

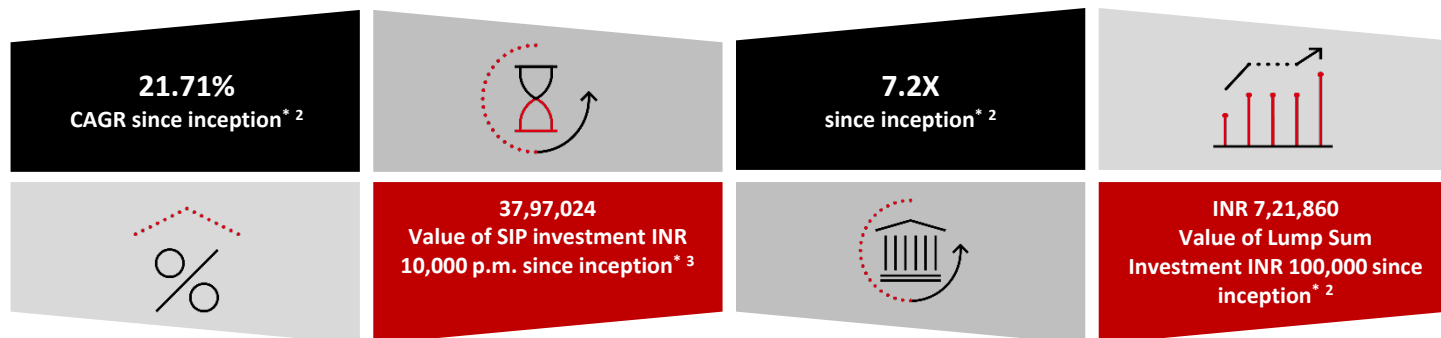
## Product Note

### HSBC Small Cap Fund (HSCF)

An open ended equity scheme predominantly investing in small cap stocks.

June 2024

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM <sup>&amp;</sup>
Small Cap Fund	Venugopal Manghat, Cheenu Gupta and Sonal Gupta <sup>#</sup>	NIFTY Small Cap 250 TRI	12 May 2014	Rs. 14,787.25 Cr



Portfolio	% to net assets	Sector - Allocation	% to net assets
Apar Industries Limited	3.40%	Industrial Products	21.11%
Brigade Enterprises Limited	3.36%	Construction	8.75%
KEI Industries Limited	2.63%	Realty	7.47%
Techno Electric & Engineering Company Limited	2.47%	IT - Software	5.93%
EIH Limited	2.42%	Consumer Durables	5.55%
Sobha Limited	2.21%	Auto Components	4.93%
NCC Limited	2.19%	Textiles & Apparels	4.47%
Century Textiles & Industries Limited	2.19%	Pharmaceuticals & Biotechnology	4.06%
KPIT Technologies Limited	2.16%	Banks	3.97%
Ratnamani Metals & Tubes Limited	1.94%	Electrical Equipment	3.40%

Risk Ratios <sup>4</sup>	
Standard Deviation	14.69%
Beta	0.76

Risk Ratios <sup>4</sup>	
Sharpe Ratio <sup>5</sup>	1.39
R2	0.91

**Entry Load\*:** Not Applicable, **Exit Load:** If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment – Nil, If units redeemed or switched out are over and above the limit within 1 year from the date of allotment – 1%, If units are redeemed or switched out on or after 1 year from the date of allotment – Nil. A switch-out or a withdrawal under SWP may also attract an Exit Load like any Redemption. No Exit load will be chargeable in case of switches made between different options of the Scheme.No Exit load will be chargeable in case of Units allotted on account of IDCW reinvestments, if any. Exit load is not applicable for Segregated Portfolio. \* In terms of 10.4.1.a. of SEBI Master Circular on Mutual Funds dated May 19, 2023, no entry load will be charged to the investor.

