use medium term economic / business trends to position portfolio
- Not swayed by short term movements in the market
- Decisions based on forward looking business / market parameters

Source – HSBC Mutual Fund, Data as on 31 Aug '25, * Since inception - 20 Aug 14

¹ As per clause 1.9 of the SEBI Master Circular for Mutual Funds no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated June 27, 2024, 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. Furthermore, the same is effective from 01 December 2021.

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

&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>

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Portfolio construction approach

HSBC Business Cycles Fund

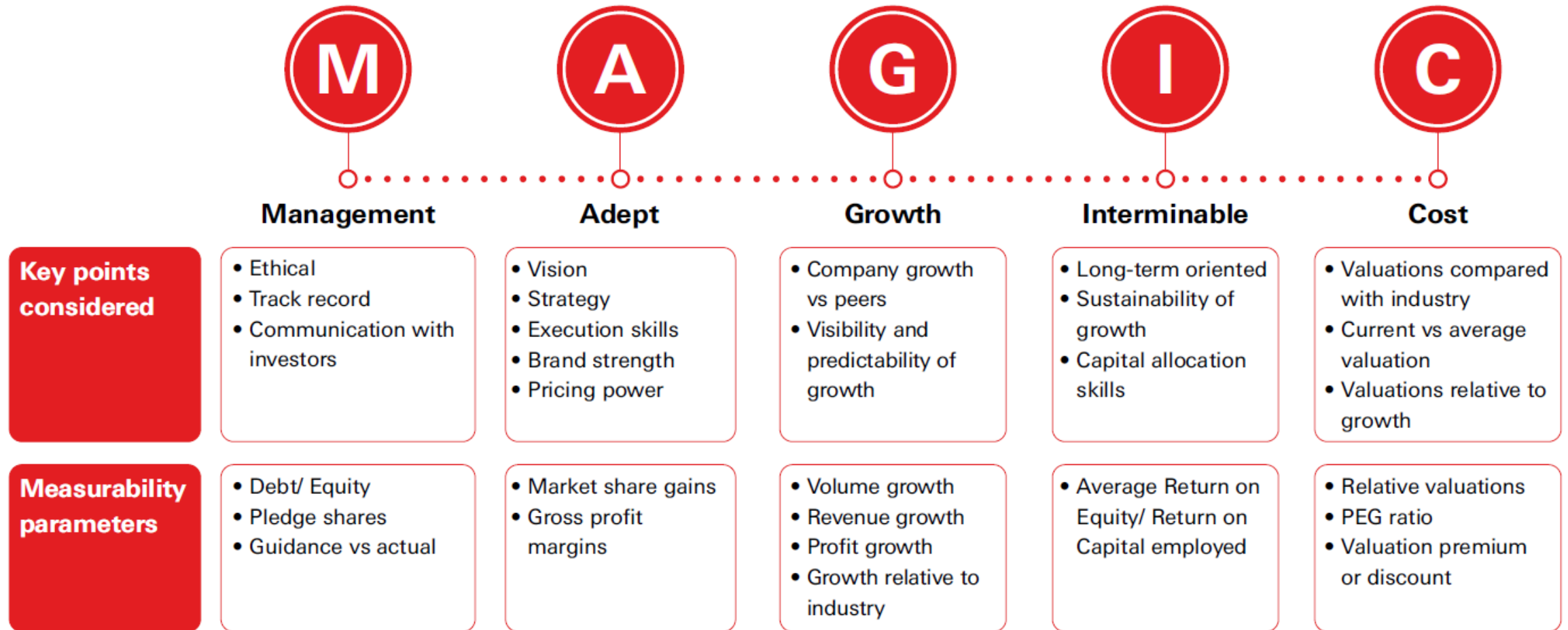


Source – HSBC Mutual Fund, The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content 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). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Bottom-up investment approach

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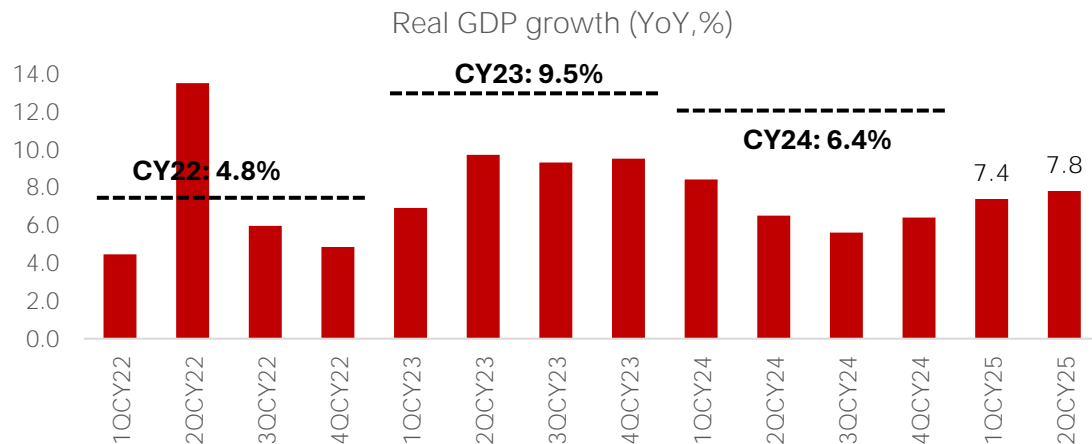
HSBC Business Cycles Fund



