

# HSBC Equity Savings Fund



### Fixed income space

- Markets may swing from one narrative to the other during the course of the next few months and select opportunities available in the fixed income segment

### Equity Valuation not cheap

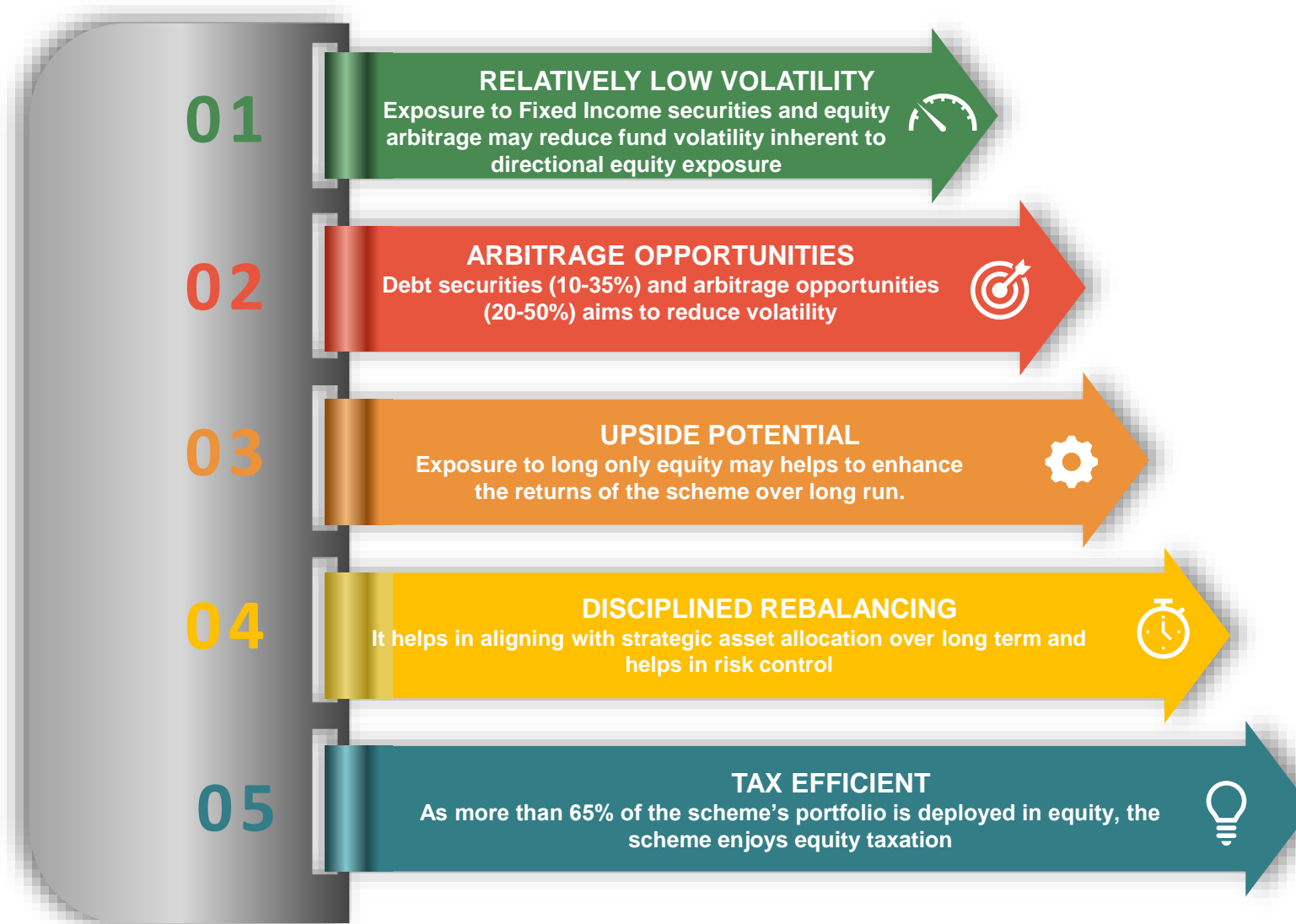
- Equity markets are no longer cheap and risk averse investors may find it challenging to enter at these market levels in equity only funds

