

Discover.



Potential  
that's rare.

## HSBC Value Fund

(An open ended equity scheme following a value investment strategy)

September 2025

# Why invest in value theme now?

## Equity, Inflation and Rate Outlook

- Inflation remains at comfortable levels in India
- Low interest rates implying companies can borrow at lower rates for capacity expansion & growth.
- Above normal monsoon a positive for rural demand
- Positive outlook for sectors / themes such as Manufacturing, Infrastructure, Power, Financials, Make in India, Discretionary consumption, etc.

## Lowering Risk

- As market valuations are above long term averages, investors need to focus on value theme

## Bottom Up approach

- Value investing requires considerable bottom-up stock picking expertise backed by strong research capabilities
- Investing in funds with strong long term performance track record is favourable

## True Value

- Investors should have very long investment horizons for value funds, since the prices of value stocks may take relatively longer time till the market discovers their true value

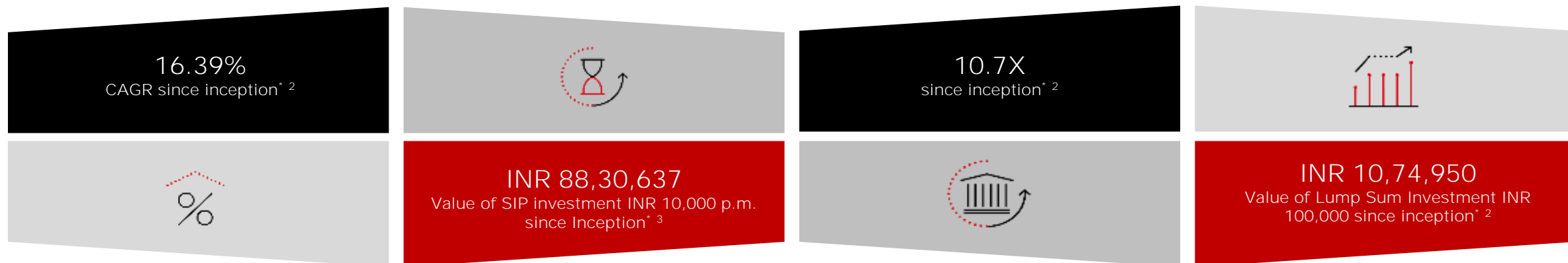
Source: Data as on 31 Aug '25, Bloomberg

# Fund Snapshot

## HSBC Value Fund

Investment Objective - To generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity related securities, in the Indian markets with higher focus on undervalued securities.

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date*	AUM&
Value Fund	Venugopal Manghat and Sonal Gupta <sup>#</sup>	Nifty 500 TRI	8 Jan 2010	Rs. 13,532 Cr



\* Since inception - 08 Jan 10

<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>2</sup> As on 29 August 2025 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 6.0X to Rs. 6,07,120 from Rs.100,000 and delivered return of 12.22%. Refer to the detailed performance of HSBC Value Fund in this deck.

<sup>3</sup> During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 62,89,500

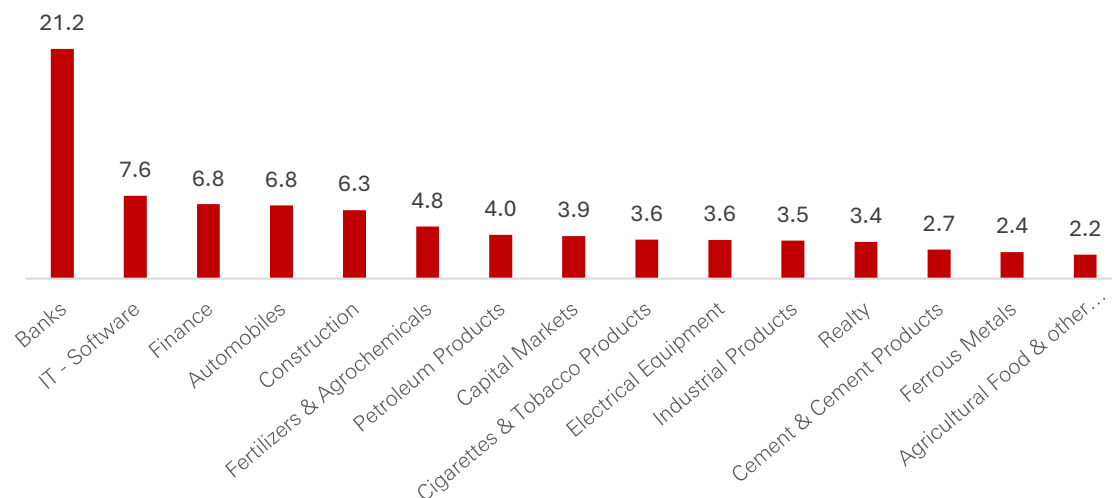
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Source – HSBC Mutual Fund, Data as of 31 Aug 2025. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

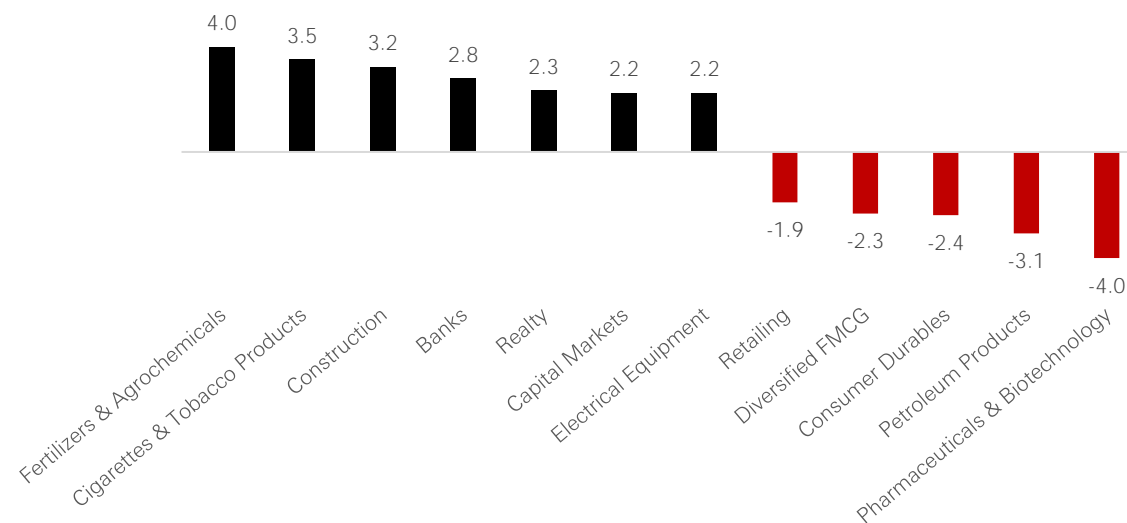
# Sector allocation with active weights

## HSBC Value Fund

### Portfolio Industry Weights (%)



### Active Industry Weights (%)



### Overweight

- **Banks:** Within Financials, prefer exposure through Capital Markets and NBFCs over Banks.
- **Electrical Equipment:** Exposure primarily to Power T&D companies. Expect strong order inflow and stable margins to continue for most companies.
- **Capital Markets:** Financialization of savings and wealth effect. Prefer Exchanges and Broking/ Wealth Management companies.

### Underweight

- **Petroleum Products:** Geopolitical risk and global uncertainty. Also, volatility in OMC earnings keeps us on sidelines.
- **Diversified FMCG:** Mixed earnings outlook due to divergence between urban and rural demand, recovery hinging on consumption revival.
- **IT - Software:** Macro environment keeping companies on sidelines from spending. AI overhang a risk to be looked out for.

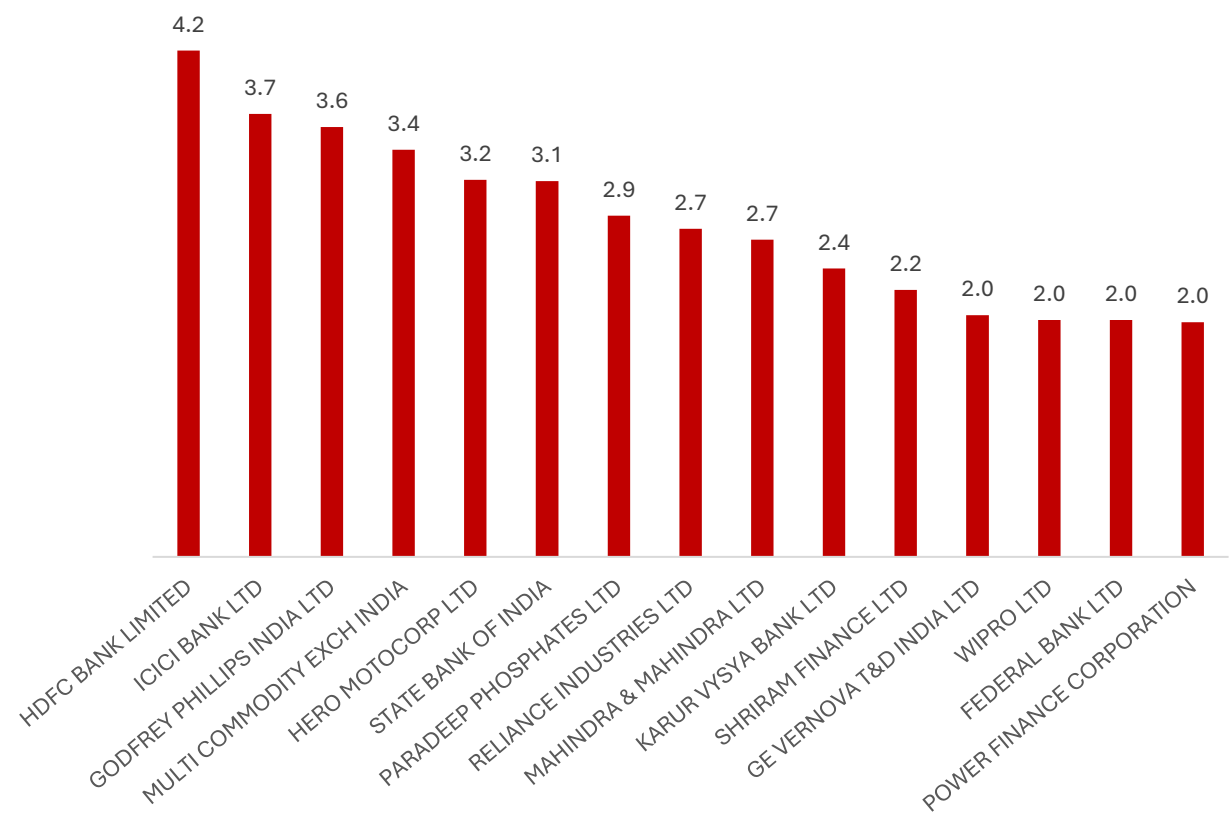
Source: Bloomberg, HSBC Mutual Fund, Data as on 31 Aug 2025