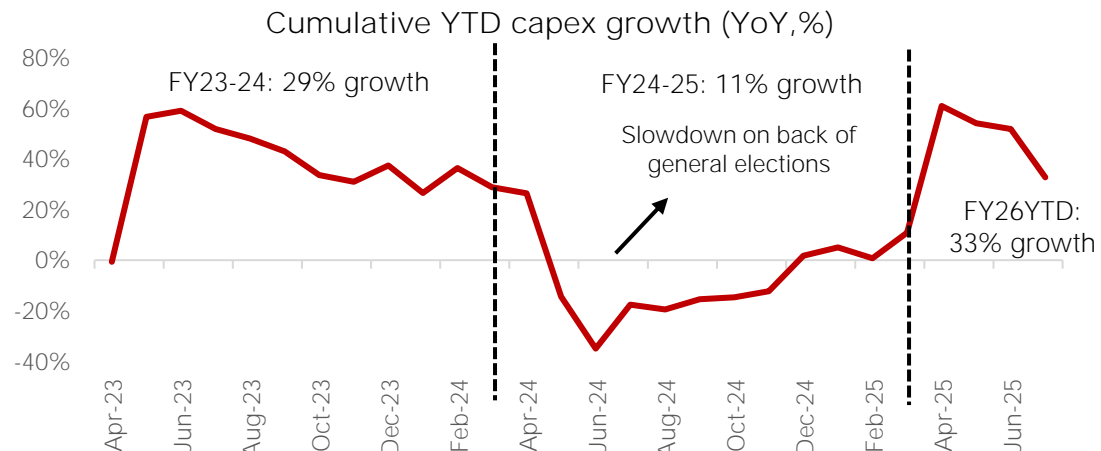
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Economy continues to remain firmly in 'Expansion' phase

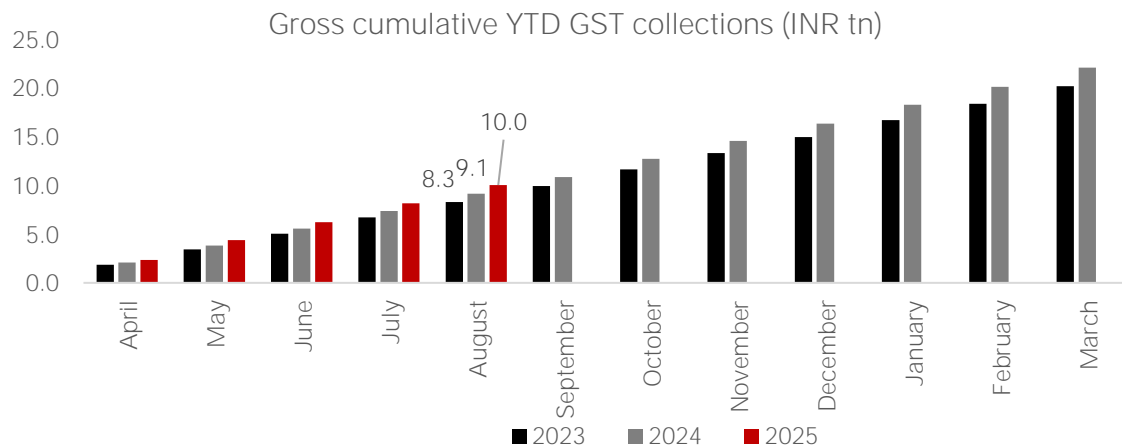
GDP growth continues to remain strong



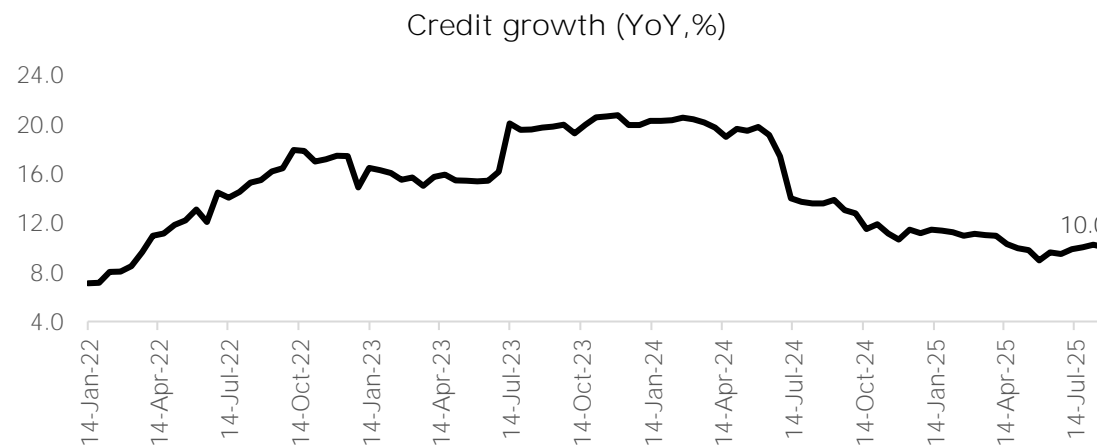
Strong capex growth resumes in FY26, partly front-loaded