**Month End Total Expenses Ratios (Annualized)<sup>6</sup> – Regular<sup>7</sup>:** 1.70%, Direct: 0.68%

\* Since inception - 12 May 14

<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> As on 31 May 2024 of Growth option regular plan. During the same period, scheme benchmark (NIFTY Small Cap 250 TRI) has moved by 5.8X to Rs 5,89,350 from Rs 100,000 and delivered return of 19.28% Please refer page no. 3 for detailed performance of HSBC Small Cap Fund.

<sup>3</sup> During the same period, value of scheme benchmark (NIFTY Small Cap 250 TRI) has moved to 34,16,312

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

<sup>5</sup> Risk free rate: 6.76% (FIMMDA-NSE Mibor)

<sup>6</sup> TER Annualized TER including GST on Investment Management Fees. <sup>7</sup> Continuing plans.

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

<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).

Source – HSBC Mutual Fund, Data as of 31 May 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

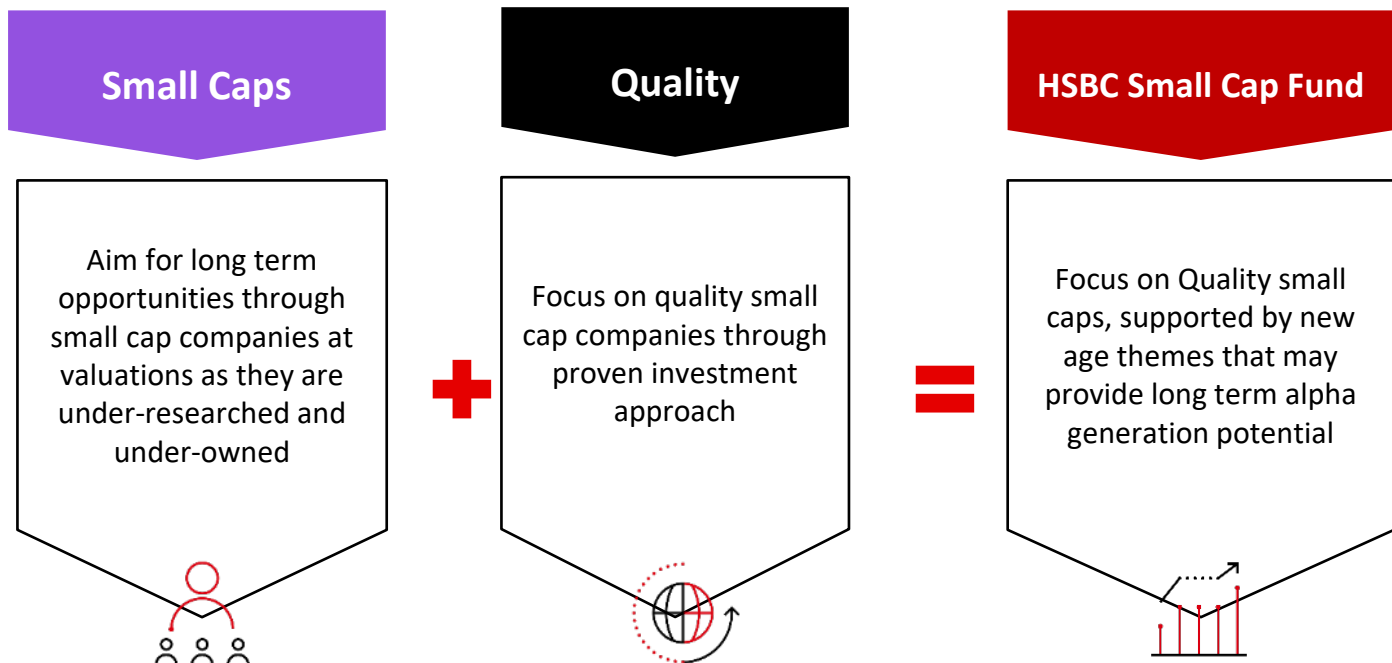
Historically, small cap companies have outperformed other segments of the market cap in the long term, paving the way for tremendous growth potential for investors. While large cap companies are extensively researched, small cap stocks are under researched and under owned. Small cap stocks often present relatively attractive opportunity in terms of performance from a long-term perspective.

