

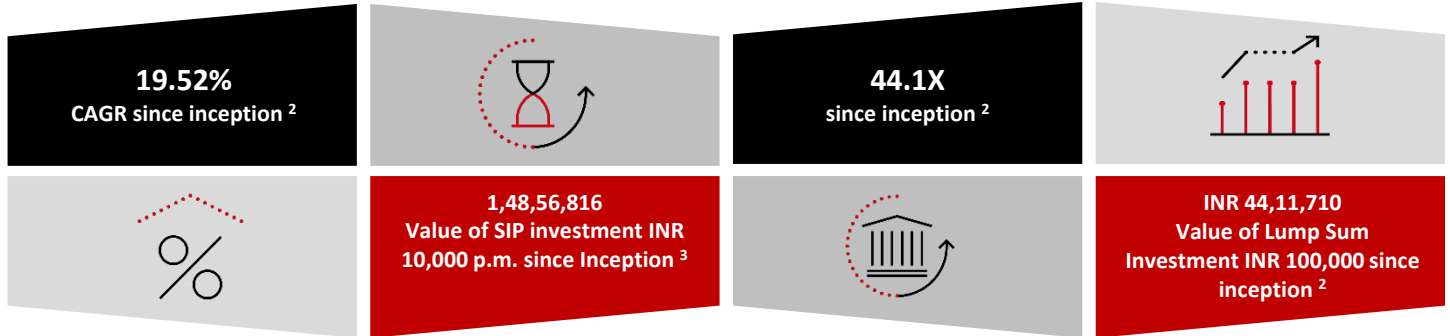
## Product Note

### HSBC Large Cap Fund (HLEF)

**Large Cap Fund** – An open ended equity scheme predominantly investing in large cap stocks.

March 2024

| Fund Category | Fund Manager                      | Benchmark <sup>1</sup> | Inception Date | AUM <sup>&amp;</sup> |
|---------------|-----------------------------------|------------------------|----------------|----------------------|
| Large Cap     | Neelotpal Sahai and Gautam Bhupal | Nifty 100 TRI          | 10 Dec 2002    | Rs. 1742.83 Cr       |



| Portfolio                             | % to net assets |
|---------------------------------------|-----------------|
| HDFC Bank Limited                     | 8.46%           |
| Reliance Industries Limited           | 7.96%           |
| ICICI Bank Limited                    | 7.24%           |
| Larsen & Toubro Limited               | 5.99%           |
| Infosys Limited                       | 4.80%           |
| DLF Limited                           | 4.14%           |
| Oil & Natural Gas Corporation Limited | 3.80%           |
| Axis Bank Limited                     | 3.39%           |
| Sun Pharmaceutical Industries Limited | 2.94%           |
| UltraTech Cement Limited              | 2.84%           |

| Sector - Allocation             | % to net assets |
|---------------------------------|-----------------|
| Banks                           | 20.78%          |
| IT - Software                   | 10.30%          |
| Petroleum Products              | 7.96%           |
| Pharmaceuticals & Biotechnology | 7.41%           |
| Realty                          | 6.52%           |
| Construction                    | 5.99%           |
| Finance                         | 4.84%           |
| Consumer Durables               | 3.99%           |
| Oil                             | 3.80%           |
| Automobiles                     | 3.10%           |

| Risk Ratios <sup>4</sup> |        |
|--------------------------|--------|
| Standard Deviation       | 13.04% |
| Beta                     | 0.92   |

| Risk Ratios <sup>4</sup>  |      |
|---------------------------|------|
| Sharpe Ratio <sup>5</sup> | 0.68 |
| R2                        | 0.93 |

**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>: 2.16%, Direct: 1.21%

<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 29 February 2024 of Growth option regular plan. During the same period, value of scheme benchmark (Nifty 100 TRI) is not available. Please refer page no. 3 for detailed performance of HSBC Large Cap Fund.

<sup>3</sup> During the same period, value of scheme benchmark (Nifty 100 TRI) is not available.

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

<sup>5</sup> Risk free rate: 6.80% (FIMMDA-NSE Mibor) Refer to the Fund's website, [www.assetmanagement.hsbc.co.in](http://www.assetmanagement.hsbc.co.in) for monthly portfolio disclosures.

<sup>7</sup> TER Annualized TER including GST on Investment Management Fees

<sup>8</sup> Continuing plans

<sup>9</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 29 February 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

## Why HSBC Large Cap Fund?

- To seek an exposure to true large cap companies which are relatively stable than mid and small cap companies
- A top down and bottom up approach will be used to invest in equity and equity related instruments
- True to label fund – The fund will stay true to its objective in keeping with the mandate reposed by the investor whilst investing in the fund
- Aim to create a corpus through generating inflation-adjusted returns to cater to long-term goals

## Fund Approach

- Prefer dominant and scalable businesses available at reasonable valuations.
- Profit pool consolidation with dominant players to continue and disruption to accelerate this shift.
- Stock selection focuses on earnings growth trajectory and within that, the emphasis lies on earnings surprises.
- Since valuations are in line with its historical averages, earnings visibility and relative earnings growth are the key criteria of stock selection.

