

Unearthing value across the market spectrum

HSBC Value Fund

(Value Fund: An open ended equity scheme following a value investment strategy)

Product Deck
May 2023



HSBC Mutual Fund

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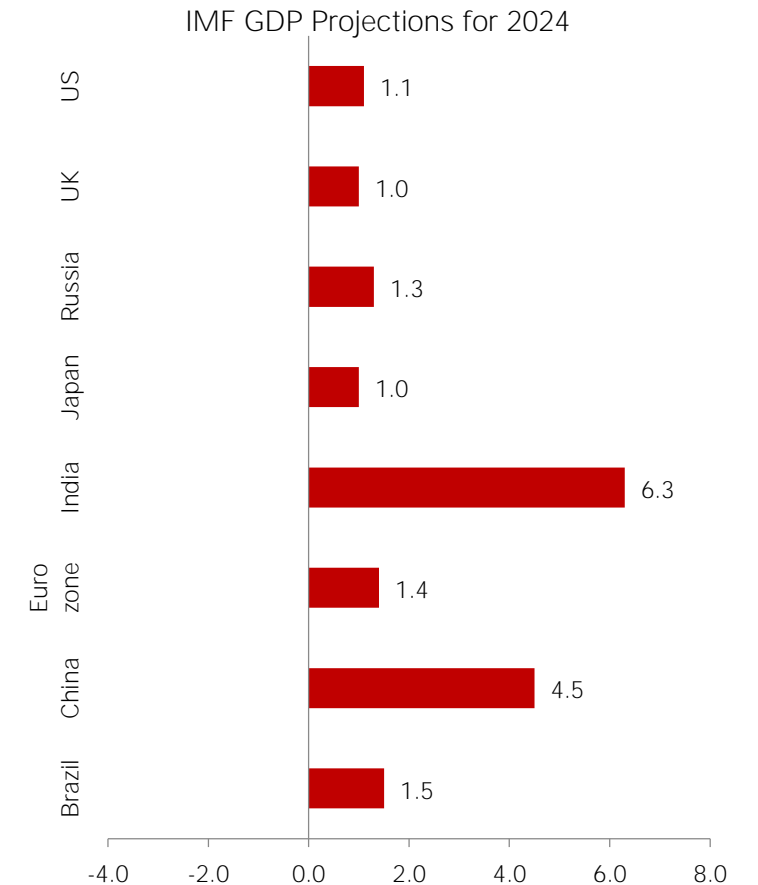
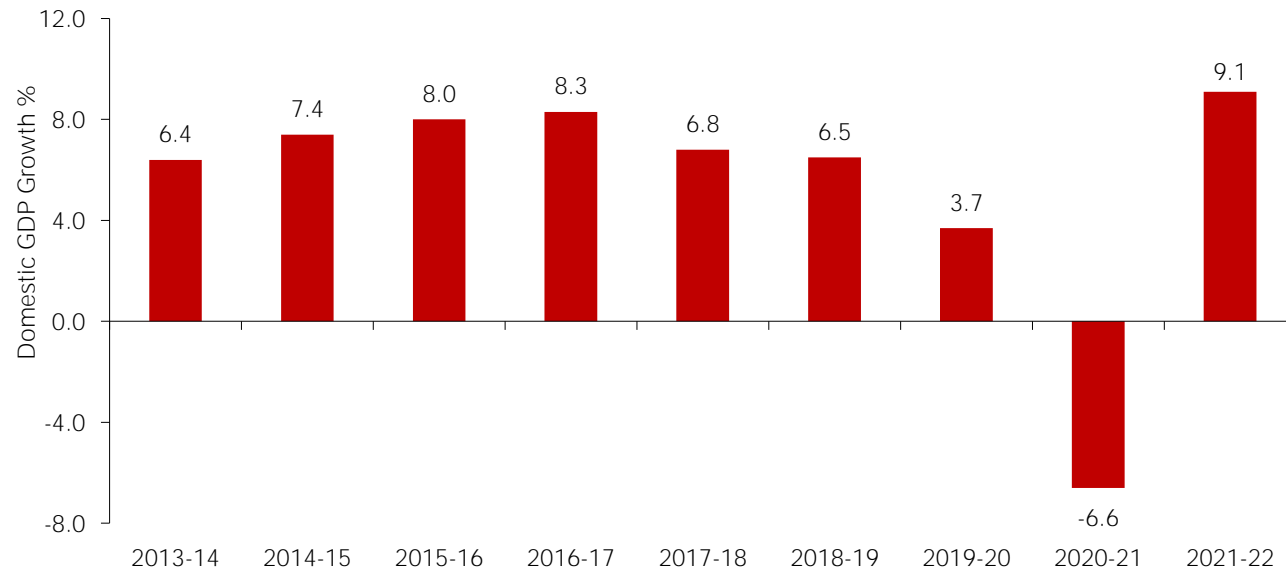
Investment approach of the fund

