

Product Note

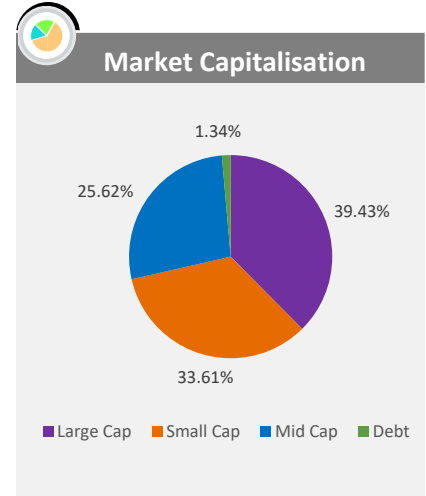
HSBC Multi Cap Fund (HMCF)

An open ended equity scheme investing across large cap, mid cap, small cap stocks

March 2024

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM ^{&}
Multi Cap Fund	Venugopal Manghat, Neelotpal Sahai [@] , Kapil Punjabi and Sonal Gupta [#]	NIFTY 500 Multicap 50:25:25 TRI	30 Jan 2023	Rs. 2596.61 Cr

Portfolio	% to net assets	Sector - Allocation	% to net assets
Kirloskar Oil Eng Limited	2.75%	IT - Software	11.38%
Reliance Industries Limited	2.66%	Banks	9.96%
NTPC Limited	2.47%	Industrial Products	9.52%
Trent Limited	2.38%	Finance	7.96%
Power Finance Corporation Limited	2.32%	Pharmaceuticals & Biotechnology	5.51%
Larsen & Toubro Limited	2.28%	Construction	5.20%
DLF Limited	2.28%	Electrical Equipment	5.08%
Canara Bank	2.19%	Realty	4.90%
Multi Commodity Exchange of India Limited	2.14%	Petroleum Products	3.92%
Zydus Lifesciences Limited	2.08%	Capital Markets	3.40%



Fund philosophy

- The fund invest across Large, Mid and Small Caps
- Aim to focus on smaller size businesses in their early stage of development that have potential for growth in the long run
- Focus on growth potential in revenue and profit opportunities as compared to broader market
- Follows bottom-up stock selection using proprietary investment approach
- Aims to invest in undervalued, under-owned, and under researched segments that may deliver growth in long run
- Valuation is the most important key focus while investing in stocks with an adequate margin of safety

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.

[@] Managing since October 01, 2023. Please refer notice cum addendum dated September 29, 2023.

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

[&]For 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 29 February 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

The fund's Investment approach

- Aim to provide long-term capital growth through a dynamically managed portfolio across Small, Mid and Large Cap stocks
- The market capitalisation allocation of assets will be a minimum 25% each in Small, Mid and Large Cap stocks

Bottom-up stock picking is rewarding across cycles

- Various phases of the economic cycle throw up diverse stock picking opportunities
- In a growing economy, some companies may exhibit growth and earnings visibility irrespective of the business cycle
- Business cycles and macros driving them can be directional indicators but ultimately stock selection will lead to returns

Strong franchises thrive in bad macros

- Bad macro-economic conditions are a blessing for good franchises
- For e.g. rising cost of inputs forces weaker players in an industry to close capacity. This helps stronger / organized players to gain market share and dominate the industry
- Consumer staples companies do well generally in a high inflation environment. Similarly, rising crude prices have helped Paint companies even as their input prices have risen multifold
- Adverse NPA cycle has hurt weak PSU banks, curtailing their ability to lend, thereby enabling NBFCs and private banks to garner market share and strengthen their franchise further

Past performance may or may not be sustained in the future. Source – HSBC Mutual Fund, For illustration purpose only.
Note - Large-caps are represented by the top 100 stocks on full market capitalisation basis & Mid caps are represented by the next 150 stocks based on full market capitalisation and Small Cap stocks beyond 250th stock based on full market capitalisation basis .

Source - HSBC Mutual Fund, Data as of 29 February 2024, Note - Sector specific information provided above should not be considered as investment advice. Past performance may or may not be sustained in the future and is not indicative of future results.

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Fund Manager - Venugopal Manghat Effective 30 Jan 2023. Total Schemes Managed - 6; Sonal Gupta Effective 30 Jan 2023. Total Schemes Managed - 16; Kapil Lal Punjabi Effective 30 Jan 2023. Total Schemes Managed - 10; Neelotpal Sahai Effective 01 Oct 2023. Total Schemes Managed - 10

Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		Since Inception		30-Jan-23
	Amount in ₹	Returns %	Amount in ₹	Returns %	
HSBC Multi Cap Fund-Regular Plan~	16071	60.50	15926	53.72	
Scheme Benchmark (NIFTY 500 Multicap 50:25:25 TRI)	14770	47.54	14533	41.26	
Additional Benchmark (Nifty 50 TRI)	12849	28.40	12608	23.88	

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 February 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 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.

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. ~ Face value Rs 10

SIP Performance - HSBC Multi Cap Fund– Regular Plan*			Inception Date: 30-Jan-23
Scheme Name & Benchmarks	1 Year	Since Inception	
Total amount invested (₹)	120000	130000	
Market Value as on February 29, 2024 (₹)	159,861	175,764	
Scheme Returns (%)	67.11	64.96	
NIFTY 500 Multicap 50:25:25 TRI - Scheme Benchmark (₹)	149,293	163,697	
Nifty 500 TRI - Scheme Benchmark Returns (%)	48.37	47.12	
Nifty 50 TRI - Additional Benchmark (₹)	137,809	150,271	
Nifty 50 TRI - Additional Benchmark Returns (%)	28.74	27.83	

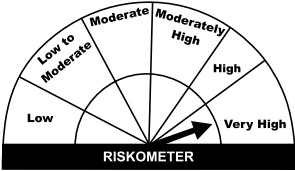
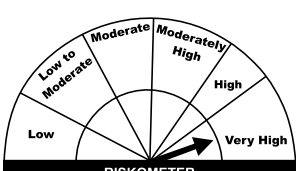
Past performance may or may not be sustained in the future and is not indicative of future results. For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. 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 29 February 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
<p>HSBC Multi Cap Fund</p> <p>An open ended equity scheme investing across large cap, mid cap, small cap stocks</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> To create wealth over long-term Investment predominantly in equity and equity related securities across market capitalization 	 <p>Investors understand that their principal will be at Very High risk</p>	<p>Benchmark: NIFTY 500 Multicap 50:25:25 TRI</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 29 February 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 29 February 2024

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