

# Move ahead with balance

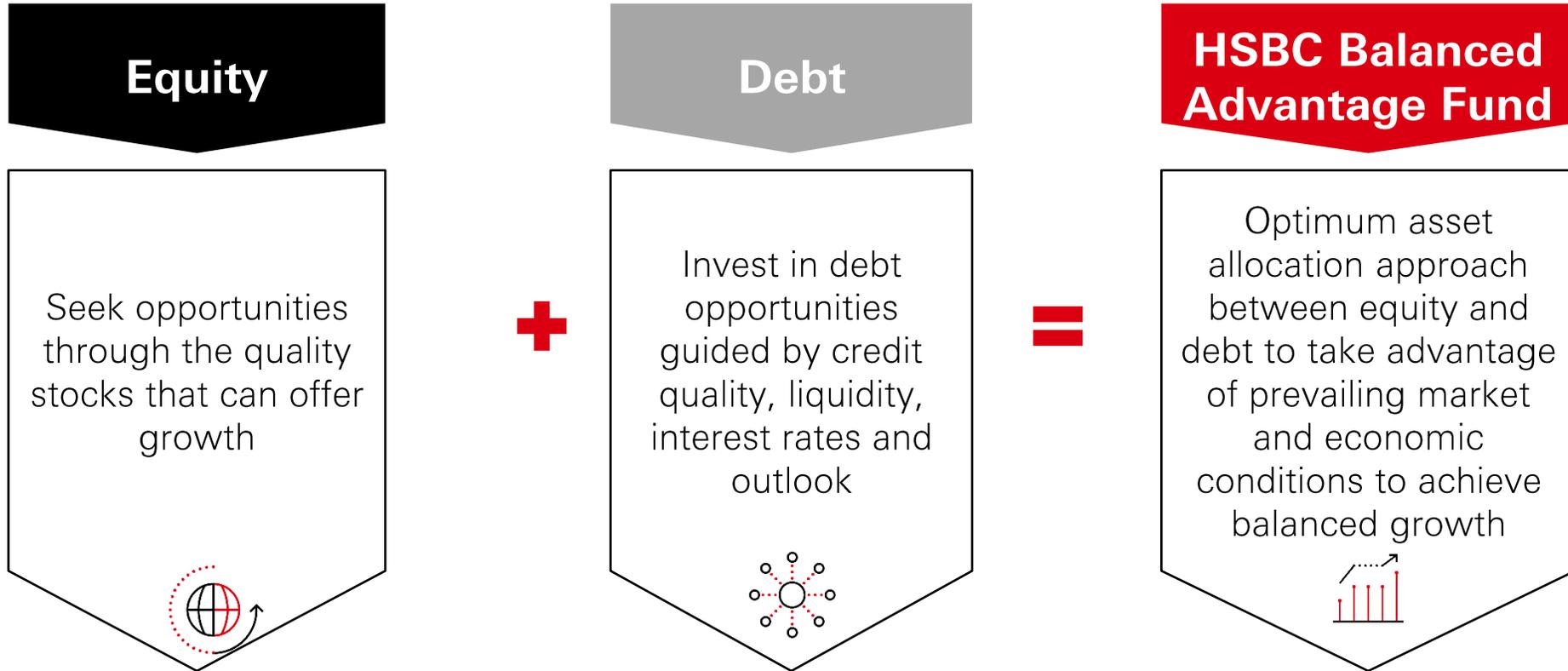
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## HSBC Balanced Advantage Fund



# HSBC Balanced Advantage Fund

An open ended dynamic asset allocation fund



**HSBC Balanced Advantage Fund aims to offer balanced growth**

# HSBC Balanced Advantage Fund (HBAF)

(An open ended dynamic asset allocation fund)

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM <sup>&amp;</sup>
Balanced Advantage Fund	Neelotpal Sahai, Praveen Ayathan, Mahesh Chhabria, Mohd. Asif Rizwi, Prakriti Banka Mayank Chaturvedi <sup>#</sup>	NIFTY 50 Hybrid Composite Debt 50:50 Index <sup>3</sup>	7 Feb 2011	Rs. 1,542.11 Cr

## Why HSBC Balanced Advantage Fund?

- Asset allocation between equity and debt depending on prevailing market and economic conditions
- Aims to build a portfolio of companies diversified across major industries, economic sectors and market capitalization that offer an acceptable risk reward balance
- Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook
- To grab opportunity from both asset classes of equity and fixed income for an optimal asset-allocation portfolio
- Aim to create a corpus by generating inflation-adjusted returns to cater to long-term goals

## Fund approach

- The fund may help investors participate in the long term growth potential of equities but with a much lower short term volatility
- The Fund helps in systematically managing equity allocation based on valuations and keep emotions away from asset allocation decisions
- History suggests that sharp corrections in the market typically occur when equity valuations are expensive. Due to the fund's strategy of maintaining low equity allocation at higher valuation levels, it may help reduce downside significantly during such market corrections
- Potential to improve risk adjusted return for medium to long term investors; active stock picking approach for equity allocation
- The Fund provides a tax efficient and cost efficient dynamic asset allocation solution – taxation similar to equity oriented schemes

## Investment Objective

- To seek long term capital growth and income through investments in equity and equity related securities and fixed income instruments. 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 of 31 January 2026. \* Since inception - 07 Feb 11

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular 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 effective from 01 December 2021.

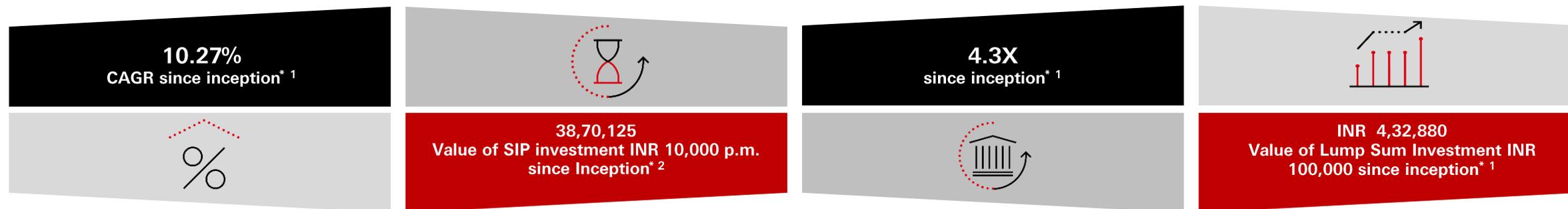
<sup>&</sup>For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources/information-library#&accordion1446811090=4>

**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).

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

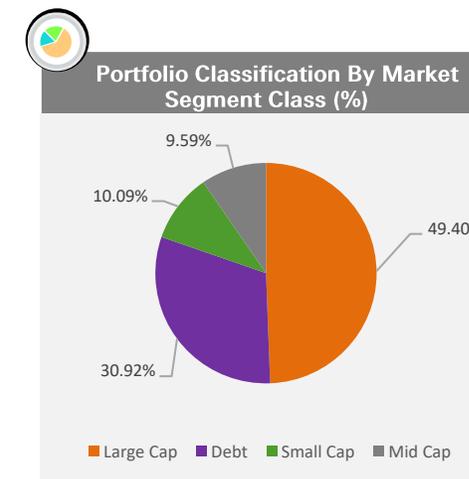
<sup>#</sup> Mayank Chaturvedi shall be the fund manager for investments in foreign securities (wherever applicable) for all the schemes of HSBC Mutual Fund. w.e.f. October 01, 2025.

# HSBC Balanced Advantage Fund



Portfolio	% to Net Assets	% to Net Assets(Hedged)	% to Net Assets(Unhedged)
HDFC Bank Limited	5.60%	1.99%	3.61%
ICICI Bank Limited	4.27%	0.75%	3.52%
Infosys Limited	2.39%	0.00%	2.39%
Shriram Finance Limited	2.32%	0.00%	2.32%
Reliance Industries Limited	1.97%	0.00%	1.97%
Larsen & Toubro Limited	1.66%	0.00%	1.66%
Eternal Limited	3.01%	1.68%	1.33%
Polycab India Limited	2.43%	1.18%	1.25%
SWIGGY Limited	1.00%	0.00%	1.00%
Kotak Mahindra Bank Limited	3.27%	2.28%	0.99%

Industry - Allocation	% of net assets
Banks	21.20%
Debt Instrument	15.62%
Government Securities	13.80%
Pharmaceuticals & Biotechnology	5.78%
Retailing	5.08%
IT - Software	4.82%
Industrial Products	3.36%
Finance	3.34%
Power	3.04%
Beverages	2.85%



\* Since inception - 07 Feb 11

<sup>1</sup> As on 31 January 2026 of Growth option. During the same period, scheme benchmark (NIFTY 50 Hybrid Composite Debt 50:50 Index) has moved by 4.3X to Rs. 4,37,960 from Rs.100,000 and delivered return of 10.36%. Please refer page no.3 for detailed performance of HSBC Balanced Advantage Fund.

