

Let India's every purchase power your portfolio.



Introducing

HSBC Consumption Fund

(An open ended equity scheme following consumption theme)

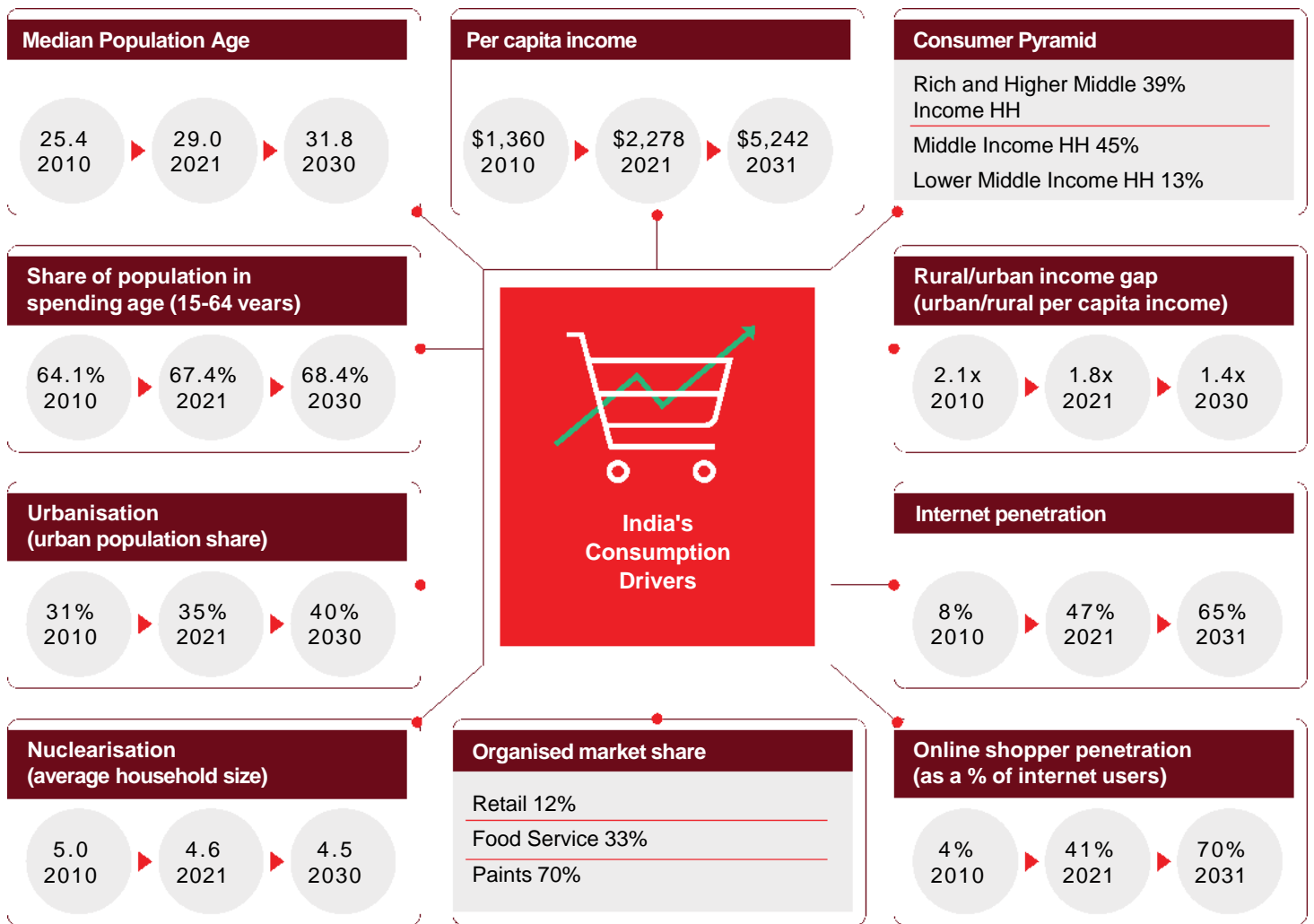
February 2024

Market update

India is broadly where China was in CY06. Since then, China has seen an explosion in consumption spends across categories and we believe that India will follow a similar path. India is favorably positioned due to its demographics, formalisation of economy, increased women participation in workforce, etc. Aspirational Indians are more tech savvy and influenced by social media and ready to spend now than later through use of credit. We are witnessing consumption shifting from unorganised to organised, premium categories and consumer behavior moving towards buying everything anywhere. This should drive strong consumption spends in the coming decade. HSBC India Consumption fund will aim to capture this strong underlying growth trends in the country.