### Volatility in equity markets

- In the short term equity markets by nature are more volatile, compared to other asset class.
- Investors with low to moderate risk appetite may not be comfortable to invest in a pure equity product

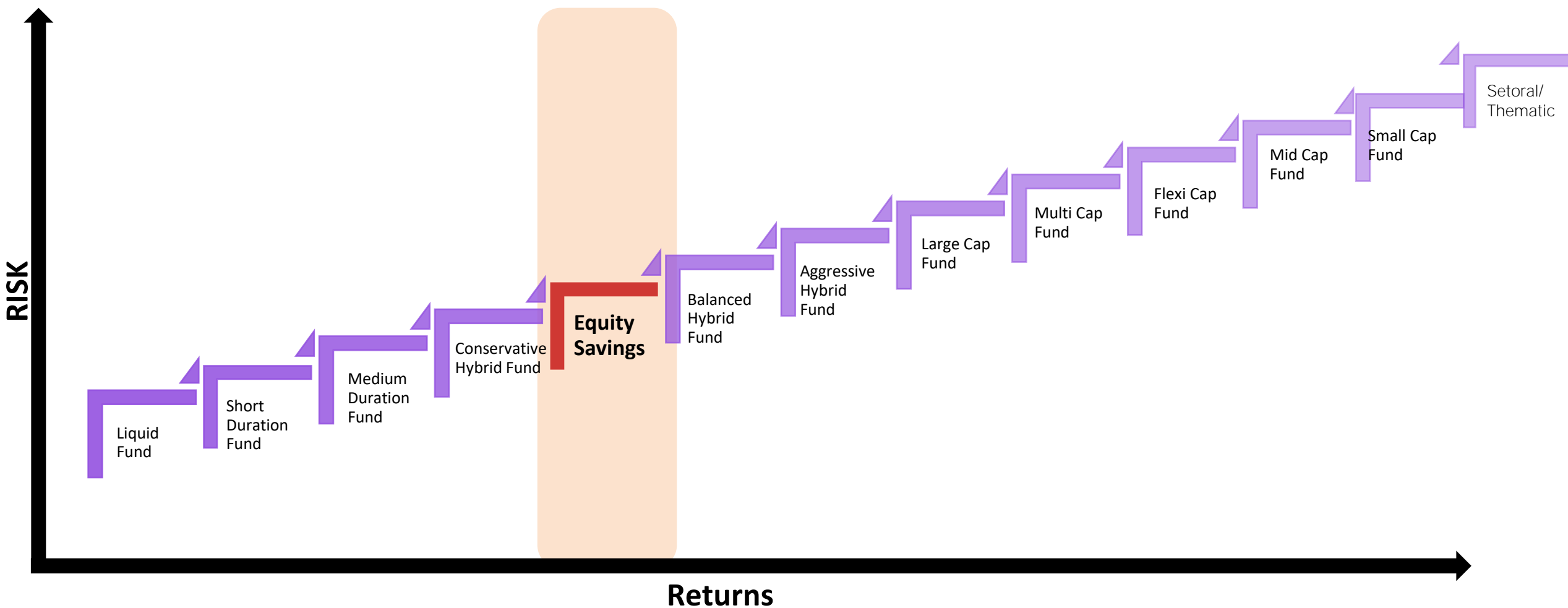
### Performance

- With low fixed deposit rates and inflation impact on traditional and Fixed Income Products, the net return on such products are relatively low.