<sup>2</sup> During the same period, value of scheme benchmark (NIFTY 50 Hybrid Composite Debt 50:50 Index) has moved to 42,00,639.

<sup>3</sup>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>

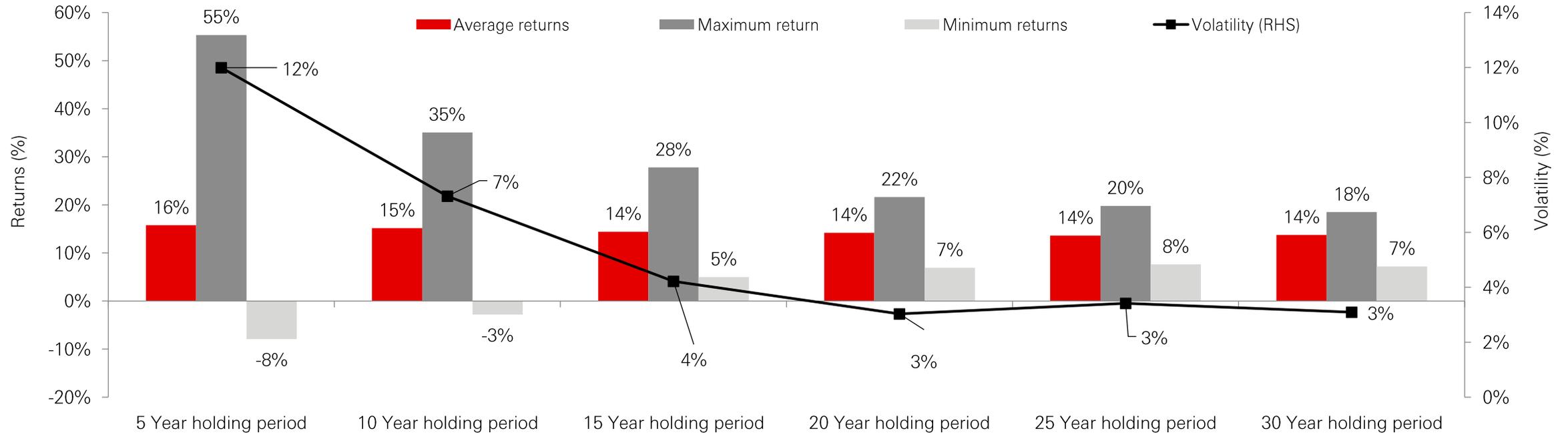
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Source – HSBC Mutual Fund, Data as of 31 January 2026. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**

# Why Balanced theme

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# Equity – volatile in the short-term, but has attractive long-term potential



- ◆ Equity is exposed to volatility in the short term
- ◆ But the percentage of positive performance increases as the investment horizon increases
- ◆ Volatility decreases with an increase in the investment horizon
- ◆ With fixed income one can get potential advantage of lower volatility

**Combined power of Equity and Debt assets may have the potential to generate performance**

Source: HSBC Mutual Fund, CRISL, Data as on 31 Dec 2025, Average annualised returns on a daily rolling basis since inception (1979) of BSE Sensex TRI considered across various holding periods  
**Past performance may or may not be sustained in the future and is not indicative of future results**

# Why asset allocation?

Different seasons have different gainers

Asset Class / Returns %	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Equity	-50.8	77.6	19.2	-23.8	29.4	8.1	32.9	-3	4.4	30.3	4.6	13.5	16.1	25.6	5.7	21.3	10	11.9
Debt	10.9	8.2	4.2	8.7	10.7	8	10.5	8.5	9.3	6.3	6.7	9.1	10.2	4.1	3.7	7.2	7.6	7.6

## Asset classes show strength and potential weakness & behave differently depending on economic situations

- While equity investments subject to volatility in the short term, they can drive long-term wealth creation
- Active asset allocation within Equity and Debt can have potential to reduce volatility and aim to optimise returns
- Diversification helps minimise losses and get the best of both asset classes

**Balanced allocation is a prudent solution to counter volatility and aim to achieve optimum performance over long run**

Equity represented by NIFTY 50 TRI, Debt by NIFTY Short Duration Debt Index,  
Source: MFI Explorer, ICRA, Absolute returns for the period of 1 Jan to 31 Dec for respective Calendar Years, Data as on 31 Dec 2025  
Past performance may or may not be sustained in the future and is not indicative of future results

# Resilience meets Opportunities

Market Outlook



**HSBC** Mutual Fund

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

- ◆ India has become **4<sup>th</sup> largest economy** in the world recently surpassing Japan’s GDP
- ◆ **Real GDP for Q2 FY26\* expanded by a robust 8.2%**, up from 7.8% in Q1 FY26 and 6.5% in Q2 FY25. India is expected to remain the **world's fastest-growing major economy**, with GDP growth outlook upwards to 7.4% in FY26, according to Fitch.
- ◆ 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 **Europe, UK, New Zealand, Canada and now US**, 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 **5<sup>th</sup> largest** equity market in the world now and it was 10<sup>th</sup> largest in 2014.
- ◆ **Reforms and policy stability** bedrock for long sustainable growth.

Source: Bloomberg, HSBC Mutual Fund, \* July-September 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	<b>India</b>	6.1
4	United Kingdom	Germany	Germany	Germany	Japan	<b>India</b>	Germany	5.4
5	France	France	United Kingdom	United Kingdom	<b>India</b>	Japan	Japan	4.8
6	China	United Kingdom	France	<b>India</b>	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	<b>India</b>	South Korea	Brazil	Canada	Brazil	2.5
11	Mexico	<b>India</b>	Canada	Canada	Russia	Brazil	Russia	2.3
12	<b>India</b>	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.

# 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.
- These reforms introduce universal minimum wages, gig worker recognition, digital compliance, and 8 - 12 hour workdays, aiming to balance employer flexibility with worker safety and social security.

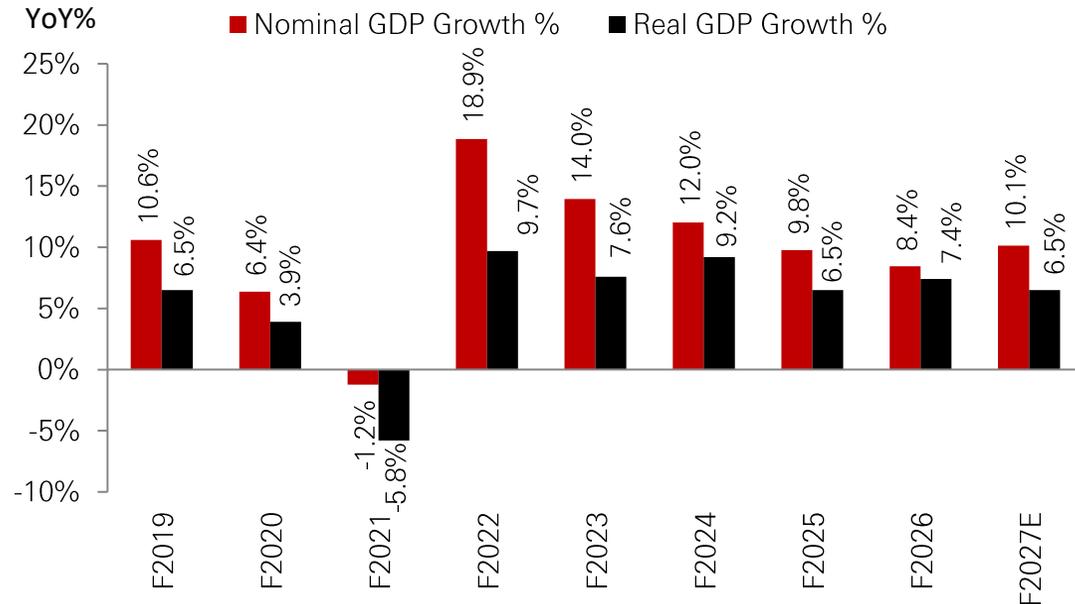
## India Ratings Upgrade

Various rating agencies have raised India's long-term sovereign credit rating. Signifies strengthened fiscal management & commitment to meet fiscal deficit target.

