

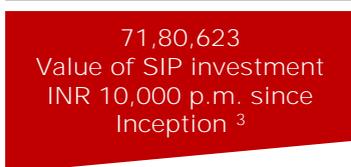
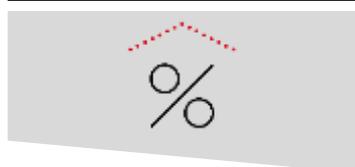
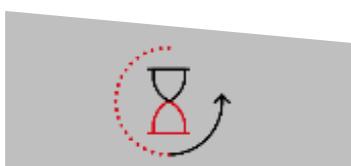
Product Note

HSBC Value Fund (HVAF)

An open ended equity scheme following a value investment strategy.

February 2024

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM ^{&}
Value Fund	Venugopal Manghat, Gautam Bhupal [@] and Sonal Gupta [#]	Nifty 500 TRI	8 Jan 2010	Rs. 11238.98 Cr



Portfolio	% to net assets
NTPC Limited	4.75%
ICICI Bank Limited	4.01%
Jindal Stainless Limited	3.79%
State Bank of India	3.29%
Indian Bank	2.73%
Reliance Industries Limited	2.53%
Canara Bank	2.48%
Sun Pharmaceutical Industries Limited	2.48%
Multi Commodity Exchange of India Limited	2.43%
Karur Vysya Bank Limited	2.32%

Risk Ratios ⁴	
Standard Deviation	14.10%
Beta	0.93

Sector - Allocation	% to net assets
Banks	20.06%
IT - Software	10.50%
Construction	6.66%
Industrial Products	5.83%
Realty	4.96%
Power	4.75%
Ferrous Metals	4.65%
Cement & Cement Products	4.12%
Automobiles	3.86%
Finance	3.76%

Risk Ratios ⁴	
Sharpe Ratio ⁵	1.44
R2	0.87

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)⁵ – Regular⁶: 1.75%, Direct: 0.78%

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 January 2024 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 5.2X to Rs. 5,25,920 from Rs.100,000 and delivered return of 12.52%. Please refer page no.3 for detailed performance of HSBC Value Fund.

³ During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 52,78,374

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

⁵ Risk free rate: 6.85% (FIMMDA-NSE Mibor)

⁶ TER Annualized TER including GST on Investment Management Fees

⁷ Continuing plans

[@] Managing since October 01, 2023. Please refer notice cum addendum dated September 29, 2023.

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

[&]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 January 2024. Past performance may or may not be sustained in the future and is not indicative of future results.

While volatility is a big fear for most investors, disciplined value investors don't equate volatility with risk. Such investors, instead, turn to buying stocks that are trading at a discount to their intrinsic value. Even the most successful global investors of all time advocate the value investing approach to unearth good businesses at good prices.

Why HSBC Value Fund?

