

See  
opportunity

where  
others don't.

**HSBC Small Cap Fund (HSCF)**



Product Deck - September 2023

# What are Small Cap stocks?

## Small Cap Pearls

Emerging businesses with an opportunity to generate higher Alpha

## Small Cap Companies

251<sup>st</sup> company and beyond

Niche and emerging businesses

High growth potential

Relatively volatile and less liquid

Higher research arbitrage

Potential multi baggers

## Mid Cap Companies

- 101<sup>st</sup> to 250<sup>th</sup> stocks
- Emerging businesses
- Potential Large caps of tomorrow
- High growth potential
- Moderately liquid

## Large Cap Companies

- Top 100 stocks
- Evolved businesses with track record
- Dominant big players
- Highly liquid in markets

Small Cap advantage : Emerging businesses with growth potential

The asset allocation and investment strategy will be as per the strategy features. Large-caps are represented by the top 100 stocks on full market capitalisation basis & Mid caps are represented by the next 150 stocks based on full market capitalisation and Small Cap stocks beyond 250<sup>th</sup> stock based on full market capitalisation basis as per AMFI list.

## How we define “Emerging Businesses?”

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Emerging businesses are typically smaller size businesses which are in their early stage of development

These businesses have potential to grow their revenues and profits at a higher rate as compared to broader market

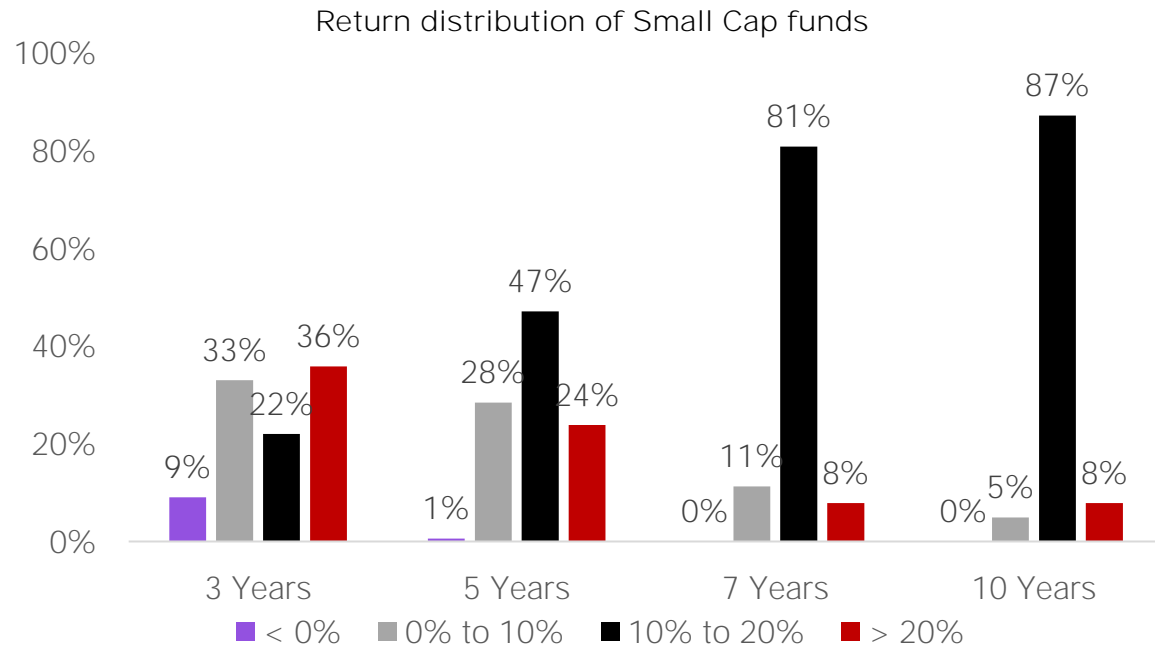
Management team of such companies are generally more hands-on and are key contributors to the prospects of the company

They typically fall into one of the following categories

- Companies in evolving industries
- Smaller players in a large industry catering to niche segments
- Smaller players looking to acquire share of the unorganized players in a large industry

# Why Small Cap Stocks?

## Potential alpha generators



Large under owned universe of small cap stocks

## Small Cap Features



Multi-baggers of tomorrow



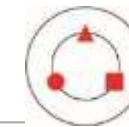
Potential access to growth opportunity



Under-researched and under-owned



Opportunities to spot pricing anomalies



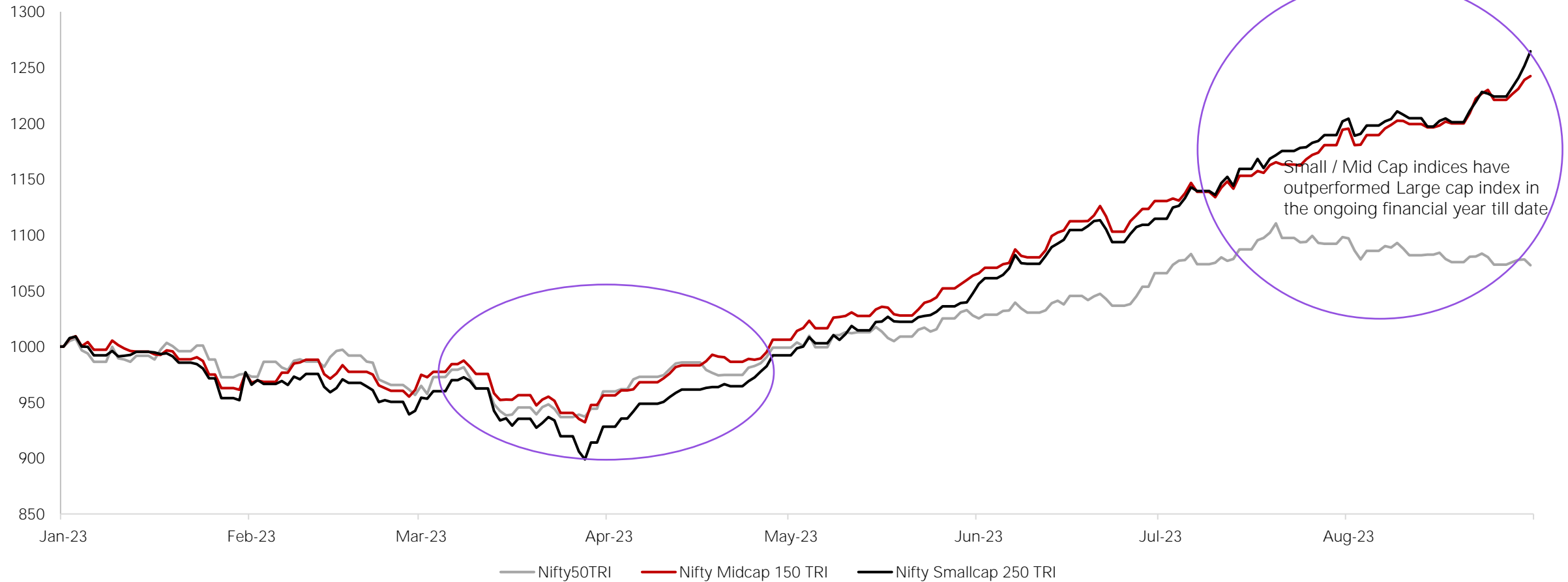
Diversity and alpha potential

Small Cap stocks may offer more probability of delivering high alpha

For illustration purpose only. Source: NSE, CRISIL, Data as at December 2022, Small Cap Funds are represented by weighted average index of 23 Small Cap funds representing the Small Cap category, Return distribution based on a daily rolling returns of various holding periods. Period considered: 1 January 2005 – 31 December 2022, Returns of Small cap funds is average of funds from respective category. Past performance may or may not be sustained in the future.

