

HSBC Mid Cap Fund

Mid Cap Fund – An open ended equity scheme predominantly investing in mid cap stocks.

Date: November 2022

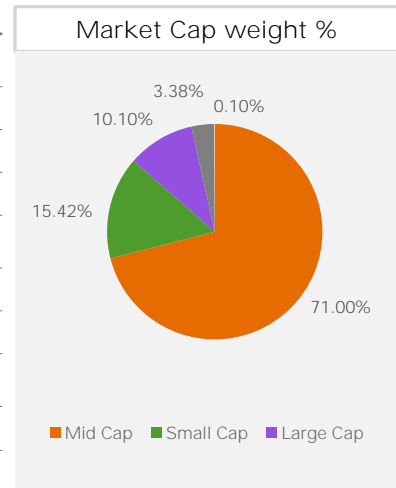
Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Mid Cap Fund	Ankur Arora	NIFTY Midcap 150 Index TRI	24 Sep 2021	Rs. 1082.16 Cr

Portfolio Characteristics	Fund	Benchmark
Number of holdings	50	150
Price to book (PB) ³	4.87	3.25
Price to earnings (PE) ³	38.54	26.82
Return on Equity (ROE (%))	13.42	13.60
Portfolio Turnover	0.41	-

Load / Expenses	
Entry Load	NIL
Exit Load ⁴	NIL, if units are redeemed/switched-out after 1 year from allotment, 1% if Any redemption / switch-out of units within 1 year from allotment.
Expense ratio (Other than Direct) ⁵	2.24%
Expense ratio (Direct) ⁶	0.83%

Portfolio	%of net assets
The Federal Bank Limited	3.65
APL Apollo Tubes Limited	3.49
ICICI Bank Limited	3.36
Cholamandalam Investment and Finance Company Ltd.	3.28
Multi Commodity Exchange of India Limited	3.12
PI Industries Litimited	3.00
Ashok Leyland Limited	2.83
ABB India Limited	2.82
The Indian Hotels Company Limited	2.78
Carborundum Universal Limited	2.74

Sector - Allocation	% of net assets
Chemicals & Petrochemicals	9.52
Industrial Products	8.80
Banks	7.55
Healthcare Services	5.98
Cement & Cement Products	5.43
Consumer Durables	5.21
IT - Software	5.13
Pharmaceuticals & Biotechnology	4.52
Beverages	4.32
Auto Components	4.20



Portfolio sectoral positioning:

View	Sector			
Positive	Specialty Chemical	Real Estate	Industrial	-
Neutral	Consumer Discretionary	Healthcare	Financials	Information Technology
Underweight	Financials	Energy	Communication Services	-

Product Note

1. SEBI vide its circular no. SEBI/HO/IMD/IMD-II DF3/P/CIR/2021/652 dated October 27, 2021, 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 changed to S&P BSE Midcap 150 TRI Index which has been classified as Tier 1 benchmark. Furthermore, the same is effective from 01 December 2021. ⁴ EPS - Trailing 12 month Estimates Comparable Adjusted EPS, PE - Trailing 12 month Price to earnings adjusted for negative earnings, Weighted average method, PB – Price to book value, Trailing 12 month Price to earnings, Index method aggregation. Source - HSBC AMC India and Bloomberg, Data as of 31 October 2022. ⁵ TER Annualized TER including GST on Investment Management Fees ⁶ Continuing plans. The scheme has a flexibility to invest anywhere between 65% to 100% in mid cap stocks and upto 35% in debt & money market instruments and stocks other than mid cap stocks i.e. small and large cap stocks. Also the scheme has a provision to invest upto 10% in Units issued by REITs and InvITs. The exit loads set forth above is subject to change at the discretion of the AMC and such changes shall be implemented prospectively. Refer Scheme Information Document for complete investment universe and asset allocation of HSBC Mid Cap Fund. Refer to the Fund's website, www.assetmanagement.hsbc.co.in for monthly portfolio disclosures. The fund may undergo merger/consolidation along with changes to their fundamental attributes as per the notice published on 14 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-it-mutual-fund>.

