

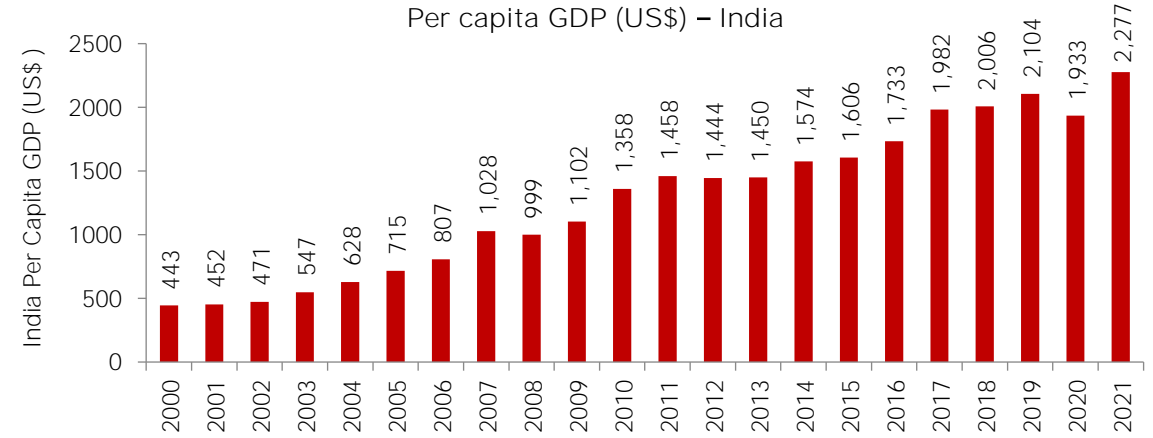
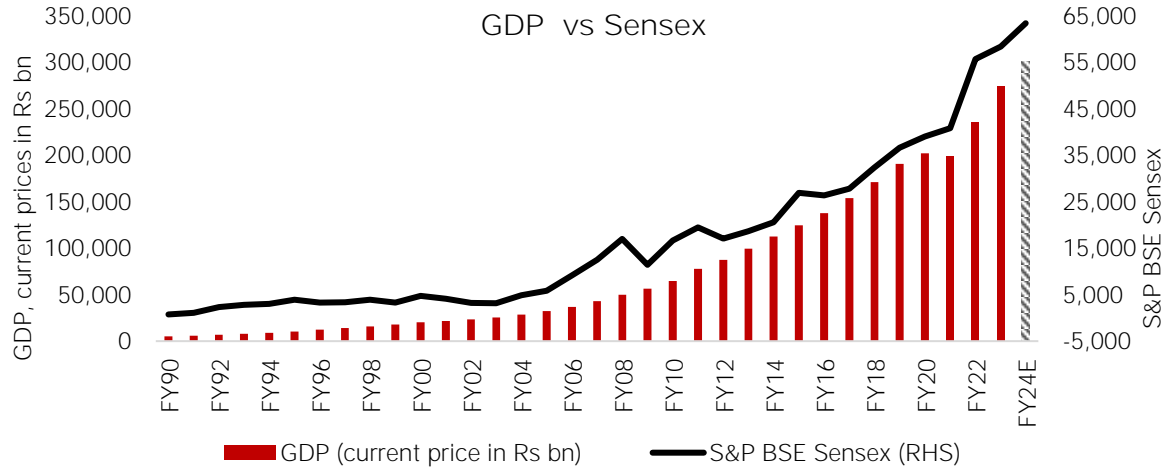
Life needs balance so do your investments

HSBC Aggressive Hybrid Fund

Aggressive Hybrid fund – An open ended hybrid scheme investing predominantly in equity and equity related instruments.

