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## HSBC India Export Opportunities Fund

(An open ended equity scheme following export theme)

## Fund Insights

### HSBC India Export Opportunities Fund

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date*	AUM <sup>&amp;</sup>
Equity	Abhishek Gupta, Siddharth Vora and Mayank Chaturvedi <sup>#</sup>	Nifty 500 TRI	25 Sep 2024	Rs. 1,414.16 Cr

It's been more than 15 months since the time we came out with NFO for HSBC India Export Opportunities Fund. Post our last update in August 2025, we outline our thoughts on the fund, current positioning and performance against benchmark index despite geopolitical headwinds.

- 1) **What we envisioned at the time of inception of the scheme for Export portfolio construction ethos:**
  - a. **NO Cash Calls:** today fund is 99% deployed in active equity, in sync with our view to keep cash levels below 5% in normal course of operations.
  - b. **Diversity Across Sectors:** We had envisaged a diversified sectoral allocation with exposure to 8-12 sectors. We have maintained exposure across sectors (ranging between 8-12) with 4 sectors currently above double-digit exposure. We have exposure across 10+ sectors including Technology, Pharmaceuticals, Consumer goods/services/FMCG, Automobiles/ancillary, Capital Goods/Industrial manufacturing, Chemicals, Telecommunication, Metals/material, Textiles & Financials.
  - c. **Well balanced portfolio across Market cap:** We had suggested we might keep judicious blend of Large & SMID (Small and Mid Caps) bucket with each bucket exposure ranging between 40%-60%. Currently we have ~53% exposure in Large cap & 47% in SMID bucket (equity exposure).
  - d. **Revenue mix well diversified between domestic/ international exposure:** Currently fund has ~54% revenue exposure towards exports/outside India which also at the time of fund inception we had suggested might range between 45-55%.

- e. **Fund may constitute of 45-55 individual names on average:** currently we have deployed money in 48 names.

2) From portfolio perspective few data points worth enumerating are:

International Revenue mix	Portfolio	Technology	Pharmaceuticals	Portfolio (Ex Tech & Pharma)
Exports Revenue	54.0%	18.0%	8.5%	27.5%
US revenue	22.5%	12.0%	2.3%	8.3%

- a. Currently **54% of revenue is earned from international geography** which also means as corollary **46% earned from Domestic Geography.**
- b. Portfolio total exposure to US in terms of revenue is ~23%. This clearly highlights that portfolio is well diversified across Geographies and reliance on one single export destination is minimal.
- c. As per current tariff provisions, Electronic manufacturing (EMS), Pharmaceuticals, Technology (services not under purview) & Metals are either not part of direct import tariff or under separate investigation.
- d. Our base case assumption is Technology & Pharmaceuticals may have bare minimum impact of US import tariff due to either lack of alternative or not under gamut of Import tariff evaluation (services). Portfolio has ~27% international revenue exposure from these 2 sectors out of 54% overall export revenues i.e. **similar to 50% of export revenue at portfolio level.**
- e. Even from US geography exposure perspective, fund has 22.5% total revenue exposure to US of which Technology + Pharmaceutical is 14.3% (~64% of US exposure). **As per our understanding these 2 sectors may have minimal impact of Tariff embargo.**

3) Fund performance since inception 25 September 2024 till 31 December 2025

- a) Fund has posted 2.12% returns since inception against benchmark index return of -0.74% **outperformed the benchmark by 286bps.**
- b) More than 30% of benchmark (Nifty 500 TRI) is constituted by Financial / Banking sector. As per construct of portfolio it must own atleast 80% portfolio which has revenue exposure of 20%+ to international geography. **Financial as a sector has outperformed all other major sectors and delivered about 13% outperformance v/s benchmark. This itself would have been drag of about 3 percentage point on performance by sheer construct of it.**
- c) Further, the fund has lower percentage of Large caps (53% of fund) vs benchmark index (70%). Large caps outperformed small caps by ~10ppt since inception of the fund. **This would have resulted in underperformance of another ~2ppt during this period.**
- d) Fund's **outperformance has been driven by stock selection effect** with allocation offsetting the **negative** effect (as enumerated in point b and c above). Our superior stock selection was broad-based across sectors with small cap IT, Power T&D, Industrial manufacturing, Textiles and FMCG companies that have done well.
- e) Despite higher exposure to Global trade related sectors (by construct of fund) where uncertainty was at peak during past 12M and market cap composition also playing a headwind due to higher SMID, **fund has not only outperformed NAV relative to Benchmark but has also done well since inception time i.e. September 25, 2024.**