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Top 3 Stock & Sector Movements[^]

New stocks	Weight
IPCA Laboratories Limited	0.84%
Canara Bank	0.54%
Aarti Pharmalabs Ltd	0.10%

Allocation increase in existing stocks	Weight
The Indian Hotels Company Limited	0.52%
United Breweries Limited	0.36%

Allocation increase in existing sectors	Weight
Financials	1.67%
Consumer Staples	0.30%

Exit stocks	Weight
Apollo Tyres Limited	-0.51%

Allocation decrease in existing stocks	Weight
Vinati Organics Limited	-0.57%
ABB India Limited	-1.39%
Jindal Steel & Power Limited	-1.49%

Allocation decrease in existing sectors	Weight
Industrials	-1.32%
Materials	-1.55%

Fund Philosophy:

- Invest on scalable businesses that are outperforming their market segment.
- Invest in businesses that have great track record of execution and are leader / strong challenger in their respective segment
- Focus is on companies that are likely to deliver strong earnings growth in the medium term.

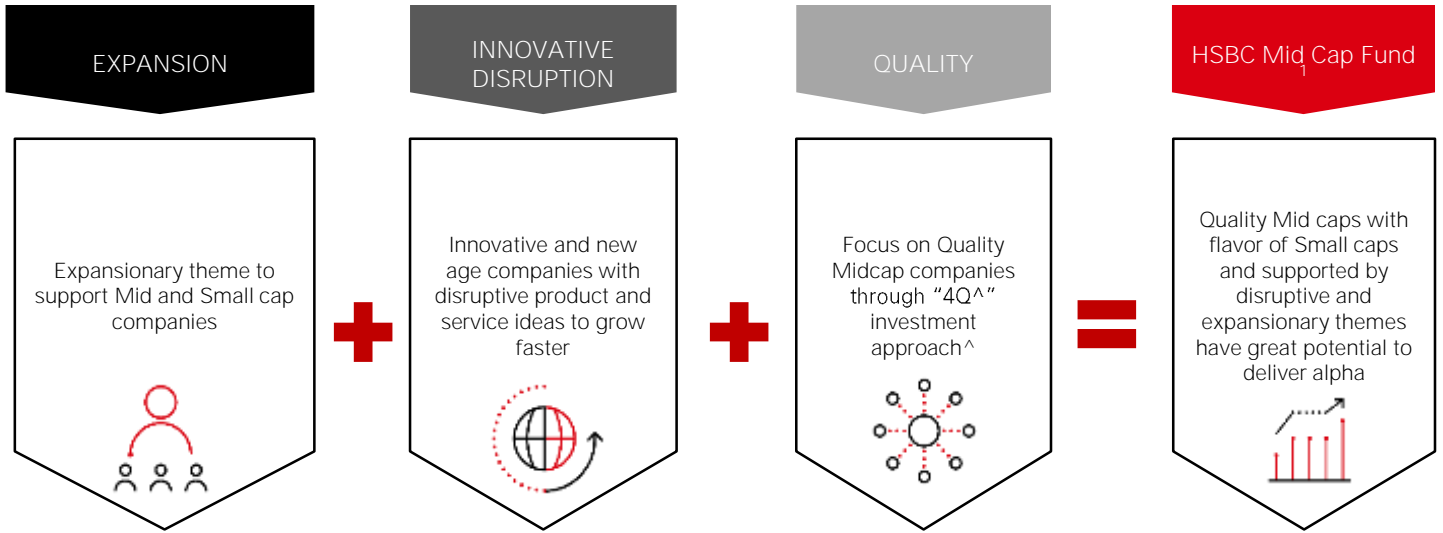
Key portfolio themes:

- Global growth has clearly slowed down and is impacting the demand. Also, China coming back to market in a significant manner can also impact the growth outlook. Exports are likely to suffer in a more competitive environment when the global growth is slowing down too.
- Persistently high Inflation has impacted the margins of corporate India. However, the demand scenario so far has remained robust as visible in 2nd quarter results. With commodity prices starting to come down, margins should also get an uptick. Remain constructive on the businesses that are participating in the current growth trends.
- Positive on Make in India theme given the strong push by the government.