Product Deck

Long term outlook for Indian equities continue to grow stronger



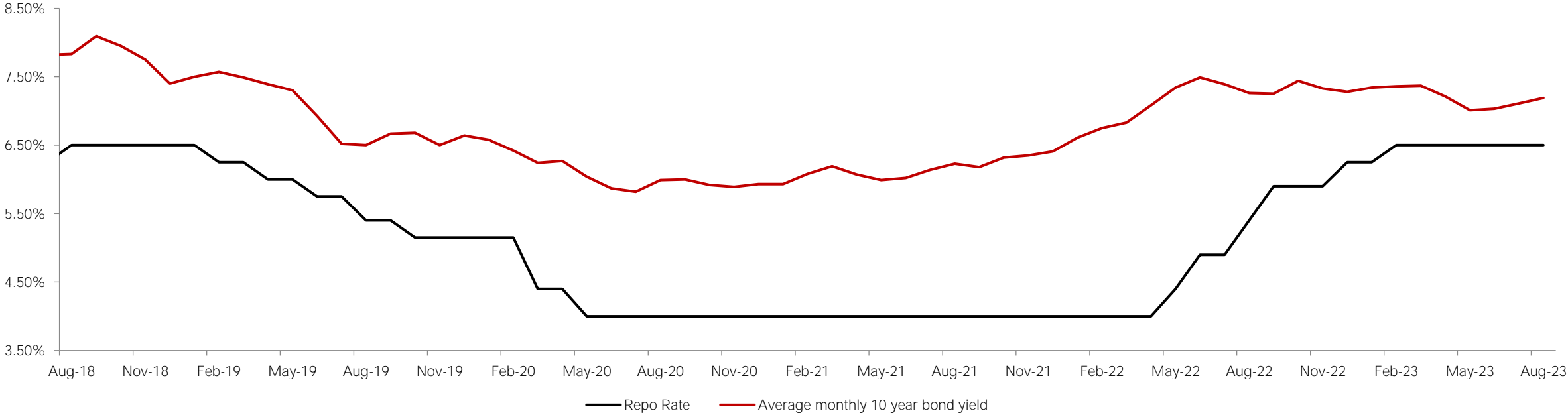
- India’s GDP per capita has grown at a reasonably good rate in the past and expected to show an improving trend
- With rising per capita income, consumption is likely to grow significantly in emerging new sectors and new-age themes
- GST collections continue to average at ~Rs.1.5 Lakh Cr in FY22-23
- India’s earning momentum continues to be strong
- Cyclical revival is likely to bring multi-year earnings visibility
- Make in India, PLI and other GOI reforms are expected to show a positive impact on equity markets over the long term

India’s rising per capita expected to accelerate equity performance

Source: CRISIL, Bloomberg, World Bank, Data as on 31 Aug 2023

Note - Views provided above based on information available in public domain. Investor should not consider the same as investment advice. Please consult your financial advisor for any investment decision applicable to your investment, Past performance may or may not be sustained in the future

Healthy risk-reward for Fixed Income investing

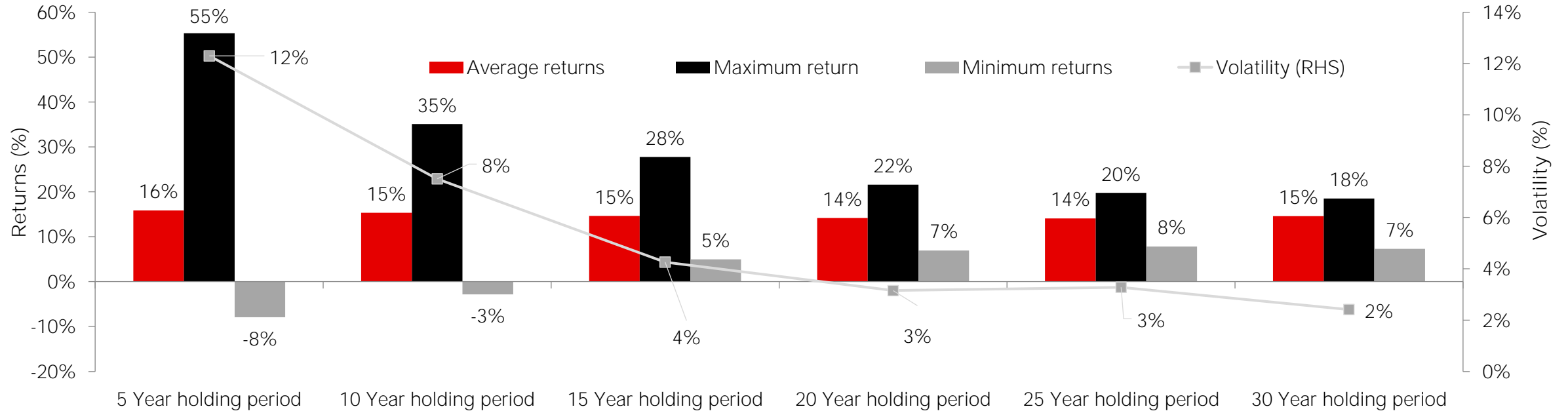


- At the peak of the rate hiking cycle the risk–reward has turned in favor of careful deployment into certain areas of fixed income markets which may offer the best risk adjusted returns
- Opportunity to add duration and provide a good entry point into longer duration bond funds

Current market may offers opportunity to Fixed Income investors

Source: CRISIL, Bloomberg, RBI, Data as at August 2023. Past performance may or may not be sustained in the future
 The above chart is for illustrative purpose only. Investors should not consider the same as investment advice.