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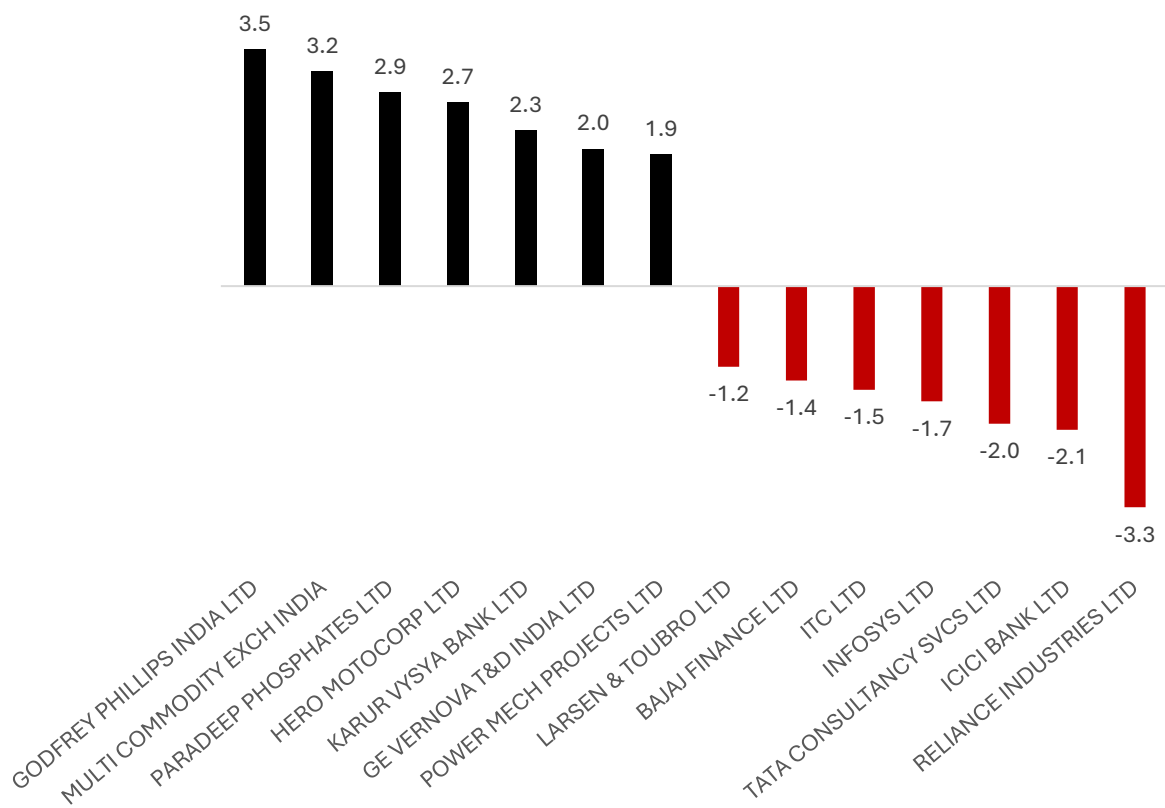
# Top stocks and active weights

HSBC Value Fund

Top 10 stocks by weight (%)



Active stocks by weight (%)



Source: Bloomberg, HSBC Mutual Fund, Data as on 31 Aug 2025  
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# Investment Approach

## Bottom-up

Adopts a bottom-up stock selection approach with focus on valuations to spot businesses whose stocks have a potential to deliver performance over medium to long term

## Reduce risk

Aims to invest in stocks with adequate margin of safety to reduce risk in a volatile market environment

## Investments across market spectrum

Complete flexibility to invest across market cap segments and sectors, thus allowing it to capitalise on investment opportunities across market spectrum without any restrictions

## Investing factors

For assessing the value of a stock, the Fund Manager typically assesses various parameters such as growth potential, cash flows, dividend payouts, subsidiary valuations, sum of the parts, etc.

## Valuations

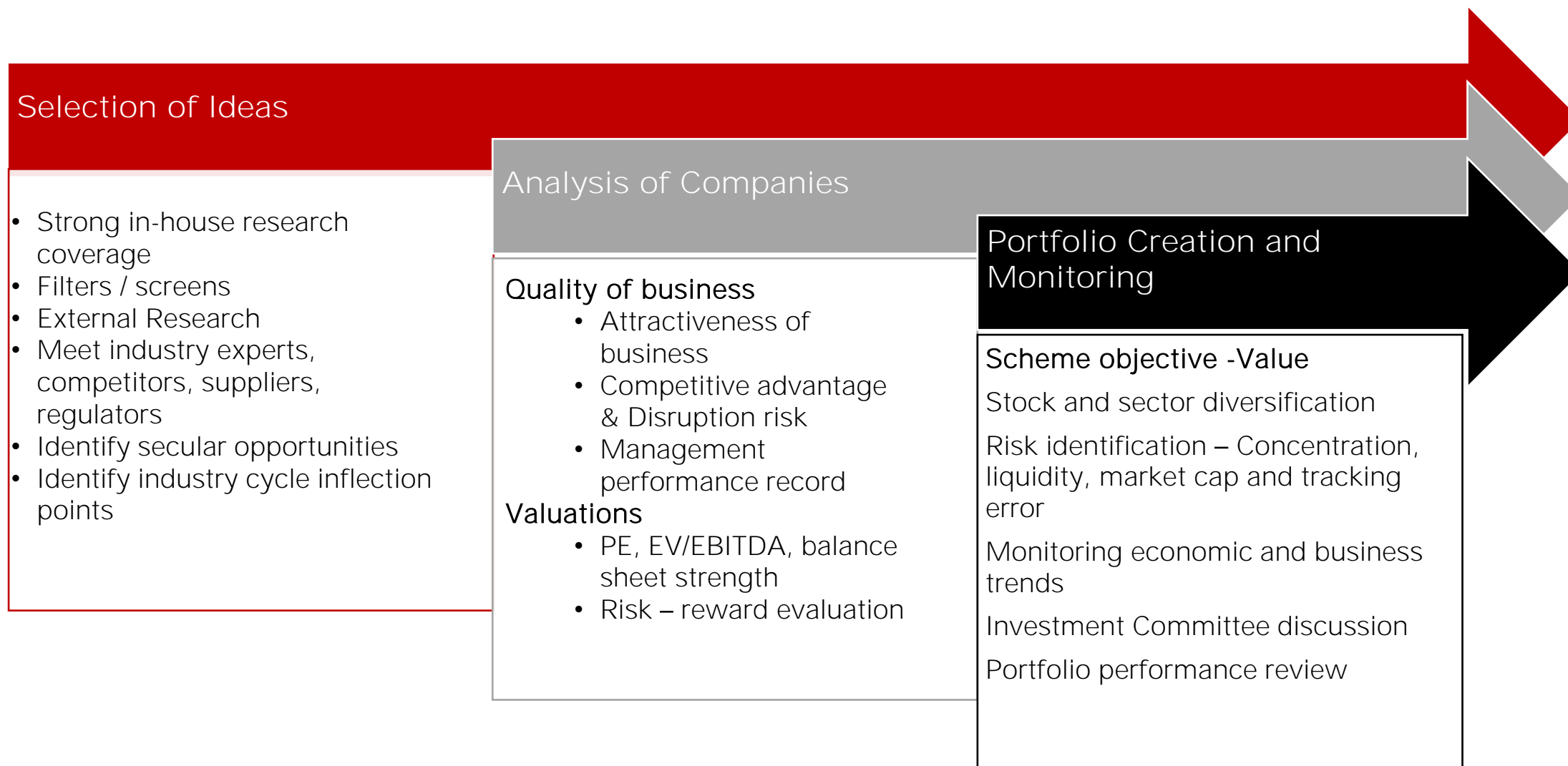
The Fund Managers looks at valuation of a stock vis-à-vis its (a) earning growth prospects, (b) historical long period valuation, and (c) relative valuation compared to peers

## Risk management

Robust risk management framework - a well diversified portfolio with focus on managing liquidity and other portfolio risks

Prefer companies with differentiated business models which can act as moats to ensure growth trajectory

# Equity - Investment Process



# Styles of Investing in Equity Mutual Funds

Different equity mutual fund schemes follow different investment styles

## Growth Investing

- Stocks with potential to deliver high **earnings per share (EPS)** growth over the next few quarters.
- Capital appreciation in equities directly related to EPS growth.
- Growth stocks exhibit faster growth in share prices.
- Typically, High PE stocks with potential to grow at a rate relatively higher than industry.