# YTD, small caps have out performed the Nifty and Mid cap index by a wide margin

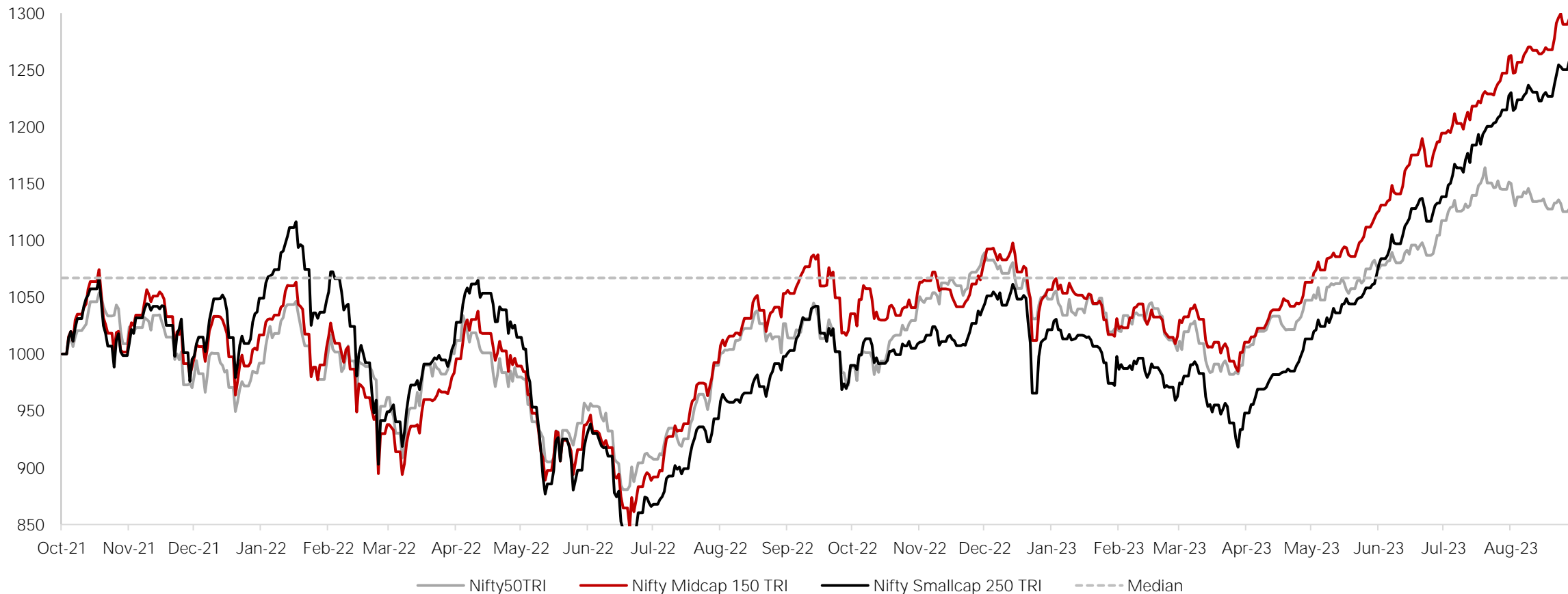
Mid-Small-Large Caps performance (YTD2023)



Source: ICRA MFI, For illustration purposes only. Past performance may or may not be sustained in future.

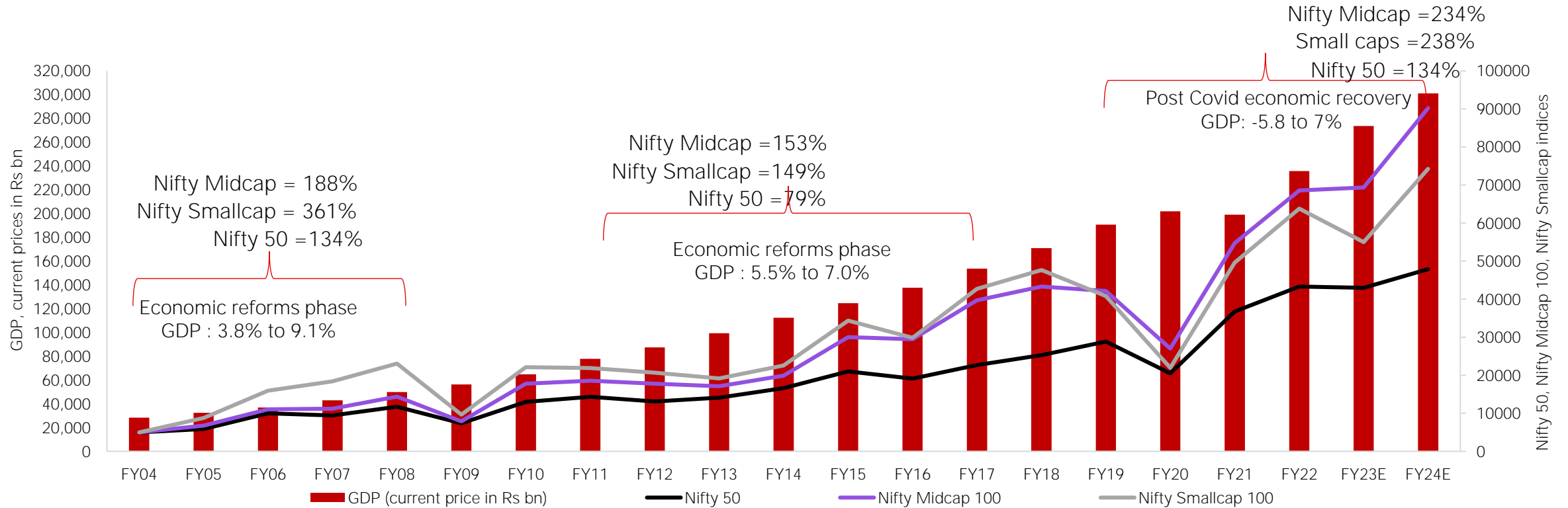
# Trending: rise in small and mid caps

Small-Mid-Large Caps performance (since Oct 2021 peak)



Small and Mid caps have potential to outperform in economic recovery phase

# Smaller companies tend to do well during economic / earnings recovery...



| Indices                         | Free Float PAT Growth |       |       | CAGR<br>FY23 - 25 E | PE (x) |       |
|---------------------------------|-----------------------|-------|-------|---------------------|--------|-------|
|                                 | FY23A                 | FY24E | FY25E |                     | FY24E  | FY25E |
| Nifty Midcap 100 Growth (YoY)   | 19.3%                 | 26.9% | 22.7% | 24.8%               | 25.6   | 20.9  |
| Nifty Smallcap 100 Growth (YoY) | 7.3%                  | 19.7% | 24.6% | 22.2%               | 21.6   | 17.3  |
| Nifty 50 Growth (YoY)           | 6.9%                  | 26.3% | 15.5% | 20.8%               | 21.1   | 18.3  |