Past performance may or may not sustained in the future. Source: HSBC Asset Management, data as at 31 Oct 2022

[^] The above information is for illustrative purpose only and it should not be considered as investment research, investment recommendation or advice to any reader of this content to buy or sell investments. Past performance may or may not sustain and doesn't guarantee the future performance. The Fund may or may not have any future position in these stocks.

Quality Mid caps with flavor of Small caps^ have great potential to generate alpha



Expansion, Disruption & focus on Quality can lead HSBC Mid Cap Fund (HMF) to generate alpha

- Quality Mid caps with flavour of Small caps may help HMF to generate alpha
- The fund can explore opportunities in Innovative Disruption and new age businesses along with IPOs
- HMF can also explore themes such as Make in India and Exports

Multibagger opportunities: Source: Bloomberg, Data as at October 2021, * # Nifty 500 index data, Top 100 stocks of Nifty 500, Next top 150 stocks of Nifty 500 in terms of market capitalisation.

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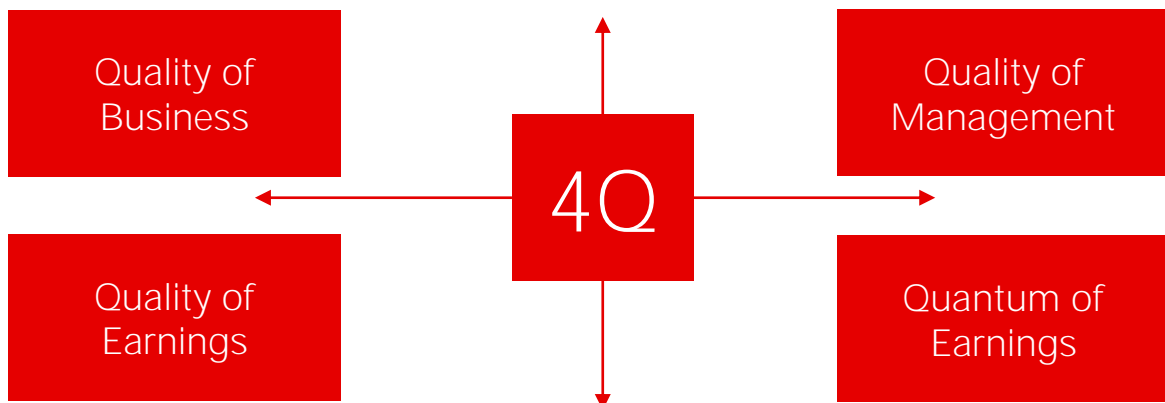
Quality Mid caps: Source – HSBC Asset Management India, For illustration purpose only., ^4Q approach – refer to page 4 for details on 4Q approach.

1. Mid Cap Fund – An open ended equity scheme predominantly investing in mid cap stocks

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HMF's Investment approach: Focus on Quality and Quantum

Midcap are good but Midcaps with Quality & Quantum are better



4Q to support HMF's investment journey: identifying investment opportunities and avoiding accidents

Lump Sum Investment Performance				
Fund / Benchmark (Value of Rs 10,000 Invested)	6 Months		Since Inception	
	Amount in Rs	Returns %	Amount in Rs	Returns %
HSBC Mid Cap Fund	9,733	-2.65	9,496	-4.59
Scheme Benchmark (S&P BSE 150 MidCap TRI)	10,362	3.60	10,420	3.80
Additional Benchmark (Nifty 50 TRI)	10,332	3.30	10,239	2.17