## Value Investing

- Stocks **trading at significant discounts to their intrinsic value.**
- Value fund managers invest in stocks where market price is significantly lower than the intrinsic value as determined by the fund manager.
- Relative Valuation methods used to determine such stocks. Low PE/PB stocks with potentially high dividend yield.

## Growth at a Reasonable Price (GARP)

- **Blends growth and value investing.**
- While the focus of GARP is on growth stocks (stocks with high EPS growth expectations), the fund manager also looks at price relative to EPS growth.
- Avoid stocks whose price (valuations) have run ahead of EPS growth.
- PEG (PE to Growth) ratio typically used to determine such stocks.

Source: HSBC Mutual Fund, Bloomberg, HSBC Mutual Fund



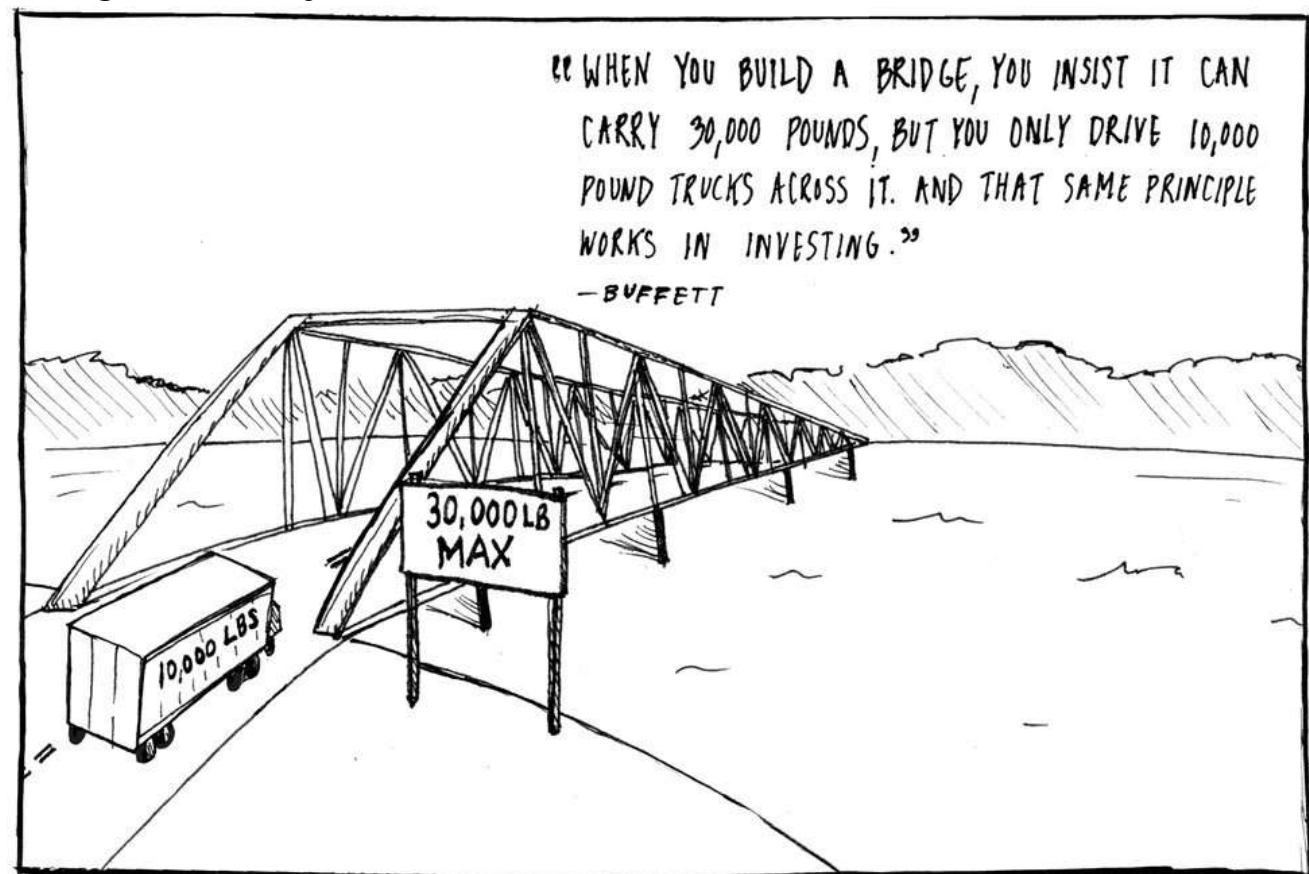
# Understanding Value Investing

A strategy of investing in stocks that trade at less than their intrinsic value

## Intrinsic Value

- Value of a stock is the present value of future free cash-flows of the company.
- Intrinsic value of a stock is based on fundamental analysis i.e. analysis of the industry growth potential, the company's competitive strengths, market share growth, operating margins, working capital and capex growth, financial projections including earnings per share (EPS) growth etc.

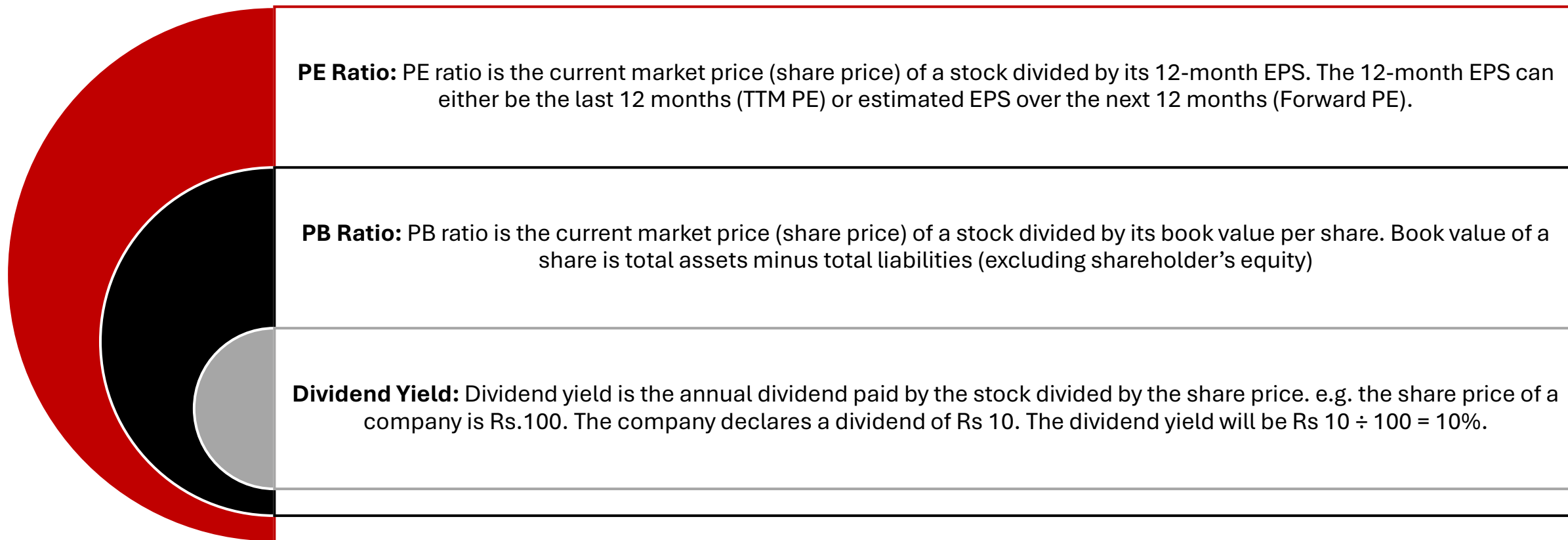
## Margin of Safety



Source: Bloomberg, MSCI, Financial Express, Image Source: [Quantifying Margin of Safety — Euclidean Technologies](#)®

# Characteristics of Value Stocks

## What does a Value Fund Manager look at?



Value fund managers will typically invest in stocks, which have LOW PE, PB and HIGH Dividend Yield

Source: HSBC Mutual Fund, Bloomberg, HSBC Mutual Fund

# HSBC Value Fund – Lumpsum Performance

Fund Manager - Venugopal Manghat Effective 24 Nov 2012. Total Schemes Managed - 4, 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 ₹	Returns %	Amount in ₹	Returns %	
HSBC Value Fund-Regular Plan~~	9685	-3.16	18467	22.69	31229	25.59	107495	16.39	08-Jan-10
Scheme Benchmark (Nifty 500 TRI)	9559	-4.42	15080	14.67	25248	20.36	60712	12.22	
Additional Benchmark (Nifty 50 TRI)	9799	-2.01	14236	12.49	22786	17.92	56378	11.69	
HSBC Value Fund-Direct Plan~~	9776	-2.25	19006	23.87	32761	26.80	97826	19.73	01-Jan-13
Scheme Benchmark (Nifty 500 TRI)	9559	-4.42	15080	14.67	25248	20.36	54069	14.25	
Additional Benchmark (Nifty 50 TRI)	9799	-2.01	14236	12.49	22786	17.92	47980	13.18	

Past performance may or may not be sustained in future and is not a guarantee of any future returns. The performance details provided herein are of Regular as well as Direct Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of Aug 2025 for the respective schemes. Returns for 1 year and above are Compounded Annualized. Returns for less than 1 year is Simple Annualized. Load is not taken into consideration for computation of performance. Different plans shall have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged to the Regular Plan.