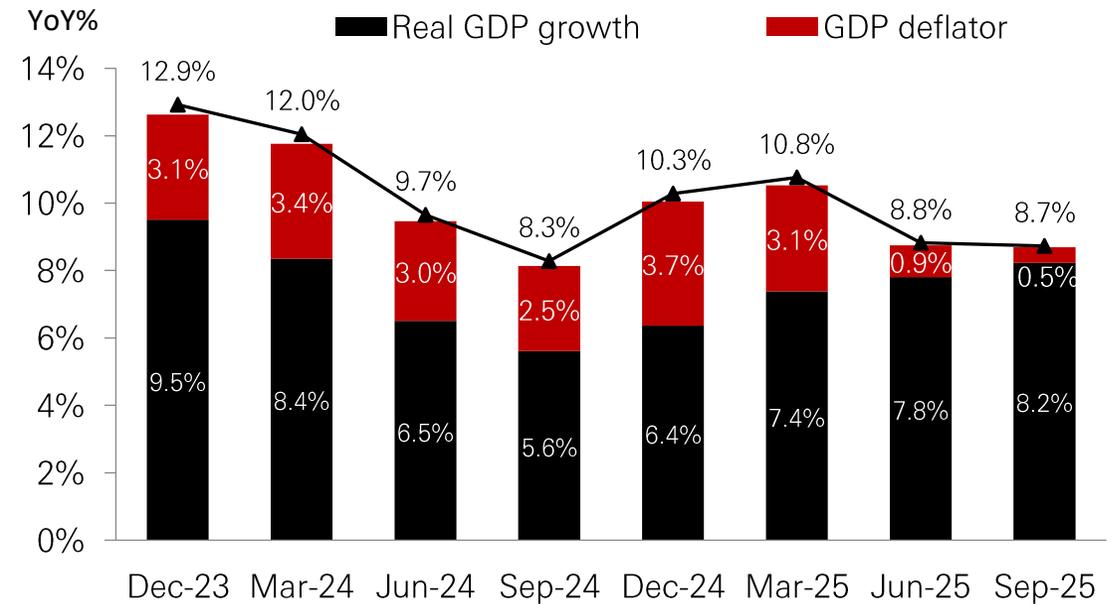
# Positives – Strong GDP growth trend

- ◆ Overall economic growth in India has remained strong post pandemic.
- ◆ H1FY25 saw some slowdown due to impact of elections and monsoon but recovered strongly from H2FY25
- ◆ Nominal GDP growth has seen some moderation since FY25 but is expected to pick-up in FY27.

## Strong Real and Nominal GDP growth momentum



## Nominal GDP growth needs some improvement



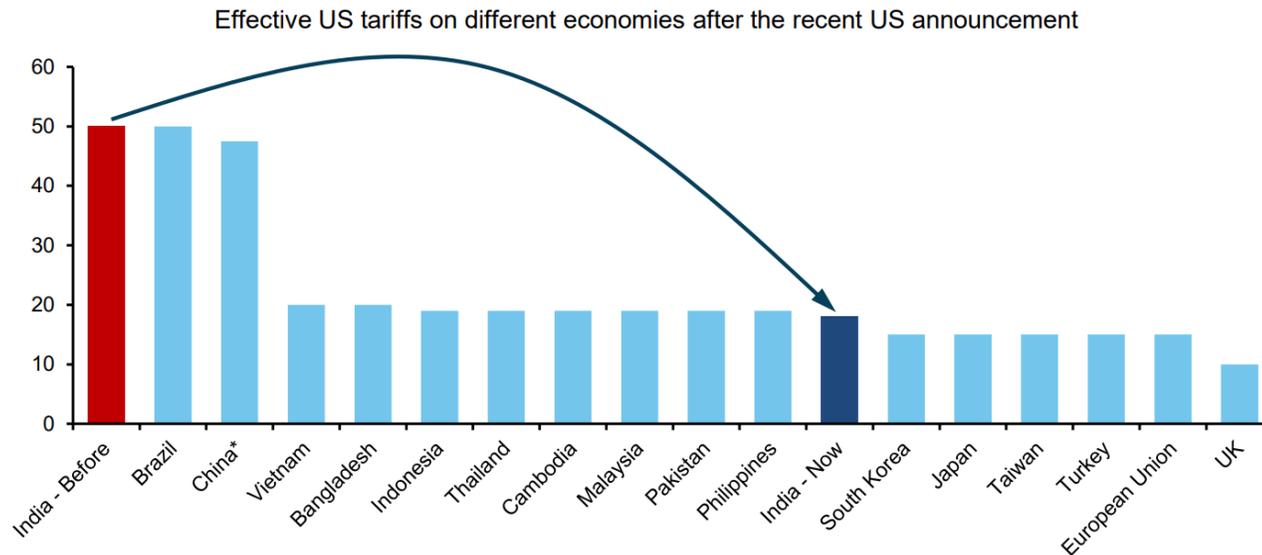
Source: CEIC, UBS estimates, HSBC Mutual Fund, Data as at December 2025,

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# Positive: Lower tariffs should provide boost to exports (1)

- As per latest announcements, effective tariff rate by US on India will come 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%)
- Between Apr-Aug 2025, when US tariffs were 10-25%, overall export growth was stronger than over FY22-25 and US grew very strongly as well. However, with 50% US tariffs from Sept-Dec 2025, India's exports to US registered a decline of 1% while India's overall exports increased to 3.1%

## US tariff rates on India now lower than some Asian peers



## India's exports growth to the US could return



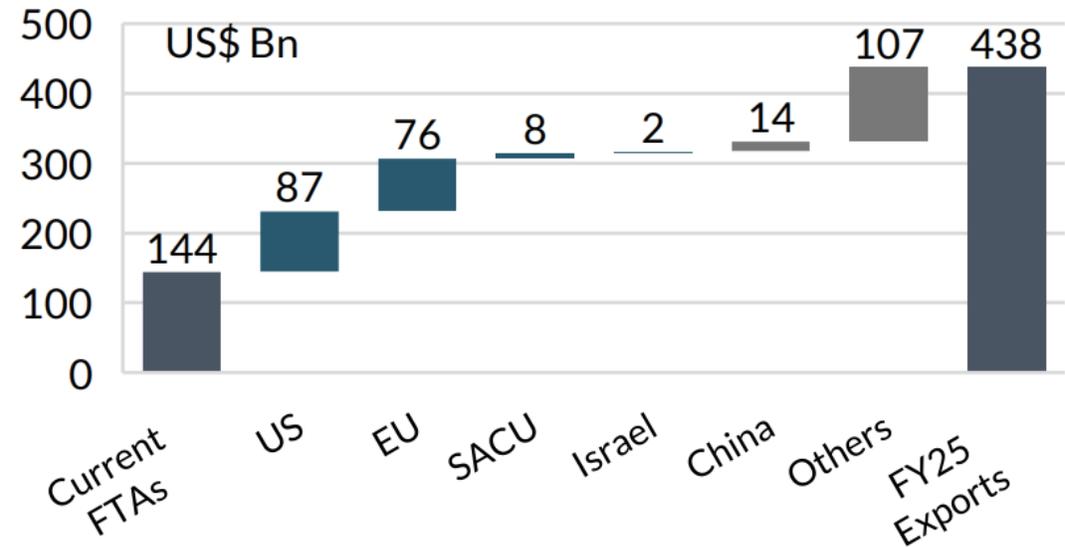
Source: White House Press Release, Petersen Institute for International Economics, Bernstein Analysis. Latest available data as February 2026. The tariffs on China are effective average tariffs accounting for suspensions during truce. Investment involves risks. Any views expressed were held at the time 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.

# Positive: Multipolar trade deals – Every setback is an opportunity in disguise (2)

- 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.
- Trade deals with EU and the US will take India’s exports coverage under a trade deal to 70% for merchandise exports

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

Potential 'Extensive Margin' of India's trade agreements



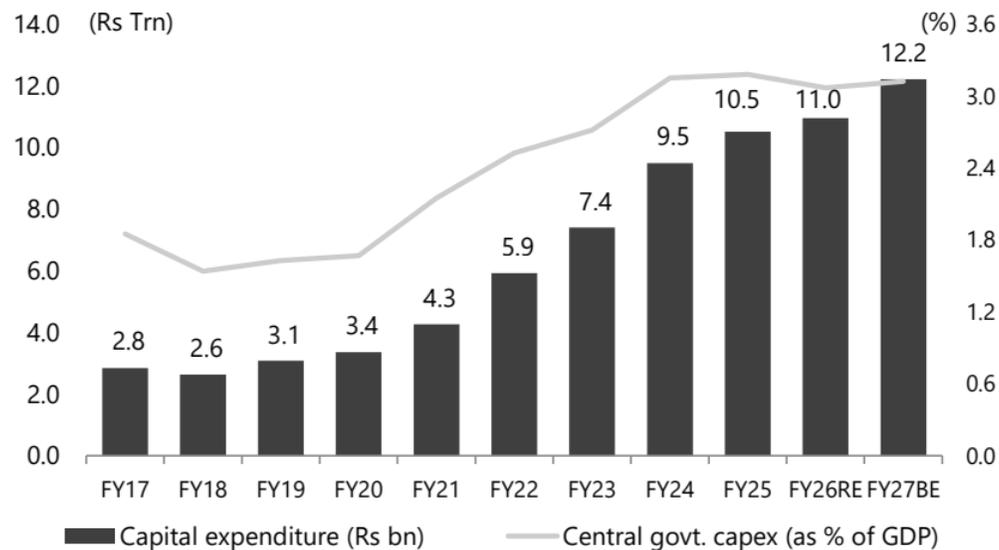
Source: DGCIS, Axis Bank Research, News article Latest available data as at January 2026

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# Neutral – 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**