Consistent growth in GST collections



Credit growth slow, likely to pick-up with RBI measures

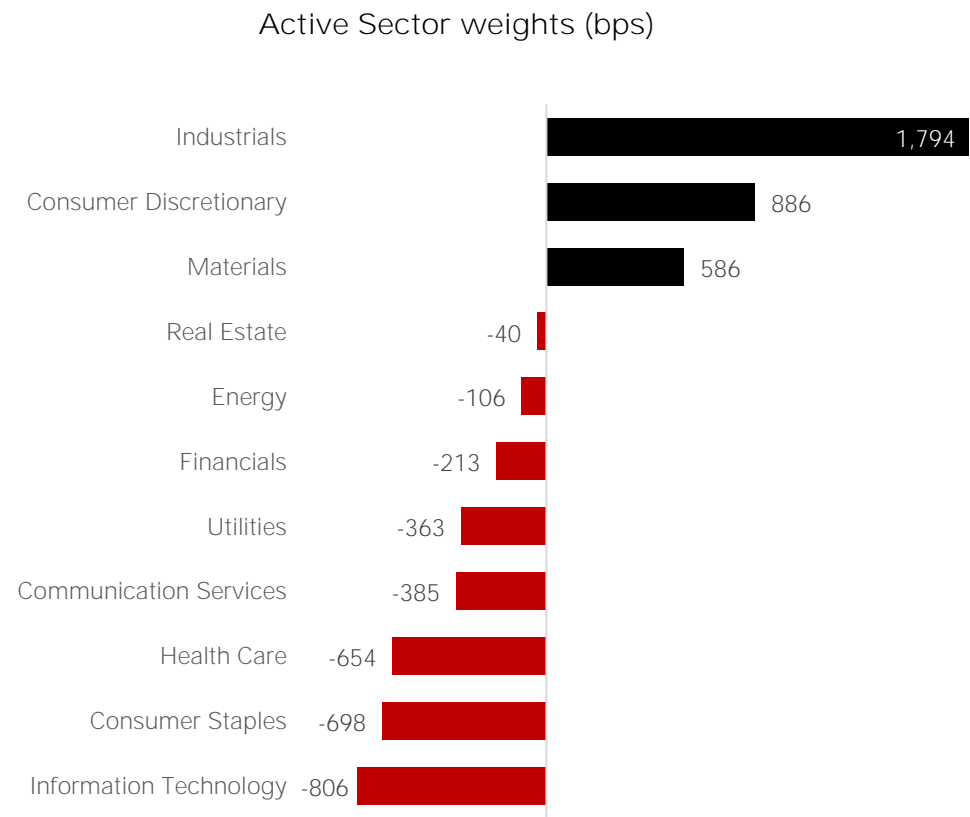
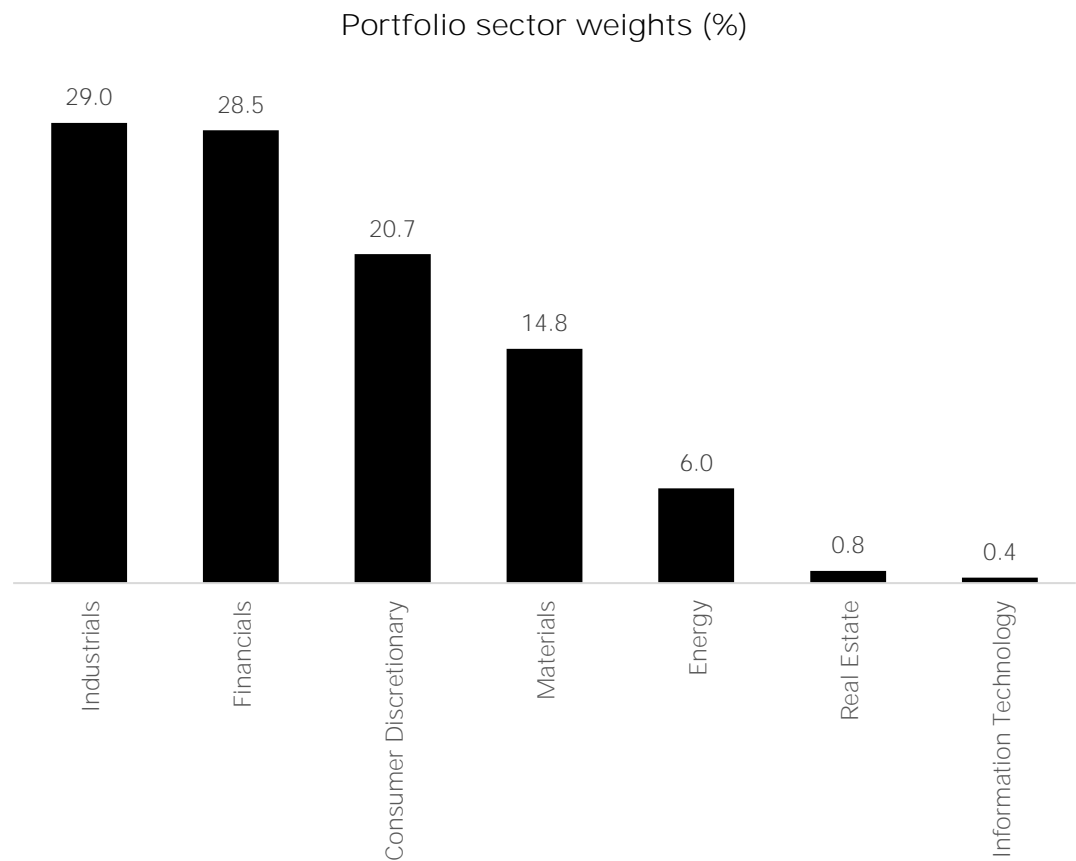