As per clause 5.9.1 of the SEBI Master Circular dated June 27, 2024, the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed 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

# HSBC Value Fund – SIP Performance

Fund Manager - Venugopal Manghat Effective 24 Nov 2012. Total Schemes Managed - 4, Fund Manager - Sonal Gupta Effective 05 Jul 2021. Total Schemes Managed - 24

SIP Performance HSBC Value Fund – Regular Plan					Inception Date: 08-Jan-10
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested ( ₹ )	120000	360000	600000	1870000	
Market Value as on August 29, 2025 ( ₹ )	1,22,553	4,76,734	10,09,073	88,30,637	
Scheme Returns (%)	4.02	19.19	20.96	17.92	
Nifty 500 TRI - Scheme Benchmark ( ₹ )	1,21,253	4,40,035	8,76,702	62,89,500	
Nifty 500 TRI - Scheme Benchmark Returns (%)	1.97	13.53	15.19	14.21	
Nifty 50 TRI - Additional Benchmark ( ₹ )	1,22,160	4,27,542	8,31,719	56,98,955	
Nifty 50 TRI - Additional Benchmark Returns (%)	3.40	11.53	13.05	13.11	
SIP Performance HSBC Value Fund – Direct Plan					Inception Date: 01-Jan-13
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested ( ₹ )	120000	360000	600000	1510000	
Market Value as on August 29, 2025 ( ₹ )	1,23,167	4,84,687	10,38,524	56,27,645	
Scheme Returns (%)	5.00	20.38	22.15	19.31	
Nifty 500 TRI - Scheme Benchmark ( ₹ )	1,21,253	4,40,035	8,76,702	41,08,741	
Nifty 500 TRI - Scheme Benchmark Returns (%)	1.97	13.53	15.19	14.87	
Nifty 50 TRI - Additional Benchmark ( ₹ )	1,22,160	4,27,542	8,31,719	37,55,151	
Nifty 50 TRI - Additional Benchmark Returns (%)	3.40	11.53	13.05	13.58	

Past performance may or may not be sustained in future and is not a guarantee of any future returns. For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. Load is not taken into consideration.

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

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

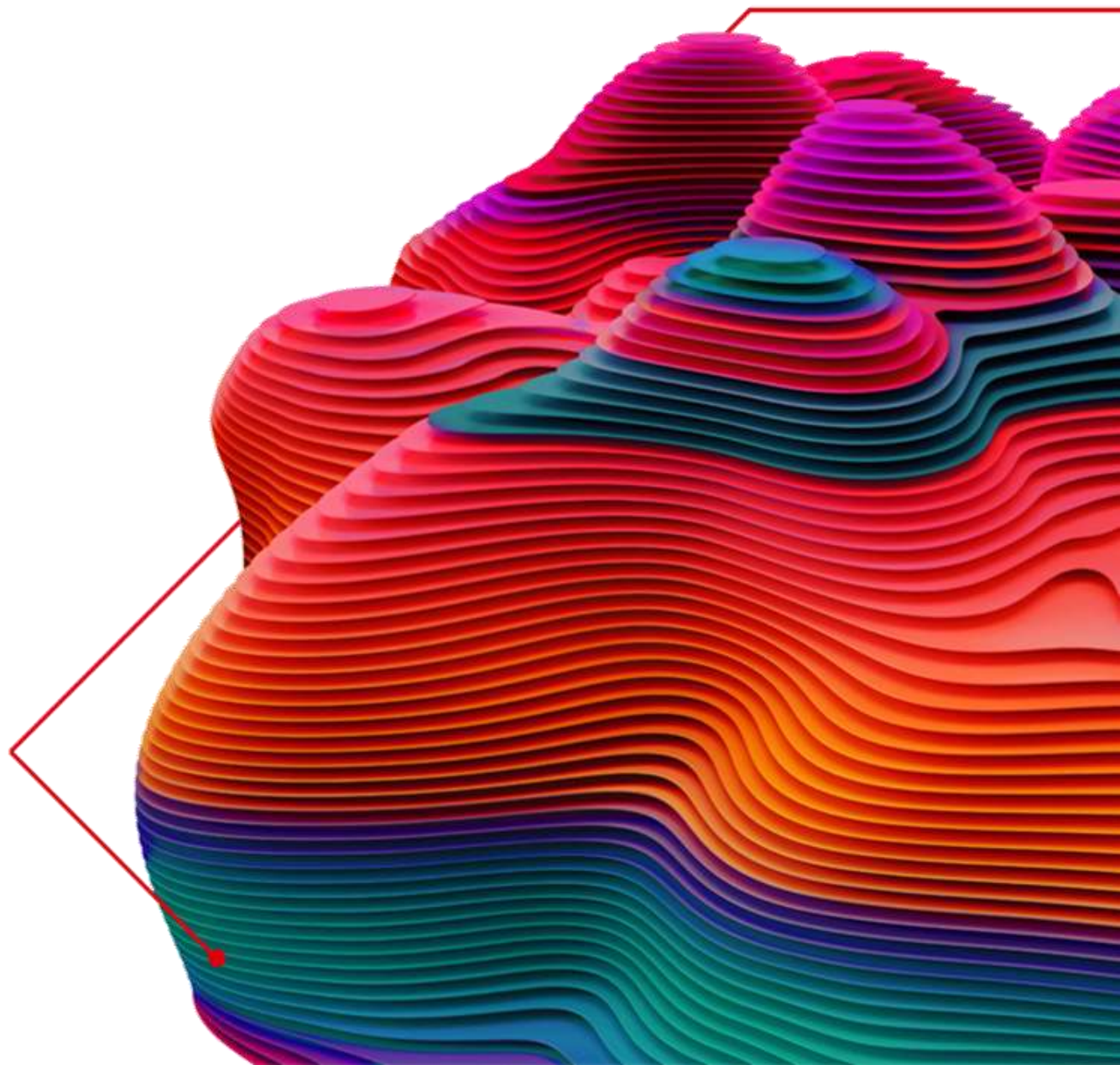
[Click here](#) to check other funds performance managed by the Fund Manager

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div>HSBC Value Fund</div> <div>(An open ended equity scheme following a value investment strategy)</div> <div>This product is suitable for investors who are seeking*:</div> <div><ul style="list-style-type: none"><li>• Long term capital appreciation</li><li>• Investment predominantly in equity and equity-related securities in Indian markets and foreign securities, with higher focus on undervalued securities.</li></ul></div>		<div>As per AMFI Tier I Benchmark i.e. Benchmark Index : NIFTY 500 TRI</div> 

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

**Note on Risk-o-meters:** Riskometer is As on 31 August 2025, Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme

# Market Outlook





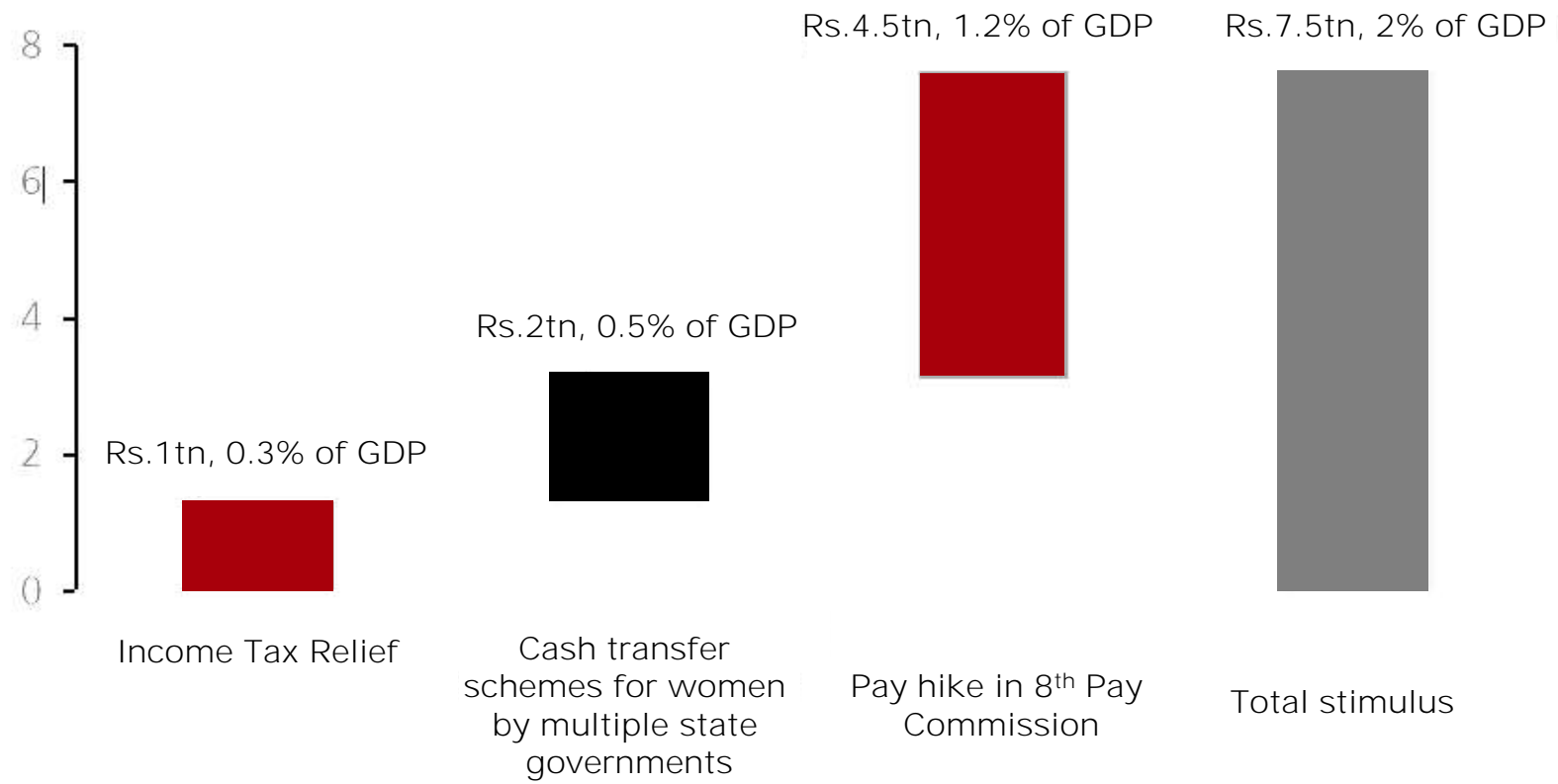
# Key factors impacting Indian equity markets