Source – CRISIL, Data as at August 2023, All Indices value rebased to 5000, Nifty Midcap 100, Nifty Smallcap 100, Nifty50 index Absolute returns for (1) 31 Mar '04 to 31 Mar '08, (2) 31 Mar '13 to 31 Mar '18 and (3) 31 Mar '20 to 31 Aug '23

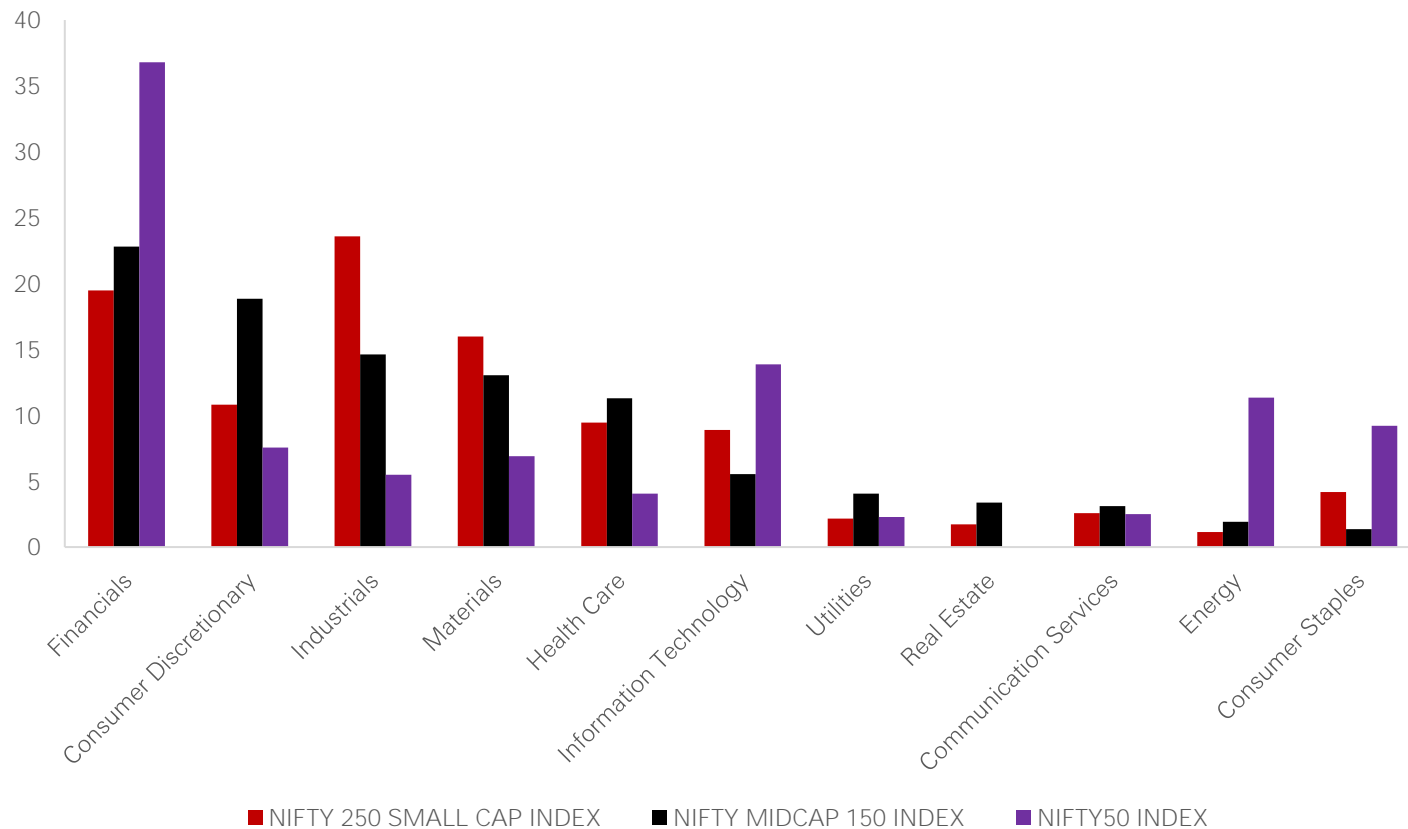
Source – Bloomberg, Consensus estimates for some companies are not available and those are excluded from the data. Data as at August 2023

A – Actuals, E – Estimates, FY23A – FY23 actuals, FY24E – FY24 estimates, FY25E – FY25 estimates, Investors should not consider the same as investment advice.

Past performance may or may not be sustained in future. For illustration purposes only

# An essential diversification – Smallcaps vs Midcaps vs Largecaps

Sector Diversification



Variation in Sector allocation

Greater Diversification  
Greater Opportunities

Additional sector opportunities

Small and Mid cap stock indices may offer more diversified universe for investment



Source: Bloomberg, NSE, Data as at August 2023, The above data is provided for illustration purpose only. The portfolio may or may not have positions in these stocks/sector.