Segments (INR Bn)	FY25	FY26RE	FY27BE	FY27BE vs FY26RE (%)
Atomic Energy	124	121	100	-17%
Defense	1,706	1,974	2,310	17%
Housing and Urban Development	316	330	348	6%
Railways	2,519	2,520	2,778	10%
Road Transport and Highways	2,853	2,721	2,942	8%
Loans for Capex to States	1,495	1,500	2,000	33%
Others	1,505	1,792	1,740	-3%
<b>Budgetary capital expenditure</b>	<b>10,520</b>	<b>10,958</b>	<b>12,218</b>	<b>12%</b>
Capitalization of BSNL	719	69	285	
<b>Adjusted budgetary capital expenditure</b>	<b>9,800</b>	<b>10,889</b>	<b>11,933</b>	<b>10%</b>
IEBR	4,100	4,158	4,598	
<b>Total CAPEX</b>	<b>13,900</b>	<b>15,047</b>	<b>16,531</b>	<b>10%</b>

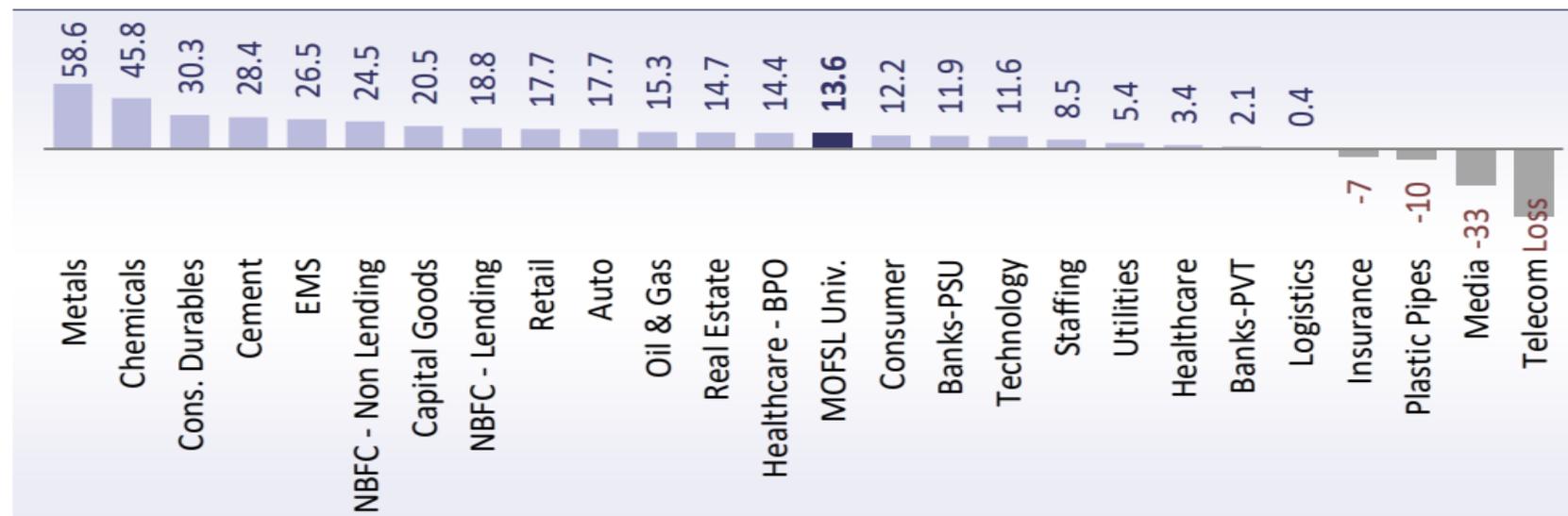
Source: Budget documents, Jefferies, HSBC Mutual Fund, Latest available data

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# Earnings season scorecard – 3QFY26

- ◆ Earnings of **31 Nifty companies** that have declared results so far have **grown 7% YoY (vs. est. of +8% YoY)**, driven by HDFC Bank, TCS, Infosys, L&T, and Maruti. **Conversely, Cipla, ICICI Bank, and Interglobe Aviation dragged Nifty earnings lower. Six companies within the Nifty reported lower-than-expected profits, while seven recorded a beat**, and eighteen registered in-line results.
- ◆ Mid-caps (63 companies) have delivered earnings growth of 14% YoY although **lower than anticipation** dragged by **Private Banks, Metals, Logistics, and Automobiles**.
- ◆ Small-caps (86 companies) delivered in-line performance, **underlying our belief that earnings are on upward trajectory from here on**. Reported **earnings grew by 24% YoY** supported by Automobile, Cap goods, Durables, NBFC, EMS and Logistics.

**Of the 25 major sectors, 21 have experienced a YoY profit growth**

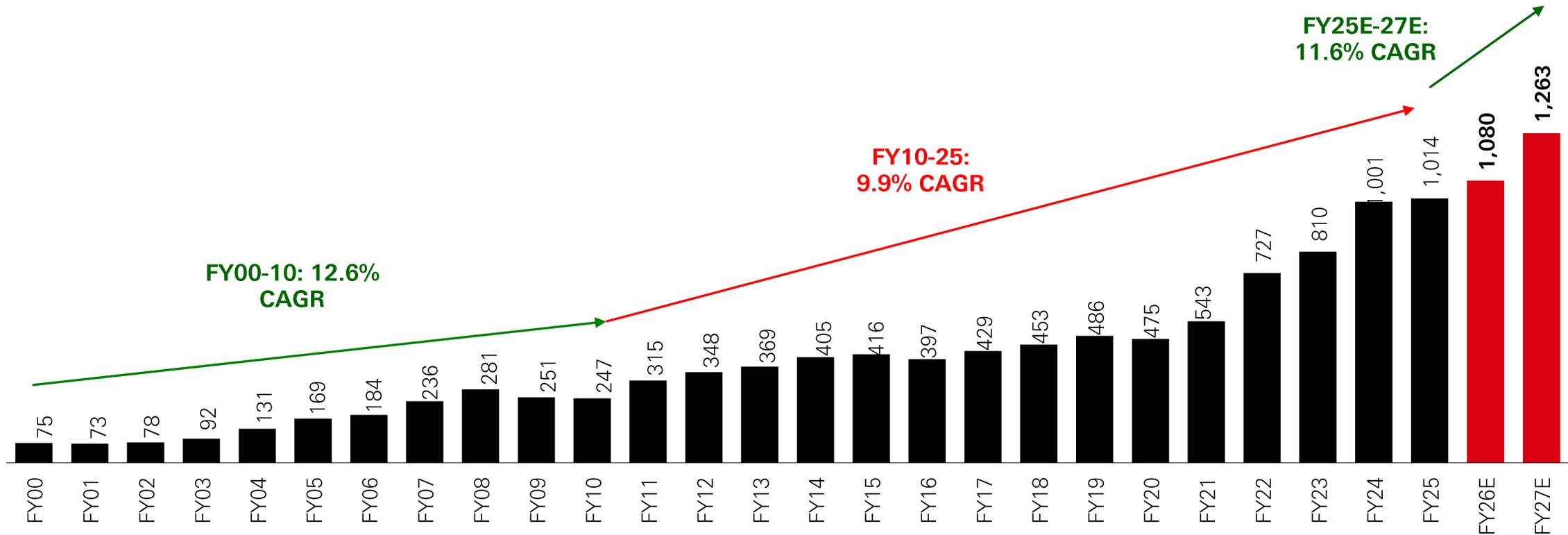


Source: MSOL,, data as of Feb' 2026

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# Corporate earnings to grow teens on low base

- ◆ Nifty 50 earnings delivered 11% CAGR over the period FY 2000-25
- ◆ Earnings growth to reaccelerate on a low base of FY25 with 12% growth over FY25-FY27 as per recent projections



Source: MOSL, Bloomberg, Data as on 3 February 2026,

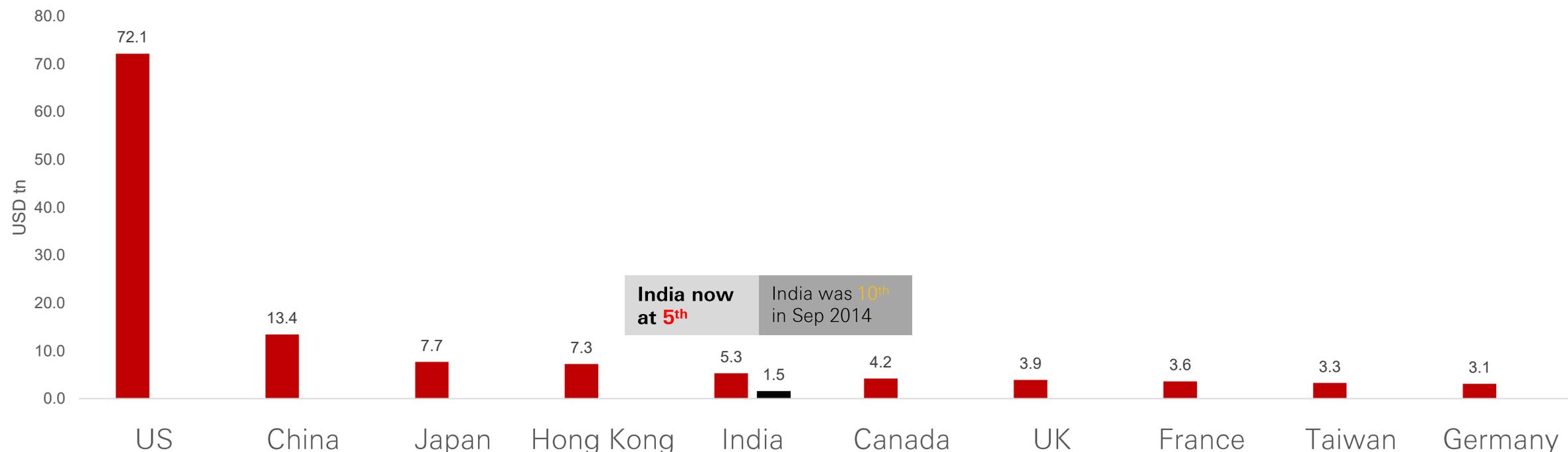
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## Equity markets have kept pace with growing economy