# Illustration

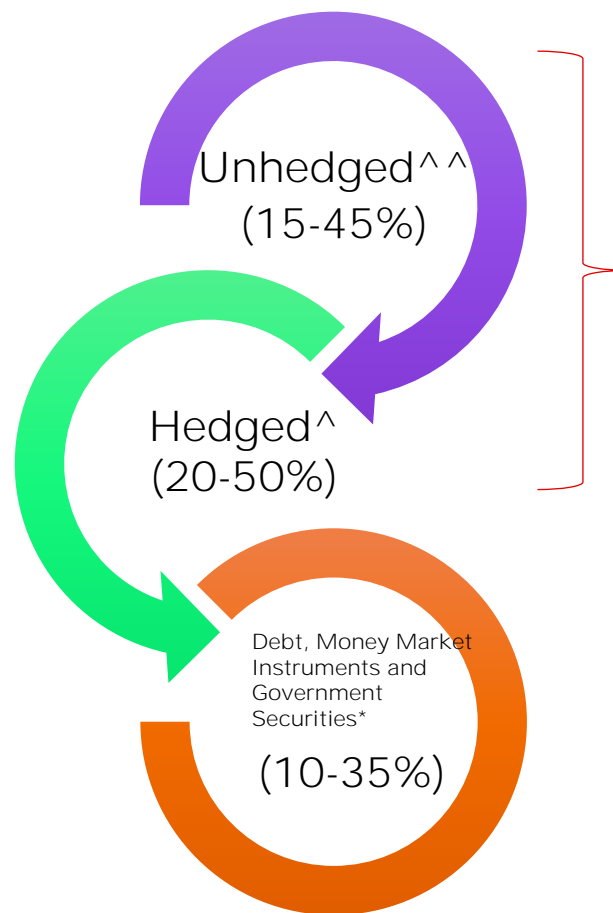
Category – Hybrid Scheme - Equity Savings Fund



## HSBC Equity Savings Fund

Aims for potential long term capital growth

Aims to reduce volatility



**Equities & Equity related securities**  
(65% to 90%)

Tax efficient  
Gross equity exposure of  
65 -90%

**Units issued by REITs / InvITs**  
(0 to 10%)

Equity and Equity related securities 65 – 90% (Hedged and Unhedged allocation), \* Debt, Money Market instruments and Government securities, Current Portfolio Allocation is based on the prevailing market conditions and is subject to changes depending on the fund manager's view of the equity markets. Asset allocation mentioned above is for normal circumstances. For detailed asset allocation, please refer Scheme Information Document of the scheme. \* including TREPS/ reverse repos, Credit default swaps, equity, linked debentures margin money and securitized debt ^ Equity and equity derivatives (arbitrage opportunities) – Hedged, ^^ Net long equity - Unhedged