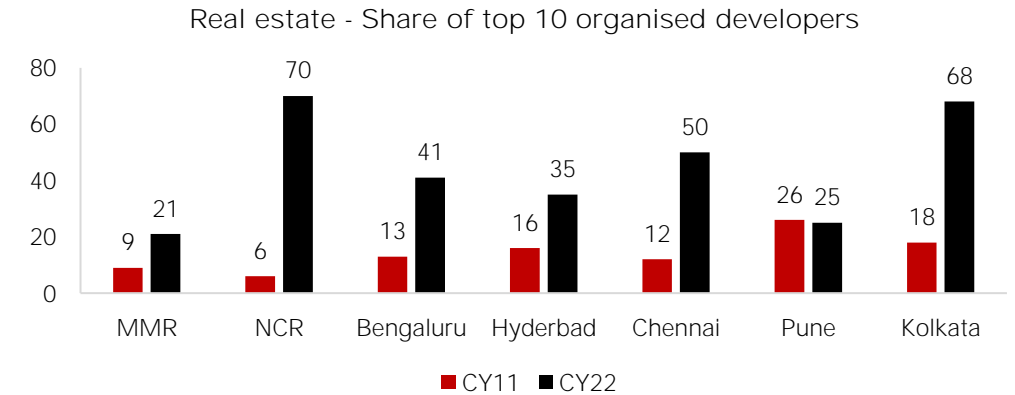
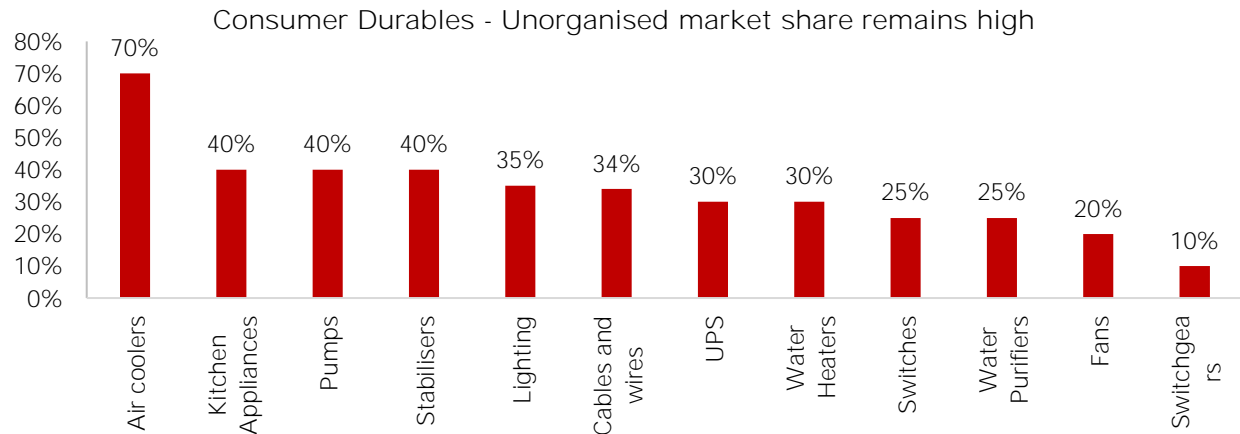
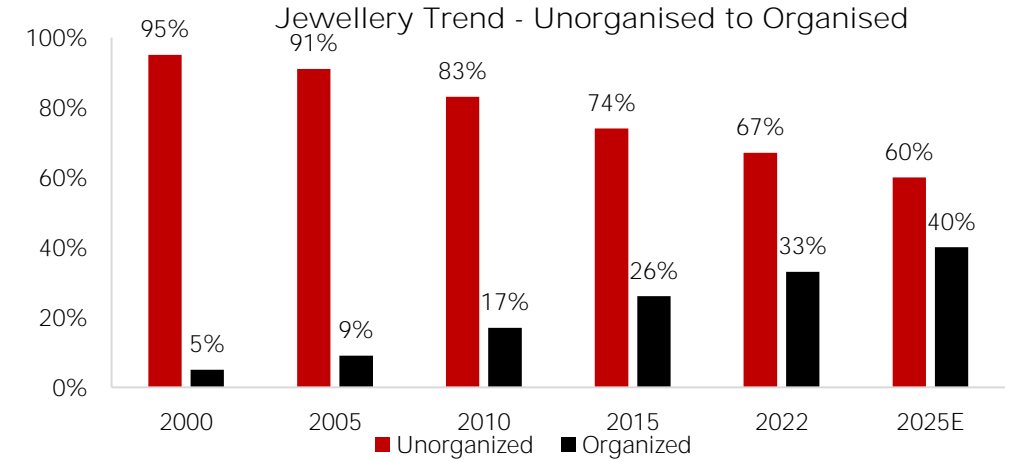
The above statements analysis should not be construed as an investment advice or a research report or a recommendation to buy or sell any security covered under the respective sector/s. Industry Leadership in terms of market share/ Sales/ Profitability considered.



# Trending themes

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# Visible shift in market share from unorganised to organised players may throw up opportunities



Organised retail has significant growth opportunities ahead

# Thrust on manufacturing opens opportunities

- Government has announced incentives worth USD 32.5 bn to promote domestic manufacturing under Production Linked Scheme (PLI)
- Increasing share of manufacturing in GDP – China +1 strategy
- Visible signs of capex uptick leading to rerating of industrial stocks

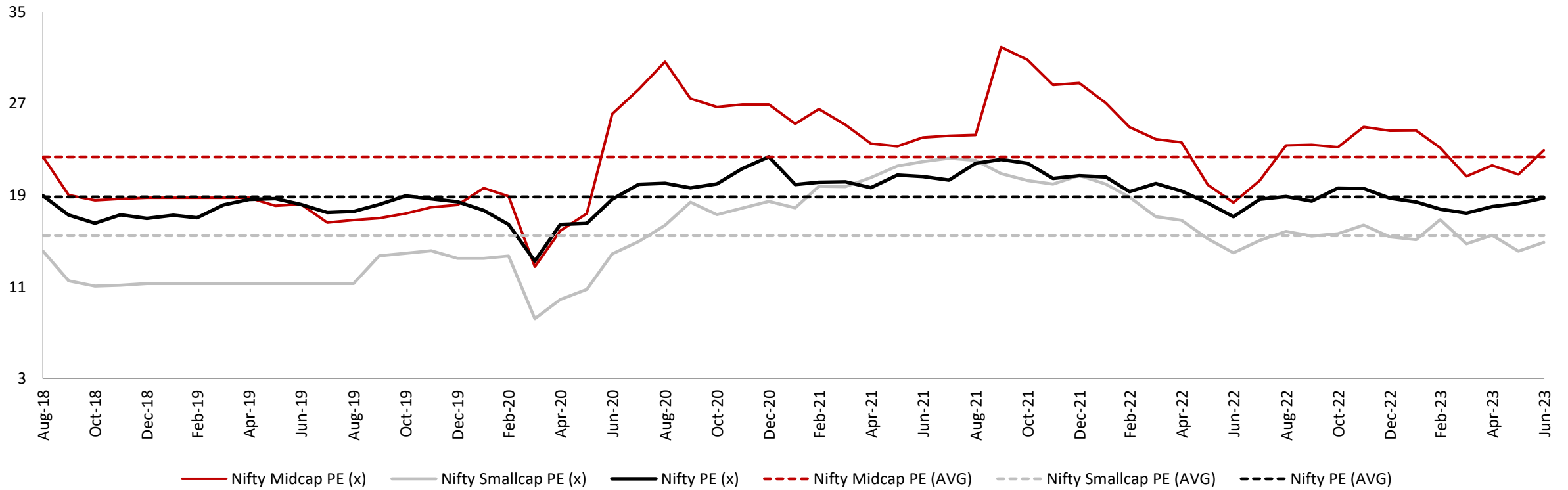
| Sector   | 2021 India Mfg. GDP in        |                    | 2025 India Mfg. GDP in |                    | Indicative opportunities                       |
|--|-------------------------------|--------------------|------------------------|--------------------|--|
|  | USD bn (% share) ^            | 2021 China's Mix   | USD bn (% share) (E)   |                    |  |
| Limited dependency on natural resources reserves | Auto & other transportation   | 49 (11%)           | 9%                     | 230 (10%)          | Electric Vehicles, Hydrogen Fuel Cells         |
|  | Machinery                     | 27 (6%)            | 8%                     | 138 (6%)           | Manufacturing equipment for other sectors      |
|  | Chemicals                     | 40 (9%)            | 8%                     | 207 (9%)           | Specialty Chemicals, etc.                      |
|  | Pharmaceuticals               | 36 (8%)            | 3%                     | 115 (5%)           | CDMO biggest growth opportunity                |
|  | Electrical                    | 13 (3%)            | 8%                     | 138 (6%)           | 5G, Sub-components, Semiconductors, CCTV, etc. |
|  | Electronics                   | 9 (2%)             | 13%                    | 161 (7%)           |  |
|  | Miscellaneous                 | 40 (9%)            | 8%                     | 184 (8%)           | Defense, Medical Consumables/devices, etc.     |
| Directly dependent on natural resources          | Metal & Metal Products        | 62 (14%)           | 19%                    | 345 (15%)          |  |
|  | Food Products                 | 58 (13%)           | 9%                     | 276 (12%)          |  |
|  | Textile Products              | 49 (11%)           | 5%                     | 207 (9%)           |  |
|  | Wood, rubber & paper products | 35 (8%)            | 5%                     | 161 (7%)           |  |
|  | Petroleum products            | 27 (6%)            | 5%                     | 138 (6%)           |  |
| <b>Total</b>                                     |                               | <b>US\$ 0.4 Tn</b> | <b>US\$ 3.9 Tn</b>     | <b>US\$ 2.3 tn</b> |  |

