

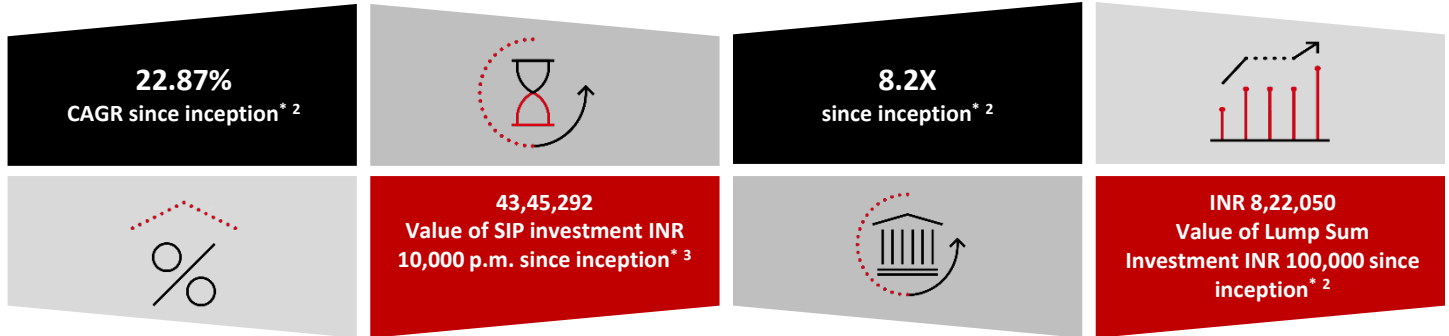
Product Note

HSBC Small Cap Fund (HSCF)

(An open ended equity scheme predominantly investing in small cap stocks)

August 2024

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM ^{&}
Small Cap Fund	Venugopal Manghat, Cheenu Gupta and Sonal Gupta [#]	NIFTY Small Cap 250 TRI	12 May 2014	Rs. 16,905.18 Cr



Portfolio	% to net assets	Industry - Allocation	% to net assets
Apar Industries Limited	3.47%	Industrial Products	18.22%
Techno Electric & Engineering Company Limited	2.60%	Construction	9.25%
NCC Limited	2.39%	IT - Software	6.55%
KPIT Technologies Limited	2.39%	Auto Components	6.30%
Sonata Software Limited	2.36%	Consumer Durables	6.11%
Brigade Enterprises Limited	2.25%	Realty	5.53%
Century Textiles & Industries Limited	2.22%	Textiles & Apparels	4.94%
KEI Industries Limited	2.11%	Pharmaceuticals & Biotechnology	4.72%
Trent Limited	2.00%	Banks	4.31%
EIH Limited	1.84%	Finance	3.76%

Risk Ratios ⁴	
Standard Deviation	14.96%
Beta	0.76

Risk Ratios ⁴	
Sharpe Ratio ⁵	1.37
R2	0.91

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 June 27, 2024, no entry load will be charged to the investor.

Month End Total Expenses Ratios (Annualized)⁶ – Regular⁷: 1.68%, Direct: 0.68%

* Since inception - 12 May 14

¹ As per clause 1.9 of the SEBI Master Circular dated June 27, 2024, 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 July 2024 of Growth option regular plan. During the same period, scheme benchmark (NIFTY Small Cap 250 TRI) has moved by 6.7X to Rs 6,78,070 from Rs 100,000 and delivered return of 20.58% Please refer page no. 3 for detailed performance of HSBC Small Cap Fund.

³ During the same period, value of scheme benchmark (NIFTY Small Cap 250 TRI) has moved to 39,52,183

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

⁵ Risk free rate: 6.55% (FIMMDA-NSE Mibor)

⁶ TER Annualized TER including GST on Investment Management Fees. ⁷ Continuing plans.

⁸ Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

⁹For 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 30 July 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

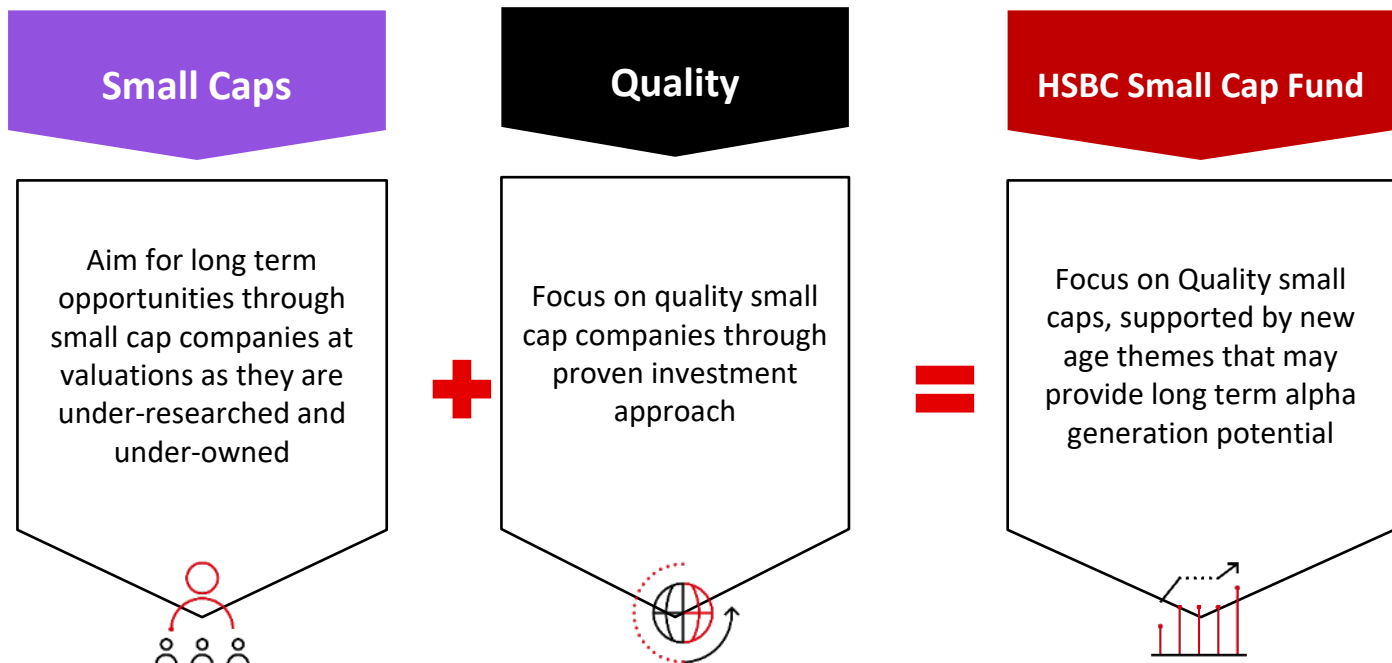
Historically, small cap companies have outperformed other segments of the market cap in the long term, paving the way for tremendous growth potential for investors. While large cap companies are extensively researched, small cap stocks are under researched and under owned. Small cap stocks often present relatively attractive opportunity in terms of performance from a long-term perspective.