# Who Can Invest?

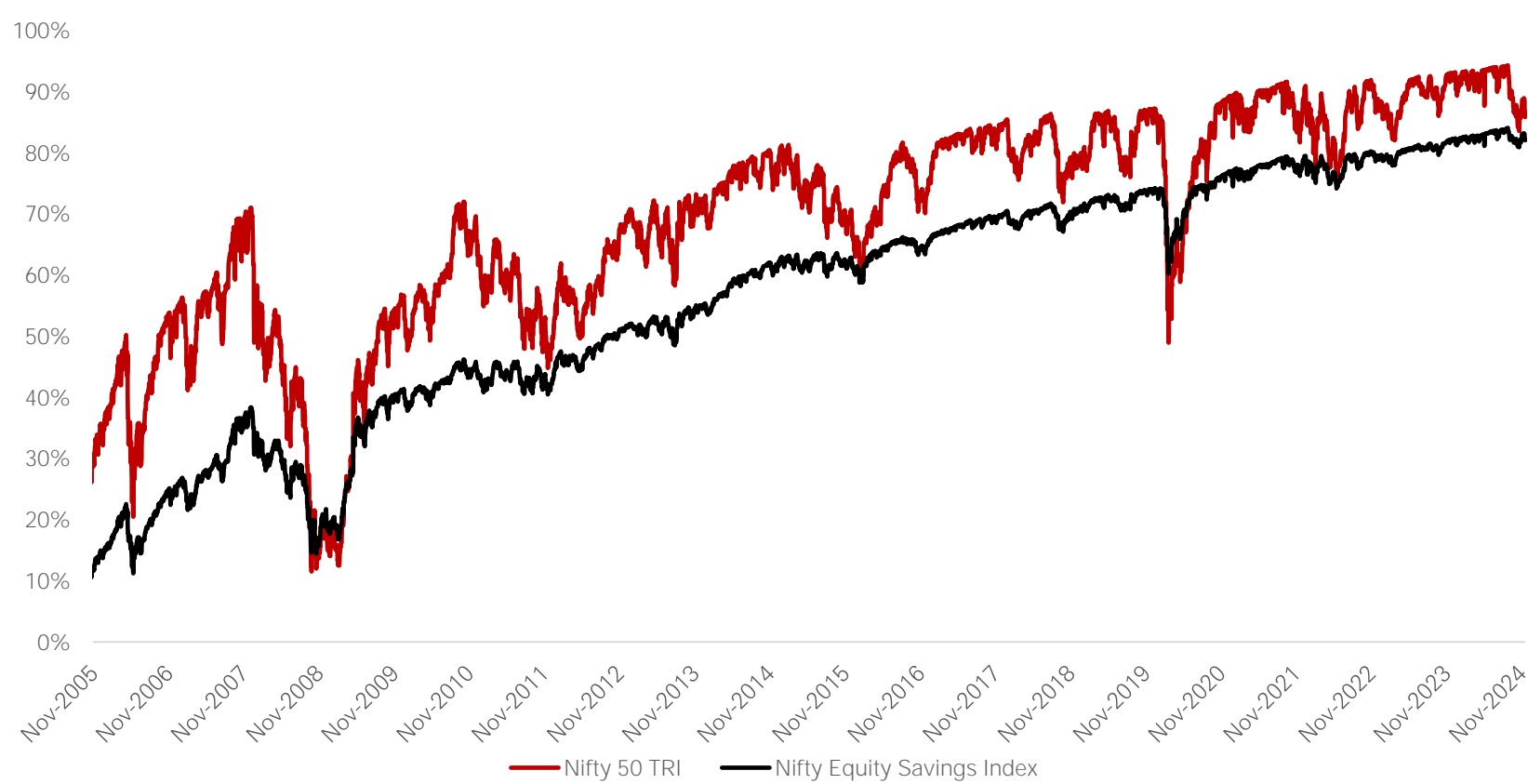
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Equity Savings Fund

First time Equity Investors  
who are seeking potential  
long term growth but are  
risk averse towards market  
volatility & uncertainty

Investors seeking tax  
efficient performance with  
moderate equity exposure

# Lower Drawdowns



	Nifty 50 TRI	Nifty Equity Savings Index
Jun-06	-29.7%	-11.4%
Oct-08	-59.5%	-23.8%
Dec-11	-27.2%	-5.8%
Feb-16	-21.7%	-4.8%
Mar-20	-38.3%	-13.9%
Jun-22	75.2%	74.1%
Mar-23	82.1%	78.0%
Oct-23	86.0%	79.6%
Jun-24	87.7%	81.1%
Nov-24	86.5%	82.0%

With Portfolio diversification across asset class the fund seeks to achieve lower drawdown during times of market corrections

Source: MFI Explorer, Data period : Apr 2005 – Nov 2024. Past performance may or may not be sustained in future. The chart above is illustrative and is not an indication of returns

## Equity Savings Fund




	Equity Savings Fund
Scheme Type	Equity
Equity Allocation Range (incl. equity derivatives)	$\geq 65\%$
Cash Future Arbitrage Strategy	Yes
Equity Taxation	Yes

For illustration purpose only. \*Assuming the investor falls into highest tax bracket, Equity Long Term capital gains (units held for more than 12 months) Short Term Capital Gains (Units held for 12 months or less) Debt Hybrid Funds Long Term capital gains (units held for more than 36 months), Short Term Capital Gains (Units held for 36 months less). The information set out above is included for general information purposes only and may not be not exhaustive and does not constitute legal or tax advice. Investor is advised to consult his/her own tax consultant with respect to specific tax implications arising out of their participation in the scheme