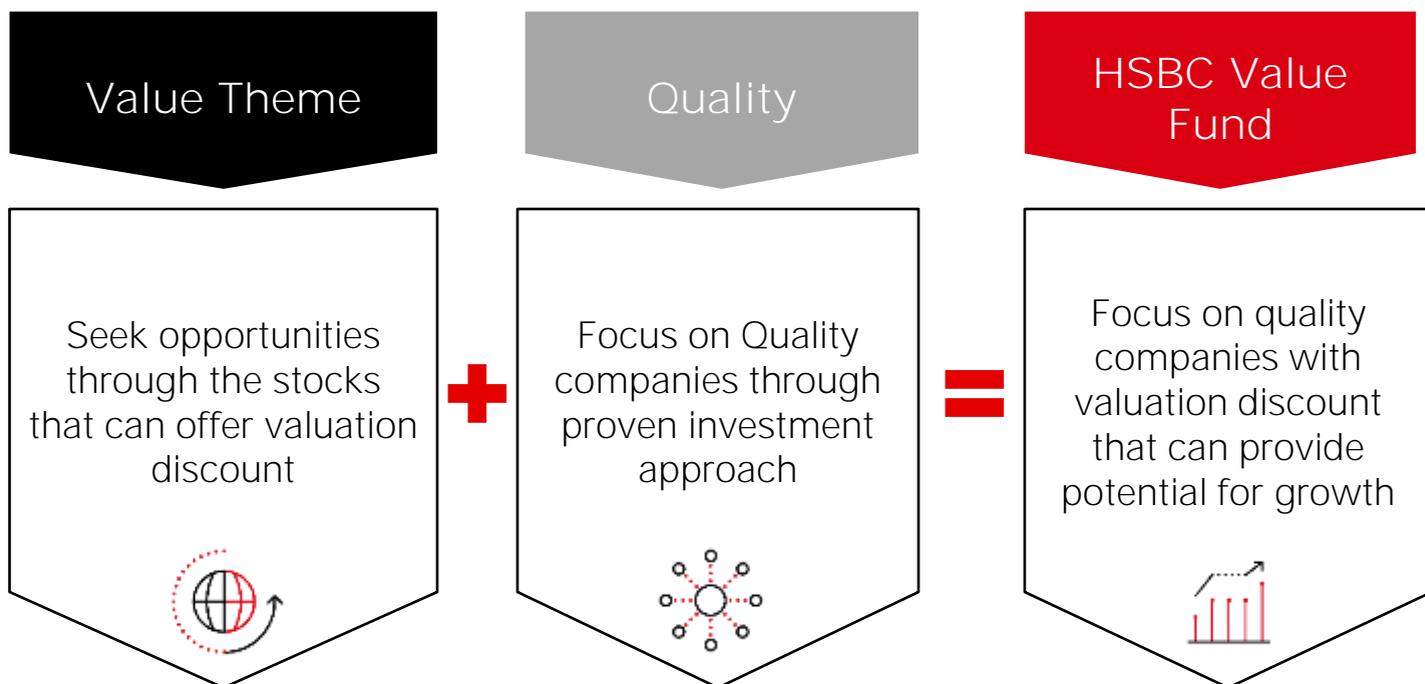
- To seek an exposure to value style companies
- Aim to identify undervalued stocks having the potential to deliver long term risk-adjusted returns
- Undervalued stocks would include stocks which the Fund Managers believe are trading at less than their assessed values
- Long term capital appreciation
- Aims to create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Approach

- Diversified equity fund with strong value bias that aims to deliver long term reasonable risk adjusted returns
- Focus on identifying valuation anomalies versus the economic potential of the business over the medium term
- Aims to minimize portfolio risk by investing in quality companies, monitoring corporate fundamentals closely
- The fund looks to invest in fundamentally strong companies that the fund manager believes are trading at less than their assessed values thus offering higher upside potential
- This approach not only helps in identifying undervalued stocks but also factor-in the risk elements while picking stocks

Investment Objective

The investment objective of the Scheme is 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. The Scheme could also additionally invest in Foreign Securities in international markets.



Fund Manager - Venugopal Manghat Effective 24 Nov 2012. Total Schemes Managed - 7
Fund Manager - Gautam Bhupal Effective 01 Oct 2023. Total Schemes Managed - 12
Fund Manager - Sonal Gupta Effective 05 Jul 2021. Total Schemes Managed - 15

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	14751	47.51	21766	29.53	26575	21.58	89424	16.85	08-Jan-10
Scheme Benchmark (Nifty 500 TRI)	13381	33.81	18085	21.79	23216	18.34	52592	12.52	
Additional Benchmark (Nifty 50 TRI)	12435	24.35	16510	18.15	21276	16.29	49054	11.97	

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 January 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.

SIP Performance HSBC Value Fund – Reg					Inception Date: 08-Jan-10
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1680000	
Market Value as on January 31, 2024 (₹)	1,56,115	5,53,302	11,88,602	71,80,623	
Scheme Returns (%)	59.90	29.98	27.72	18.89	
Nifty 500 TRI - Scheme Benchmark (₹)	1,46,215	4,88,320	10,27,778	52,78,374	
Nifty 500 TRI - Scheme Benchmark Returns (%)	42.69	20.82	21.66	15.07	
Nifty 50 TRI - Additional Benchmark (₹)	1,38,471	4,59,553	9,47,510	47,86,416	
Nifty 50 TRI - Additional Benchmark Returns (%)	29.62	16.50	18.32	13.84	

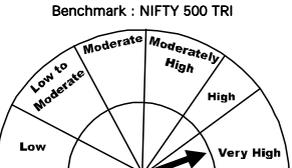
Past performance may or may not be sustained in the future and is not indicative of future results. For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. 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 January 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>HSBC Value Fund An open ended equity scheme following a value investment strategy.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term capital appreciation • Investment predominantly in equity and equity-related securities in Indian markets and foreign securities, with higher focus on undervalued securities. 	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Very High risk</p>	<p>Benchmark : NIFTY 500 TRI</p>  <p>RISKOMETER</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 January 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 January 2024

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