Source: Controller General of Accounts (CGA), RBI, Government of India, CEIC, HSBC Mutual Fund, Data as on 31 August 2025

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Sector allocation with active weights

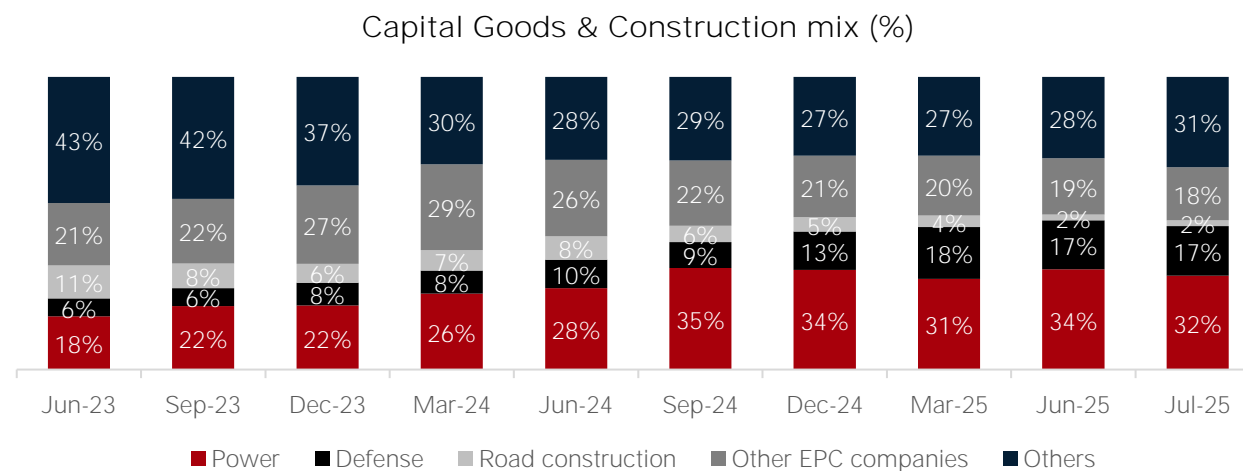
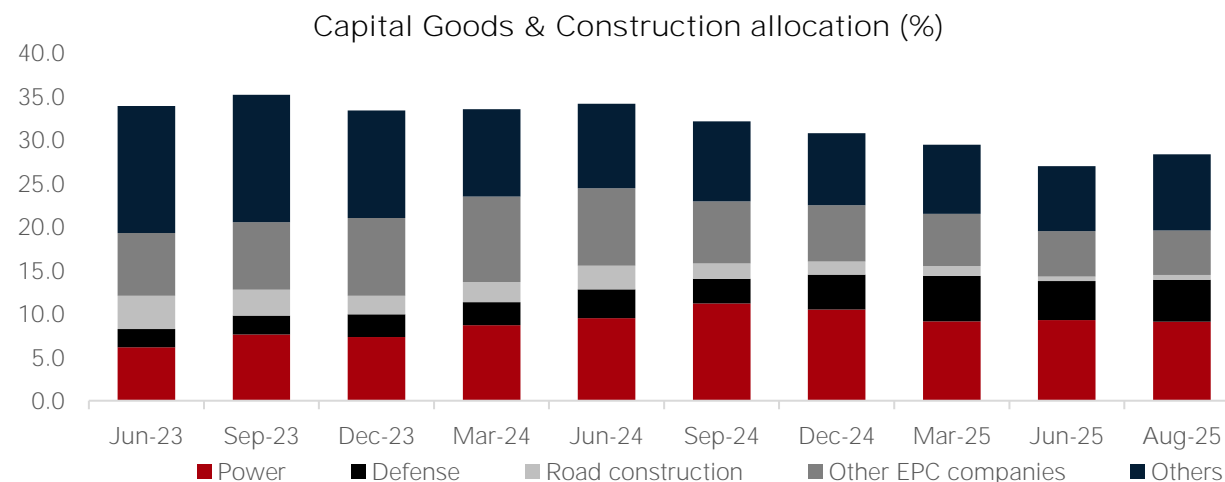
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Source: Bloomberg, HSBC Mutual Fund, Data as on 31 August 2025
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Industrials: Overweight stance on Capital Goods continues; preference of industries changing

