

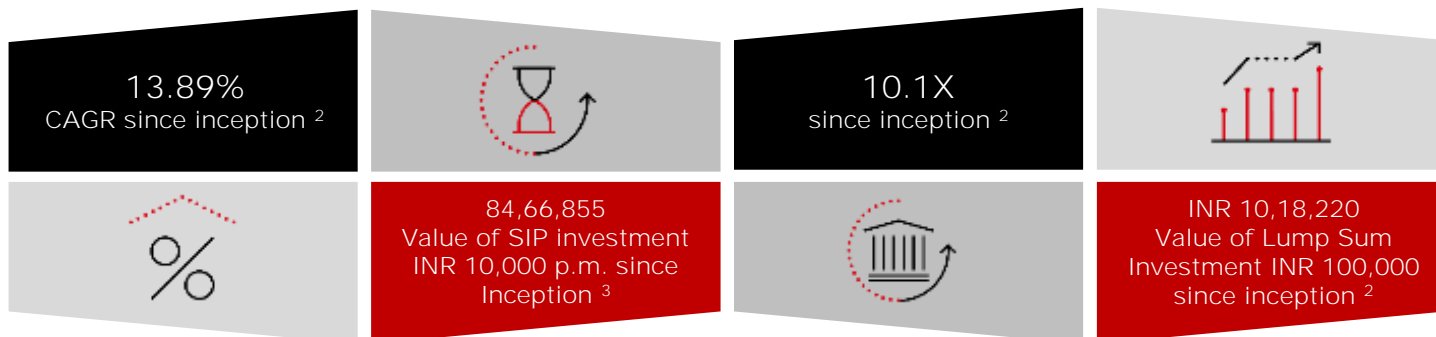
## Product Note

### HSBC ELSS Tax saver Fund (HETF)

Equity Linked Savings Scheme - An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit.

January 2024

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM <sup>&amp;</sup>
Equity Linked Savings Scheme	Cheenu Gupta, Gautam Bhupal and Sonal Gupta <sup>#</sup>	NIFTY 500 TRI	27 Feb 2006	Rs. 3556.99 Cr



Portfolio	% to net assets
HDFC Bank Limited	6.95%
Larsen & Toubro Limited	5.69%
KPIT Technologies Limited	4.31%
Cholamandalam Investment & Finance Company Limited	3.95%
Persistent Systems Limited	3.40%
Reliance Industries Limited	3.28%
CG Power and Industrial Solutions Limited	3.18%
Bharat Electronics Limited	2.84%
ICICI Bank Limited	2.73%
Infosys Limited	2.70%

Sector - Allocation	% to net assets
Banks	14.43%
IT - Software	12.23%
Finance	11.10%
Electrical Equipment	8.78%
Automobiles	6.24%
Construction	5.69%
Industrial Products	5.08%
Consumer Durables	4.98%
Aerospace & Defense	3.94%
Pharmaceuticals & Biotechnology	3.72%

Risk Ratios <sup>4</sup>	
Standard Deviation <sup>5</sup>	13.54%
Beta	0.88

Risk Ratios <sup>4</sup>	
Sharpe Ratio <sup>5</sup>	0.75
R2	0.86

Entry Load\*: Not Applicable, Exit Load: NIL. \* 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>: 1.92%, Direct: 1.11%

<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 December 2023 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 9.0X to Rs. 9,00,640 from Rs.100,000 and delivered return of 13.11%. Please refer page no.3 for detailed performance of HSBC ELSS Tax saver Fund.

<sup>3</sup> During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 85,62,310 Refer to page 3 for performance details.

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

<sup>5</sup> Risk free rate: 6.90% (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 31 December 2023. Past performance may or may not be sustained in the future and is not indicative of future results.<sup>#</sup> Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Most of us have a tendency to wait until the last moment in the financial year to start making tax saving investments, and more often than not, we end up making the wrong decisions. The key here is to begin investing at the start of the financial year and change the notion of “tax saving” into “tax planning”. This involves creating a strategy to help you maximise your tax savings together with wealth creation.

## Why HSBC ELSS Tax saver Fund?

- To save taxes under Section 80C of Income Tax Act\*
- The investment approach is bottom-up stock picking. The Scheme seeks to add the opportunities that the market presents, without any sector/cap bias
- Bottom-up stock picking: The Scheme focuses on bottom-up stock picking (i.e. focusing solely on prospects of individual stocks) as opposed to a top-down approach (i.e. predicting macro-economic and political trends, themes/sectors and taking investment decisions based on them)
- No cap bias: It will seek to identify the best stocks at a point in time, regardless of any market cap bias.
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

## Fund Philosophy

- The fund aims for bottom-up investment approach for stocks' and companies' selection for a well-diversified quality portfolio
- The 3 year lock-in helps the fund manager take positions in stocks with longer term potential
- The scheme focuses on delivering risk-adjusted performance over the long term coupled with tax saving under section 80C makes it an attractive investment option for long term investors
- The fund has a proven long-term track record across various time periods / market cycles
- The fund with its flexible investment approach of investing across the market spectrum, has stood the test of time and has a proven track record of over 10 years

## Investment Objective

The investment objective of the Scheme is to generate long-term capital growth from a diversified portfolio of predominantly equity and equity-related securities. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns. For defensive considerations and/or managing liquidity, the Scheme may also invest in money market instruments.

Fund Manager - Cheenu Gupta Effective 02 Jul 2021. Total Schemes Managed - 9; Fund Manager - Gautam Bhupal Effective 26 Nov 2022. Total Schemes Managed - 12; Fund Manager - Sonal Gupta Effective 21 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 ELSS Tax saver Fund-Regular	12837	28.46	16216	17.52	19254	14.01	101822	13.89	27-Feb-06
Scheme Benchmark (Nifty 500 TRI)	12691	27.00	17411	20.34	22367	17.48	90064	13.11	
Additional Benchmark (Nifty 50 TRI)	12130	21.36	16101	17.24	21220	16.25	87951	12.96	

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 December 2023 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 ELSS Tax saver Fund - Regular					Inception Date: 27-Feb-06
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	2140000	
Market Value as on December 29, 2023 (₹)	143,725	472,124	949,372	8,466,855	
Scheme Returns (%)	39.04	18.49	18.45	13.85	
Nifty 500 TRI - Scheme Benchmark (₹)	146,066	486,323	1,020,432	8,562,310	
Nifty 500 TRI - Scheme Benchmark Returns (%)	43.09	20.62	21.42	13.95	
Nifty 50 TRI - Additional Benchmark (₹)	140,519	465,536	958,475	7,893,534	
Nifty 50 TRI - Additional Benchmark Returns (%)	33.54	17.49	18.84	13.19	

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 December 2023

[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 ELSS Tax saver Fund (Erstwhile HSBC ELSS Fund)</b></p> <p><b>Equity Linked Savings Scheme</b> - An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment predominantly in equity and equity-related securities.</li> </ul>	<p>RISKOMETER</p> <p>Investors understand that their principal will be at Very High risk</p>	<p>Benchmark Index: 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 December 2023, 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 December 2023

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