

Product Note

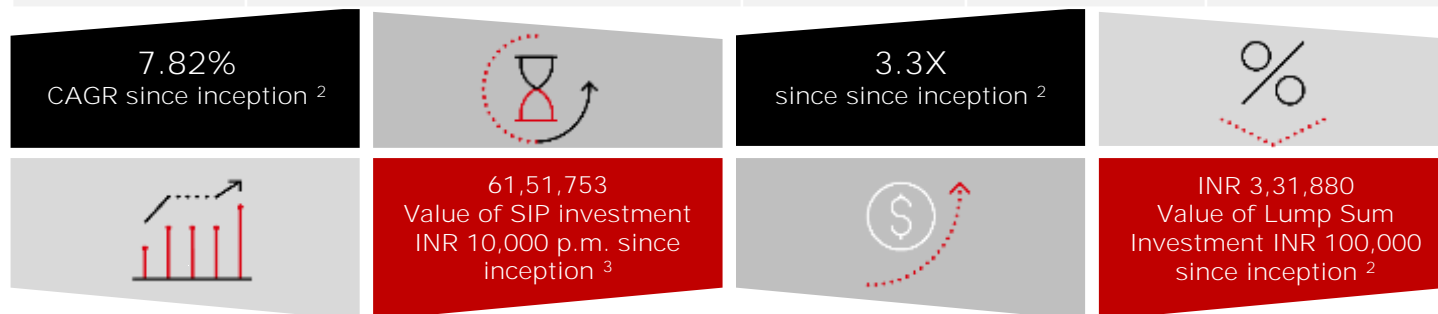
HSBC Infrastructure Fund (HINF) (Formerly known as L&T Infrastructure Fund)

Thematic Fund - An open ended equity scheme following Infrastructure theme

(HSBC Infrastructure Equity Fund has merged into L&T Infrastructure Fund and the surviving scheme has been renamed)

September 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Thematic Fund	Venugopal Manghat and Gautam Bhupal [^] and Sonal Gupta [#]	NIFTY Infrastructure TRI	27 Sep 2007	Rs. 1856.27 Cr



Portfolio	% of net assets	Sector - Allocation	% of net assets
Larsen & Toubro Limited	9.56%	Industrial Products	22.98%
NTPC Limited	6.39%	Construction	17.28%
Bharat Electronics Limited	5.63%	Electrical Equipment	10.29%
Finolex Cables Limited	3.62%	Cement & Cement Products	7.99%
UltraTech Cement Limited	3.48%	Power	6.39%
Reliance Industries Limited	3.07%	Aerospace & Defense	6.04%
ABB India Limited	3.06%	Realty	3.86%
Bharti Airtel Limited	3.01%	Industrial Manufacturing	3.76%
Carborundum Universal Limited	2.92%	Transport Services	3.38%
KEC International Limited	2.74%	Petroleum Products	3.07%

Risk Ratios ⁴		Load / Month End Total Expenses Ratios (Annualized) ⁷	
Standard Deviation	15.78%	Entry Load	NA
Beta	0.90	Exit Load - NIL (after 1 year), 1% (before 1 year) ⁶	
Sharpe Ratio ⁵	1.66	Expense ratio (Other than Direct) ⁸	2.11%
R2	0.79	Expense ratio (Direct)	1.07%

Product Note

¹ As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' has introduced two-tiered structure for benchmarking of certain categories of schemes. Accordingly, the benchmark has been classified as Tier 1 benchmark effective from 01 December 2021.

² As on 31 August 2023 of Growth option regular plan. During the same period, scheme benchmark (NIFTY Infrastructure TRI) has moved by 1.6x to Rs. 1,61,930 from Rs 100,000 and delivered return of 3.07% Please refer page no. 3 for detailed performance of HSBC Infrastructure Fund.

³ During the same period, value of scheme benchmark (NIFTY Infrastructure TRI) has moved to 40,27,424

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

⁵ Risk free rate: 6.69% (FIMMDA-NSE MIBOR) as on 31 August, 2023.

Refer to the Fund's website, www.assetmanagement.hsbc.co.in for monthly portfolio disclosures.

⁶ Exit Load - If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment - Nil

• If units redeemed or switched out are over and above the limit within 1 year from the date of allotment - 1% • If units are redeemed or switched out on or after 1 year from the date of allotment - Nil

⁷ TER Annualized TER including GST on Investment Management Fees

⁸ Continuing plans

Data as on 31 August 2023, HSBC Mutual Fund

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

INDIA is one of the fastest growing economies in the world. The role of infrastructure is paramount and foundation stone for any economy to drive forward. Thus, the government has reiterated its focus on infrastructure sector in Union Budget 2022 and proposed a robust infrastructure spending in fiscal 2022-23 which is expected to positively influence the prospects of the companies in the core infrastructure and allied sectors.