Inception Date: 22-Oct-18

Lump Sum Investment Performance									
Fund / Benchmark (Value of Rs 10,000 Invested)	1 Year		3 Years		5 Years		Since Inception		Inception Date: 19-May-05
	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount Rs	Returns %	
HSBC Small Cap Equity Fund	9,377	-6.20	18,265	22.22	13,773	6.61	81,964	12.80	
S&P BSE 250 Small Cap Index TRI (Scheme Benchmark) ¹¹	10,190	1.89	19,981	25.93	NA	NA	NA	NA	
Nifty 50 TRI (Additional Benchmark)*	10,332	3.30	15,709	16.23	18,558	13.16	1,12,823	14.89	

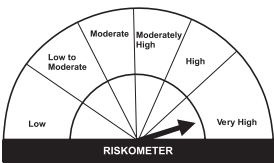
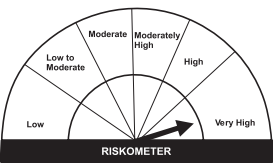
Past performance may or may not be sustained in the future. Refer note below. HSBC Mid Cap Fund - Fund Manager - Funds Managed by Ankur Arora Total Schemes Managed – 2 - Effective (31 March 2022), HSBC Small Cap Equity Fund – Fund Manager - Funds Managed by Ankur Arora (Total Schemes Managed1) - Effective (05 Aug 2019)

Returns are of growth option. The returns for the respective periods are provided as on October 2022. Returns above 1 year are Compounded Annualized. Standard The performance details provided herein are of other than Direct 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 October 2022 for the respective Schemes. Returns for 1 year and Above are Compounded Annualised. Returns for less than 1 year is Simple Annualised. 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 Other than Direct Plan. The performance data of the scheme(s) managed by the respective Fund Manager which has/have not completed 6 month is not provided. 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.

The performance details provided herein are of other than Direct Plan –Growth Option. Assuming ₹ 10,000 invested systematically on the first Business Day of every month over a period of time The returns for the respective periods are provided as on last available NAV of October 2022 for the respective Schemes. Returns for 1 year and Above are Compounded Annualised. Returns for less than 1 year is Simple Annualised. 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 Other than Direct Plan. The performance data of the scheme(s) managed by the respective Fund Manager which has/have not completed 6month is not provided. 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. The Fund offers flexible and convenient Systematic Investment Plan (SIP) facility. To illustrate the advantages of SIP investments, this is how your investments would have grown if you had invested say ₹ 10,000 systematically on the first Business Day of every month over a period of time in the Growth Option of Respective Scheme.

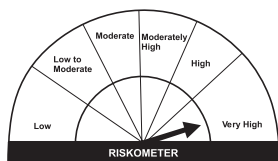
The returns are calculated by XIRR approach assuming investment of ₹ 10,000/- on the 1st working day of every month. XIRR helps in calculating return on investments given an initial and final value and a series of cash inflows and outflows with correct allowance for the time impact of the transactions.

Riskometer

<p>HSBC Mid Cap Fund</p>  <p>Investors understand that their principal will be at Very High risk</p>	<p>Mid Cap Fund - (Mid Cap Fund – An open ended equity scheme predominantly investing in mid cap stocks).</p> <p>This product is suitable for investors who are seeking**:</p> <ul style="list-style-type: none"> • Long term wealth creation. • Investment predominantly in equity and equity related securities of mid cap companies. <p>**Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p><small>*Please note that the above risk-o-meter is as per the product labelling of the Scheme available as on the date of this communication/ disclosure. As per SEBI circular dated October 5, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. 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.</small></p>	<p>Benchmark: NIFTY Midcap 150 Index TRI</p> 
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Riskometer

HSBC Small Cap Equity Fund



Investors understand that their principal will be at Very High risk

Small Cap Fund - An open ended equity scheme predominantly investing in small cap stocks.

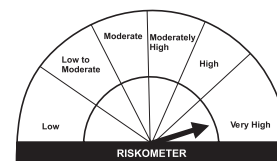
This product is suitable for investors who are seeking:**

- To create wealth over.
- Investment in predominantly small cap equity and equity related securities.

****Investors should consult their financial advisers if in doubt about whether the product is suitable for them.**

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Benchmark: S&P BSE 250 Small Cap Index TRI



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