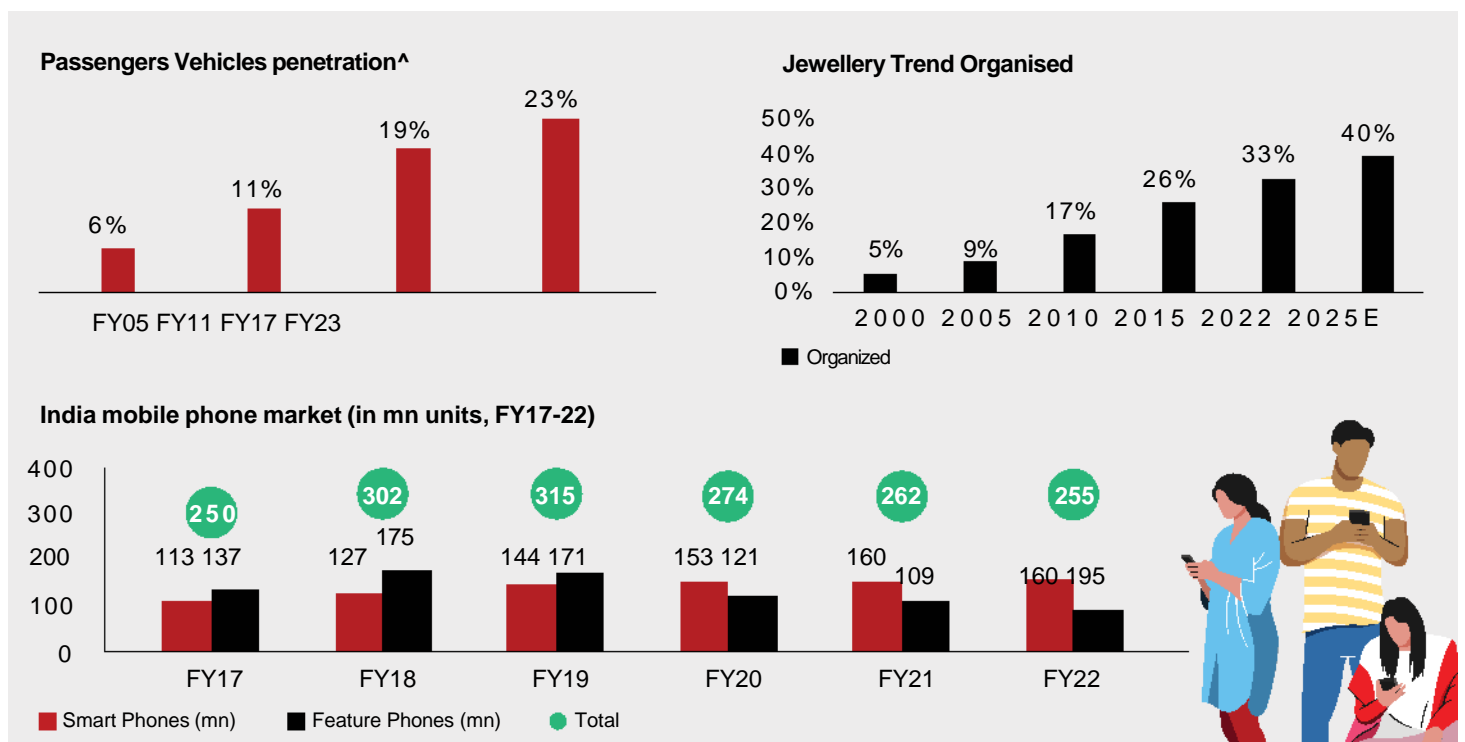
HSBC Consumption Fund aims to invest a minimum 80% weight equities & equity related securities of companies engaged in or expected to benefit from consumption and consumption related activities and up to 20% in equity and equity related securities of companies other than consumption and consumption related activities.

Drivers of Consumption



Source – HSBC Mutual Fund, Bloomberg, BCG X Rai 2022, For illustration purpose only.

Penetration, Premiumisation and shift from Unorganised to Organised driving consumption



Source: Spark capital research, Bloomberg, Data as on 30 June 2023, [^]% of people that own Passenger vehicles per 1000 persons in India. For illustration purpose only.

Focus of HSBC Consumption Fund

HSBC Consumption Fund will explore right opportunities arising out of broader trends/themes such as



Unorganised to Organised shift



Penetration led growth



Emerging categories



Premiumisation



Digitisation

- The fund is an actively managed portfolio of companies engaged in consumption and consumption related theme.
- HSBC Consumption Fund aims to invest a minimum 80% weight equities & equity related securities of companies engaged in or expected to benefit from consumption and consumption related activities and up to 20% in equity and equity related securities of companies other than consumption and consumption related activities.