- ◆ Indian equity markets are now **5<sup>th</sup> largest equity market** in the world and briefly surpassed Hong Kong few months back.
- ◆ Decade ago, Indian equity markets were 10<sup>th</sup> 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

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# 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

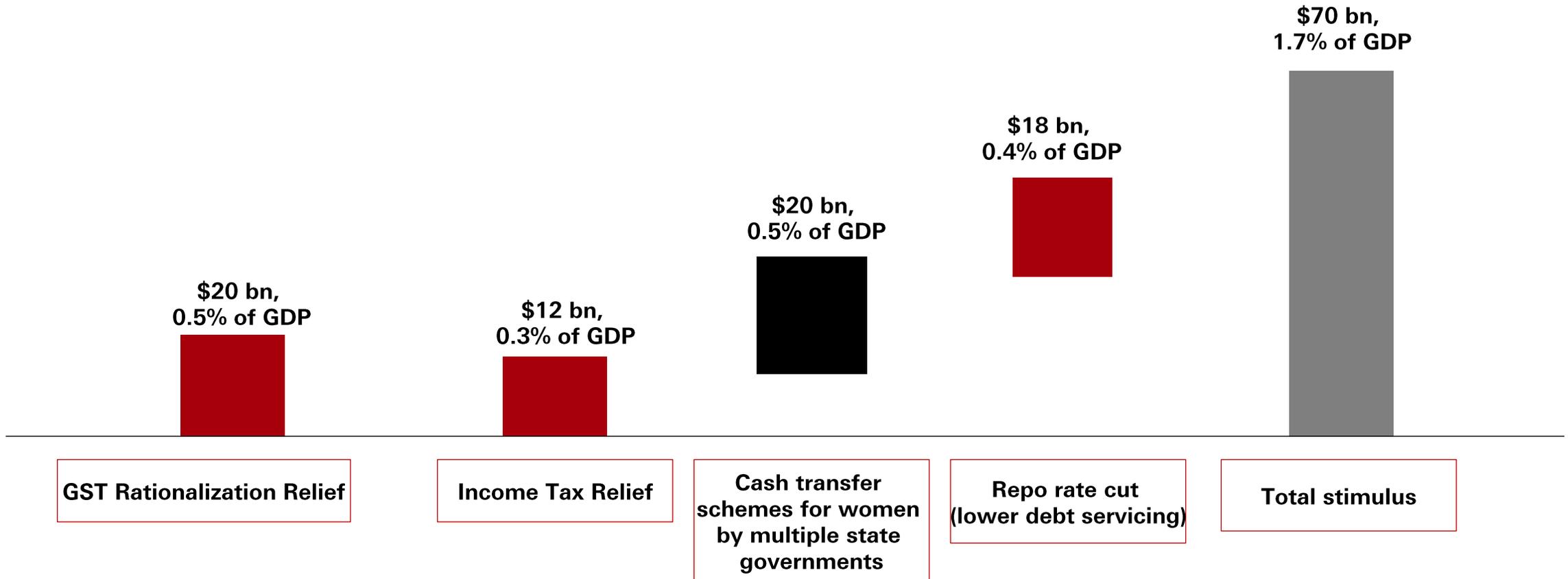
## 4 Financialization

- ◆ 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.

# India: Consumption stimulus impact could be huge over coming years

Net stimulus of around USD 70 bn to bolster growth

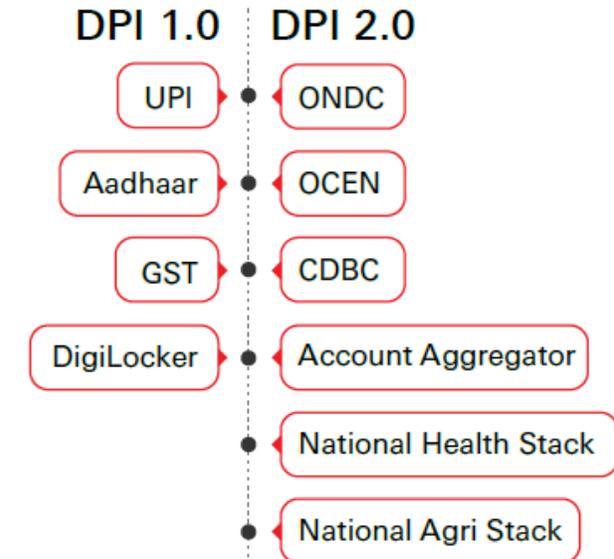
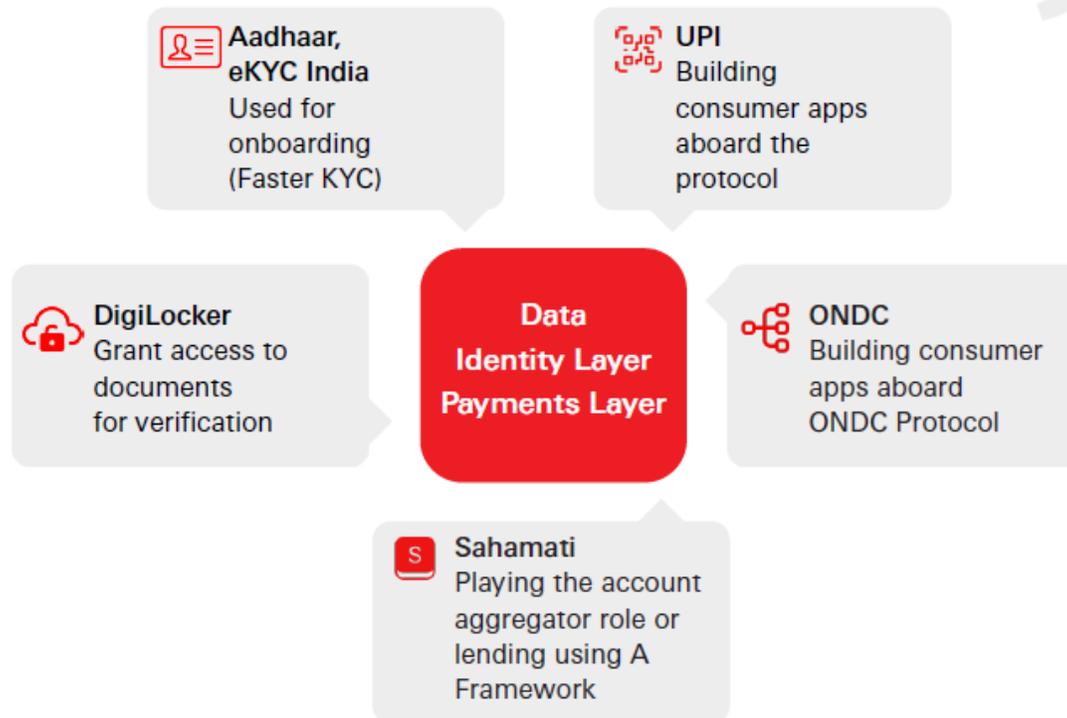


Source : UBS, HSBC Mutual Fund, Latest available data as at December 2025, Past performance may or may not be sustained in the future and is not indicative of future results. Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors 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).

# Government initiatives have accelerated the pace of growth in the sector

“It took us 6 years to get to our first 60k customers, each of whom had to sign and courier 40+ pages of forms and wait for days. We got to 1 crore customers in the next 6 years, entirely eliminating paper in the process. This was enabled by eKYC, digital signatures (esigns) and digital documents (Digilocker)”

– Founder & CEO at leading online brokerage firm



Transformed India's financial landscape, driving innovation and inclusion.