4) **Key changes in fund positioning**

- a) We have been relatively steady in our sector allocations from fund positioning perspective and have not made sweeping changes amid this volatility.
  - b) We have marginally decreased our overall exposure to IT and healthcare during the past year, though we continued to remain overweight on the sector.
  - c) We have also increased allocation to Auto and auto components sector with weight reduction in some Capital Goods companies.
  - d) Fund has well diversified across 12 sectors and exports as a theme is well represented with geographical diversity at the helm.
- 5) We have heard a lot of rhetoric around US trade policy and its attitude towards its trading partner post change of US president. **World has seen one of the most volatile and uncertain time both at geopolitical and supply chain level.** We felt towards the end of 2025 that geopolitical concerns were abating, however, 2026 has started off with heightened volatility again. If the past year of US president's term has shown us something, it is that he might continue with his "Shock & AWE" philosophy of negotiation whereby he tries to extract most when he sits on the negotiating table.
- 6) An impending India-US Bilateral Trade Agreement will provide a silver lining to the current high tariffs being faced by India. While there are various news reports appearing every now and then on the deal being close to finalization, however, looking at the past 3-4 months putting a timeline on this now looks unwise. However, concerns on US trade deal has resulted in one good news. We have been able to renew and refresh our trade agreements with other countries and have/ are in the process of signing Bilateral/ Free Trade Agreements with some of these countries. **As we move from a bipolar world to a multipolar world, some of these agreements may increasingly start assuming significance.**
- 7) From an Indian economy perspective, no US-India trade deal has less economic impact and even lower impact from equity markets perspective, however, from employability perspective some of these impacted sectors are important. **The Indian government has taken adequate recourse and corrective measures to ensure labor intensive sector don't see job losses and uncertainty.**
- 8) Fund positioning perspective, we are aligned to capture the benefits of the phased global recovery on back of expansionary fiscal policies and structural opportunities arising from low cost of manpower + diversification driven by China+1/ Europe+1 supply chains. On the domestic front, strong GDP growth, fiscal consolidation, strong forex reserves, bottoming of earnings downgrade cycle, valuations correcting from peak, should augur well for equity returns in 2026.

Fund Manager - Abhishek Gupta Effective 25 Sep 2024. Total Schemes Managed – 4; Fund Manager - Siddharth Vora Effective 01 Oct 2024. Total Schemes Managed – 1; Fund Manager - Mayank Chaturvedi Effective 01 Oct 2025. Total Schemes Managed - 20

Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		Since Inception		
	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC India Export Opportunities Fund-Regular Plan	10086	0.86	10090	0.71	25-Sep-24
Scheme Benchmark (Nifty 500 TRI)	10776	7.76	9907	-0.74	
Additional Benchmark (Nifty 50 TRI)	11188	11.88	10189	1.49	
HSBC India Export Opportunities Fund-Direct Plan	10226	2.26	10270	2.12	25-Sep-24
Scheme Benchmark (Nifty 500 TRI)	10776	7.76	9907	-0.74	
Additional Benchmark (Nifty 50 TRI)	11188	11.88	10189	1.49	

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 December 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 are provided from the date of allotment of units. ~ ~ Face value Rs 10

SIP Performance - HSBC India Export Opportunities Fund– Regular Plan*			Inception Date: 25-Sep-24
Scheme Name & Benchmarks	1 Year	Since Inception	
Total amount invested (₹)	120000	150000	
Market Value as on December 31, 2025 (₹)	1,28,216	1,58,685	
Scheme Returns (%)	12.94	8.78	
Nifty 500 TRI - Scheme Benchmark (₹)	1,28,629	1,59,849	
Nifty 500 TRI - Scheme Benchmark Returns (%)	13.60	9.96	
Nifty 50 TRI - Additional Benchmark (₹)	1,29,510	1,61,708	
Nifty 50 TRI - Additional Benchmark Returns (%)	15.02	11.85	

SIP Performance - HSBC India Export Opportunities Fund– Direct Plan*			Inception Date: 25-Sep-24
Scheme Name & Benchmarks	1 Year	Since Inception	
Total amount invested (₹)	120000	150000	
Market Value as on December 31, 2025 (₹)	1,29,177	1,60,140	
Scheme Returns (%)	14.48	10.26	
Nifty 500 TRI - Scheme Benchmark (₹)	1,28,629	1,59,849	
Nifty 500 TRI - Scheme Benchmark Returns (%)	13.60	9.96	
Nifty 50 TRI - Additional Benchmark (₹)	1,29,510	1,61,708	
Nifty 50 TRI - Additional Benchmark Returns (%)	15.02	11.85	

Source – HSBC Mutual Fund, Data as of 31 December 2025. Past performance may or may not be sustained in future and is not a guarantee of any future returns. **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 December 2025. [Click here](#) to check other funds performance managed by the Fund Manager.

\* Since inception - 25 Sep 24, Source – HSBC Mutual Fund, Bloomberg, Data as of 31 Dec 2025. \* Since inception - 25 Sep 24, Note - SMID – Small & Mid Caps, BTA – Bilateral Trade Agreement.





<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>4</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).

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

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<b>HSBC India Export Opportunities Fund</b> (An open ended equity scheme following export theme)  <b>This product is suitable for investors who are seeking*:</b> <ul style="list-style-type: none"> <li>To create wealth over long term.</li> <li>Investment predominantly in equity and equity related securities of companies engaged in or expected to benefit from export of goods or Services.</li> </ul>	 <p>The risk of the scheme is Very High Risk</p>	As per AMFI Tier I Benchmark i.e. <b>Benchmark : Nifty 500 TRI</b>   <p>The risk of the benchmark is 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 Dec 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

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

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