## Equity Savings Fund

### Income-tax implications on income in respect of units of a Mutual Fund

	 Individual/ HUF <sup>\$</sup>	 Domestic Company <sup>@</sup>	 NRI <sup>\$</sup>
<b>Equity Oriented Schemes</b> (minimum of 65 percent of the total proceeds of such fund is invested in the listed equity shares of domestic companies) • Long Term Capital Gains (units held for more than 12 months) • Short Term Capital Gains (units held for 12 months or less)			
Long term capital gains	10%* (12.5%* w.e.f. 23 Jul 2024)	10%* (12.5%* w.e.f. 23 Jul 2024)	10%* (12.5%* w.e.f. 23 Jul 2024)
Short term capital gains	15% (20% w.e.f. 23 Jul 2024)	15% (20% w.e.f. 23 Jul 2024)	15% (20% w.e.f. 23 Jul 2024)

Note 1 - Capital gains from transfer of units of "specified mutual fund schemes" acquired on or after 1st April 2023 are treated as short term capital gains taxable at applicable slab rates as provided above irrespective of the period of holding of such mutual fund units. For this purpose, "specified mutual fund" means mutual fund where not more than 35 per cent of its total proceeds is invested in the equity shares of domestic companies. As per Finance (no. 02) Act, 2024, with effect from 1 April 2025, the definition of specified mutual fund has been amended. As per the amended definition, a Specified Mutual Fund means a Mutual Fund which invests more than 65% of its total proceeds in debt and money market instruments. In case of Fund of fund, a fund which invests 65% or more of its total proceeds in units of other specified mutual fund.

\* Income-tax at the rate of 10%/12.5% (without indexation benefit and foreign exchange fluctuation) to be levied on long-term capital gains exceeding Rs. 1.25 lakhs, provided transfer of such units is subject to Securities Transaction Tax ('STT').

\$ Surcharge to be levied at:

- 37% on base tax where specified income\*\* exceeds Rs. 5 crore;
- 25% where specified income\*\* exceeds Rs. 2 crore but does not exceed Rs. 5 crore;
- 15% where total income exceeds Rs. 1 crore but does not exceed Rs. 2 crore; and
- 10% where total income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore

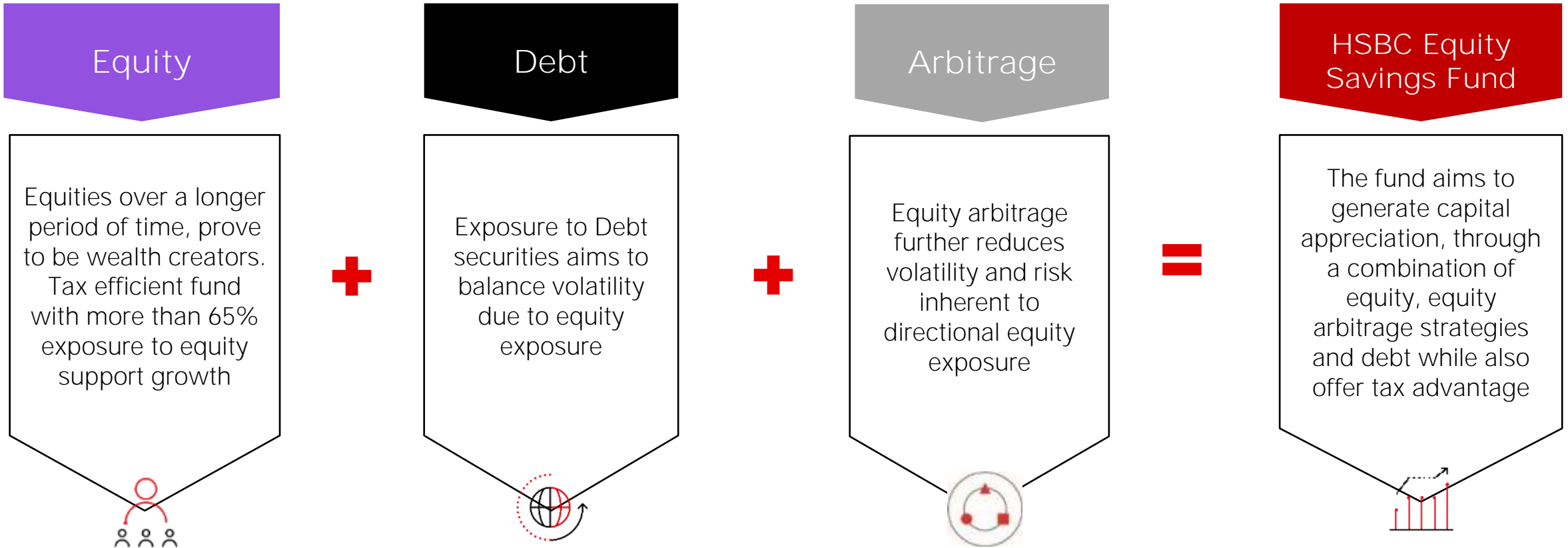
In case total income includes income by way of dividend on shares and short-term capital gains on units of equity oriented mutual fund schemes and long-term capital gains on mutual fund schemes, the rate of surcharge on the said type of income not to exceed 15%. In case investor is opting for 'New Regime' as mentioned on page 3, the rate of surcharge not to exceed 25%.