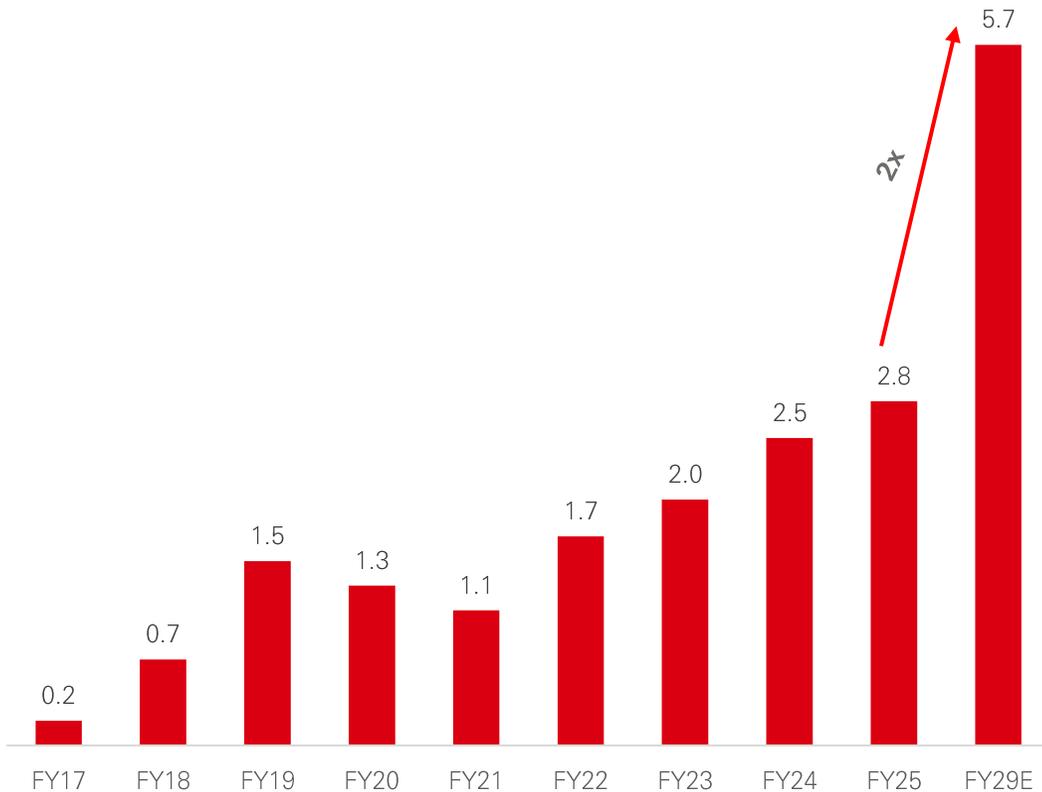
The next wave of innovation across sectors will be driven by this initiative.

Sources: Beams Internal analysis, HSBC Mutual Fund. The above information is for illustrative purposes only. UPI - Unified Payments Interface, ONDC - Open Network for Digital Commerce, OCEN - Open Credit Enablement Network, CDBC - Central bank digital currency, DPI – Digital Public Infrastructure. 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.

# New engines of manufacturing

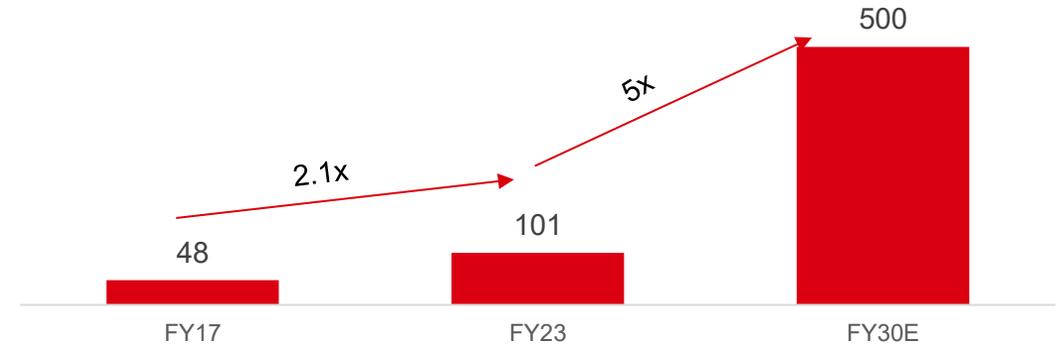
## India's Defence exports (\$ bn)

Defence exports (\$ bn)

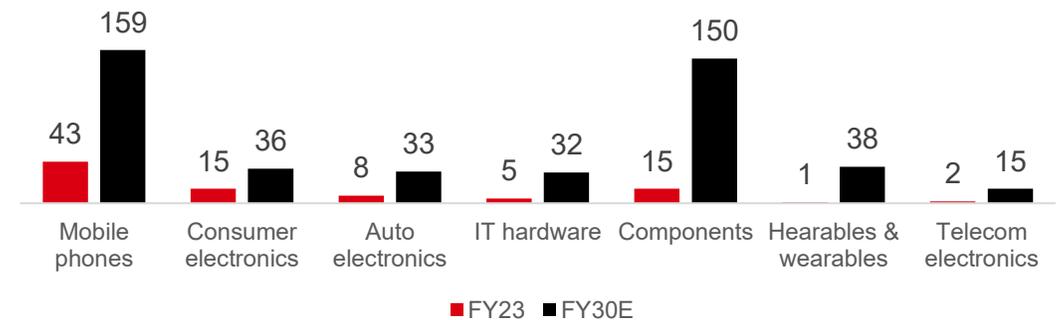


## Electronics Manufacturing

Electronics manufacturing (\$ bn)



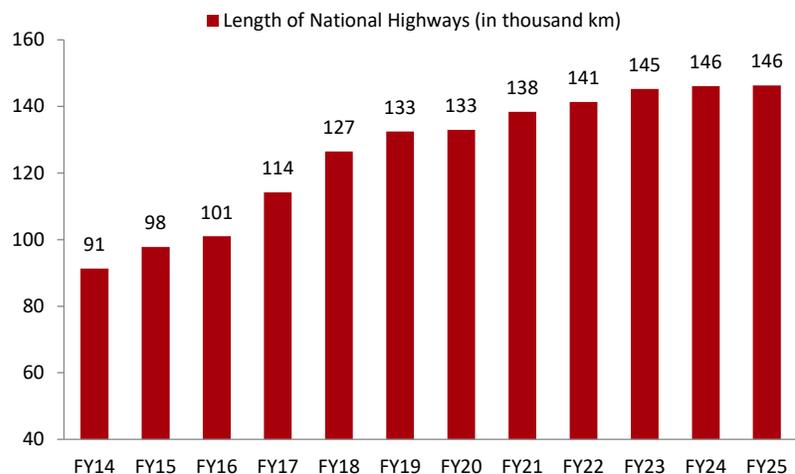
Electronics key product segments (\$ bn)



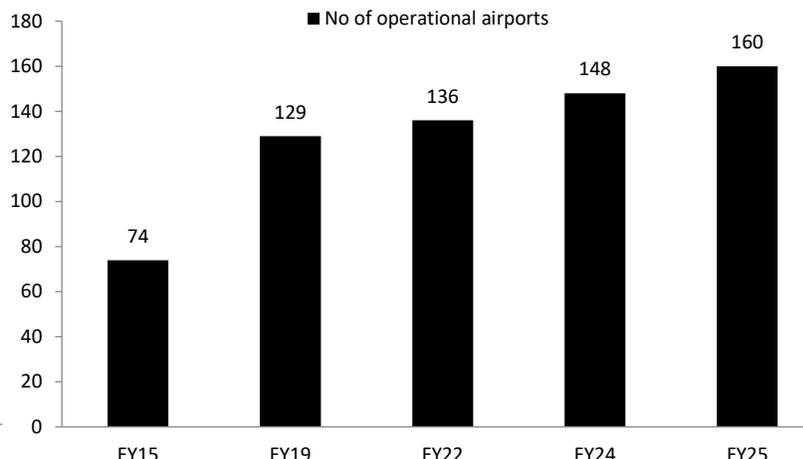
Source: Ministry of Defence, Niti Aayog, Project Analysis, S&P Global, IDC, Gartner, HSBC Asset Management, Latest available data as at December 2025, The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, 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. Note: Views provided above based on information provided in public domain at this moment and subject to change. Investors should not consider the same as investment advice.