- GDP growth of 7.8% in Q1FY26 vs. 7.4% in Q4FY25
- Rationalization of GST rates and simplification of the rate structure, Ratings upgrade by S&P,
- CPI softened to 8 year low in July, IIP improvement to 3.5% in July vs. 1.5% in June.
- Fitch revises India's GDP growth outlook upwards to 6.9%

Key factors	August 2024	June 2025	Outlook
Global outlook	Strong growth outlook driven by US exceptionalism and rate cuts globally	Cut to global growth outlook driven by US and concerns on trade war. Central Banks on wait and watch mode.	Global outlook remains uncertain on both growth and inflation. Volatility to remain high.
Government capex	Significant slowdown in both central and state capex driven by elections	Resumption of central government capex, especially in defence and power. State government capex remains slow.	Central government capex should remain strong. State government capex may remain slow. Portfolio realigned accordingly
Consumption	Growth slowdown seen in urban consumption, income tax cuts announced. Rural consumption remained weak.	Social welfare schemes by state government and income tax cuts to drive consumption. 8th Pay commission set up	Discretionary Consumption to expected to see recovery
Inflation	Food inflation remains sticky. Core inflation low.	Food inflation showing fast deceleration on strong harvest, expectations of good monsoon and lower commodity costs	Inflation in FY26 likely to remain below/ around RBI expectations of 4% and likely 2-3 rate cuts
Domestic liquidity	Tight liquidity conditions	Slew of measures to boost liquidity, including rate cuts	Domestic liquidity conditions to remain positive in FY26
Flows	FII flows were strong driven by India's relative attractiveness. DII flows were also strong.	FIIs saw high outflows in past 6 months. DIIs flows saw deceleration in growth driven by record cash levels.	FII flows may remain volatile driven by global uncertainty. DII flows to remain strong.
Consensus earnings revision	Sizeable downgrade in earnings revision for FY25	Intensity of earnings downgrade revision has come down	Earnings downgrade cycle look close to bottoming-out
Valuations	Significantly above historical averages with hardly any margin of safety	Above historical averages, however, corrected from top	Specific pockets where valuation are attractive. We remain selective bottoms-up.

Source – HSBC Mutual Fund, Latest available data as on 31 August '25, 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, 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.

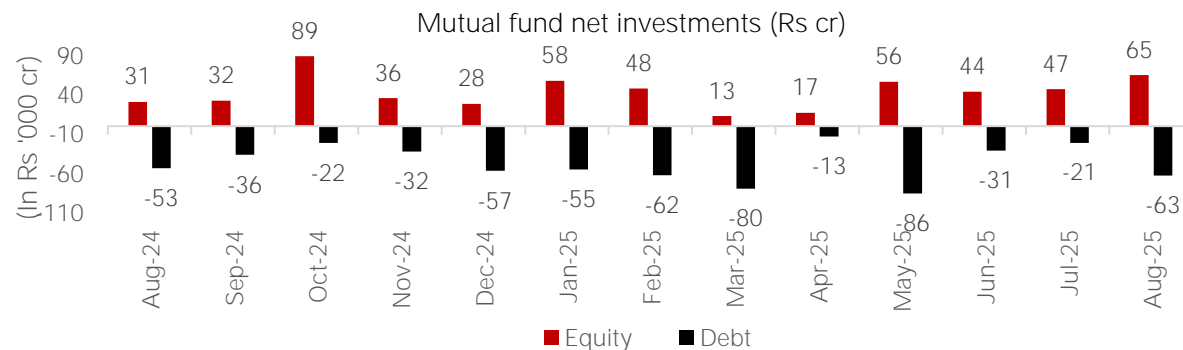
# Consumption stimulus could be huge over coming years



Source : UBS, HSBC Mutual Fund, Latest available data as on 31 Aug '25, 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).

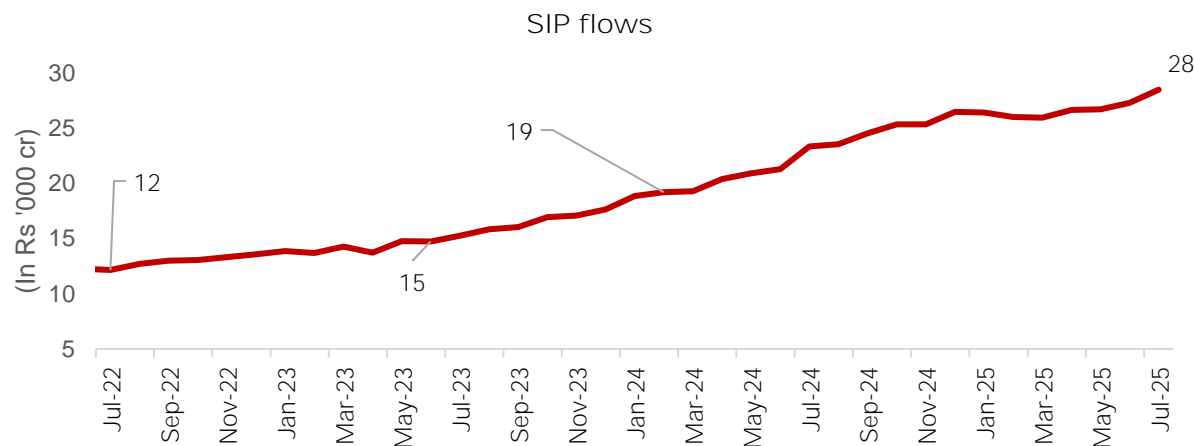


## Mutual funds net buyers in equity and sellers in debt



- Assets under management (AUM) of the domestic mutual fund (MF) industry rose 1.28% (Rs 95,300 in absolute terms) on-month in July to ~Rs 75.35 lakh crore, compared with Rs 74.40 lakh crore the previous month, led predominantly by debt-oriented mutual funds.
- A net inflow of Rs 178,794 crore in July against Rs 49,095 crore in June spurred the growth.
- Assets of open-ended debt funds rose 6.69% (Rs 117,556 crore) on-month to Rs 18.75 lakh crore in July, riding on a net inflow of Rs 106,801 crore against a net outflow of Rs 1,711 crore in June.

## Inflows through SIPs grew



- Systematic Investment Plans (SIP) registered Rs 28,000 crore flows.

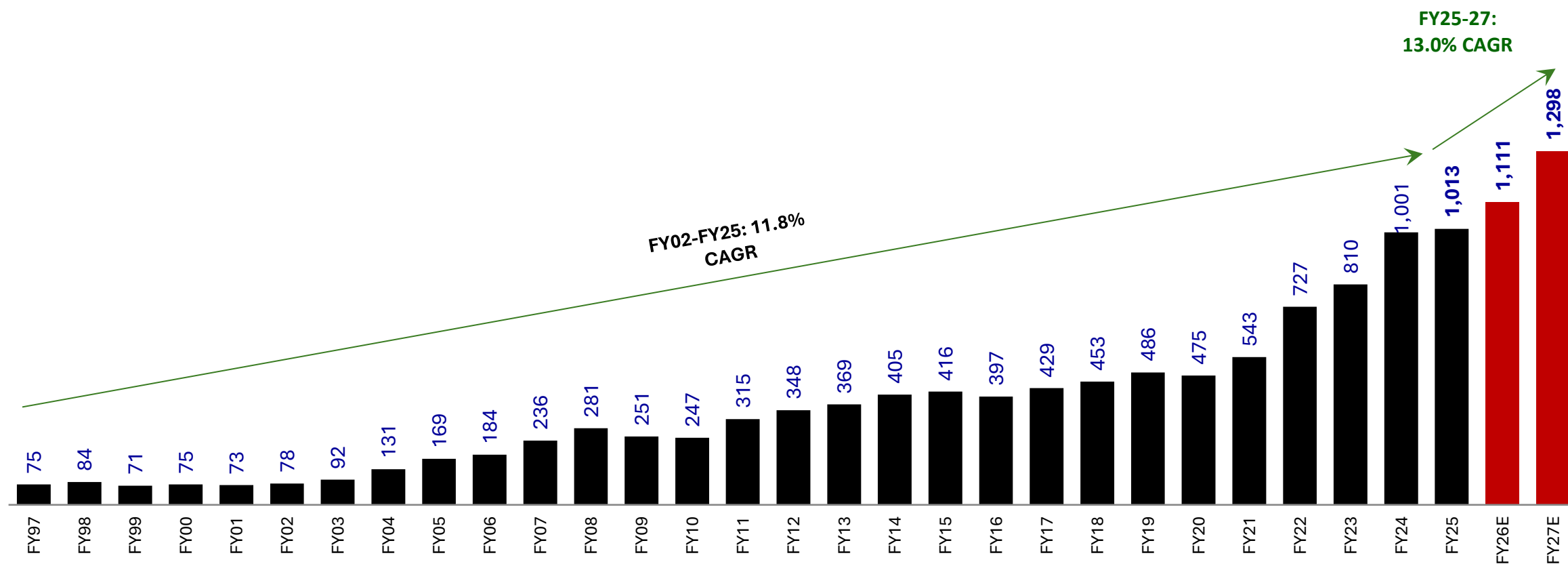
Source: Crisil, AMFI, Data as on 31 Aug 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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# Corporate earnings to grow mid-teens on low base