## Why HSBC Small Cap Fund?

- HSBC Small Cap Fund invests in smaller size businesses in their early stage of development
- Small cap stocks aim to have a potential for growth in the long run.
- These businesses may have better revenue and profit growth potential as compared to broader market.
- The fund seek an exposure in small cap segment stocks for alpha generating opportunities in long run
- Follows bottom-up stock selection using our proven investment approach
- At least 65% exposure to small cap companies that comprises of companies from 251st onwards in terms of full market capitalization
- Aims to invest in undervalued, under-owned, and under researched segments that may deliver in long run

## Investment Objective

To generate long term capital growth from an actively managed portfolio of equity and equity related securities of predominantly small cap companies. However, it could move a portion of its assets towards fixed income securities if the fund manager becomes negative on the Indian equity markets. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.



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HSBC Small Cap Fund (HSCF) | Product Note  
[June 2024]

Fund Manager - Venugopal Manghat Effective 17 Dec 2019. Total Schemes Managed - 7  
Fund Manager - Cheenu Gupta Effective 01 Oct 2023. Total Schemes Managed - 12  
Fund Manager - Sonal Gupta Effective 05 Jul 2021. Total Schemes Managed - 19

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 %	12-May-14
HSBC Small Cap Fund-Regular Plan~~	14854	48.38	21755	29.54	31245	25.56	72186	21.71	
Scheme Benchmark (NIFTY Small Cap 250 TRI)	15864	58.44	20016	26.00	30263	24.76	58935	19.28	
Additional Benchmark (Nifty 50 TRI)	12302	22.95	14991	14.44	20072	14.93	36400	13.70	

**Past performance may or may not be sustained in the future and is not indicative of future results.** The performance details provided herein are of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of May 2024 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 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.

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. ~ Face value Rs 10

SIP Performance - HSBC Small Cap Fund – Regular Plan					Inception Date: 12-May-14
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1200000	
Market Value as on May 31, 2024 (₹)	1,44,234	5,60,059	13,87,770	37,97,024	
Scheme Returns (%)	39.48	30.93	34.32	21.81	
NIFTY Small Cap 250 TRI - Scheme Benchmark (₹)	1,47,170	5,63,846	13,63,572	34,16,312	
NIFTY Small Cap 250 TRI - Scheme Benchmark Returns (%)	44.51	31.44	33.57	19.85	
Nifty 50 TRI - Additional Benchmark (₹)	1,33,074	4,55,494	9,42,963	25,85,093	
Nifty 50 TRI - Additional Benchmark Returns (%)	20.82	15.90	18.14	14.68	

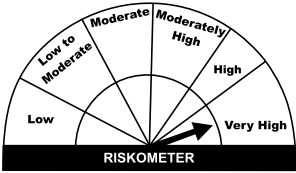
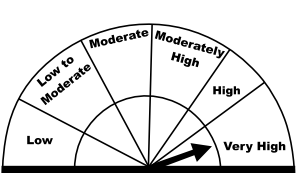
**Past performance may or may not be sustained in the future and is not indicative of future results.** For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus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

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

Source: HSBC Mutual Fund, data as on 31 May 2024

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

## Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter
<p><b>HSBC Small Cap Fund</b> An open ended equity scheme predominantly investing in small cap stocks</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</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</li> </ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at Very High risk</p>	<p>Benchmark : NIFTY Small Cap 250 TRI</p>  <p><b>RISKOMETER</b></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 May 2024, Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme

**Past performance may or may not be sustained in the future and is not indicative of future results.** Source: HSBC Mutual Fund, data as on 31 May 2024

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