# India's US\$1 trillion infrastructure building spree; core driver of India's growth story

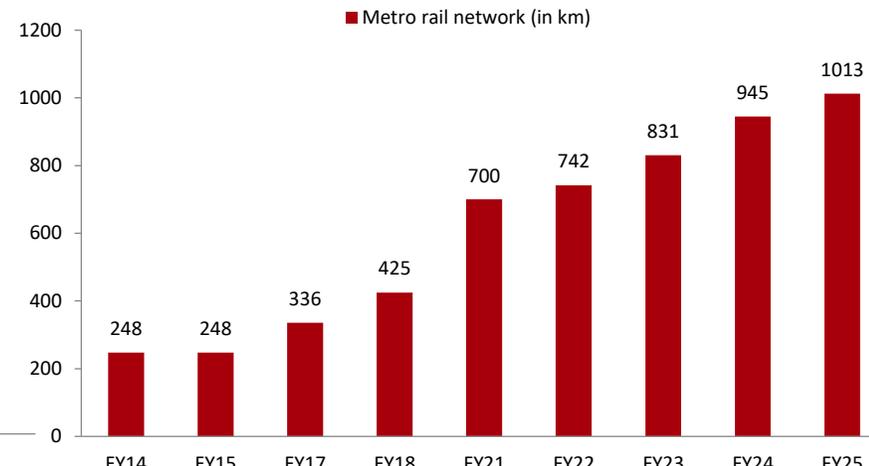
Roads: 28 km of roads being constructed every day



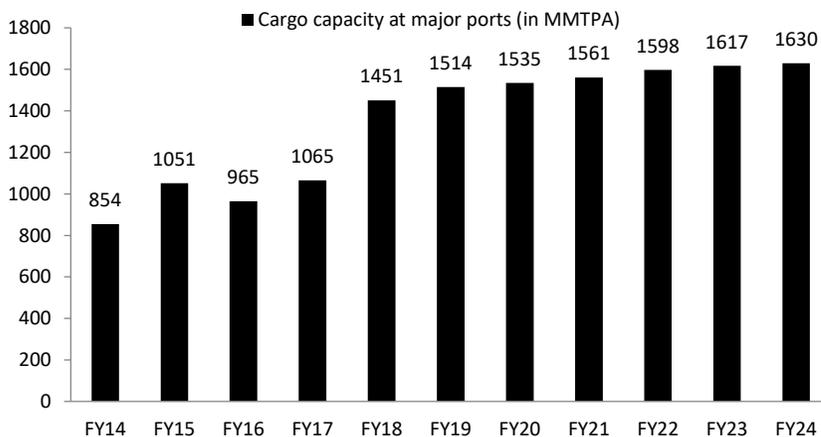
Aviation: 9 Airports are built every year



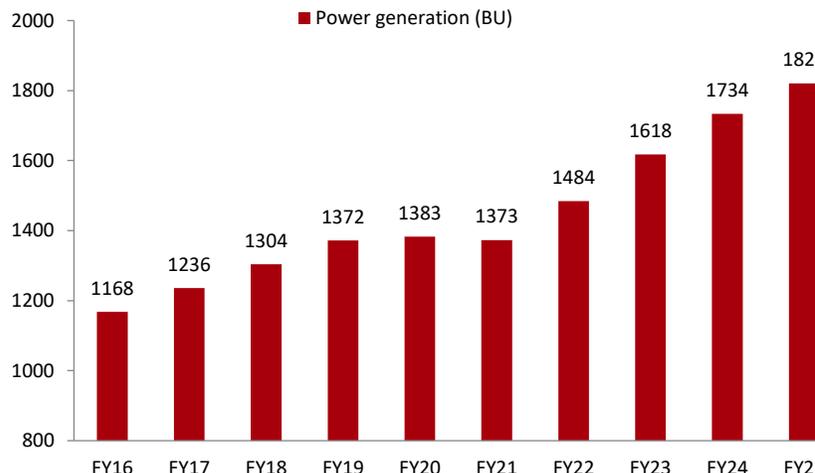
Metro rail: Network expanded 4x



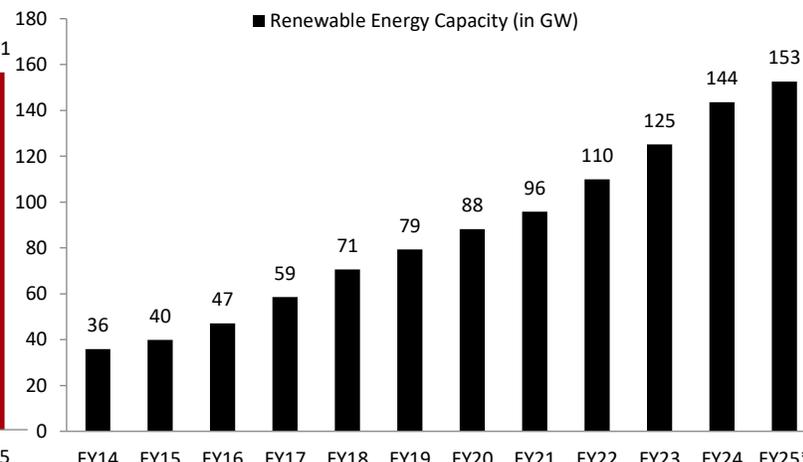
Port capacity increased c60% since FY14



Power generations increased significantly



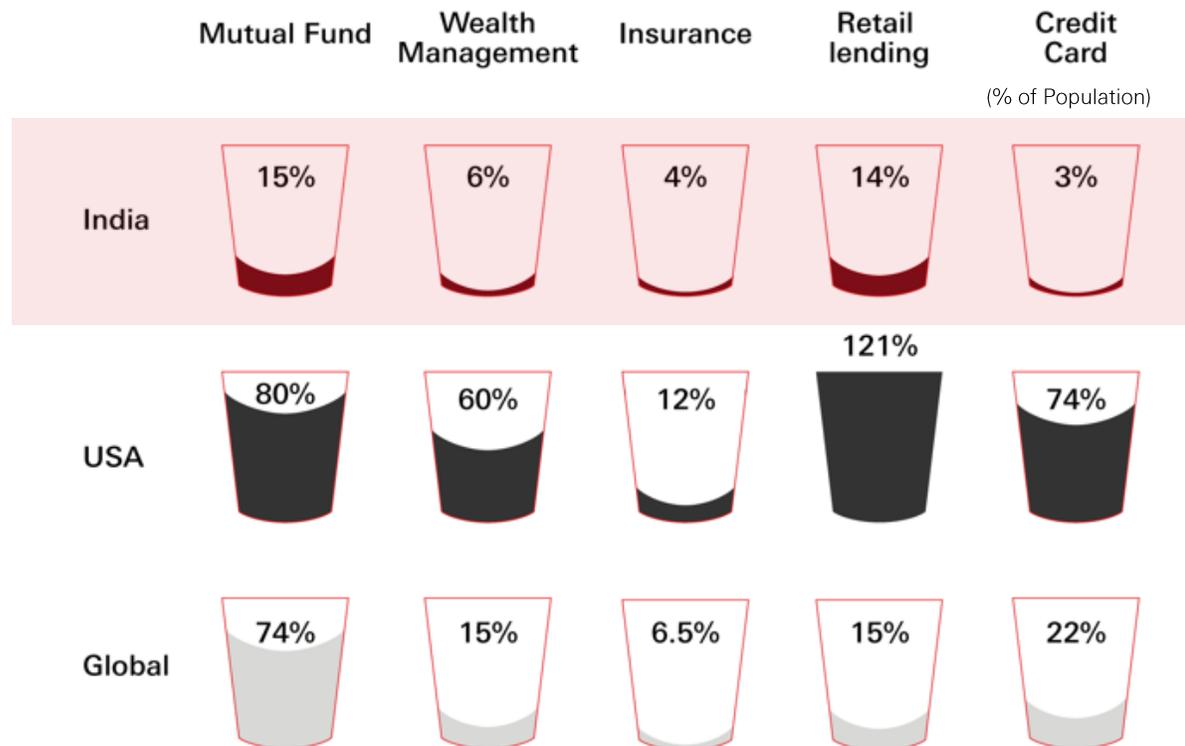
Renewable energy: now 42% of total energy capacity



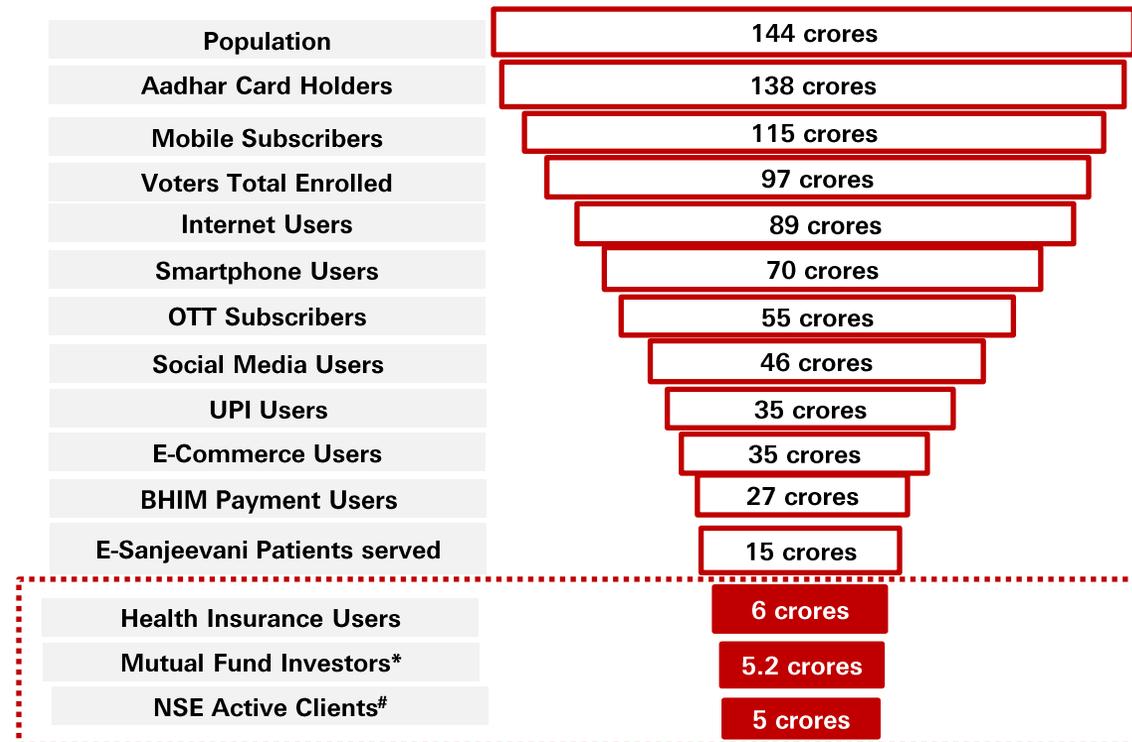
Source: UBS, Ministry of Civil Aviation, Press Information Bureau, Ministry of New and Renewable Energy, Ministry of Road Transport and Highways of India data as of FY25. Investment involves risks. Past performance does not predict future returns. Any views expressed were held at the time of preparation 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 December 2025. 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).