- Nifty 50 earnings delivered 11.8% CAGR over the period FY 2002-25
- Earnings growth to reaccelerate on a low base of FY25 with 13.0% growth over FY25-FY27 as per recent projections

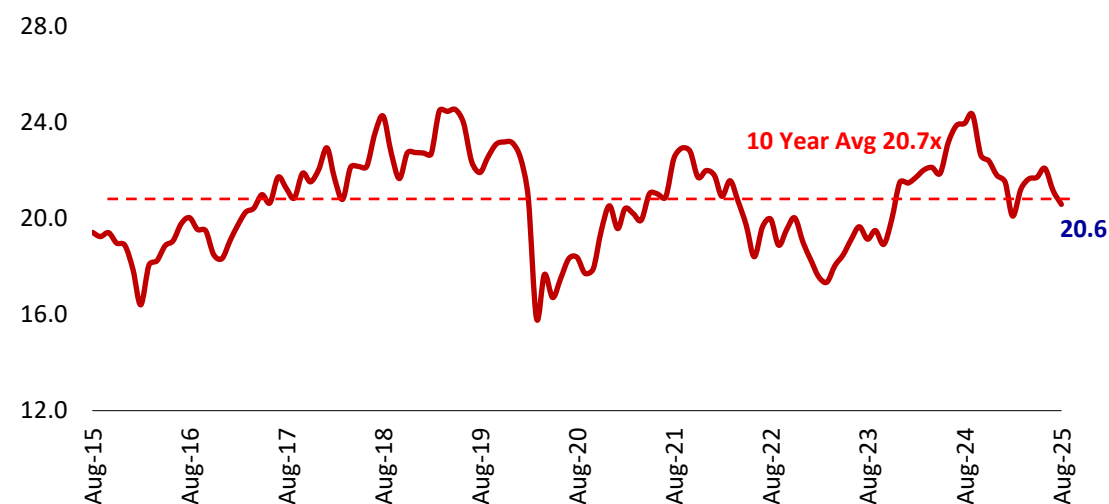


Source – MOSL, Bloomberg, Latest available data as on 31 Aug '25, Note: Above data is based on Nifty EPS (in INR), Nifty50 Earnings and returns, EPS – Earnings Per Share, The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute 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. Past performance may or may not sustain and doesn't guarantee the future performance.

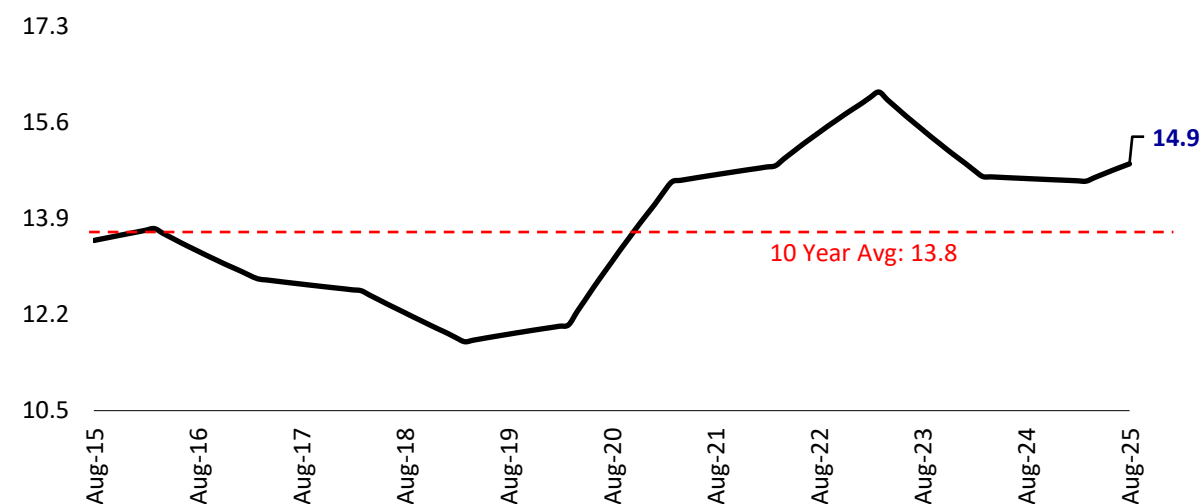
# Large cap valuations slightly above average

- ◆ Large Caps are currently trading marginally below its long-term 10-year average
- ◆ ROEs not far from decadal highs of 16%, though marginally lower now on account of moderate FY25 earnings

NIFTY 50 Forward P/E valuations



NIFTY 50 ROE (%)

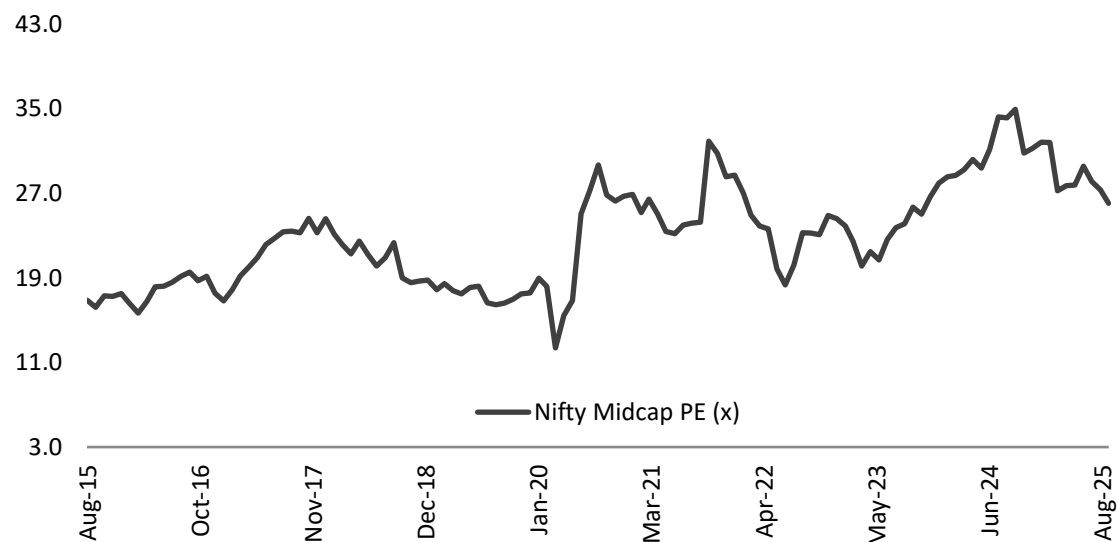


Source: MOSL, Bloomberg, Nifty50 PE/ROE. Latest available data as at Aug '25, Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any 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). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

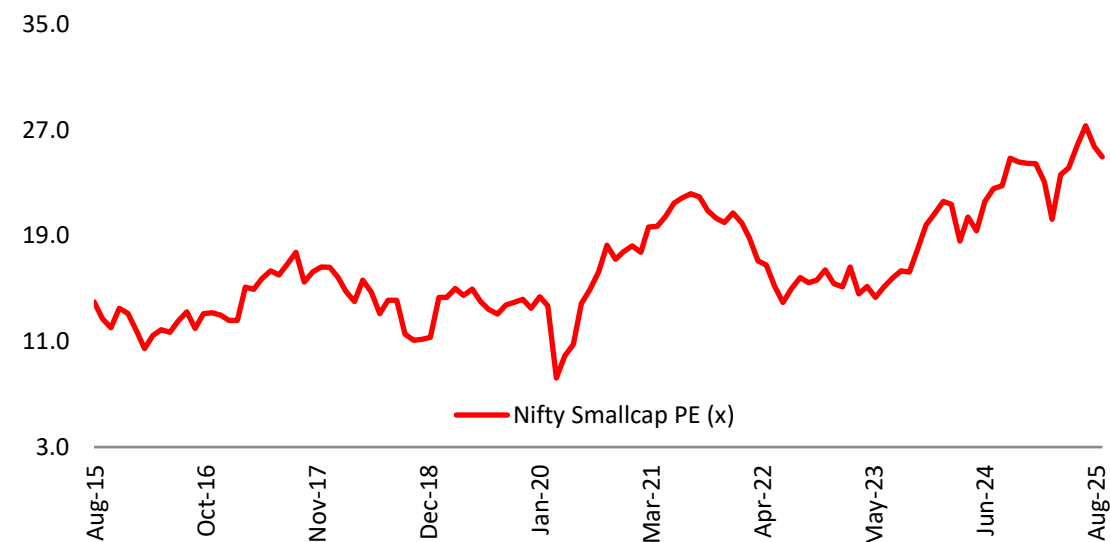
# SMID valuations continue to remain above averages

- ◆ Mid cap valuations have corrected from peak, however, remain above 10 yr average, however almost in line with 5 year average. The high valuations are backed by strong double-digit YoY earnings growth for the Index
- ◆ Small caps valuations also stay above averages

NIFTY MIDCAP 100 INDEX Forward P/E valuations



NIFTY SMALLCAP 100 INDEX Forward P/E valuations



Source: MOSL, Bloomberg. Latest available data as at Aug '25, 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). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Capabilities

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HSBC Mutual Fund | HSBC Asset Management



# A global network of local experts

Investment professionals working across key locations

Presence in  
20 locations

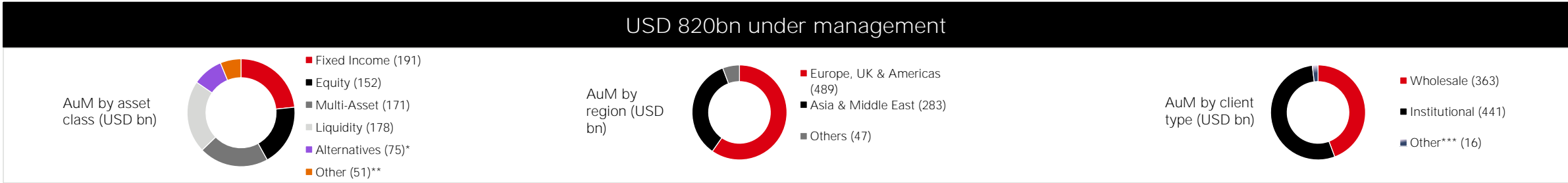


60 Americas

417 EMEA

201 Asia -Pacific<sup>1</sup>

678 investment professionals



1. Asia-Pacific includes employees of Hang Seng Bank, in which HSBC has a majority holding.  
2. HSBC Jintrust Fund Management company is a joint venture between HSBC Asset Management and Shanxi Trust Corporation Limited.