HSBC Infrastructure Fund that endeavours to invest in companies that could gain from the government's policies on infrastructure growth and economic reforms that could directly feed off its growth.

Why HSBC Infrastructure Fund?

- To create wealth over a long-term from the infrastructure growth in India
- A top down and bottom up approach will be used to invest in equity and equity related instruments
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Philosophy

- HIF is a thematic fund which primarily invest in Infrastructure companies.
- It's a flexi-cap strategy with a flexibility to invest across the market capitalization spectrum.
- Fund mostly follows bottom-up approach for stock selection.

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 is expected to be strong in the medium term partially aided by the economic tailwinds.
- Persistently high Inflation has impacted the margins of corporate India. However, the demand scenario so far has not deteriorated. With commodity prices starting to come down, 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 with correction in crude and global commodity prices and the likelihood of further interest rates increase has reduced. We remain positive towards domestic cyclicals, supported by the more robust medium term growth outlook.
- Our positioning in the portfolio is:
 - Positive on Capital Goods, Real Estate, EPC, Cement and Logistics sectors.
 - EPC companies are expected to benefit from increased traction in Roads, Building Construction, Water, Power transmission and distribution capex as well as Railway capex.
 - Pickup in infra capex should drive the demand for some of the capital good companies.
 - Improved demand in housing and infra segment along with expected improvement in pricing power due to increased utilisation level should be positive for Cement companies.
 - Real Estate earnings momentum will be driven by demand factors and industry consolidation benefiting the larger listed players.
 - With reform measures like GST and E-way Bills, Logistics sector should be beneficiary of increased supply chain outsourcing.
 - Negative on Energy and Utilities, two sectors with high regulatory interference, low sustainable profitability and with plenty of capital misallocation history.

Investment Objective

To generate long term capital appreciation from an actively managed portfolio of equity and equity related securities by investing predominantly in equity and equity related securities of companies engaged in or expected to benefit from growth and development of Infrastructure in India. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

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

Note - Sector specific information provided above should not be considered as investment advice. Past performance may or may not be sustained in future.

HSBC Infrastructure Fund (HINF) | Product Note
 [September 2023]

Fund Manager - Venugopal Manghat (No of Schemes Managed – 6) - Managing Fund Since 17 Dec 2019 and Gautam Bhupal (No of Schemes Managed – 8) - Managing Fund Over 18 Years and Sonal Gupta (No of Schemes Managed - 6, for investment in foreign securities)

Lump Sum Investment Performance								Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception	
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %
HSBC Infrastructure Fund-Regular	13155	31.46	25583	36.77	18988	13.68	33188	7.82
Scheme Benchmark (NIFTY Infrastructure TRI)	11669	16.64	19570	25.08	19569	14.36	16193	3.07
Additional Benchmark (Nifty 50 TRI)	10953	9.50	17532	20.58	17495	11.83	46539	10.13

27-Sep-07

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

Past performance may or may not be sustained in the future.

SIP Performance - HSBC Infrastructure Fund - Reg					Inception Date: 27-Sep-07
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1900000	
Market Value as on August 31, 2023 (₹)	148,655	564,258	1,118,093	6,151,753	
Scheme Returns (%)	47.16	31.50	25.18	13.55	
NIFTY Infrastructure TRI - Scheme Benchmark (₹)	135,235	478,289	974,705	4,027,424	
NIFTY Infrastructure TRI - Scheme Benchmark Returns (%)	24.40	19.36	19.50	8.88	
Nifty 50 TRI - Additional Benchmark (₹)	128,540	439,512	882,930	5,687,145	
Nifty 50 TRI - Additional Benchmark Returns (%)	13.48	13.41	15.45	12.70	

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.

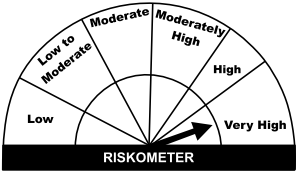
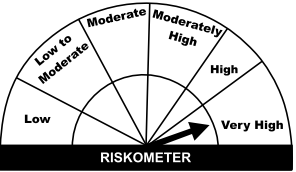
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[Click here](#) to check other funds performance managed by the Fund Manager

Product Label

Scheme name and Type of scheme	Riskometer of the Scheme	Riskometer of the benchmark
<p>This product is suitable for Investors who are seeking*:</p> <p>HSBC Infrastructure Fund - Thematic Fund (Erstwhile L&T Infrastructure Fund) – An open-ended Equity Scheme following Infrastructure theme.</p> <ul style="list-style-type: none"> To create wealth over long term Investment in equity and equity related securities, primarily in themes that play an important role in India's economic development. (Benchmark : Nifty Infrastructure TRI Index) 	 <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

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