@ Surcharge at 7% on base tax is applicable where total income of domestic corporate unit holders exceeds Rs 1 crore but does not exceed 10 crores and at 12% where total income exceeds 10 crores. However, surcharge at flat rate of 10 percent to be levied on base tax for the companies opting for lower rate of tax of 22%/15%. Further, "Health and Education Cess" to be levied at the rate of 4% on aggregate of base tax and surcharge.

The information set out above is included for general information purposes only and is not exhaustive and does not constitute legal or tax advice. Investor is advised to consult his/her own tax consultant with respect to specific tax implications arising out of their participation in the scheme. Source: HSBC Mutual Fund, Data as 30 Nov '24, Click here to know more about Mutual Fund Taxation <https://www.assetmanagement.hsbc.co.in/assets/documents/mutual-funds/en/be3d534f-9fd7-488c-9014-f04d93291a8e/tax-reckoner-fy24-25.pdf>

# One fund three benefits

## HSBC Equity Savings Fund



Source – HSBC Mutual Fund, For illustration purpose only.

## Portfolio positioning and strategy

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM <sup>&amp;</sup>
Equity Savings Fund	Cheenu Gupta, Mahesh Chhabria, Kapil Punjabi, Abhishek Gupta, Praveen Ayathan, Hitesh Gondhia, Sonal Gupta <sup>#</sup>	NIFTY Equity Savings Index	18 Oct 2011	Rs. 583.31 Cr

- The fund aims to generate long term capital appreciation, through a combination of equity, equity arbitrage strategies, debt and money market instruments
- The exposure to Fixed Income securities and equity arbitrage reduces fund volatility inherent to directional equity exposure
- Equity Investors who are seeking potential long-term growth
- The arbitrage component in the portfolio of this fund aims to protect from the downside risk
- The fund is tax efficient as more than 65% of the scheme's portfolio is deployed in equity, the scheme enjoys equity taxation

Portfolio	% to Net Assets	% to Net Assets (Hedged)	% to Net Assets (Unhedged)
Transformers And Rectifiers (India) Ltd.	4.14%	0.00%	4.14%
Trent Ltd.	3.26%	0.00%	3.26%
Zomato Ltd.	3.12%	0.00%	3.12%
Kaynes Technology India Ltd.	2.67%	0.00%	2.67%
CG Power and Industrial Solutions Ltd.	2.51%	0.00%	2.51%
Dixon Technologies (India) Ltd.	2.49%	0.05%	2.44%
Suzlon Energy Ltd.	2.16%	0.00%	2.16%
Sobha Ltd.	1.86%	0.00%	1.86%
GE Vernova T&D India Ltd.	1.74%	0.00%	1.74%
BSE Ltd.	1.60%	0.00%	1.60%

Source – HSBC Mutual Fund, Data as of 30 Nov 2024. Past performance may or may not be sustained in the future and is not indicative of future results.