Source: Centre for Monitoring Indian Economy (CMIE), Ministry of Statistics and Program Implementation (MoSPI), National Account Statistics, Worldbank, Statista  
 Note: ^ % share calculated by applying GVA mix on GDP. China's Mix is based on revenue of 3.7L Chinese companies; 1USD = INR 80

# IPOs – Businesses from diverse sectors

| Issuer Company                                  | Sector                       | Open Date | Close Date | Issue Size (Rs Cr.) |
|---|------------------------------|-----------|------------|---------------------|
| Campus Activewear Limited IPO                   | Footwear                     | 26-Apr-22 | 28-Apr-22  | 1,400               |
| Rainbow Children's Medicare Limited IPO         | Pharma & Healthcare          | 27-Apr-22 | 29-Apr-22  | 1,581               |
| Life Insurance Corporation of India (LIC) IPO   | Financial Services           | 4-May-22  | 9-May-22   | 21,008              |
| Prudent Corporate Advisory Services Limited IPO | Financial Services           | 10-May-22 | 12-May-22  | 539                 |
| Delhivery Limited IPO                           | Logistics                    | 11-May-22 | 13-May-22  | 5,235               |
| Venus Pipes & Tubes Limited IPO                 | Metals & Minerals            | 11-May-22 | 13-May-22  | 165                 |
| Paradeep Phosphates Limited IPO                 | Chemicals                    | 17-May-22 | 19-May-22  | 1,502               |
| Ethos Limited IPO                               | Retail and Fashion           | 18-May-22 | 20-May-22  | 472                 |
| eMudhra Limited IPO                             | Others                       | 20-May-22 | 24-May-22  | 413                 |
| Aether Industries Limited IPO                   | Chemicals                    | 24-May-22 | 26-May-22  | 808                 |
| Syrma SGS Technology Ltd IPO                    | Electronics Manufacturing    | 12-Aug-22 | 18-Aug-22  | 840                 |
| Dreamfolks Services Limited IPO                 | Information Technology       | 24-Aug-22 | 26-Aug-22  | 562                 |
| Tamilnad Mercantile Bank Limited IPO            | Financial Services           | 5-Sep-22  | 7-Sep-22   | 808                 |
| Harsha Engineers International Ltd IPO          | Auto and Auto Ancillaries    | 14-Sep-22 | 16-Sep-22  | 755                 |
| Electronics Mart India Limited IPO              | Electronics Manufacturing    | 4-Oct-22  | 7-Oct-22   | 500                 |
| Tracxn Technologies Limited IPO                 | Information Technology       | 10-Oct-22 | 12-Oct-22  | 309                 |
| DCX Systems Limited IPO                         | Aerospace & Defence          | 31-Oct-22 | 2-Nov-22   | 500                 |
| Fusion Micro Finance Limited IPO                | Financial Services           | 2-Nov-22  | 4-Nov-22   | 1,104               |
| Global Health Limited IPO                       | Pharma & Healthcare          | 3-Nov-22  | 7-Nov-22   | 2,206               |
| Bikaji Foods International Limited IPO          | Agri & FMCG                  | 3-Nov-22  | 7-Nov-22   | 881                 |
| Five Star Business Finance Ltd IPO              | Financial Services           | 9-Nov-22  | 11-Nov-22  | 1,593               |
| Archean Chemical Industries Limited IPO         | Chemicals                    | 9-Nov-22  | 11-Nov-22  | 1,462               |
| Kaynes Technology India Ltd IPO                 | Electronics Manufacturing    | 10-Nov-22 | 14-Nov-22  | 858                 |
| Inox Green Energy Services Limited IPO          | Power                        | 11-Nov-22 | 15-Nov-22  | 740                 |
| Keystone Realtors Limited IPO                   | Real Estate                  | 14-Nov-22 | 16-Nov-22  | 635                 |
| Dharmaj Crop Guard Limited IPO                  | Chemicals                    | 28-Nov-22 | 30-Nov-22  | 251                 |
| Uniparts India Limited IPO                      | Auto and Auto Ancillaries    | 30-Nov-22 | 2-Dec-22   | 836                 |
| Sula Vineyards Limited IPO                      | Agri & FMCG                  | 12-Dec-22 | 14-Dec-22  | 960                 |
| Abans Holdings Limited IPO                      | Others                       | 12-Dec-22 | 15-Dec-22  | 346                 |
| Landmark Cars Limited IPO                       | Auto and Auto Ancillaries    | 13-Dec-22 | 15-Dec-22  | 552                 |
| KFin Technologies Limited IPO                   | Financial Services           | 19-Dec-22 | 21-Dec-22  | 1,500               |
| Elin Electronics Limited IPO                    | Electronics Manufacturing    | 20-Dec-22 | 22-Dec-22  | 475                 |
| Radiant Cash Management Services Limited IPO    | Financial Services           | 23-Dec-22 | 27-Dec-22  | 257                 |
| Sah Polymers Limited IPO                        | Others                       | 30-Dec-22 | 4-Jan-23   | 66                  |
| Divgi TorqTransfer Systems Limited IPO          | Auto and Auto Ancillaries    | 1-Mar-23  | 3-Mar-23   | 412                 |
| Global Surfaces Limited IPO                     | Building Material            | 13-Mar-23 | 15-Mar-23  | 155                 |
| Udayshivakumar Infra Limited IPO                | Infrastructure               | 20-Mar-23 | 23-Mar-23  | 66                  |
| Avalon Technologies Limited IPO                 | Electronics Manufacturing    | 3-Apr-23  | 6-Apr-23   | 865                 |
| Mankind Pharma Limited IPO                      | Pharma & Healthcare          | 25-Apr-23 | 27-Apr-23  | 4,326               |
| Nexus Select Trust REIT                         | Real Estate Investment Trust | 9-May-23  | 11-May-23  | 3,200               |
| IKIO Lighting Limited IPO                       | Electronics Manufacturing    | 6-Jun-23  | 8-Jun-23   | 607                 |
| HMA Agro Industries Limited IPO                 | Agri & FMCG                  | 20-Jun-23 | 23-Jun-23  | 480                 |
| ideaForge Technology Limited IPO                | Aerospace & Defence          | 26-Jun-23 | 30-Jun-23  | 567                 |
| Cyient DLM Limited IPO                          | Information Technology       | 27-Jun-23 | 30-Jun-23  | 592                 |
| Senco Gold Limited IPO                          | Jewellery                    | 4-Jul-23  | 6-Jul-23   | 405                 |
| Utkarsh Small Finance Bank Limited IPO          | Financial Services           | 12-Jul-23 | 14-Jul-23  | 500                 |
| Netweb Technologies India Limited IPO           | Information Technology       | 17-Jul-23 | 19-Jul-23  | 631                 |

# Valuations still reasonable



Valuations close to long term averages

SMID – Small and Mid Cap stocks, Source – MOSL, Data as at June '23, 1-year forward P/E, AVG – Average of respective indices PE for 5 years, NSE Mid Cap and NSE Small Cap indices, Past performance may or may not sustain in future

## Expanding universe of stocks with higher profitability

Market cap of the 250<sup>th</sup> company currently is Rs.17000Cr vs 10000Cr in FY17.