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



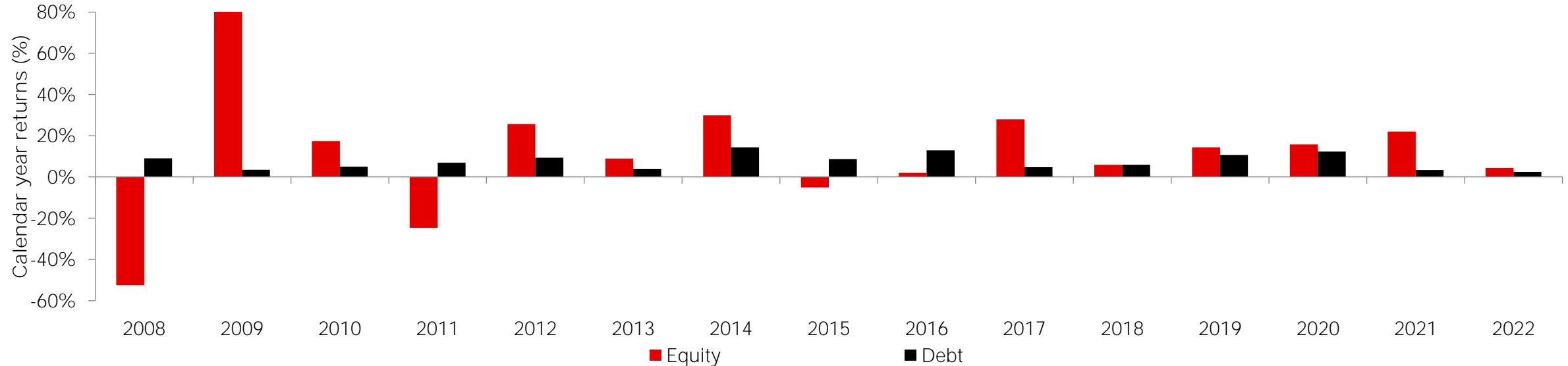
- ◆ Equity is exposed to volatility in the short term
- ◆ But the percentage of positive returns increases as the investment horizon increases
- ◆ Volatility decreases with an increase in the investment horizon
- ◆ Low but potential of steady performance from fixed income (debt) investments

Combined power of Equity and Debt assets has potential to generate reliable performance

Source: BSE, CRISIL Research, Data as of December 31, 2022, Average annualised returns on a daily rolling basis since inception (1979) of S&P BSE Sensex across various holding periods
Volatility is represented by Standard Deviation of S&P Sensex, Past performance may or may not be sustained in the future

Why asset allocation: Different seasons have different gainers

Keep gainers on your side



Gainers change hands as market cycle changes

- Asset classes (equity and debt) perform differently under different market situations
- Dependency on a single asset class is not advisable as diversification may help minimise risk and improve performance in changing market cycles
- As evident in the chart above, Equity index (S&P BSE Sensex) corrected while debt (Crisil Composite Bond Fund Index) rose in 2008
- In 2017, the S&P BSE Sensex surged while the Debt index (CRISIL composite bond fund index) rose marginally
- In 2020, the S&P BSE Sensex has outperformed Debt index

Diversification helps minimise losses and get the best of both asset classes

Equity represented by S&P BSE Sensex, Debt by CRISIL Composite Bond Fund Index, and Gold by IBJA spot gold prices (PM) (per 10 gram), Calendar Year Absolute Returns
Source: BSE, CRISIL Research, Data as at December 2022, Past performance may or may not be sustained in the future
Investors should not consider above as investment advice.