# 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.

- The first advance estimates of GDP growth projections for FY26 position are pegged at 7.4% with Nominal GDP growth at 8% YoY for FY26.
- Despite the ongoing global uncertainties, the economic outlook remains positive. And with the most recent developments around bilateral free trade agreements (FTAs) with the European Union (EU) and the US (yet to inked with details still unknown) – have lifted animal spirits and receded downside risks to economic growth.
- FY27 Union Budget released on 1-Feb too has also demonstrated policy continuity with focus on capital-infrastructure building expenditure and fiscal consolidation (although modest), remaining growth conducive.
- The RBI MPC of 6th Feb, has delivered a neutral hold and is likely to take a 'data-driven' approach, more so because of the base revisions in India's GDP and CPI.
- Following the budget announcement of a gross borrowing figure of INR 17.2 lakh crore and the net borrowing figure of INR 11.7 lakh crore dampened debt market sentiment; pushing yields higher across the curve, notwithstanding RBI's liquidity measures.
- Following the neutral policy outcome and absence of any fresh liquidity measures, yields have hardened, across the curve. All-in-all, the neutral hold and current dynamics still suggest there is room for one final cut, the final policy action remains data dependent.
- The markets are likely pricing in the end of the rate easing cycle, Hence, even if the final cut comes through it might bring little cheer to the bonds market and we are likely to see policy rates stay lower for longer and markets are likely to see consolidation.
- While RBI might need to conduct OMOs next financial year as well, the demand supply dynamics remains slightly unfavourable.
- While, increased CD supply this quarter will keep pressure on short end rates, spreads overnight rates offer favourable pick up, continue to remain positive on 1–3-year corporate bonds.
- Additionally, SDLs offer good value over IGBs and once we move into next quarter there is possibility of spread compression.

Source: HSBC Asset Management India, 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.

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# HSBC Mutual Fund

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## Risk Management



# Governance Forums

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## 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 of the Investment Team
- Meets on a quarterly basis

### Risk Management Meeting

- Risk governance forum established to review material risks
- Stress testing for all funds, as required by Regulations, is carried out on a monthly basis
- Responsible for the oversight of risk and internal control environment
- Chaired by the Chief Risk Officer
- Meets on a bi-monthly basis

Source: HSBC Mutual Fund

# Monitoring key risk drivers

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## Effective monitoring of portfolio volatility and risk exposures

### Investment Risk

- Monitoring & management through ex-ante tracking error on a monthly basis
- Assessed against the ranges identified according to the underlying portfolio
- Ex-ante tracking error ranges are reviewed and approved on an annual basis in Risk Committee
- Measurement and monitoring of ex-ante portfolio volatility

### Liquidity Risk

- Monitored using internal liquidity models and liquidity is assessed in normal and stressed market conditions.
- Metric is monitored on a monthly basis
- Monitoring by Risk team and results are reviewed in Risk Committee

Source: HSBC Mutual Fund

# Portfolio Construction

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- **Portfolio Construction**

- In line with stated investment objective / asset allocation
- Diversification across sectors and themes to the extent possible
- 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

## Summary: HSBC Balanced Advantage Fund



### **Optimal asset allocation**

Get exposure to two complementary asset classes – Equity & Debt in one fund



### **Asset rebalancing**

Get rid of balancing asset allocation on your own and let the fund manage it professionally



### **Dual advantage**

Aim to grow your investments with equity to beat inflation over a long term and stabilise the volatility with debt

**Aim for a balance between long term growth and stability with HSBC Balanced Advantage Fund**

Source – HSBC Mutual Fund, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Fund performance

Fund Manager - Neelotpal Sahai Effective 26 Nov 2022. Total Schemes Managed - 3; Fund Manager - Mahesh Chhabria Effective 15 Jul 2023. Total Schemes Managed - 14; Fund Manager - Mohd Asif Rizwi Effective 01 Feb 2025. Total Schemes Managed - 15; Fund Manager - Praveen Ayathan Effective 01 Oct 2023. Total Schemes Managed - 5; Fund Manager - Prakriti Banka Effective 01 Oct 2025. Total Schemes Managed - 1; Fund Manager - Mayank Chaturvedi Effective 01 Oct 2025. Total Schemes Managed - 19

Lump Sum Investment Performance											Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		10 Years		Since Inception		
	Amount in Rs	Returns %	Amount in Rs	Returns %							
HSBC Balanced Advantage Fund – Regular Plan~~	10438	4.39	13797	11.32	15338	8.92	22485	8.43	43288	10.27	07-Feb-11
Scheme Benchmark (Nifty 50 Hybrid composite debt 50:50 Index)	10701	7.03	13556	10.67	16275	10.22	28758	11.13	43796	10.36	
Additional Benchmark (BSE Sensex TRI)	10742	7.44	14342	12.77	18882	13.54	37435	14.09	55688	12.14	
HSBC Balanced Advantage Fund – Direct Plan~~	10573	5.74	14355	12.81	41983	11.59	10573	5.74	14355	12.81	01-Jan-13
Scheme Benchmark (Nifty 50 Hybrid composite debt 50:50 Index)	10701	7.03	13556	10.67	37595	10.65	10701	7.03	13556	10.67	
Additional Benchmark (BSE Sensex TRI)	10742	7.44	14342	12.77	49744	13.04	10742	7.44	14342	12.77	

**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 January 2026 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 as 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

# Fund performance

SIP Performance HSBC Balanced Advantage Fund – Regular Plan				
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception
Total amount invested (₹)	120000	360000	600000	1790000
Market Value as on January 30, 2026 (₹)	1,21,698	4,03,754	7,45,829	38,70,125
Scheme Returns (%)	2.64	7.60	8.64	9.68
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark (₹)	1,23,043	4,08,114	7,53,158	42,00,639
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark Returns (%)	4.75	8.32	9.03	10.66
BSE Sensex TRI - Additional Benchmark (₹)	1,23,236	4,11,884	7,83,981	51,59,639
BSE Sensex TRI - Additional Benchmark Returns (%)	5.05	8.95	10.64	13.08

Inception Date: 07 Feb 11

SIP Performance HSBC Balanced Advantage Fund – Direct Plan				
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception
Total amount invested (₹)	120000	360000	600000	1560000
Market Value as on January 30, 2026 (₹)	1,22,547	4,12,510	7,73,592	32,19,807
Scheme Returns (%)	3.97	9.05	10.10	10.53
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark (₹)	1,23,043	4,08,114	7,53,158	32,37,194
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark Returns (%)	4.75	8.32	9.03	10.60
BSE Sensex TRI - Additional Benchmark (₹)	1,23,236	4,11,884	7,83,981	38,76,476
BSE Sensex TRI - Additional Benchmark Returns (%)	5.05	8.95	10.64	13.10

Inception Date: 01 Jan 13

**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.

Mayank Chaturvedi shall be the fund manager for investments in foreign securities (wherever applicable) for all the schemes of HSBC Mutual Fund. w.e.f. October 01, 2025.

Source: HSBC Mutual Fund, data as on 31 January 2026

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



# HSBC Balanced Advantage Fund

## Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<p><b>HSBC Balanced Advantage Fund</b> (An open ended dynamic asset allocation fund)</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Long term capital appreciation and generation of reasonable returns</li> <li>• Investment in equity and equity related instruments, derivatives and debt and money market instruments</li> </ul>	 <p>The risk of the scheme is Moderately High Risk</p>	<p>As per AMFI Tier I. Benchmark Index: NIFTY 50 Hybrid Composite Debt 50:50 Index</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 is as on 31 January 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

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