\*Alternatives assets excludes USD 2.6bn from committed capital ("dry powder") as well as advisory and oversight assets.  
\*\*Other in asset class refers to HASE (USD51bn as at Jun'25).  
\*\*\*Other in client type refers to asset distributed by Hang Seng Bank

The world map is not accurate and is for illustration purpose only.

Source: HSBC Asset Management at 30 June 2025. Assets under management are presented on a distributed (AUD) basis. Any differences are due to rounding.

# Reach, experience and expertise

HSBC Asset Management India<sup>1</sup>

INR 1.77 trillion  
USD 20.0 billion  
AUM<sup>^</sup>

29 Lakh+  
Customers

67,000+  
Distribution  
partners

60  
Locations

30  
Investment  
professionals

The reach, experience and expertise of HSBC MF has the potential to support distribution partners / clients effectively and help achieve significant mutual milestones.

<sup>^</sup> AUM – Assets Under Management + Advisory, Any differences are due to rounding, Data as of 31 August 2025, Customers = 29,02,381, Distribution Partners = 67191.

<sup>1</sup>, HSBC Asset Management (India) Private Limited, 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>

# Deep coverage of Indian investment universe

## India Onshore capability

Portfolio Managers  
Research Analysts  
Advisor  
Equity CIO

## India Offshore capability

Portfolio Managers: 2

Research Analysts: 30

Onshore Indian  
Equity & Hybrid  
(HSBC Mutual  
Fund)  
INR 850 bn

Offshore Indian  
Equity  
INR 443 bn

Companies\* covered across sectors & market caps have increased from 450+ in March'23 to 550+ in March'25

Large-cap stocks  
coverage –  
95%\*

Mid-cap stocks  
coverage –  
95%\*

Small-cap stocks  
coverage –  
75%\*

Source – HSBC Mutual Fund, HSBC Asset Management, Morningstar, Aum & Portfolio Manager & Research Analyst data as of 31 Aug 2025, Other Data as on 30 June '25, Sectors - Auto & Auto comps, Pharma & Healthcare, Paints, Media, Textiles, Consumer Staples, Consumer Discretionary, Durables and bldg materials, Real Estate, O&G Sugar Telecom, Capital Goods, Power & infra, Logistics, Tech Services, Metals, Cement, Banks and lenders, Financial services, Chemical and Paper. The AUM shown is for provisional purposes.

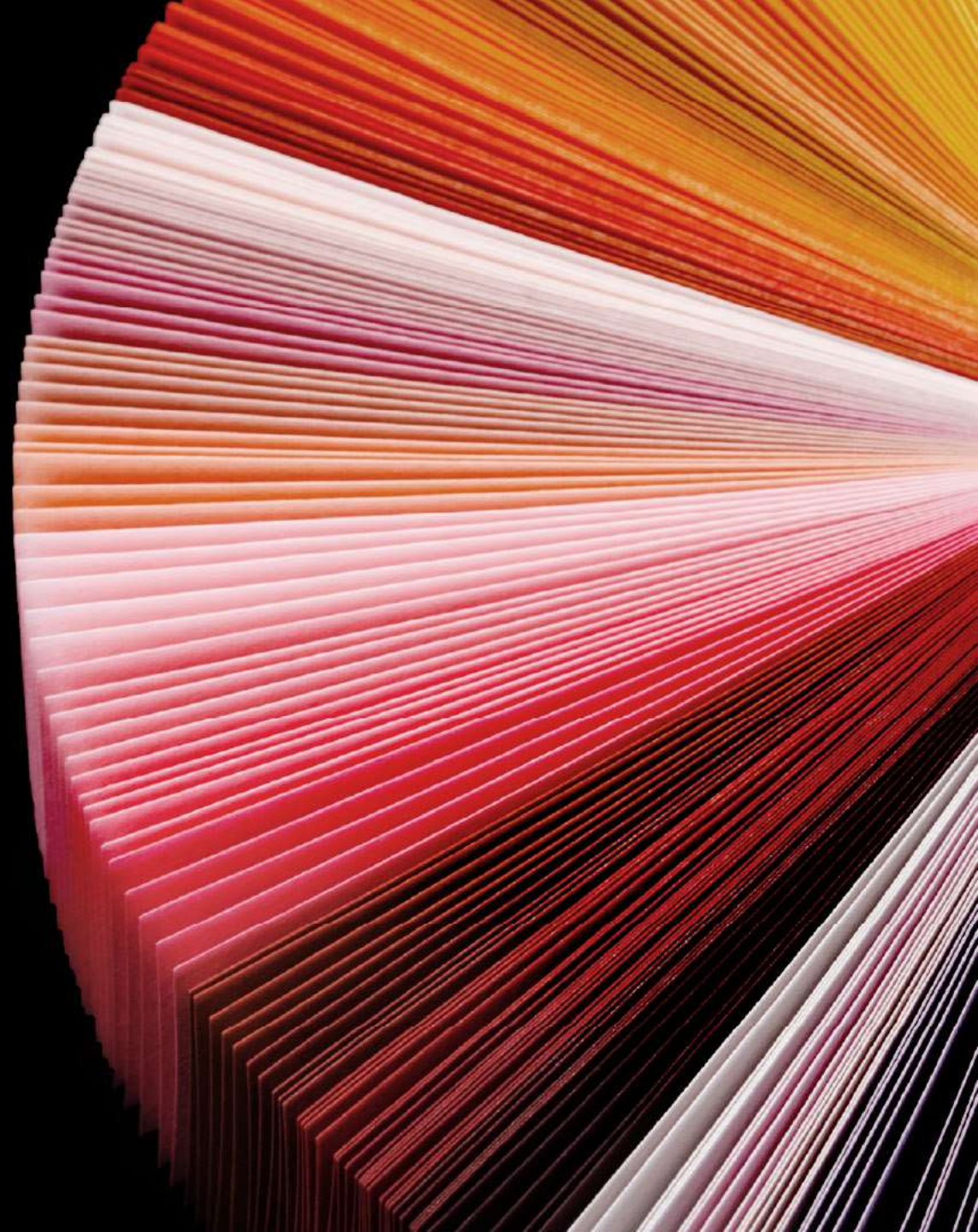
\*Large Cap: top 100 stocks on full market capitalisation basis, Mid caps - next 150 stocks based on full market capitalization, Small Cap: Stocks in Nifty 250 small cap index, 437 companies from NIFTY 500 TRI, remaining outside Nifty 500 TRI  
HSBC Mutual Fund is a brand used by HSBC Asset Management India (part of Global HSBC Asset Management company)



# Leveraging our expertise

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Equity



# Equity - Investment Approach

Guiding principles that drive Investment philosophy and approach

## Investment mandate

- Ensures that the fund manager adheres to the investment style stated in the prospectus and Offer Documents

## Active fund management

- Focus and conviction on long-term business fundamentals
- Coupled with disciplined yet active fund management generate superior long-term performance