Optimum asset allocation best suited for long-term investors

Period	Portfolio A returns (equity 100%)	Portfolio B returns (equity 70% and debt 30%)
Sub-prime crisis (Jan 2008-Mar 2009)	-44%	-35%
Sharp bounce back post sub-prime crisis (Apr 2009-Dec 2010)	54%	38%
European crisis (Jan 2011-June 2013)	-1%	1%
Post European crisis (Jul 2013-Feb 2015)	29%	25%
Chinese slowdown (Mar 2015-Feb 2016)	-21%	-12%
Global liquidity and domestic reforms (Mar 2016-Dec 2017)	24%	22%
CORONA Virus crisis and global lockdowns (Jan-2020 – Mar-2020)	-37.9%	-26.3%

- Benefits of diversification can be seen, particularly in the market downtrend with appropriate allocation between equity and debt
- During bear phases, Portfolio B having both Equity and Debt assets has performed well as compared to Portfolio A (only Equity)

Right allocation across asset classes may help to achieve better risk-adjusted returns

Source: BSE, CRISIL Research, Data as at December 2022, For illustration purpose only, Annualised returns on point to point basis is considered Past performance may or may not be sustained in the future
Portfolio Allocation A represented by S&P BSE Sensex TRI Index, Portfolio Allocation B represented by S&P BSE 200 TRI Index (70% weightage) and CRISIL Composite Bond Fund Index (30% weightage)

Bringing performance consistency with Multi Caps within equity

Keep winners on your side

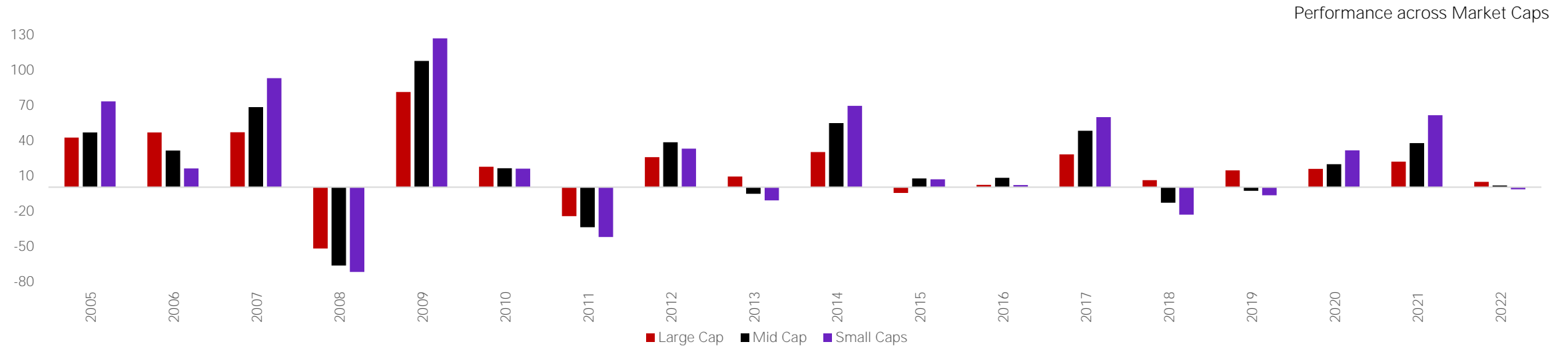


Chart representation - Large cap – S&PBSE Sensex, Mid Cap – S&P BSE Midcap, Small Cap – S&P BSE Small Cap index. Past performance may or may not be sustained in the future.

- It can be seen historically, leaders may change based on favourable or unfavorable market cycle
- **Large Cap** stocks have outperformed / fallen less in 2006, 2008, 2010, 2011, 2013, 2018, 2019 and 2022
- **Mid Cap** stocks have outperformed in 2012, 2015 & 2016
- **Small Cap** stocks were the best performers in the year 2005, 2007, 2009, 2014, 2017, 2020 and 2021

Multi Cap strategy has potential to perform in the different market cycles

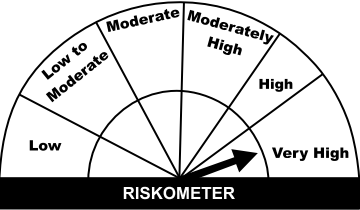

Note - Large-caps are represented by the top 100 stocks on full market capitalisation basis & Mid caps are represented by the next 150 stocks based on full market capitalisation and Small Cap stocks beyond 250th stock based on full market capitalisation basis.

Source: MFI ICRA, Data as on 31 Dec 2022

HSBC Aggressive Hybrid Fund

Aggressive Hybrid fund – An open ended hybrid scheme investing predominantly in equity and equity related instruments.

