

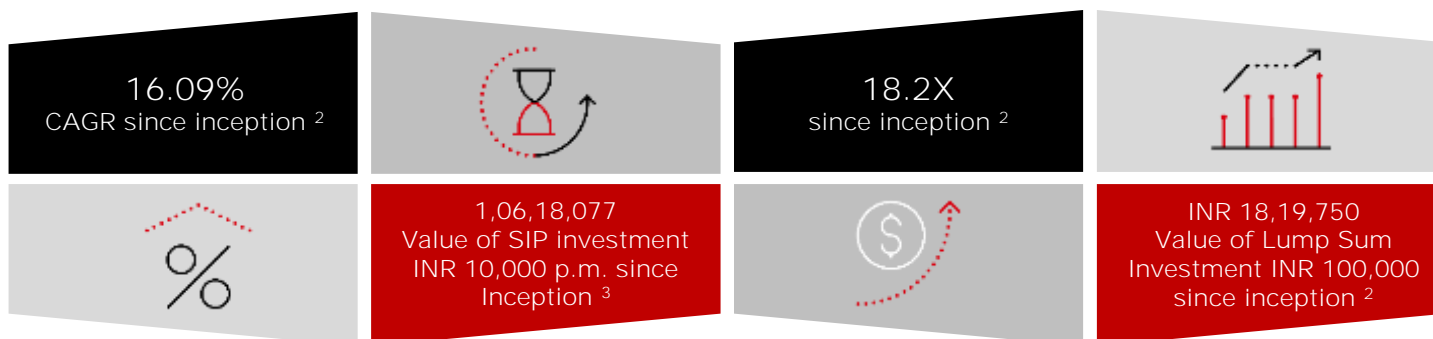
Product Note

HSBC Flexi Cap Fund (HFCF)

Flexi cap fund - An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks
(L&T Flexicap Fund has merged into HSBC Flexi Cap Fund)

August 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Flexi Cap Fund	Vihang Shankar Naik and Venugopal Manghat	NIFTY 500 TRI	24 Feb 2004	Rs. 3553.95 Cr



Portfolio	% of net assets
HDFC Bank Limited	8.13%
Reliance Industries Limited	4.55%
ITC Limited	4.16%
ICICI Bank Limited	4.00%
Infosys Limited	3.96%
Tata Consultancy Services Limited	2.78%
Larsen & Toubro Limited	2.27%
Apar Industries Limited	2.26%
Bajaj Holdings & Investments Limited	2.18%
NTPC Limited	2.16%

Sector - Allocation	% of net assets
Banks	19.84%
IT - Software	10.47%
Pharmaceuticals & Biotechnology	7.33%
Diversified FMCG	5.76%
Petroleum Products	5.27%
Cement & Cement Products	4.86%
Electrical Equipment	4.78%
Auto Components	4.65%
Automobiles	4.15%
Finance	4.15%

Risk Ratios ⁴	
Standard Deviation	12.18%
Beta	0.80
Sharpe Ratio ⁵	1.16
R2	0.95

Load / Month End Total Expenses Ratios (Annualized) ⁷	
Entry Load	NA
Exit load – NIL (after 1 year), 1% (before 1 year) ⁶	
Expense ratio (Other than Direct) ⁸	1.98%
Expense ratio (Direct)	1.19%

¹ 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.

² As on 31 July 2023 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 14.9x to Rs. 14,98,230 from Rs.100,000 and delivered return of 14.94%. Please refer page no. 3 for detailed performance of HSBC Flexi Cap Fund.

³ During the same period, value of investments in scheme benchmark (Nifty 500 TRI) has moved to 1,04,34,333

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

⁵ Risk free rate: 6.60% (FIMMDA-NSE MIBOR) as on July 31, 2023

Refer to the Fund's website, www.assetmanagement.hsbc.co.in for monthly portfolio disclosures.

⁶ 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

⁷ TER Annualized TER including GST on Investment Management Fees

⁸ Continuing plans

Data as on 31 July 2023, HSBC Mutual Fund

Why HSBC Flexi Cap Fund?