## Research based stock selection

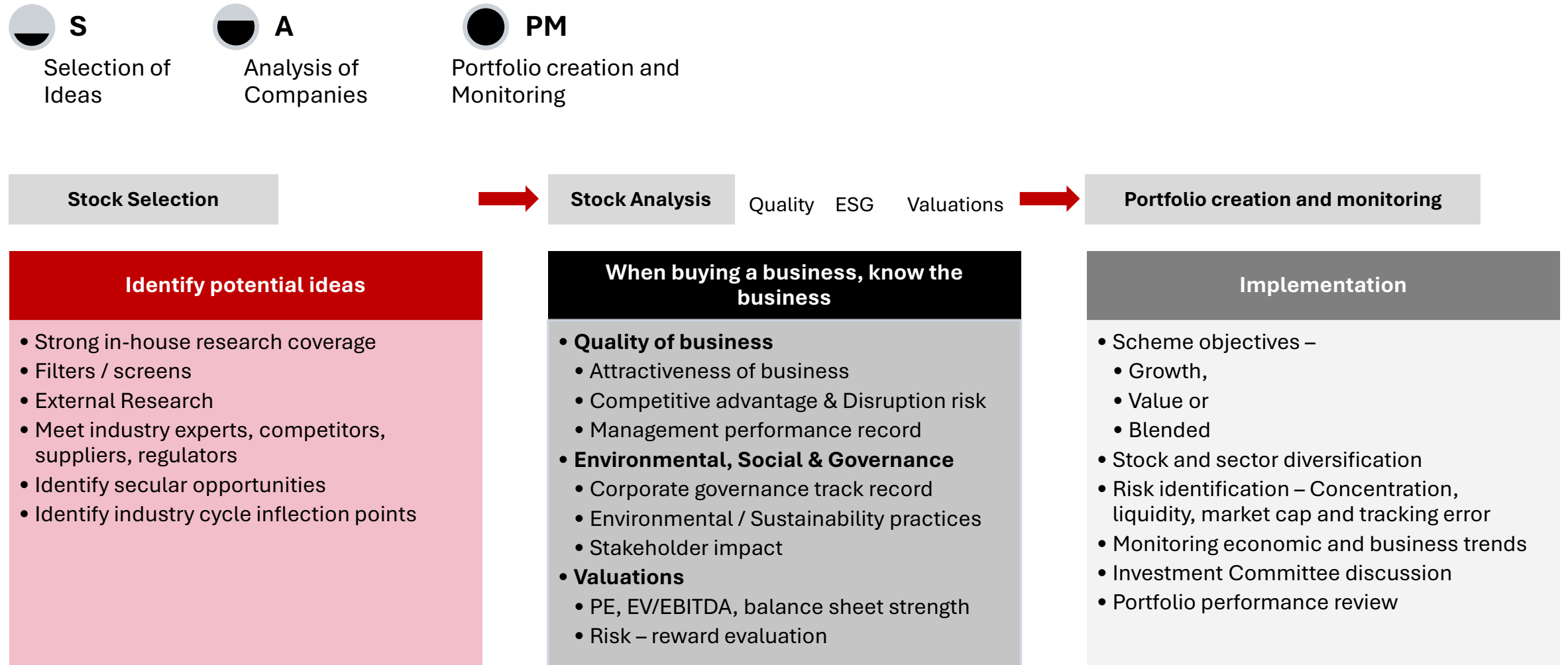
- Focus is on identifying stocks with
  - Strong business fundamentals
  - Better growth prospects
  - Undervalued relative to their intrinsic worth

## Robust risk management

- A robust framework for evaluating, monitoring and managing various risks are an integral part of the investment process

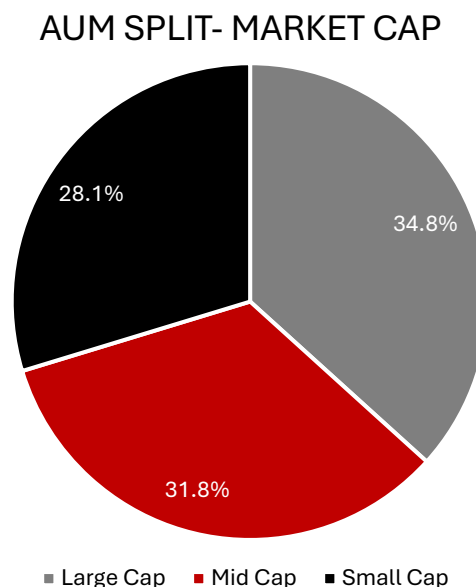
# Equity - Investment Process

Power of SAPM - Equity investment process comprises three stages



# Equity- Investment Team & AUM

- Equity investment Team
  - 5 Fund Managers\* (including CIO Equity)
  - 9 Equity Research Analysts
  - 5 Equity Dealers
  - 1 Investment Coordinator
  - 1 Product Specialist



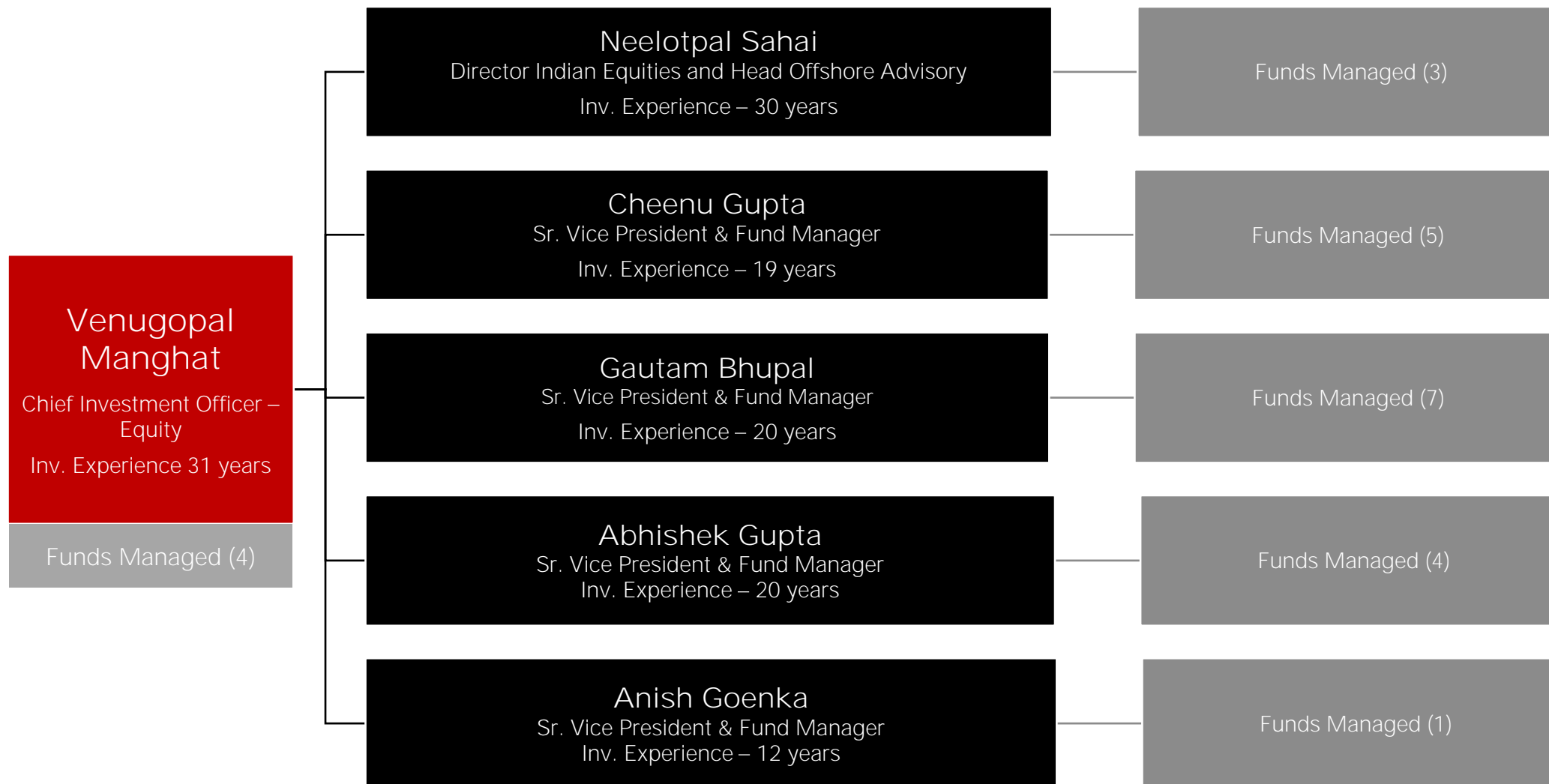
Mix skewed towards the broad market with about 60%\* exposure to mid and small cap classification

**Leveraging the integrated team's expertise in broader markets**

Source: HSBC Asset Management, ACE MF, Data as of 31 Aug '25, ACEMF \*, Exposure to Small and Mid Cap classification across all HSBC MF Equity and Hybrid funds (Excludes Domestic FOFs and Index Funds)

# Active Equity - Fund Management Team

6 Equity Fund Managers with about 22 years of average investment experience



# Equity Research Team

30

Team of analysts with wide sector coverage with an average experience of more than a decade

Sonal Gupta  
Head of Research  
Sector Coverage –  
Auto & Auto Comps  
Experience – 20 years

Consumer Staples, Consumer discretionary and retail analyst

Anish Goenka – SVP Equities, Inv. Experience – 12 years

IT Services, Metals analyst

Sidharth Vora – VP Equities - Inv. Experience – 13 years

Banks and NBFCs (Lending) & Cement analyst

Prakriti Banka – VP Equities, Inv. Experience – 14 years

BFSI (ex lending), Chemical, Paper and Packaging analyst

Harsh Shah – VP Equities - Inv. Experience – 9 years

Pharma & Healthcare, Paints, Media and Textiles analyst

Nisha Sehrawat – VP Equities, Inv. Experience – 13 years

Capital Goods, Power, Infra, Construction, Logistics and transportation analyst

Mayank Chaturvedi, VP Equities - Inv. Experience – 5 years

O&G, Telecom, Real Estate, Consumer durables, Building materials and Sugar

Jigar Shah – VP Equities, Inv. Experience – 10 years

Investment specialist

Ashish Gupta, SVP Investment Specialist – Equities, Inv. Experience - 14 years



# 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



# 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 RMM
- 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 RMM

# Portfolio Construction & Sizing

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- Portfolio Construction
  - In line with stated investment objective / asset allocation
  - Diversification across sectors and themes to the extent possible as per scheme objective
  - Strict adherence to regulatory limits
- Position sizing
  - Due consideration of market segment weight in the benchmark
  - Evaluation of market characteristics viz. Liquidity, market impact

# Disclaimer

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HSBC Mutual Fund, 9-11th Floor, NESCO - IT Park Bldg. 3, Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063. Maharashtra.

GST - 27AABCH0007N1ZS, Email: [investor.line@mutualfunds.hsbc.co.in](mailto:investor.line@mutualfunds.hsbc.co.in) | Website: [www.assetmanagement.hsbc.co/in](http://www.assetmanagement.hsbc.co/in)

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