

Why invest in small caps?

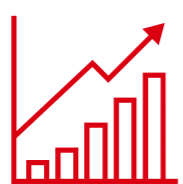


Small caps are among the most under-researched companies and under-owned companies. This presents a tremendous opportunity to find undervalued stocks and unlock their true potential.

Additionally, some small cap companies have the capability of becoming tomorrow's superstars and thereby offer greater growth potential than their peers.

Why are small caps growth drivers?

Not all small caps are equal, meaning that some could grow at a greater rate than others. The key is to identify such opportunities among companies with:



Scalable Business Models



Competent Management/Promoters



Good Corporate Governance Practices



Strong Balance Sheets



Competitive Edge

Stocks of such companies bought at attractive valuations have the potential to generate greater upside over the medium to long term.

An Investor Education & Awareness Initiative

Investors should deal only with Registered Mutual Funds, to be verified on SEBI website under Intermediaries/Market Infrastructure Institutions". Refer to www.assetmanagement.hsbc.co.in for details on completing a one-time KYC (Know Your Customer) process, change of details like address, phone number etc. and change of bank details, etc. For complaints redressal, either visit www.assetmanagement.hsbc.co.in or SEBI's website www.scores.gov.in. Investors may refer to the section on 'Investor Education' on the website of Mutual Fund for the details on all 'Investor Education' on the website of Mutual Fund for the details on all 'Investor Education and Awareness Initiatives' undertaken by the AMC.

Disclaimer: This document has been prepared by HSBC Asset Management (India) Private Limited for information purposes only and should not be construed as i) an offer or recommendation to buy or sell securities referred to herein or any of the funds of HSBC Mutual Fund; or ii) an investment research or investment advice. 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. 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.