- Overall capex growth to be a bit muted in FY26
 - Centre capex to show modest growth
 - Risk to State capex growth
 - Private capex is picking up and will continue to drive growth
- Medium to longer term growth driver remain intact
- Despite muted capex, we expect select segments to do well
 - Defense
 - Power (especially T&D)
 - Industrial



Source: Ace MF, HSBC Mutual Fund, Latest available data as on 31 August 2025. . 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). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

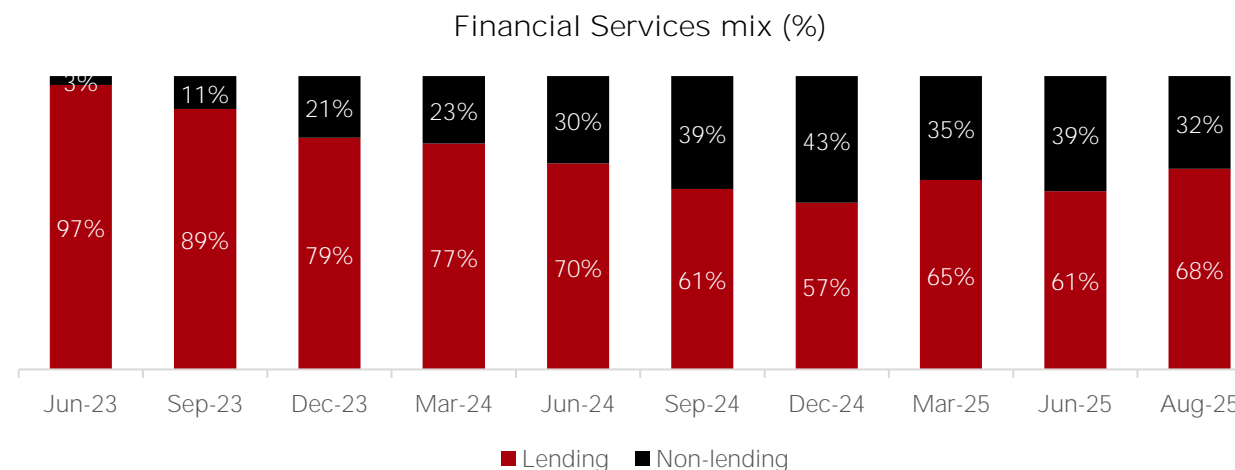
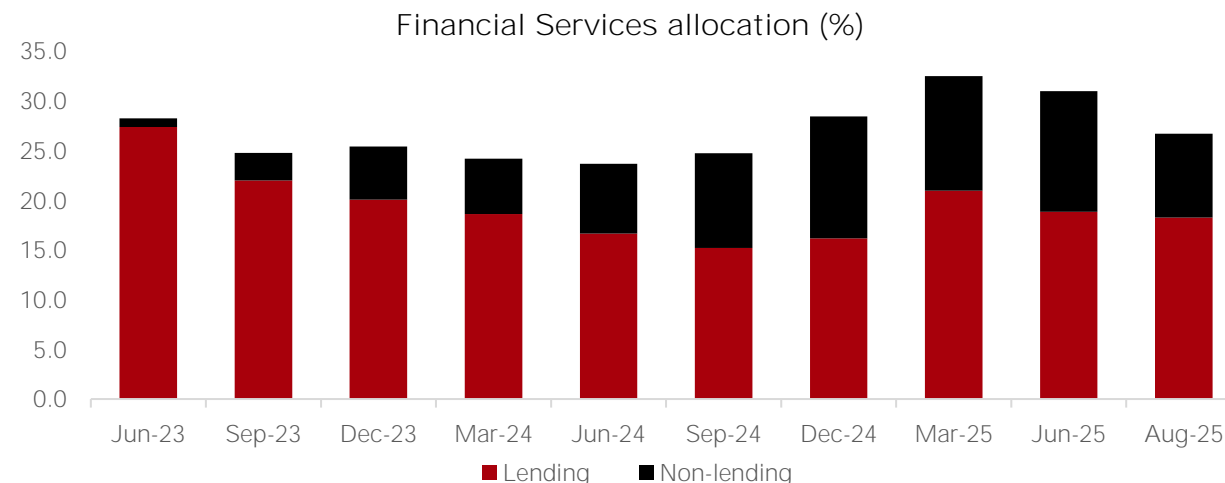
Financials: Liquidity infusion and financialization driving our weights in the sector

■ Lending

- Repo and CRR Cut, easing of risk weights and other norms, increasing system liquidity will drive the credit growth.
- Asset quality remain benign (barring micro finance segment)
- Comfortable valuations
- Positive on Banks and select NBFCs with visibility of healthy growth along with stable asset quality.