<sup>1</sup> 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.

<sup>&</sup>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).

<sup>#</sup> Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

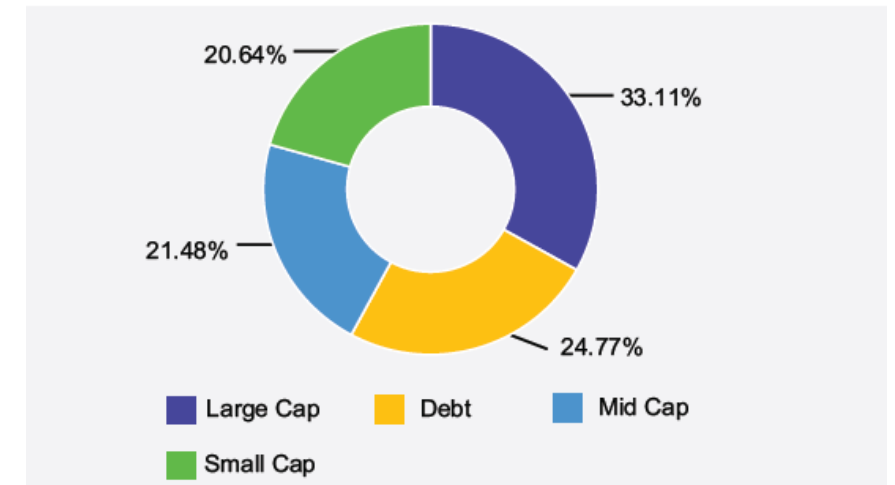
## HSBC Equity Savings Fund

### Why HSBC Equity Savings Fund?

- Investment predominantly in arbitrage opportunities in the cash and derivatives segments of the equity markets and debt and money market instruments
- Ensure reasonable liquidity and aims for long term risk adjusted to suit the investor's requirements
- Maintains optimum allocation across arbitrage instruments

Portfolio allocation	% to Net Assets
Equity	75.23%
Government Securities	14.02%
Corporate Bonds / Debentures	5.53%
Money Market Instruments	
Certificate of Deposit	4.06%
Cash Equivalent	
TREPS	1.98%
Net Current Assets:	-0.81%
Total Net Assets as on	100.00%