Product label of the scheme

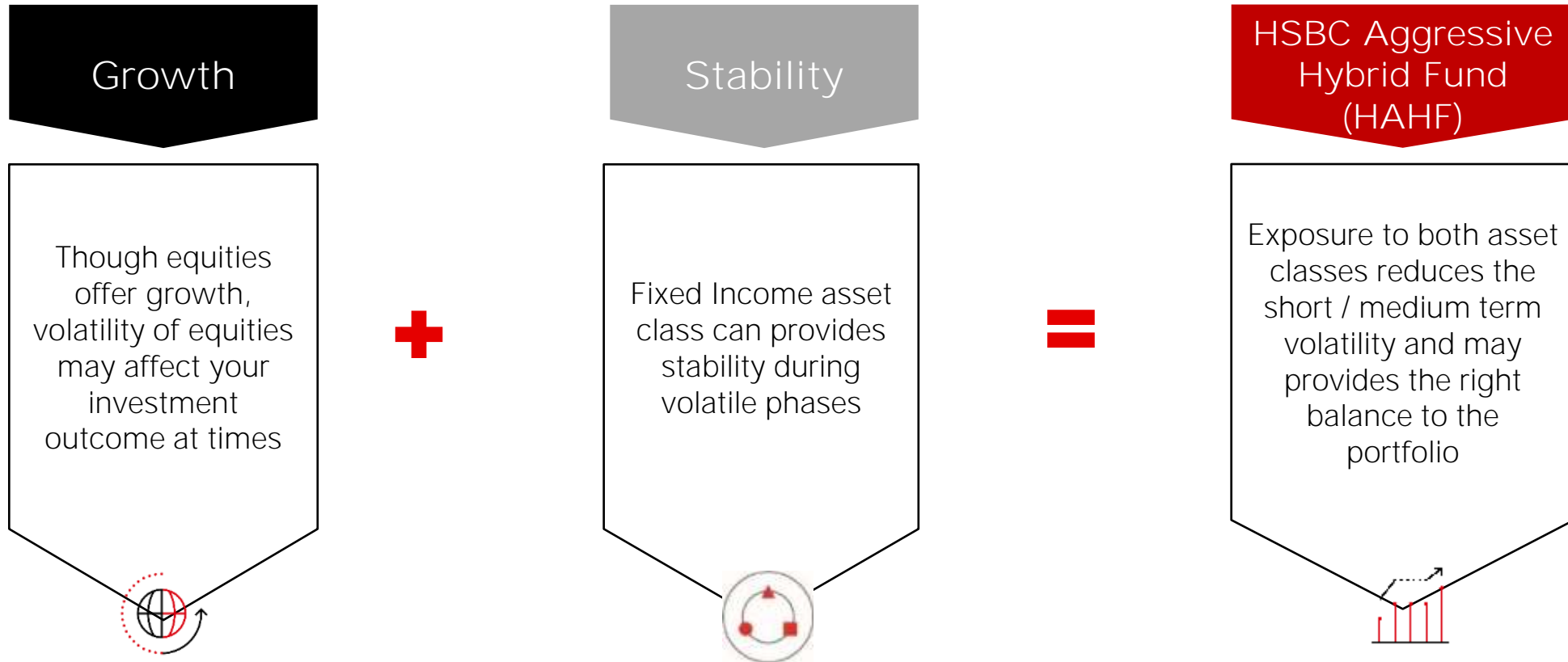
HSBC Aggressive Hybrid Fund (Erstwhile L&T Hybrid Equity Fund)		
<p>*Riskometer of the Scheme</p>  <p>Investors understand that their principal will be at Very High risk</p>	<p>Aggressive Hybrid Fund - An open ended hybrid scheme investing predominantly in equity and equity related instruments..</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term wealth creation and income • Investment in equity and equity related securities and fixed income instruments. <p>Benchmark : Nifty 50 Hybrid composite Debt 65:35 Index</p>	<p>Riskometer of the Benchmark</p> 

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

Note on Risk-o-meters: Please note that the above risk-o-meter is as per the product labelling of the scheme available as on the date of this communication/ disclosure. 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. Riskometer as on August 31, 2023

