HSBC Mutual Fund

Product Note

HSBC Business Cycles Fund (HBCF)

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

April 2025

Fund Category	Fund Manager	Benchmark [1]	Inception Date*	AUM[&]
Thematic Fund	Gautam Bhupal, Venugopal Manghat and Sonal Gupta[#]	NIFTY 500 TRI	20 Aug 2014	Rs. 967.37 Cr

12.66%
CAGR since inception* [2]

3.8X
since inception* [2]

29,42,415
Value of SIP investment INR 10,000 p.m. since Inception* [3]

INR 3,89,160
Value of Lump Sum Investment INR 100,000 since inception* [2]

Portfolio	% to net assets
ICICI Bank Limited	5.92%
Reliance Industries Limited	5.29%
Trent Limited	5.27%
Multi Commodity Exchange of India Limited	5.18%
HDFC Bank Limited	4.66%
Bharat Electronics Limited	3.11%
Larsen & Toubro Limited	2.95%
Blue Star Limited	2.65%
Power Finance Corporation Limited	2.58%
Power Mech Projects Limited	2.55%

Industry - Allocation	% to net assets
Banks	15.39%
Construction	11.67%
Capital Markets	9.08%
Consumer Durables	6.59%
Finance	5.56%
Industrial Products	5.53%
Petroleum Products	5.29%
Retailing	5.27%
Aerospace & Defense	5.20%
Electrical Equipment	4.63%

Risk Ratios[4]	
Standard Deviation	17.95%
Beta	1.07

Risk Ratios[4]	
Sharpe Ratio [5]	0.69
R2	0.83

Exit Load: If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment – Nil, If units redeemed or switched out are over and above the limit within 1 year from the date of allotment – 1%, If units are redeemed or switched out on or after 1 year from the date of allotment – Nil, A switch-out or a withdrawal under SWP may also attract an Exit Load like any Redemption. No Exit load will be chargeable in case of switches made between different options of the Scheme. No Exit load will be chargeable in case of Units allotted on account of IDCW reinvestments, if any. Exit load is not applicable for Segregated Portfolio.

Month End Total Expenses Ratios (Annualized)[6] – Regular[7]: 2.29%, Direct: 1.12%

* 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.

[2] As on 31 March 2025 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 3.7X to Rs 3,78,500 from Rs 100,000 and delivered return of 13.36%. Please refer page no. 3 for detailed performance of HSBC Business Cycles Fund.

[3] During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 28,83,876.

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

[5] Risk free rate: 7.20% (FIMMDA-NSE MIBOR)

[6] TER Annualized TER including GST on Investment Management Fees

[7] Continuing plans

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

Note: The 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).

Source – HSBC Mutual Fund, Data as of 31 March 2025. **Past performance may or may not be sustained in the future and is not indicative of future results.**

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

All economies go through “Business Cycles” and every stage of the business cycle impacts performance of each sector that largely drives the performance of equity market.

Thus, timely selection of the prospective sectors that could benefit in different market cycles may provide great opportunity to generate alpha.

Invest in HSBC Business Cycles Fund that adopts business cycle approach by identifying economic trends and strategically investing in the sectors and stocks that may perform at that stage of business cycle in the economy which seek to generate wealth in the long-run.

Why HSBC Business Cycles Fund?

- Aim to build a portfolio of predominantly equities with focus on riding business cycles
- Dynamic allocation between cyclical and defensive sectors and stocks at different stages of business cycles in the economy
- To aim to create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Approach

- HBCF focuses on riding business cycles by strategically changing allocation between various sectors and stocks at different stages of business cycle in the economy
- The fund has the flexibility to invest across the market capitalization spectrum.
- Within a sector, the fund prefers dominant and scalable businesses available at reasonable valuations

Key portfolio themes:

- We believe that the macro recovery cycle is still underway and has some way to go before turning. In line with that we are invested into the cyclical part of the economy. We believe the earnings growth delivered by these companies will be strong in the medium term partially aided by the economic tailwinds.
- Margins are also showing signs of an uptick. Remain constructive on the businesses that are participating in the current growth trends.
- Inflationary pressures seem to be moderating and the likelihood of further interest rates increase has reduced. We remain positively biased towards domestic cyclicals, supported by the more robust medium term growth outlook.
- Our positioning in the portfolio is:
    - Capex recovery theme: Industrial Product sector is seeing a strong growth driven by a strong capex push by both public and private sector companies.
    - Infrastructure: Remain positive on infrastructure space driven by strong push by government.
    - Financials: Financials are seeing a strong growth driven by recovery in credit growth cycle coupled with credit cost normalisation which is leading to earnings expansion.

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.

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Past performance may or may not be sustained in the future and is not indicative of future results. Source: HSBC Mutual Fund, data as on 31 March 2025, Note - Sector specific information provided above should not be considered as investment advice..

Fund Manager - Gautam Bhupal Effective 01 Jun 2023. Total Schemes Managed – 13; Fund Manager - Venugopal Manghat Effective 20 Aug 2014. 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		
	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in Rs	PTP Returns %	Amount in ₹	Returns %	
HSBC Business Cycles Fund-Regular~~	11348	13.48	17144	19.72	36174	29.36	38916	13.66	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	10637	6.37	14761	13.89	32055	26.27	37850	13.36	
Additional Benchmark (Nifty 50 TRI)	10665	6.65	13956	11.77	28957	23.72	33868	12.18	

Past performance may or may not be sustained in the future and is not indicative of future results. The performance details provided herein are of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of March 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

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	1270000	
Market Value as on March 31, 2025 (₹)	1,15,693	4,79,993	10,32,061	29,42,415	
Scheme Returns (%)	-6.74	19.74	21.93	15.11	
Nifty 500 TRI - Scheme Benchmark (₹)	1,16,087	4,43,887	9,21,755	28,83,876	
Nifty 500 TRI - Scheme Benchmark Returns (%)	-6.13	14.18	17.27	14.76	
Nifty 50 TRI - Additional Benchmark (₹)	1,19,261	4,32,382	8,75,118	27,13,915	
Nifty 50 TRI - Additional Benchmark Returns (%)	-1.17	12.35	15.14	13.70	

Past performance may or may not be sustained in the future and is not indicative of future results. For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. Load is not taken into consideration.
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 March 2025
Click here to check other funds performance managed by the Fund Manager

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
HSBC Business Cycles Fund (An open ended equity scheme following business cycles based investing theme) **This product is suitable for investors who are seeking*:** • 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.	 The risk of the scheme is Very High Risk	As per AMFI Tier I Benchmark i.e. **Benchmark Index: NIFTY 500 TRI** The risk of the benchmark is Very High Risk

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

Note on Risk-o-meters: Riskometer is as on 31 March 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

Past performance may or may not be sustained in the future and is not indicative of future results. Source: HSBC Mutual Fund, data as on 31 March 2025

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