## Key Portfolio themes:

- Our portfolio is a conviction portfolio which is positioned for stocks with earnings visibility in the near term and growth in medium to long term.
- Portfolio construction is through bottom-up stock selection and there is an emphasis on sustainable earnings growth, relative earnings and earnings surprises.
- The current set up of the market is that of moderating inflation, peaked interest rates, improving current account and balance of payment, and reviving growth. That means we are likely to witness improving macro data. However, we are not seeing its impact on corporate earnings that continues to have downward revision.
- Consensus earnings estimates of FY24 and FY25 look optimistic. The markets have been steady as the time-correction has led the valuations to be in line with historical averages. We have tamed our pro-cyclical bias and increased our exposure in the defensive sectors to de-risk our portfolio.

## Investment Objective

To generate long-term capital growth from an actively managed portfolio of equity and equity related securities of predominantly large cap companies. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

Fund Manager - Neelotpal Sahai Effective 27 May 2013. Total Schemes Managed - 10

Fund Manager - Gautam Bhupal Effective 01 Jun 2023. Total Schemes Managed - 12

| Lump Sum Investment Performance                   |             |           |             |           |             |           |                 | Inception Date |           |
|---|-------------|-----------|-------------|-----------|-------------|-----------|-----------------|----------------|-----------|
| Fund / Benchmark<br>(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 Large Cap Fund – Regular Plan <sup>9</sup>   | 13496       | 34.85     | 15595       | 15.92     | 21448       | 16.47     | 441171          | 19.52          | 10-Dec-02 |
| Scheme Benchmark (Nifty 100 TRI)                  | 13326       | 33.15     | 15884       | 16.63     | 21752       | 16.80     | NA              | NA             |           |
| Additional Benchmark (Nifty 50 TRI)               | 12849       | 28.40     | 15675       | 16.12     | 21603       | 16.64     | 274576          | 16.88          |           |

**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 February 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

<sup>9</sup>HSBC Large Cap Fund: The launch date of the Nifty 100 TRI is Jan 01, 2003 whereas the inception date of the scheme is Dec 10, 2002. The corresponding benchmark returns since inception of the scheme not available. (Methodology Document for Equity Indices (niftyindices.com))

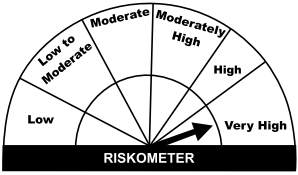
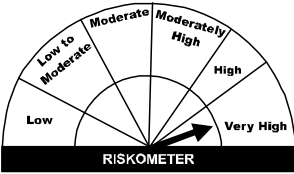
| SIP Performance - HSBC Large Cap Fund – Regular Plan |         |         |         |                 | Inception Date: 10-Dec-02 |
|--|---------|---------|---------|-----------------|---------------------------|
| Scheme Name & Benchmarks                             | 1 Year  | 3 Years | 5 Years | Since Inception |                           |
| Total amount invested (₹)                            | 120000  | 360000  | 600000  | 2540000         |                           |
| Market Value as on February 29, 2024 (₹)             | 143,343 | 473,424 | 949,778 | 14,856,816      |                           |
| Scheme Returns (%)                                   | 38.10   | 18.65   | 18.44   | 14.54           |                           |
| Nifty 100 TRI - Scheme Benchmark (₹)                 | 141,507 | 466,883 | 960,956 | NA              |                           |
| Nifty 100 TRI - Scheme Benchmark Returns (%)         | 34.97   | 17.66   | 18.92   | NA              |                           |
| Nifty 50 TRI - Additional Benchmark (₹)              | 137,809 | 459,781 | 948,702 | 14,601,327      |                           |
| Nifty 50 TRI - Additional Benchmark Returns (%)      | 28.74   | 16.58   | 18.40   | 14.41           |                           |

**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.

Source: HSBC Mutual Fund, data as on 29 February 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 Large Cap Fund</b></p> <p><b>Large Cap Fund</b> – An open ended equity scheme predominantly investing in large cap stocks.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• To create wealth over long term.</li> <li>• Investment in predominantly large cap equity and equity related securities.</li> </ul> |  <p>Investors understand that their principal will be at Very High risk</p> | <p>Benchmark : NIFTY 100 TRI Index</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 29 February 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 29 February 2024

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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 | Website: www.assetmanagement.hsbc.co/in

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