Number of companies between Rs.1000Cr to Rs.17300Cr market cap : 730 (vs 600 in FY17).

|                        | FY17                | FY23                |
|------------------------|---------------------|---------------------|
| PAT                    | Number of Companies | Number of Companies |
| Greater than Rs.100Cr  | 232                 | 449                 |
| Greater than Rs.250Cr  |                     | 214                 |
| Greater than Rs.500Cr  |                     | 99                  |
| Greater than Rs.1000Cr |                     | 36                  |

The stock universe continues to see additions, growth in profits and market cap

Source: Bloomberg. The above data/information represents historic performance of the company and for illustration purpose only. The scheme may or may not have future positions in this stock. The above graphs/ analysis should not be construed as an investment advice or research report or recommendation to buy or sell any stock mentioned above. **Past performance may or may not sustain and doesn't guarantee the future performance.'**

## However, stock selection is extremely critical in this segment...

Though smaller companies have the potential to grow at a higher rate, not all smaller companies would grow to become mid or large cap over time.

The key is to identify companies with

Scalable  
opportunities

Competent  
management /  
promoters

Strong corporate  
governance  
practices

Balance sheet  
strength

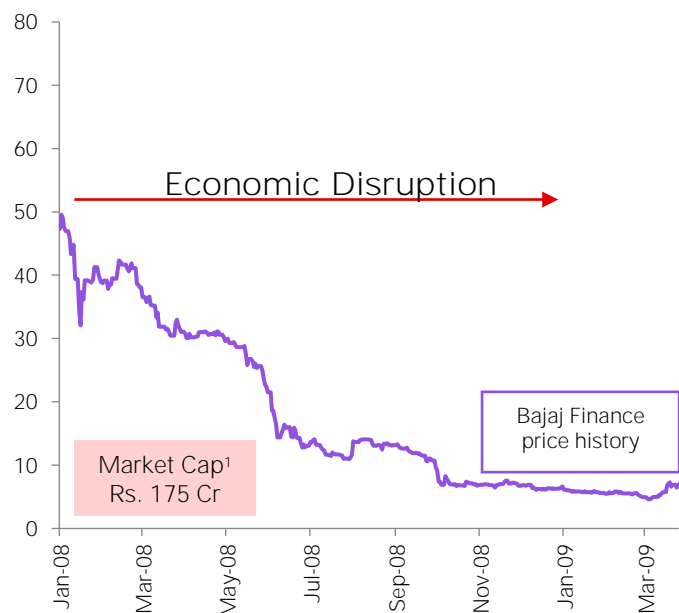
Moats

Such businesses when bought at reasonable valuations could offer significant upside potential over the medium to long term