■ Non-lending

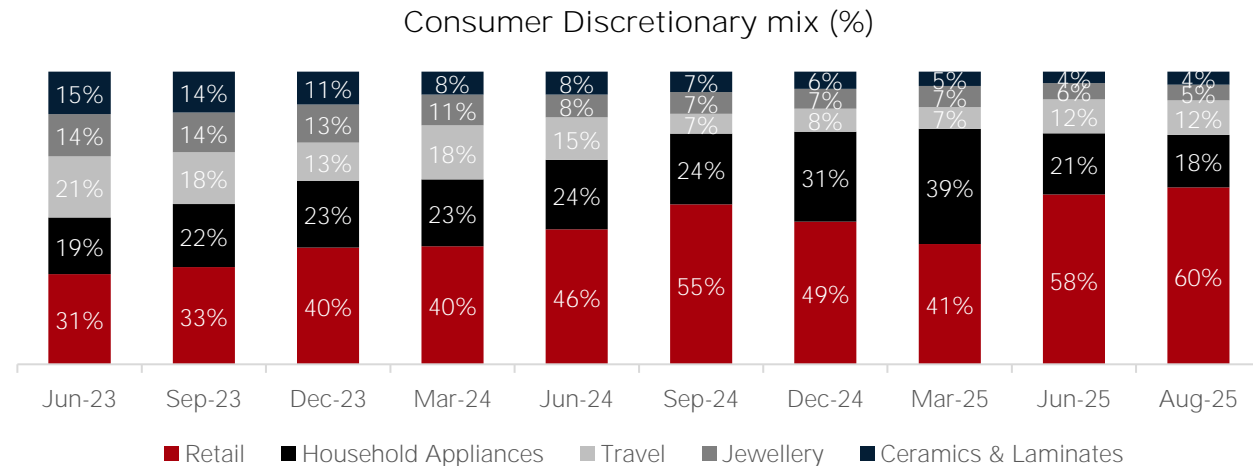
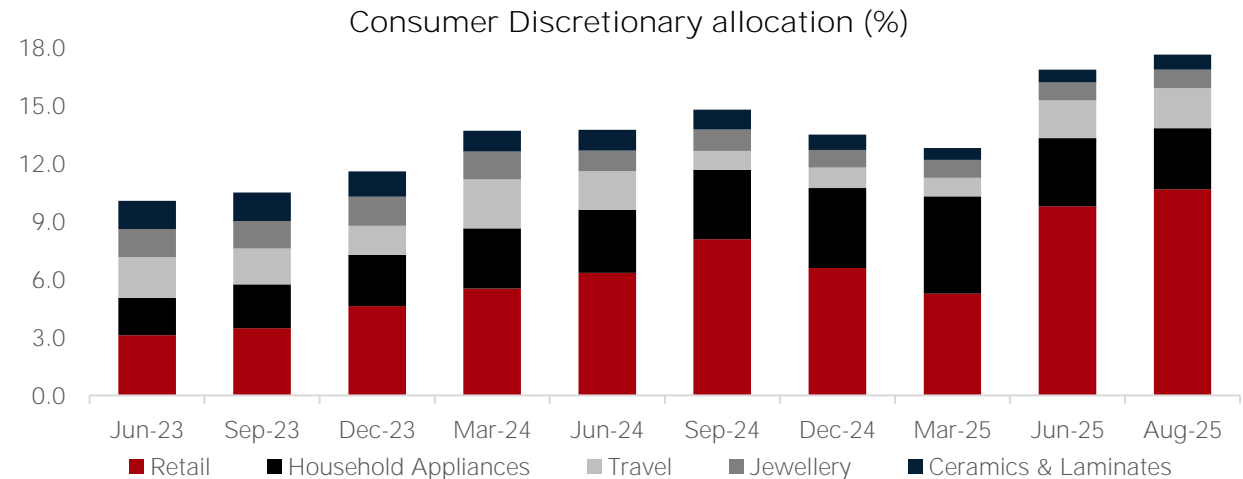
- Financialization of savings is a medium-term theme, which is ongoing, and continue to play in India over next several years.
- Capital Markets, AMC, Exchanges and select Stockbrokers and Intermediaries will be biggest beneficiaries.
- Life insurers will continue to witness healthy APE growth along with VNB margin expansion on the back of 1) Growth recovery in non-linked products 2) Rationalized commission structure post new regulations and 3) ULIP growth on the back of higher sum assured and rider attachments.
- The non-life industry is going through a rough patch, but landscape is continuously evolving and see potential in medium to long term.