Opportunity across sizes - LEAP

	<p>Large Cap - Leader Top 100 companies</p>	<ul style="list-style-type: none"> • Well established businesses • Mature players with long track record • Higher liquidity • Stable earnings growth and less volatile
	<p>Mid Cap - Emerging Aspirants 101st to 250th companies</p>	<ul style="list-style-type: none"> • Potential Large Caps • Proven track record with higher growth prospects • Comparatively higher volatility versus Large Caps • Potential valuation multiple re-rating candidates
	<p>Small Cap - Pearls 251st company and beyond</p>	<ul style="list-style-type: none"> • Niche and emerging businesses • High potential for growth • Relatively more volatile and less liquidity • Higher research arbitrage

Grow with HSBC Consumption Fund

HSBC Consumption Fund aims to invest a minimum 80% weight equities & equity related securities of companies engaged in or expected to benefit from consumption and consumption related activities and up to 20% in equity and equity related securities of companies other than consumption and consumption related activities.

Investment Objective


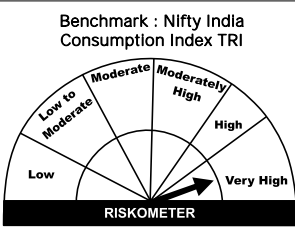
The investment objective of the Fund is to generate long-term capital growth from an actively managed portfolio of equity and equity related securities of companies engaged in or expected to benefit from consumption and consumption related activities. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM ^{&}
Thematic Fund	Gautam Bhupal, Anish Goenka [@] , Sonal Gupta [#]	Nifty India Consumption Index TRI	31 Aug 2023	Rs. 1121.98 Cr

Portfolio	% to net assets	Sector - Allocation	% to net assets
Varun Beverages Limited	5.84%	Consumer Durables	19.19%
Bharti Airtel Limited	5.58%	Retailing	13.72%
Titan Company Limited	5.15%	Beverages	8.48%
Hindustan Unilever Limited	4.22%	Reverse Repos/TREPS	6.98%
Global Health Limited	3.93%	Healthcare Services	6.38%
Avenue Supermarts Limited	3.68%	Automobiles	6.25%
Godrej Consumer Products Limited	3.05%	Realty	5.69%
PB Fintech Limited	3.00%	Telecom - Services	5.58%
Maruti Suzuki India Limited	2.84%	Diversified FMCG	4.22%
Radico Khaitan Limited	2.64%	Personal Products	3.99%

Entry Load*: Not Applicable, Exit Load: If units redeemed or switched out are upto 10% of the units purchased or switched in 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, The exit loads set forth above is subject to change at the discretion of the AMC and such changes shall be implemented prospectively. *In terms of 10.4.1.a. of SEBI Master Circular on Mutual Funds dated May 19, 2023 no entry load will be charged to the investor. Month End Total Expenses Ratios (Annualized)² – Regular³: 2.20%, Direct: 0.81%

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter
<p>HSBC Consumption Fund (An open ended equity scheme following consumption theme)</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 of companies engaged in or expected to benefit from consumption and consumption related activities 	 <p>Investors understand that their principal will be at Very High risk</p>	<p>Benchmark : Nifty India Consumption Index 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 31 January 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

¹As 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.

²TER Annualized TER including GST on Investment Management Fees

³Continuing plans

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

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

[&]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 31 January 2024. Past performance may or may not be sustained in the future and is not indicative of future results.

Disclaimer: HSBC Asset Management

This document has been prepared by HSBC Asset Management (India) Private Limited (HSBC) for information purposes only with an intent to provide market overview and should not be construed as an offer or solicitation of an offer for purchase of any of the funds of HSBC Mutual Fund. All information contained in this document (including that sourced from third parties), is obtained from sources, which HSBC/ third party, believes to be reliable but which it has not been independently verified by HSBC/ the third party. Further, HSBC/ the third party makes no guarantee, representation or warranty and accepts no responsibility or liability as to the accuracy or completeness of such information. The information and opinions contained within the document are based upon publicly available information and rates of taxation applicable at the time of publication, which are subject to change from time to time. Expressions of opinion are those of HSBC only and are subject to change without any prior intimation or notice. 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 financial advice regarding the appropriateness of investing in any securities or investment strategies that may have been discussed or recommended in this report and should understand that the views regarding future prospects may or may not be realized. Neither this document nor the units of HSBC Mutual Fund have been registered in any jurisdiction. The distribution of this document in certain jurisdictions may be 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.

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.

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

© Copyright. HSBC Asset Management (India) Private Limited 2023, ALL RIGHTS RESERVED.

HSBC Asset Management (India) Private Limited, 9-11 Floors, NESCO IT Park, Building no. 3, Western Express Highway, Goregaon (East), Mumbai – 400 063, India.

investor.line@mutualfunds.hsbc.co.in | Website: www.assetmanagement.hsbc.co.in

PUBLIC

CL1168