Power of two complementary asset classes

HSBC Aggressive Hybrid Fund

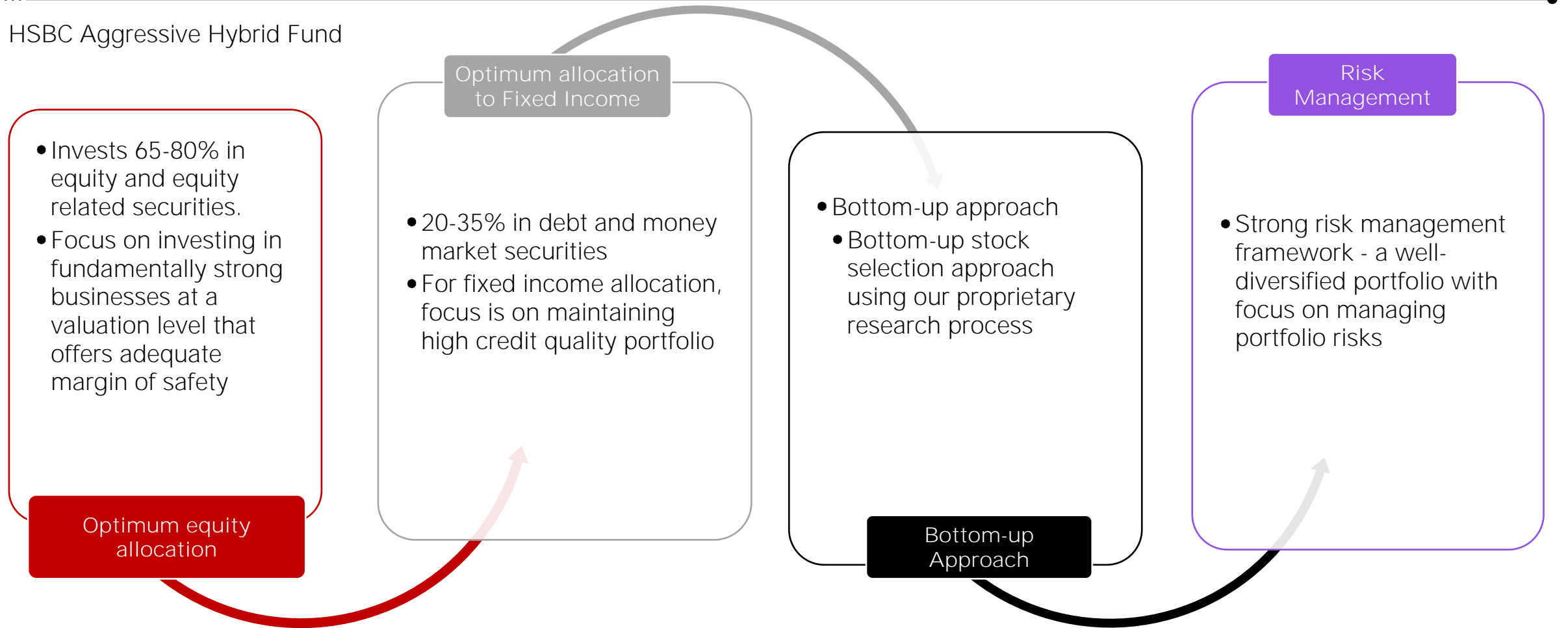


Fixed Income complements equity and provides strength to the portfolio

Source – HSBC Mutual Fund, For illustration purpose only. Past performance may or may not be sustained in the future

The fund philosophy

HSBC Aggressive Hybrid Fund



Focus on investing in fundamentally strong businesses at a valuation level that offers adequate safety margin

Source: HSBC Mutual Fund

The fund strategy

HSBC Aggressive Hybrid Fund

- The fund has been aligned with a growth-oriented focus.
- Focus on long term compounders - Focus on companies doing right things consistently – find good companies which are investing for long term and can be winners in long term

Buy

- Focus on higher alpha generation through higher active share
- New ideas are evaluated based on macro, sector and company specific parameters

Sell

- Higher sell discipline
- If the underlying investment thesis for which the stock was bought has changed, the stock is reviewed and accordingly acted on.

Risk Management

Adding more liquidity to the portfolio by reducing weights in less liquid stocks

Higher sector overweight but reduced concentration through more number of stocks in a sector

Types of companies we have included in portfolio:

Good corporate governance

Differentiated business models with higher and / or longer growth trajectory

Efficient in execution

Benefitting from tailwinds - cyclical / regulatory

Better return profile – RoCE / RoE

- Within Fixed income allocation focus is on maintaining high credit quality portfolio
- With rates close to peak, the risk–reward has turned in favor of careful deployment into certain areas of fixed income markets and the fund may aim to capture such opportunities as and when arise

Focus on bottom up stock picking and strong franchises

Portfolio positioning

HSBC Aggressive Hybrid fund (HAHF)

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Aggressive Hybrid Fund	Cheenu Gupta and Shriram Ramanathan and Sonal Gupta#	Nifty 50 Hybrid Composite Debt 65:35 Index	7 Feb 2011	Rs. 4913.74 Cr

