

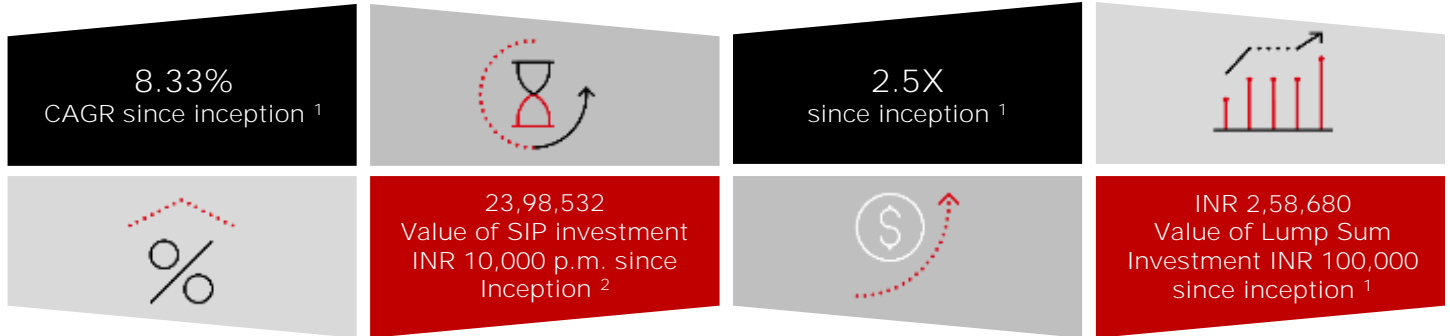
Product Note

HSBC Equity Savings Fund (HESF) (Formerly known as L&T Equity Savings Fund)

Equity Savings Fund - An open ended scheme investing in equity, arbitrage and debt

September 2023

Fund Category	Fund Manager	Benchmark ³	Inception Date	AUM
Equity Savings Fund	Cheenu Gupta and Mahesh Chhabria	NIFTY Equity Savings Index	18 Oct 2011	Rs. 155.98 Cr



Portfolio	% of net assets
United Spirits Limited	7.37%
Bajaj Finance Limited	3.44%
Pidilite Industries Limited	3.43%
Ambuja Cements Limited	3.31%
Bosch Limited	3.10%
The Indian Hotels Company Limited	2.80%
Bharat Forge Limited	2.61%
National Aluminium Company Limited	2.54%
Sonata Software Limited	2.48%
Bandhan Bank Limited	2.10%

Sector - Allocation	% of net assets
Government Securities	15.90%
IT - Software	7.61%
Beverages	7.37%
Finance	6.48%
Banks	5.93%
Industrial Products	5.29%
Electrical Equipment	4.51%
Consumer Durables	3.91%
Cement & Cement Products	3.84%
Auto Components	3.68%

Peace of mind comes with balance. Investors often strive to strike a balance between the risk associated with their investments and proportionate returns. It is a known fact that equities, over a longer period of time, prove to be unwavering wealth creators. However, despite long-term growth opportunities, investors take caution while investing in equities, due to the intermittent risk. A solution to this could be a portfolio mix of equities, debt and arbitrage opportunities that could help achieve the desired risk-return profile, along with tax efficiency.

¹ As on 31 August 2023 of Growth option regular plan. During the same period, scheme benchmark (Nifty Equity Savings Index) has moved by 2.9X to Rs. 2,95,040 from Rs.100,000 and delivered return of 9.54%. Please refer page no. 3 for detailed performance of HSBC Equity Savings Fund.

² During the same period, value of scheme benchmark (Nifty Equity Savings Index) has moved 25,06,065

³ 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.

Data as on 31 August, 2023

Fund Strategy

- The fund aims to generate income and capital appreciation, through a combination of equity, equity arbitrage strategies, debt and money market instruments
- The fund is subject low volatility as the exposure to Fixed Income securities and equity arbitrage reduces fund volatility inherent to directional equity exposure
- The fund is suitable for risk averse investors who fear market volatility but still want exposure to equities in their portfolio can opt for the scheme of this category. The arbitrage components in the portfolio of these schemes try to protect the downside risk
- The scheme is tax efficient as more than 65% of the scheme's portfolio is deployed in equity, the scheme enjoys equity taxation

Why HSBC Equity Savings Fund?

- Investment predominantly in arbitrage opportunities in the cash and derivatives segments of the equity markets; and debt and money market instruments
- Aim to provide reasonable liquidity and risk adjusted performance to suit the investor's requirements
- Maintains optimum allocation across arbitrage instruments
- Aims to generate opportunity of reasonable returns over short to medium term

Investment Objective

The investment objective of the Scheme is to generate regular income by predominantly investing in arbitrage opportunities in the cash and derivatives segments of the equity markets and debt and money market instruments and to generate long-term capital appreciation through unhedged exposure to equity and equity related instruments. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

Load / Month End Total Expenses Ratios (Annualized) ⁵	
Entry Load	NA
Exit Load - NIL (after 1 month), 1% (before 1 month) ⁴	
Expense ratio (Other than Direct) ⁶	1.50%
Expense ratio (Direct)	0.60%

Investors should consult their tax consultant if in doubt about whether the product is suitable for them.