Source: Ace MF, HSBC Mutual Fund, Latest available data as on 31 August 2025. 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). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Consumer Discretionary: Consumption seeing a big push from the Government

- Consumer basket is shifting from staples to discretionary consumption
- Consumption seeing nudge from the government
 - GST rationalization (~Rs 1 tn)
 - Income tax relief (~Rs 1 tn)
 - Social welfare schemes (~ Rs 2 tn)
 - Pay hike in 8th pay commission in 2026 (~Rs 4.5 tn)
 - Total stimulus of ~Rs 8.5 tn (2.2% of GDP)
- Like multiple themes within the sector
 - Changing customer behavior and convenience is driving Value retail and Quick commerce
 - Social media awareness and preference to have unique experiences is driving need for higher travel
 - Extreme weather is driving AC sales
- Select exposure in Jewelry and Ceramics/ laminates



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Top stocks and active weights

HSBC Business Cycles Fund

Company name	Portfolio weights (%)	Benchmark weights (%)	Active weights (bps)
ICICI Bank	5.8	5.3	47
Reliance Industries	5.3	4.9	40
Multi Commodity Exchange of India	5.1	0.2	493
Trent	5.0	0.6	433
HDFC Bank	4.6	7.8	-318
Hindustan Aeronautics	2.7	0.4	226
Power Mech Projects	2.7	0.0	267
Swiggy	2.6	0.1	246
Ahluwalia Contracts	2.5	0.0	247
Bharat Electronics	2.4	0.7	173

Source: Bloomberg, HSBC Mutual Fund, Data as on 31 August 2025

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Key portfolio metrics

HSBC Business Cycles Fund

Number of equity stocks	Top 5 stocks weight (%)	Top 10 stocks weight (%)	Active Share (%)
63	25.76	38.50	70.69
Beta (Slope)	Sharpe Ratio	Standard Deviation (%)	Portfolio Turnover (1 year)^
1.08	0.81	16.78	0.17

Source: Bloomberg, HSBC Mutual Fund, Data as of 31 August 2025. Note - Quantitative Data disclosed are as per monthly returns (Annualized) for the last 3 years, Risk free rate: 5.52% (FIMMDA-NSE Mibor) Refer to the Fund's website, www.assetmanagement.hsbc.co.in for monthly portfolio disclosures.

^ 1 Year period 31 August 2024 to 31 August 2025.

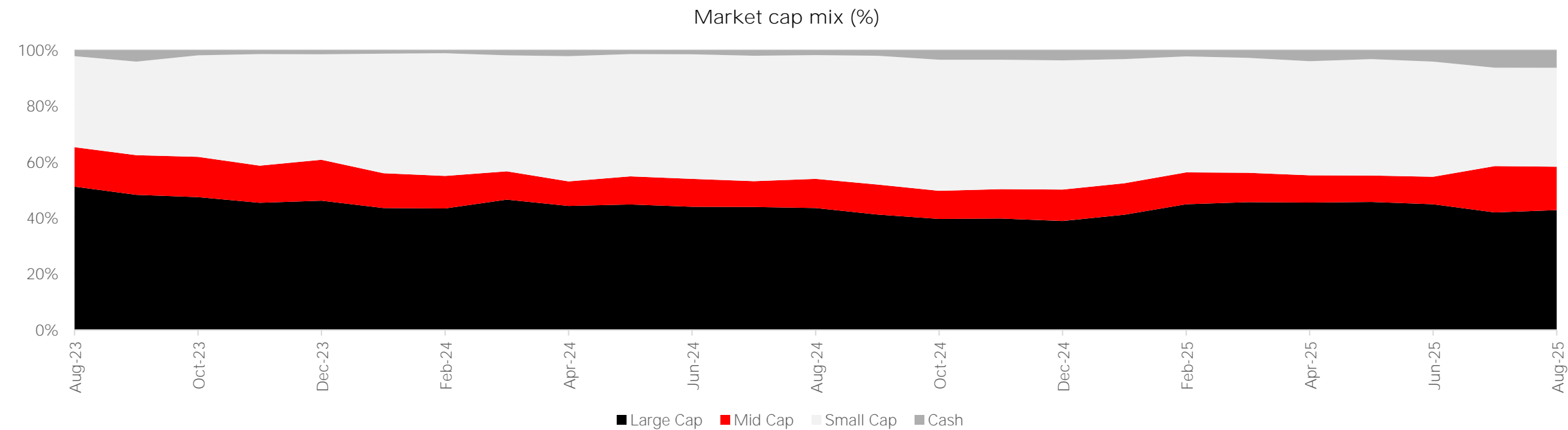
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Market cap classification

HSBC Business Cycles Fund

With the slowdown in capex, we have reduced exposure to some small cap companies in Capital Goods / Infrastructure sector. Also, some increase in Mid Cap and reduction in Small Cap allocation since July 2025 has been due to SEBI’s semi-annual revision of market capitalization rather than any active increase in allocation.