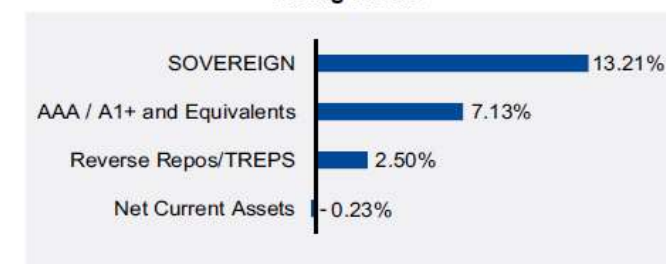
Portfolio	% of net assets
HDFC Bank Limited	5.34%
Larsen & Toubro Limited	4.15%
ICICI Bank Limited	4.00%
Cholamandalam Investment & Fin Co Ltd	2.40%
Reliance Industries Limited	2.34%
CG Power and Industrial Solutions Limited	2.14%
Sun Pharmaceutical Industries Limited	2.14%
KPIT Technologies Limited	2.05%
Zensar Technolgies Limited	2.05%
IndusInd Bank Limited	1.86%

Sector - Allocation	% of net assets
Banks	14.78%
Government Securities	13.21%
IT - Software	8.84%
Finance	7.16%
Electrical Equipment	6.41%
Auto Components	5.02%
Construction	4.15%
Consumer Durables	3.33%
Leisure Services	2.94%
Pharmaceuticals & Biotechnology	2.91%

Portfolio Classification By Market Segment Class (%)



Rating Profile



Source: HSBC Mutual Fund, Data as on 31 August '23. Note - Large-caps are represented by the top 100 stocks on full market capitalisation basis & Mid caps are represented by the next 150 stocks based on full market capitalisation and Small Cap stocks beyond 250th stock based on full market capitalisation basis. Stock specific information provided above is based on Portfolio available as on August 31, 2023. Investor should not consider the same as investment advice.
 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. #Sonal Gupta shall be 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 future.

Summary: Advantage aggressive hybrid fund strategy

HSBC Aggressive Hybrid 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

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

Source – HSBC Mutual Fund, Past performance may or may not be sustained future

Annexure

Equity Investment Process

HSBC Mutual Fund

Stocks Coverage

450+ companies* covered across sectors & market caps

Large Cap
Stocks
coverage -
95%*

Mid Cap
Stocks
coverage -
95%*

Small Cap
Stocks
coverage –
75%*

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

*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, % of stock coverage vs select universe of stocks. Source: HSBC Mutual Fund

Stocks Coverage

450+ companies* covered across sectors & market caps

GICS classification - Sectors	Stocks in Coverage	Stocks in NIFTY 500 Index	% of Coverage
Financials	70	84	83%
Information Technology	28	34	82%
Materials	73	87	84%
Consumer Discretionary	72	79	91%
Energy	11	11	100%
Consumer Staples	26	33	79%
Industrials	71	79	90%
Health Care	48	49	98%
Utilities	14	17	82%
Communication Services	13	17	76%
Real Estate	11	11	100%
Total	437*	501	87%

Source: HSBC Mutual Fund; *437 companies from NIFTY 500 Index; remaining outside NIFTY 500 Index
 Note - Sector specific information provided above should not be considered as investment advice. Past performance may or may not be sustained in future.

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

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 and
 - Undervalued relative to their intrinsic worth