- To seek an exposure to any one or all across market capitalisations in the portfolio to get a value from opportunities in small, mid and or large cap segments
- True to label fund – The fund will stay true to its objective in keeping with the mandate reposed by the investor whilst investing in the fund
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Philosophy

- Prefer dominant and scalable businesses available at reasonable valuations
- Profit pool consolidation with dominant players to continue and disruption to accelerate this shift
- Stock selection focuses on earnings growth trajectory and within that, the emphasis lies on earnings surprises

Investment Objective

To seek long term capital growth through investments made dynamically across market capitalization (i.e., Large, Mid, and Small Caps). The investment could be in any one, two or all three types of market capitalization. The Scheme aims to predominantly invest in equity and equity related securities. However, in line with the asset allocation pattern of the Scheme, it could move its assets between equity and fixed income securities depending on its view on these markets. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

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Fund Managers - Vihang Shankar Naik (No of Schemes Managed – 4) - Managing Fund Since 26 Nov 2022 and Venugopal Manghat (No of Schemes Managed – 6) - Managing Fund Since 26 Nov 2022 and Sonal Gupta (No of Schemes Managed - 5, 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 %	
HSBC Flexi Cap Fund-Regular	12184	21.70	18162	22.01	16709	10.81	181975	16.09	24-Feb-04
Scheme Benchmark (Nifty 500 TRI)	11735	17.25	19490	24.91	18666	13.29	149823	14.94	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	139248	14.51	

Performance of other funds managed by the Fund Manager									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 %	
HSBC Small Cap Fund-Regular ⁸	13019	30.01	30123	44.42	21653	16.70	54440	20.16	12-May-14
Scheme Benchmark (NIFTY Small Cap 250 TRI)	13015	29.97	26980	39.21	20059	14.93	42616	17.02	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	31615	13.29	
HSBC Business Cycles Fund-Regular	12354	23.40	21555	29.18	17931	12.38	28629	12.47	20-Aug-14
Scheme Benchmark (Nifty 50 TRI)	11735	17.25	19490	24.91	18666	13.29	29812	12.98	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	27932	12.16	
HSBC Infrastructure Fund-Regular ⁹	13960	39.35	26412	38.23	19141	13.86	32851	7.79	27-Sep-07
Scheme Benchmark (NIFTY Infrastructure TRI)	12589	25.73	20160	26.33	20977	15.96	16578	3.24	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	47637	10.35	
HSBC Value Fund-Regular	12772	27.55	21516	29.10	19312	14.06	71261	15.57	08-Jan-10
Scheme Benchmark (Nifty 500 TRI)	11735	17.25	19490	24.91	18666	13.29	45132	11.75	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	44401	11.61	
HSBC Mid Cap Fund-Regular ¹⁰	12051	20.38	19385	24.69	17110	11.33	241503	18.26	09-Aug-04
Scheme Benchmark (NIFTY Midcap 150 TRI)	12715	26.98	24713	35.20	22157	17.24	NA	NA	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	152923	15.45	

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 as 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 July 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.

⁸ HSBC Mid Cap Fund: The launch date of the S&P BSE 150 Mid Cap TRI is November 30, 2017 whereas the inception date of the scheme is August 09, 2004. The corresponding benchmark returns since inception of the scheme is not available.

Note - Sonal Gupta is 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. Source: HSBC Mutual Fund, data as on 31 July 2023

Past performance may or may not be sustained in the future. Refer note below.