# Remain invested in the right stocks for long - Small Cap to Large Cap progression

Journey of a Small cap stock – Bajaj Finance

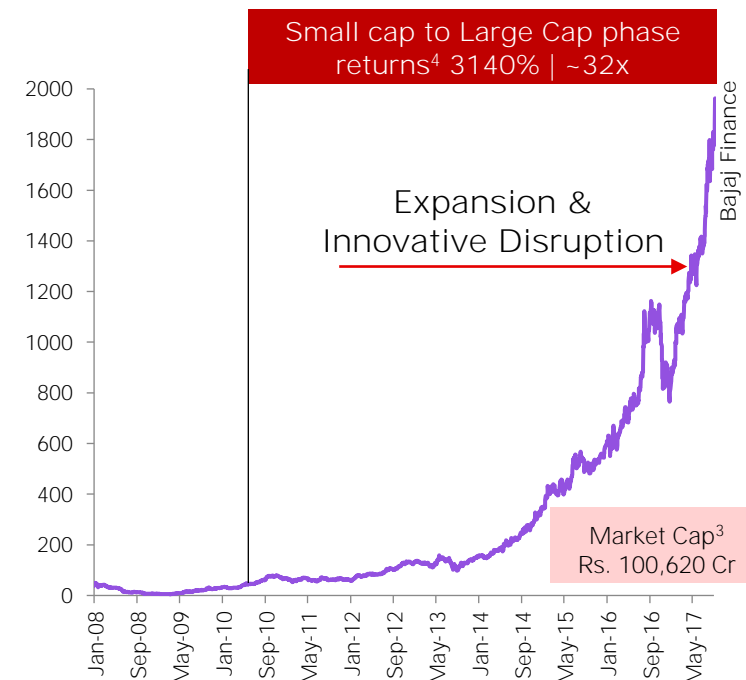
Bajaj Finance stock progression



Small Cap



Mid Cap



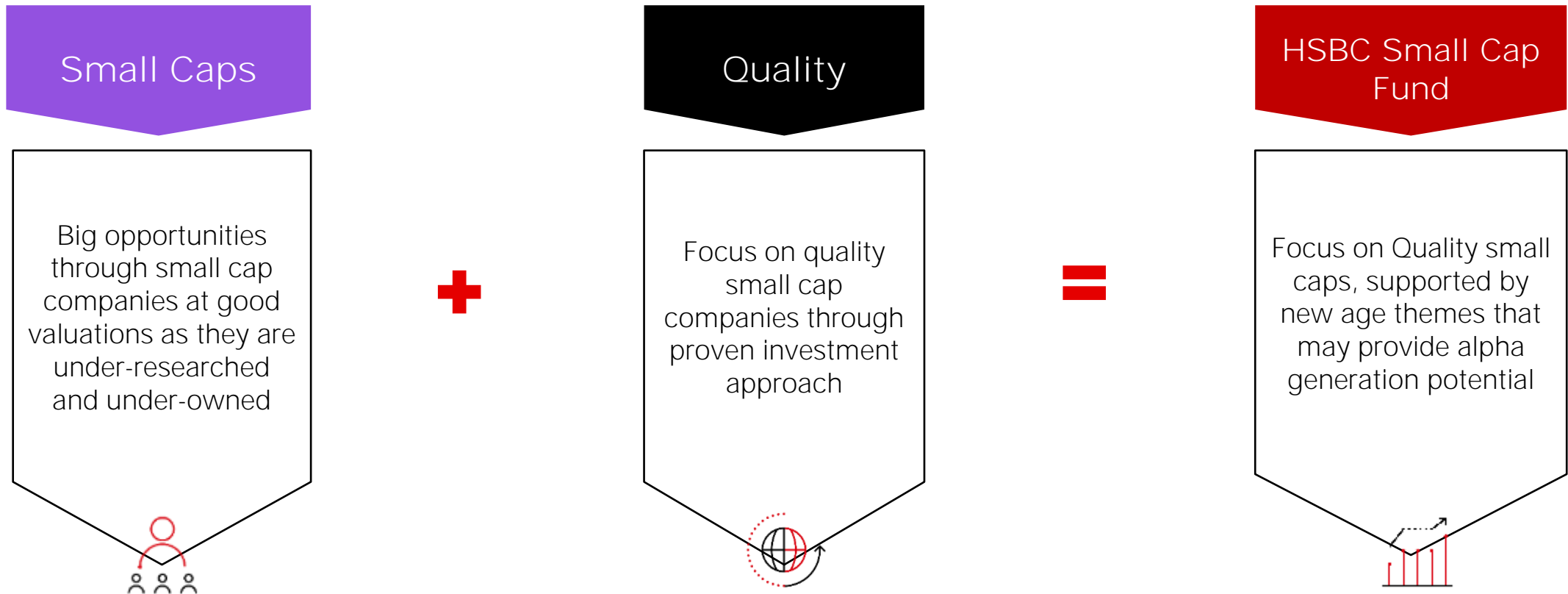
Large Cap

## Benefit through the journey of Small Cap companies to Large Cap

Source: Bloomberg, The above chart and names of the stock is provided for illustration purpose only. Market Cap as on 1 : 9 Mar 09, 2: 31 Jul 10, 3 : 28 Aug 17, 4. Price movement is from 1 Aug 10 to 31 Aug 17, The above information is for illustrative purpose only and it should not be considered as investment research, investment recommendation or advice to any reader of this content to buy or sell investments. The Fund may or may not have any future position in these stocks. Past performance may or may not be sustained in the future. The above company/stock is mentioned for illustration purpose only. The above data/information represents historic performance of the company and for illustration purpose only. The scheme may or may not have future positions in this stock. The above graphs/ analysis should not be construed as an investment advice or research report or recommendation to buy or sell any stock mentioned above. The returns provided above have been rounded off and hence there may be minor differences between point-to-point returns vis-a-vis returns indicated above.



# HSBC Small Cap Fund

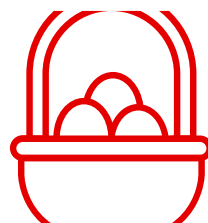


Quality Small Cap stocks may provide alpha generation opportunities

Note - Large-caps are represented by the top 100 stocks on full market capitalisation basis & Mid caps are represented by the next 150 stocks based on full market capitalisation and Small Cap stocks beyond 250th stock based on full market capitalisation basis .

## HSBC Small Cap Fund

| Fund Category  | Fund Manager   | Benchmark <sup>1</sup>  | Inception Date | AUM             |
|----------------|--|-------------------------|----------------|-----------------|
| Small Cap Fund | Venugopal Manghat , Vihang Shankar Naik and Sonal Gupta <sup>2</sup> | NIFTY Small Cap 250 TRI | 12 May 2014    | Rs. 11549.40 Cr |



Well diversified portfolio with wide representation of sectors



Follows bottom-up stock selection



Benchmark aware but an active portfolio



Pre-dominantly growth oriented but focus is on buying at reasonable price



Sizing of bets is based on conviction and opportunity



Exposure to other stocks than small cap stocks in the portfolio to maintain stability



Relatively low churn of portfolio.

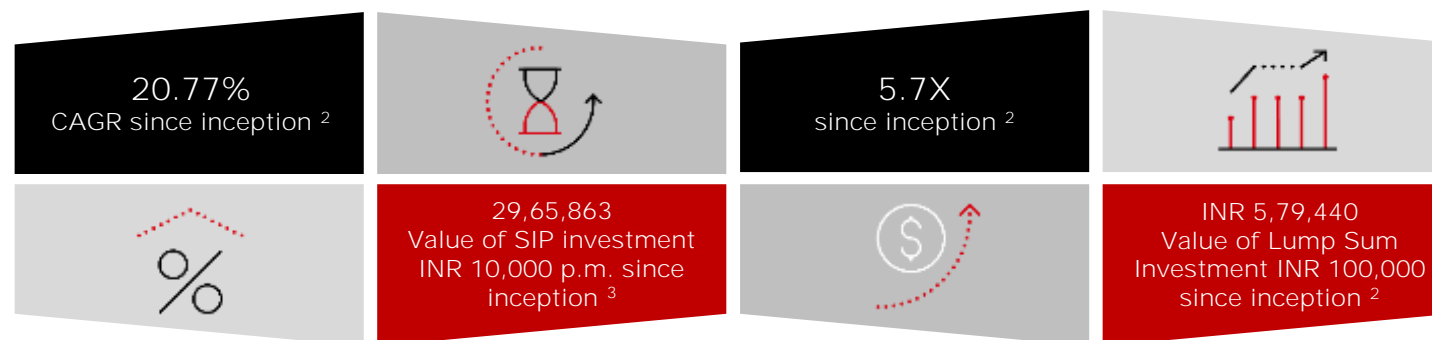
<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' has introduced two-tiered structure for benchmarking of certain categories of schemes. Accordingly, the benchmark has been classified as Tier 1 benchmark effective from 01 December 2021. <sup>2</sup> Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund. Data as on 31 August 2023, Source - HSBC Mutual Fund

# Portfolio snapshot

## HSBC Small Cap Fund

| Portfolio (Top 10)                    | % of net assets |
|---------------------------------------|-----------------|
| Apar Industries Limited               | 3.28%           |
| KPR Mill Limited                      | 3.27%           |
| KEI Industries Limited                | 2.56%           |
| Cera Sanitaryware Limited             | 2.50%           |
| APL Apollo Tubes Limited              | 2.31%           |
| EIH Limited                           | 2.30%           |
| KPIT Technologies Limited             | 2.23%           |
| Sonata Software Limited               | 2.22%           |
| Carborundum Universal Limited         | 2.11%           |
| Mahindra Lifespace Developers Limited | 2.08%           |