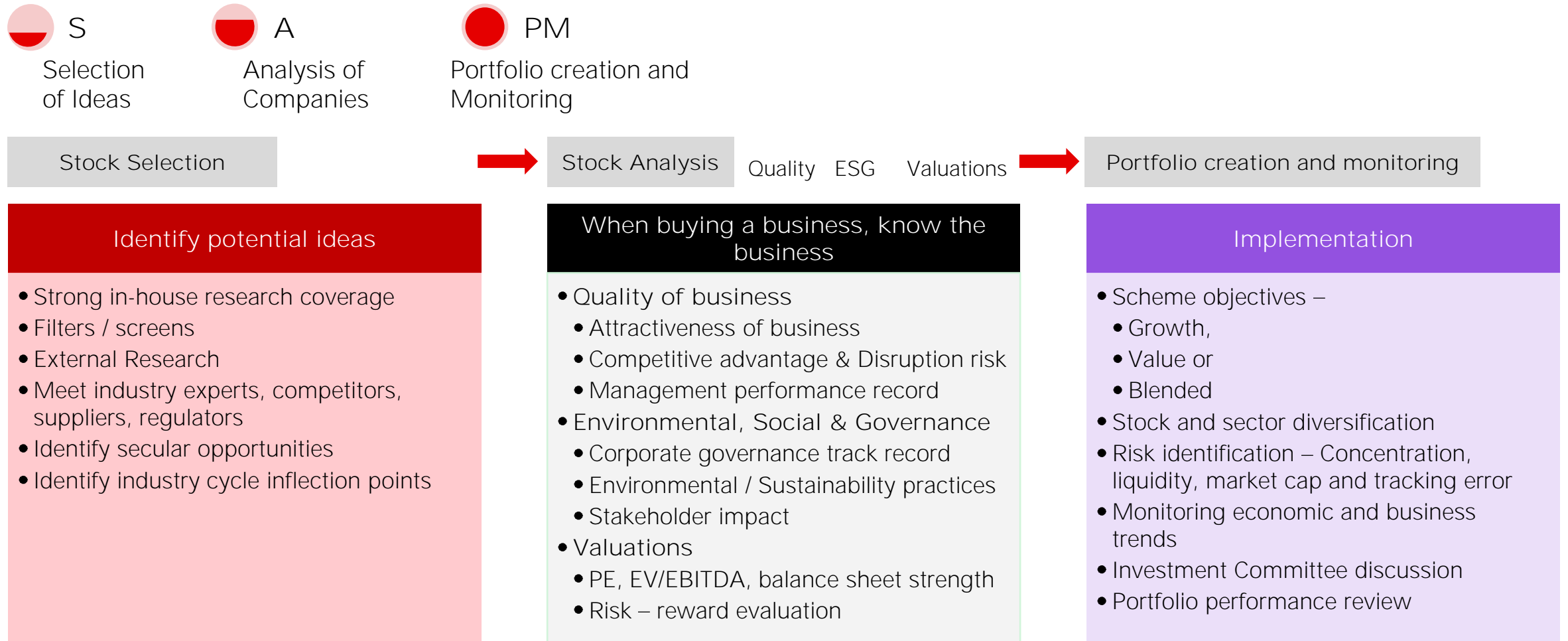
Robust risk management

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

Source: HSBC Mutual Fund

Equity - Investment Process

Power of SAPM - Equity investment process comprises three stages



Fund Managers Profile



Cheenu Gupta: SVP & Fund Manager Equites, HSBC Mutual Fund

At HSBC Asset Management, Cheenu is an SVP- Investments and an Equity Fund Manager. Cheenu was part of the erstwhile L&T Mutual fund team. Prior to L&T Mutual fund, she was at Canara Robeco AMC. She has an overall experience of more than 17 years in the industry. All the funds managed by her in previous companies have been in top quartile for their performance over 3 years and rated 5-star at Value Research and Morning Star. Several of the funds managed by her have been recognized for their performance and have received awards at various platforms. Cheenu was also ranked and profiled as one of India's Best fund Managers (top 10) by Outlook Business Magazine in March 2021. By qualification, Cheenu is a CFA charter holder (USA), MBA and an Engineer. She completed her PGDBM from S.P. Jain, Mumbai, where she was a gold medalist in her Finance specialization.



Shriram Ramanathan: CIO, Fixed Income

Mr. Shriram Ramanathan as CIO – Fixed Income oversees the management of more than INR45,000cr in assets across various fixed income and hybrid funds. He has over 22 years of experience in fixed income markets. Prior to joining HSBC Asset Management, he was Head of Fixed Income at L&T Investment Management Limited. Prior to that, he was Portfolio Manager at Fidelity (FIL) Fund Management. In his previous roles, Shriram was managing the Global Emerging Market Debt (Asia) at ING Investment Management Asia Pacific in Hong Kong for about 5 years. His earlier assignments were with Zurich Asset Management Company in fixed income research and with the Treasury department of ICICI Ltd, where he started his career in investments in 2000. Mr. Ramanathan is a Chartered Financial Analyst and holds a Post Graduate Diploma in Business Management from XLRI Jamshedpur and an Engineering degree from the University of Mumbai.



Sonal Gupta*: Fund Manager, Head Research - Equities

Sonal has over 16 years of experience. He is Head Research Equities at HSBC Asset Management. His prior Assignments includes, L&T Investment Management Limited as Head of Research – Equity from June 2021 to November 25, 2022 and UBS Securities India Pvt Ltd as Lead Research Analyst from June 2006 to May 2021

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