Name of Scheme	Fund Manager	No. of funds managed and Co-managed
HSBC Flexi Cap Fund	Vihang Shankar Naik- Since Nov, 26 2022 Venugopal Manghat- Since Nov, 26 2022	Vihang Shankar Naik-4 Venugopal Manghat-6
HSBC Multi Cap Fund	Venugopal Manghat - Since Jan 30, 2023 Kapil Lal Punjabi - Since Jan 30, 2023	Venugopal Manghat – 6 Kapil Lal Punjabi - 10
HSBC Small Cap Fund	Venugopal Manghat- Since Dec 17, 2019 Vihang Shankar Naik- Since Dec 17, 2019	Venugopal Manghat-6 Vihang Shankar Naik-4
HSBC Business Cycles Fund	Gautam Bhupal- Since June 01, 2023 Venugopal Manghat- Since Aug 20 2014	Gautam Bhupal-8 Venugopal Manghat-6
HSBC Infrastructure Fund	Venugopal Manghat- Since Dec 17, 2019 Gautam Bhupal- Since Nov 26, 2022	Venugopal Manghat-6 Gautam Bhupal-8
HSBC Value Fund	Venugopal Manghat- Since Nov 24, 2012 Vihang Shankar Naik- Since Dec 17, 2019	Venugopal Manghat-6 Vihang Shankar Naik-4
HSBC Midcap Fund	Vihang Shankar Naik- Since June 28 2016 Cheenu Gupta- Since Nov 26 2022	Vihang Shankar Naik-4 Cheenu Gupta-8

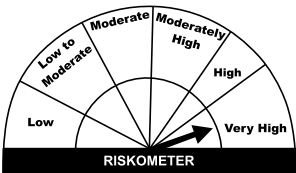

SIP Performance - HSBC Flexi Cap Fund - Regeular					Inception Date: 24-Feb-04
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	2330000	
Market Value as on July 31, 2023 (₹)	137,461	466,727	904,431	10,618,077	
Scheme Returns (%)	28.19	17.64	16.44	13.85	
Nifty 500 TRI - Scheme Benchmark (₹)	134,779	467,513	939,930	10,434,333	
Nifty 500 TRI - Scheme Benchmark Returns (%)	23.73	17.76	18.02	13.70	
Nifty 50 TRI - Additional Benchmark (₹)	133,069	458,661	912,222	10,058,884	
Nifty 50 TRI - Additional Benchmark Returns (%)	20.90	16.41	16.79	13.39	

Past performance may or may not be sustained in the future. Source: HSBC Mutual Fund, data as on 31 July 2023

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 July 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.

Product Label

Scheme name and Type of scheme	*Riskometer of the Scheme	Riskometer of the benchmark
<p>This product is suitable for investors who are seeking*:</p> <p>HSBC Flexi Cap Fund - Flexi Cap Fund – An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.</p> <ul style="list-style-type: none"> To create wealth over long term Investment in equity and equity related securities across market capitalizations. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Small Cap Fund (Erstwhile L&T Emerging Businesses Fund) - Small Cap Fund – An open ended equity scheme predominantly investing in small cap stocks</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 (Benchmark : NIFTY Small Cap 250 TRI) <p>HSBC Business Cycles Fund (Erstwhile L&T Business Cycles Fund) - Thematic Fund - An open ended equity scheme following business cycles based investing theme.</p> <ul style="list-style-type: none"> An open ended equity scheme following business cycles based investing theme. Investment predominantly in equity and equity-related securities, including equity derivatives in Indian markets with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy <p>HSBC Infrastructure Fund - Thematic Fund (Erstwhile L&T Infrastructure Fund) – An open-ended Equity Scheme following Infrastructure theme.</p> <ul style="list-style-type: none"> To create wealth over long term Investment in equity and equity related securities, primarily in themes that play an important role in India’s economic development. (Benchmark : NIFTY Infrastructure TRI) <p>HSBC Value Fund (Erstwhile L&T India Value Fund) - Value Fund - An open ended equity scheme following a value investment strategy.</p> <ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity-related securities in Indian markets and foreign securities with higher focus on undervalued securities. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Midcap Fund (Erstwhile L&T Midcap Fund) - Midcap Fund – An open ended equity scheme predominantly investing in mid cap stocks.</p> <ul style="list-style-type: none"> Long term wealth creation Investment in equity and equity related securities of mid cap companies. (Benchmark : NIFTY Midcap 150 TRI) <p>HSBC Multi Cap Fund - (Multicap Fund) - An open ended equity scheme investing across large cap, mid cap, small cap stocks.</p> <ul style="list-style-type: none"> To create wealth over long term Investment predominantly in equity and equity related securities across market capitalisation. (Benchmark : NIFTY 500 Multicap 50:25:25 TRI) 	 <p>Investors understand that their principal will be at Very High risk</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 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 July 2023

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