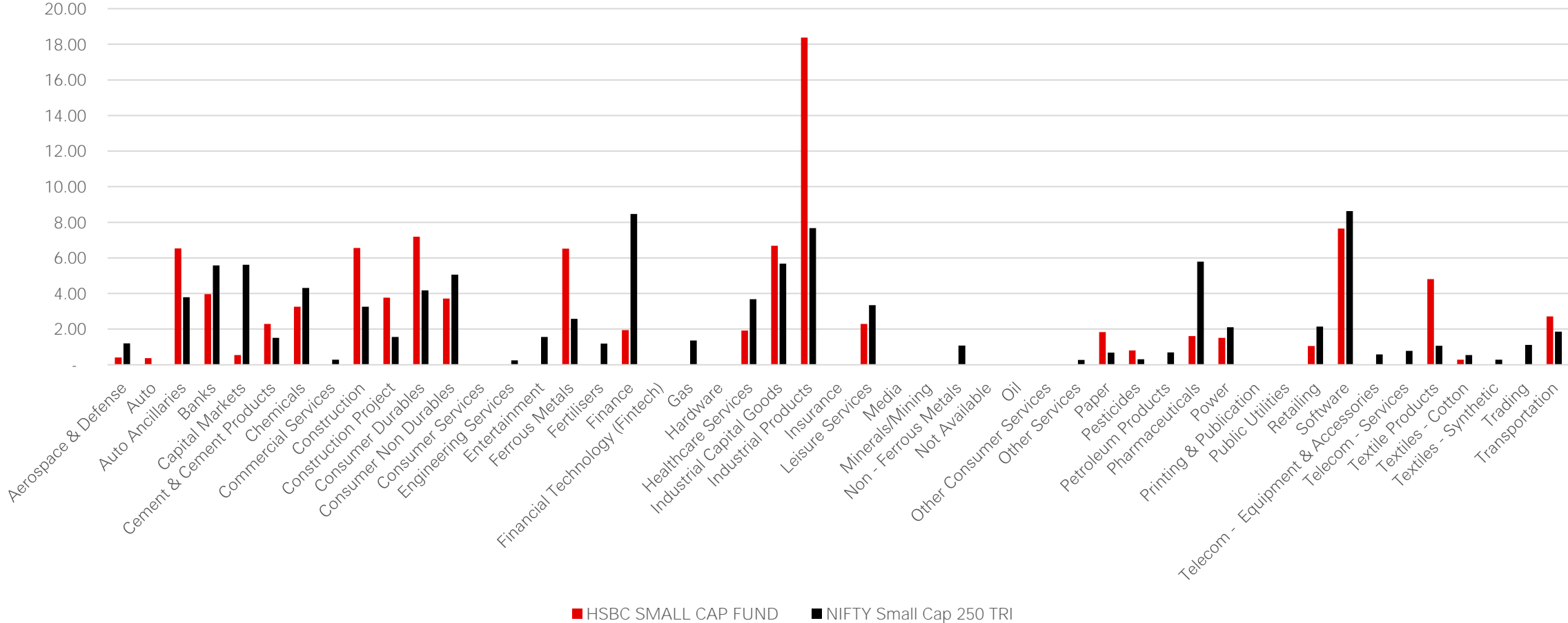
| Sector - Allocation        | % of net assets |
|----------------------------|-----------------|
| Industrial Products        | 24.27%          |
| IT - Software              | 7.74%           |
| Consumer Durables          | 7.51%           |
| Auto Components            | 6.12%           |
| Textiles & Apparels        | 5.87%           |
| Realty                     | 5.49%           |
| Construction               | 4.79%           |
| Electrical Equipment       | 4.78%           |
| Banks                      | 3.81%           |
| Chemicals & Petrochemicals | 3.29%           |



<sup>2</sup> As on 31 August 2023 of Growth option regular plan. During the same period, scheme benchmark (NIFTY Small Cap 250 TRI) has moved by 4.4X to Rs 4,48,470 from Rs 100,000 and delivered return of 17.49% Please refer page no. 22 for detailed performance of HSBC Small Cap Fund. <sup>3</sup> During the same period, value of scheme benchmark (S&P BSE 250 Small Cap Index TRI) has moved to 2,521,409

# Portfolio positioning

## Sector allocation Fund & Index



Source: HSBC Asset Management India, Data as of July '23, The above sectors mentioned are for illustration purpose only. The above data/information represents historic performance of the sector and for illustration purpose only. The scheme may or may not have future positions in this sector. The above graphs/ analysis should not be construed as an investment advice or research report or recommendation to buy or sell in any sector mentioned above. Past Performance may or may not be sustained in future

# Why HSBC Small Cap Fund?

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- Small cap stocks may have a high potential for growth in the long run.
- HSBC Small Cap Fund aims to invests in smaller size businesses in their early stage of development
- These businesses may have high growth potential in revenue and profits as compared to broader market
- The fund seek an exposure in small cap segment stocks for higher alpha generating opportunities
- Follows bottom-up stock selection using our time tested investment approach
- At least 65% exposure to stocks beyond the top 250, in terms of market capitalisation
- Aims to invest in undervalued, under-owned, and under researched segments that may deliver growth
- Valuation is the most important key – focus on investing in stocks with an adequate margin of safety

Data as on 31 August 2023, Source - HSBC Mutual Fund

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

| Lump Sum Investment Performance                   |              |               |              |               |              |               |                 |               | Inception Date |
|---|--------------|---------------|--------------|---------------|--------------|---------------|-----------------|---------------|----------------|
| Fund / Benchmark<br>(Value of Rs 10,000 invested) | 1 Year       |               | 3 Years      |               | 5 Years      |               | Since Inception |               |                |
|   | Amount in Rs | PTP Returns % | Amount in Rs | PTP Returns % | Amount in Rs | PTP Returns % | Amount in Rs    | PTP Returns % | 12-May-14      |
| HSBC Small Cap Fund-Regular                       | 13186        | 31.76         | 28958        | 42.53         | 22478        | 17.57         | 57944           | 20.77         |                |
| Scheme Benchmark (NIFTY Small Cap 250 TRI)        | 12944        | 29.35         | 25347        | 36.35         | 20328        | 15.24         | 44847           | 17.49         |                |
| Additional Benchmark (Nifty 50 TRI)               | 10953        | 9.50          | 17532        | 20.58         | 17495        | 11.83         | 30886           | 12.88         |                |

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 August 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.

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 August 2023

| SIP Performance - HSBC Small Cap Fund - Regular        |         |         |           |                 | Inception Date: 12-May-14 |
|--|---------|---------|-----------|-----------------|---------------------------|
| Scheme Name & Benchmarks                               | 1 Year  | 3 Years | 5 Years   | Since Inception |                           |
| Total amount invested (₹)                              | 120000  | 360000  | 600000    | 1110000         |                           |
| Market Value as on August 31, 2023 (₹)                 | 150,300 | 581,468 | 1,257,281 | 2,965,863       |                           |
| Scheme Returns (%)                                     | 50.03   | 33.78   | 30.12     | 20.33           |                           |
| NIFTY Small Cap 250 TRI - Scheme Benchmark (₹)         | 149,962 | 537,373 | 1,172,044 | 2,521,409       |                           |
| NIFTY Small Cap 250 TRI - Scheme Benchmark Returns (%) | 49.44   | 27.85   | 27.16     | 17.03           |                           |
| Nifty 50 TRI - Additional Benchmark (₹)                | 128,540 | 439,512 | 882,930   | 2,110,827       |                           |
| Nifty 50 TRI - Additional Benchmark Returns (%)        | 13.48   | 13.41   | 15.45     | 13.40           |                           |

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.

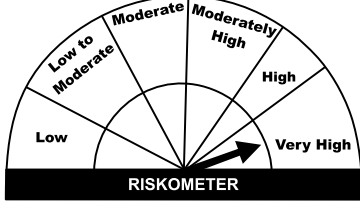
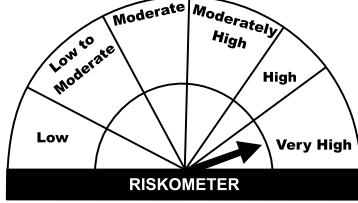
As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023 the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

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 August 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.

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

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

| Scheme name and Type of scheme  | Riskometer of the Scheme   | Riskometer of the benchmark   |
|---|--|---|
| <p>HSBC Small Cap Fund (Erstwhile L&amp;T Emerging Businesses Fund) – An open ended equity scheme predominantly investing in small cap stocks</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <li>• Long term capital appreciation</li> <li>• 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)</li> </ul> |  <p>Investors understand that their principal will be at 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 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 at 31 August 2023

# Disclaimer

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