Market Cap (%)	July 2025	August 2025
Large Cap	42.0	42.8
Mid Cap	16.5	15.5
Small Cap	35.2	35.4
Cash	6.3	6.3



Source: HSBC Mutual Fund, Data as on 31 August 2025
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Fund Snapshot

HSBC Business Cycles Fund

(An open ended equity scheme following business cycles based investing theme)

Investment Objective - The investment objective of the Scheme is to seek to generate long-term capital appreciation from a portfolio of predominantly equity and equity related securities, including equity derivatives, in the Indian market with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy. The Scheme could also additionally invest in Foreign Securities. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.



Source: HSBC Mutual Fund, Data as on 31 Aug 2025. ² As on 29 August 2025 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 4.0X to Rs 4,01,040 from Rs 100,000 and delivered return of 13.42%. Please refer performance slides for detailed performance of HSBC Business Cycles Fund. ³ During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 31,05,943. # Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund. 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).

Lump Sum performance

HSBC Business Cycles Fund

Fund Manager - Gautam Bhupal Effective 01 Jun 2023. Total Schemes Managed – 7; Fund Manager - Sonal Gupta Effective 05 Jul 2021. Total Schemes Managed - 24

Lump Sum Investment Performance					Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year	3 Years	5 Years	Since Inception	
	Returns %	Returns %	Returns %	Returns %	
HSBC Business Cycles Fund-Regular~~	-4.59	19.29	24.12	13.76	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	-4.42	14.67	20.36	13.42	
Additional Benchmark (Nifty 50 TRI)	-2.01	12.49	17.92	12.16	
HSBC Business Cycles Fund-Direct~~	-3.51	20.59	25.46	14.77	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	-4.42	14.67	20.36	13.42	
Additional Benchmark (Nifty 50 TRI)	-2.01	12.49	17.92	12.16	

Lump Sum Investment Performance					Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year	3 Years	5 Years	Since Inception	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	
HSBC Business Cycles Fund-Regular~~	9542	16975	29445	41470	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	9559	15080	25248	40104	
Additional Benchmark (Nifty 50 TRI)	9799	14236	22786	35467	
HSBC Business Cycles Fund-Direct~~	9650	17537	31065	45706	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	9559	15080	25248	40104	
Additional Benchmark (Nifty 50 TRI)	9799	14236	22786	35467	

Past performance may or may not be sustained in future and is not a guarantee of any future returns. The performance details provided herein are of Regular as well as Direct 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 Aug 2025 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 June 27, 2024, 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 June 27, 2024, 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

Source: HSBC Mutual Fund, data as on 31 Aug 2025

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SIP Performance

HSBC Business Cycles Fund

SIP Performance - HSBC Business Cycles Fund – Regular Plan					Inception Date: 20-Aug-14
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1320000	
Market Value as on August 29, 2025 (₹)	1,20,219	4,68,160	9,75,493	31,85,549	
Scheme Returns (%)	0.34	17.89	19.56	15.17	
Nifty 500 TRI - Scheme Benchmark (₹)	1,21,253	4,40,035	8,76,702	31,05,943	
Nifty 500 TRI - Scheme Benchmark Returns (%)	1.97	13.53	15.19	14.75	
Nifty 50 TRI - Additional Benchmark (₹)	1,22,160	4,27,542	8,31,719	28,92,280	
Nifty 50 TRI - Additional Benchmark Returns (%)	3.40	11.53	13.05	13.56	



SIP Performance - HSBC Business Cycles Fund – Direct Plan					Inception Date: 20-Aug-14
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1320000	
Market Value as on August 29, 2025 (₹)	1,20,941	4,77,099	10,07,583	33,97,328	
Scheme Returns (%)	1.48	19.24	20.90	16.24	
Nifty 500 TRI - Scheme Benchmark (₹)	1,21,253	4,40,035	8,76,702	31,05,943	
Nifty 500 TRI - Scheme Benchmark Returns (%)	1.97	13.53	15.19	14.75	
Nifty 50 TRI - Additional Benchmark (₹)	1,22,160	4,27,542	8,31,719	28,92,280	
Nifty 50 TRI - Additional Benchmark Returns (%)	3.40	11.53	13.05	13.56	

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

Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Source: HSBC Mutual Fund, data as on 31 Aug 2025

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Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<p>HSBC Business Cycles Fund (An open ended equity scheme following business cycles based investing theme)</p> <p>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 focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy.	 <p>The risk of the scheme is Very High Risk</p>	<p>As per AMFI Tier I Benchmark i.e. Benchmark Index: NIFTY 500 TRI</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 is as on 31 August 2025, 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

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