⁴ Exit Load - If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 month from the date of allotment - Nil

• If redeemed or switched out units are over and above the limit i.e beyond 10% of the allotted units within 1 month exit load applicable - 0.50%

• If units are redeemed or switched out on or after 1 Month from the date of Purchase – Nil

⁵ TER Annualized TER including GST on Investment Management Fees

⁶ Continuing plans

HSBC Equity Savings Fund (HESF) | Product Note
[September 2023]

Fund Managers – Cheenu Gupta (No of Schemes Managed – 10) - Managing Fund Since 02 July 2021 and Mahesh Chhabria (No of Schemes Managed – 10) - Managing Fund Since 15 July 2023 and Sonal Gupta (No of Schemes Managed - 6, for investment in foreign securities)

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	18-Oct-11
HSBC Equity Savings Fund-Reg	11095	10.92	14447	13.05	14664	7.95	25868	8.33	
Scheme Benchmark (NIFTY Equity Savings Index)	10779	7.77	13493	10.50	15025	8.48	29504	9.54	
Additional Benchmark (CRISIL 10 year Gilt Index)	10689	6.88	11151	3.70	13834	6.70	21715	6.75	

PTP returns – Point to Point returns. | 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. | IDCW are assumed to be reinvested and Bonus is adjusted. | The performance details provided herein is 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 August 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. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.

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.

Note - 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 the future.

Past performance may or may not be sustained in the future.

Source: HSBC Mutual Fund, data as on 31 August 2023

SIP Performance - HSBC Equity Savings Fund - Regular					Inception Date: 18-Oct-11
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1420000	
Market Value as on August 31, 2022 (₹)	129,547	420,774	781,749	2,398,532	
Scheme Returns (%)	15.11	10.40	10.53	8.49	
NIFTY Equity Savings Index - Scheme Benchmark (₹)	126,045	407,963	757,183	2,506,065	
NIFTY Equity Savings Index - Scheme Benchmark Returns (%)	9.49	8.30	9.24	9.18	
CRISIL 10 Year Gilt Index - Additional Benchmark (₹)	125,136	384,158	677,537	2,063,938	
CRISIL 10 Year Gilt Index - Additional Benchmark Returns (%)	8.05	4.27	4.81	6.11	

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.



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.

The performance details provided herein is 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 August 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. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.

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.

[Click here](#) to check other funds performance managed by the Fund Manager

Product Label

HSBC Equity Savings Fund (Erstwhile L&T Equity Savings Fund)		
<p>*Riskometer of the Scheme</p>  <p>Investors understand that their principal will be at Moderately High risk</p>	<p>Equity Savings Fund – An open ended scheme investing in equity, arbitrage and debt.</p> <p>This product is suitable for Investors who are seeking*:</p> <ul style="list-style-type: none"> • Investment in fixed income (debt and money market instruments) as well as equity and equity related securities • Capital appreciation over medium to long term <p>Benchmark Index: NIFTY Equity Savings Index</p>	<p>Benchmark 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 August 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. Source: HSBC Mutual Fund, data as on 31 August 2023

Disclaimer: This document has been prepared by HSBC Asset Management (India) Private Limited (HSBC) for information purposes only and should not be construed as i) an offer or recommendation to buy or sell securities, commodities, currencies or other investments referred to herein; or ii) an offer to sell or a solicitation or an offer for purchase of any of the funds of HSBC Mutual Fund; or iii) an investment research or investment advice. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Investors should seek personal and independent advice regarding the appropriateness of investing in any of the funds, securities, other investment or investment strategies that may have been discussed or referred herein and should understand that the views regarding future prospects may or may not be realized. In no event shall HSBC Mutual Fund/HSBC Asset management (India) Private Limited and / or its affiliates or any of their directors, trustees, officers and employees be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of information / opinion herein.

This document is intended only for those who access it from within India and approved for distribution in Indian jurisdiction only. Distribution of this document to anyone (including investors, prospective investors or distributors) who are located outside India or foreign nationals residing in India, is strictly prohibited. Neither this document nor the units of HSBC Mutual Fund have been registered under Securities law/Regulations in any foreign jurisdiction. The distribution of this document in certain jurisdictions may be unlawful or restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions. If any person chooses to access this document from a jurisdiction other than India, then such person do so at his/her own risk and HSBC and its group companies will not be liable for any breach of local law or regulation that such person commits as a result of doing so.

© Copyright. HSBC Asset Management (India) Private Limited 2023, ALL RIGHTS RESERVED.
 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.