**Portfolio Classification By Market Segment Class (%)**

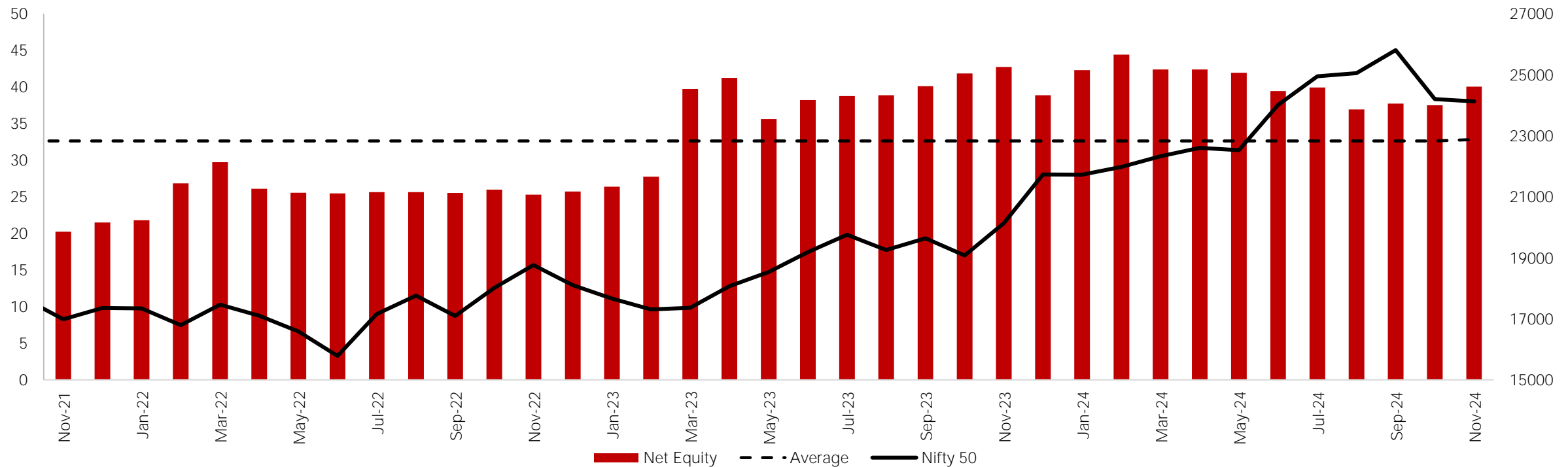


Source: HSBC Mutual Fund, Data as on 30 Nov '24

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# Fund's equity allocation trend with market movement

HSBC Equity Savings Fund (HESF) Net Equity Allocation vs Nifty 50 index movement



Fund's average net long equity allocation remains close to ~32.6% and it's trending above the average from over last one year

Source: HSBC Mutual Fund, Data as on 30 Nov '24

# Fund Performance

Fund Manager - Cheenu Gupta Effective 02 Jul 2021. Total Schemes Managed - 11; Abhishek Gupta Effective 01 Apr 2024. Total Schemes Managed - 6; Praveen Ayathan Effective 01 Oct 2023. Total Schemes Managed - 5; Hitesh Gondhia Effective 01 Oct 2023. Total Schemes Managed - 3; Mahesh Chhabria Effective 15 Jul 2023. Total Schemes Managed - 10; Kapil Punjabi Effective 01 September 2024. Total Schemes Managed - 17; Sonal Gupta Effective 26 Nov 2022. Total Schemes Managed - 26

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	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Equity Savings Fund-Regular Plan~~	12281	22.81	14511	13.21	18598	13.20	33060	9.54	18-Oct-11
Scheme Benchmark (NIFTY Equity Savings Index)	11272	12.72	12983	9.09	16071	9.94	34211	9.82	
Additional Benchmark (CRISIL 10 year Gilt Index)	11039	10.39	11762	5.56	13059	5.48	24129	6.94	

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 November 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 Equity Savings Fund – Regular Plan					Inception Date: 18-Oct-11
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1570000	
Market Value as on November 29 2024 (₹)	1,32,249	4,65,673	8,84,423	32,35,649	
Scheme Returns (%)	19.59	17.48	15.53	10.44	
NIFTY Equity Savings Index - Scheme Benchmark (₹)	1,25,427	4,21,889	7,81,309	30,65,875	
NIFTY Equity Savings Index - Scheme Benchmark Returns (%)	8.55	10.60	10.51	9.69	
CRISIL 10 Year Gilt Index - Additional Benchmark (₹)	1,26,167	4,06,766	6,99,743	24,52,973	
CRISIL 10 Year Gilt Index - Additional Benchmark Returns (%)	9.73	8.11	6.09	6.55	

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 November 2024

[Click here](#) to check other funds performance managed by the Fund Manager



Source: HSBC Mutual Fund, Data as on 30 Nov '24



# Product Label

## HSBC Equity Savings Fund

Equity Savings Fund – An open ended scheme investing in equity, arbitrage and debt.

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div>HSBC Equity Savings Fund</div> <div>(An open ended scheme investing in equity, arbitrage and debt)</div> <div>This product is suitable for investors who are seeking*:</div> <div><ul style="list-style-type: none"><li>• Generation of regular income by predominantly investing in arbitrage opportunities in the cash and derivatives segment and long-term capital appreciation through unhedged exposure to equity and equity related instruments.</li><li>• Investment in equity and equity related instruments, derivatives and debt and money market instruments.</li></ul></div>		<div>As per AMFI Tier I.</div> <div>Benchmark Index: NIFTY Equity Savings Index</div> <div></div>

\* 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 30 November 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

# Disclaimer

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

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