Why HSBC Small Cap Fund?

- HSBC Small Cap Fund invests in smaller size businesses in their early stage of development
- Small cap stocks aim to have a potential for growth in the long run.
- These businesses may have better revenue and profit growth potential as compared to broader market.
- The fund seek an exposure in small cap segment stocks for alpha generating opportunities in long run
- Follows bottom-up stock selection using our proven investment approach
- At least 65% exposure to small cap companies that comprises of companies from 251st onwards in terms of full market capitalization
- Aims to invest in undervalued, under-owned, and under researched segments that may deliver in long run

Investment Objective

To generate long term capital growth from an actively managed portfolio of equity and equity related securities of predominantly small cap companies. However, it could move a portion of its assets towards fixed income securities if the fund manager becomes negative on the Indian equity markets. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.



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).

HSBC Small Cap Fund (HSCF) | Product Note
[August 2024]

Fund Manager - Venugopal Manghat Effective 17 Dec 2019. Total Schemes Managed - 7
Fund Manager - Cheenu Gupta Effective 01 Oct 2023. Total Schemes Managed - 12
Fund Manager - Sonal Gupta Effective 05 Jul 2021. Total Schemes Managed - 25

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 %	12-May-14
HSBC Small Cap Fund-Regular Plan~~	15100	50.83	21611	29.23	40176	32.03	82205	22.87	
Scheme Benchmark (NIFTY Small Cap 250 TRI)	15911	58.91	20151	26.26	40984	32.55	67807	20.58	
Additional Benchmark (Nifty 50 TRI)	12784	27.76	16387	17.86	23784	18.90	40418	14.63	

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 July 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 June 27, 2024, 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 June 27, 2024, 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

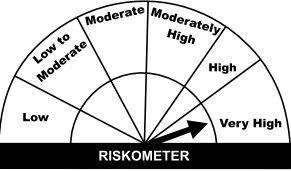
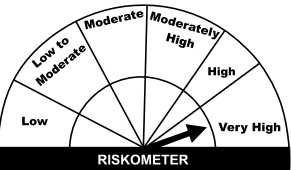
SIP Performance - HSBC Small Cap Fund – Regular Plan					Inception Date: 12-May-14
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1220000	
Market Value as on July 31, 2024 (₹)	1,52,766	6,11,010	15,29,579	43,45,292	
Scheme Returns (%)	54.25	37.58	38.52	23.56	
NIFTY Small Cap 250 TRI - Scheme Benchmark (₹)	1,55,839	6,25,488	15,19,169	39,52,183	
NIFTY Small Cap 250 TRI - Scheme Benchmark Returns (%)	59.67	39.40	38.22	21.84	
Nifty 50 TRI - Additional Benchmark (₹)	1,42,083	4,93,705	10,23,803	28,91,492	
Nifty 50 TRI - Additional Benchmark Returns (%)	35.82	21.63	21.52	16.16	

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 30 July 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 (as applicable)
<p>HSBC Small Cap Fund (An open ended equity scheme predominantly investing in small cap stocks)</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, including equity derivatives in Indian markets with key theme focus being emerging companies (small cap stocks); and foreign securities 	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Very High risk</p>	<p>As per AMFI Tier I. Benchmark : NIFTY Small Cap 250 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 July 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 July 2024

Investors are requested to note that as per SEBI (Mutual Funds) Regulations, 1996 and guidelines issued thereunder, HSBC AMC, its employees and/or empaneled distributors/agents are forbidden from guaranteeing/promising/assuring/predicting any returns or future performances of the schemes of HSBC Mutual Fund. Hence please do not rely upon any such statements/commitments. If you come across any such practices, please register a complaint via email at investor.line@mutualfunds.hsbc.co.in.

Disclaimer: This document has been prepared by HSBC Mutual Fund 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 Mutual Fund 2024, 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 - 27AABCH007N1ZS, 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.