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Annexures

Indian economy to remain resilient amid global headwinds

- Reserve Bank of India's (RBI) GDP growth projection for India remains at 6.5%.
- The RBI cited resilient aggregate demand conditions, a rebound in contact-intensive services, expectations of a bumper rabi harvest, a thrust on infrastructure, and a revival in corporate investments in select sectors as key factors that would support domestic economic growth.

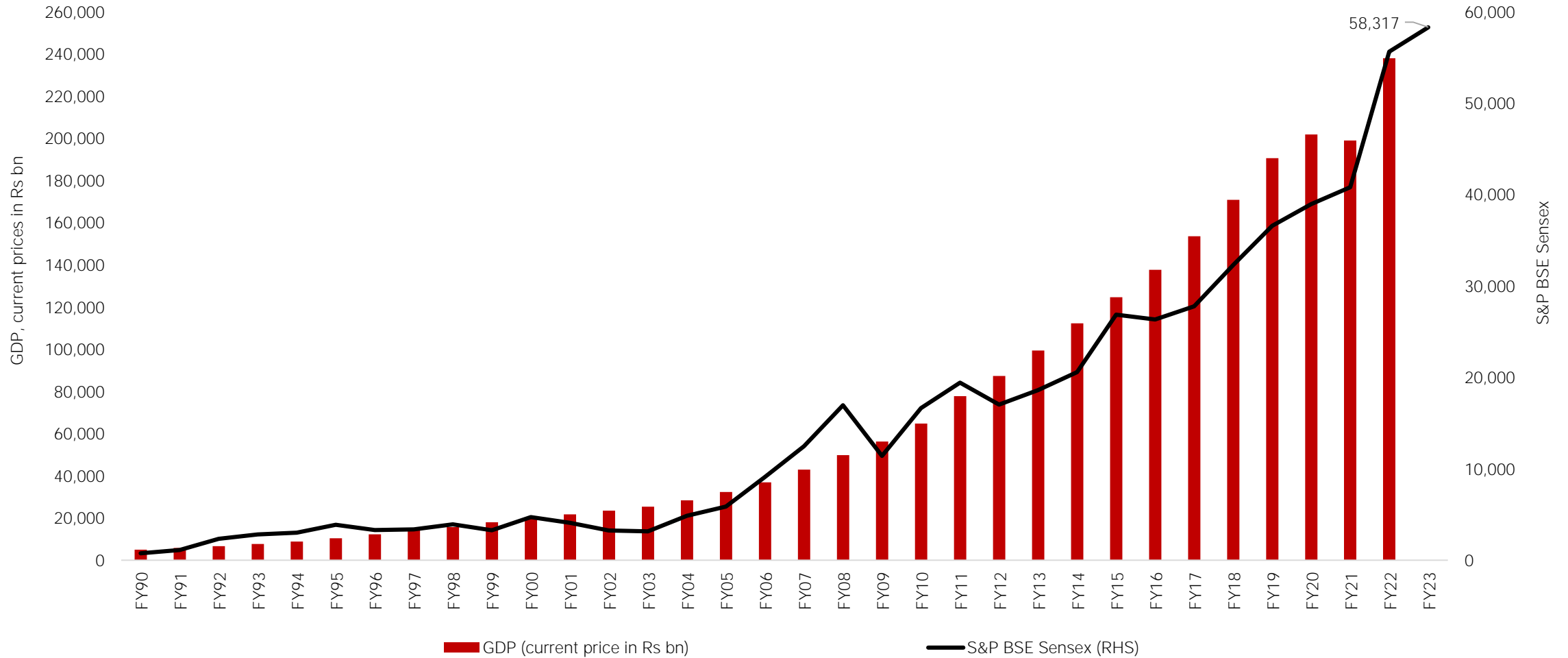


Amid global turmoil, India is in a relatively sweet spot

Source: CRISIL, Mospi, Bloomberg, Respective Central Banks, IMF. Data ended April 2023 except otherwise mentioned

Equity mirrors economic growth in the long term

GDP - India looks on a long-term growth trajectory despite intermittent hiccups



Source: IMF - The GDP projection for fiscal year 2023 is shown shaded in this graph is for illustration purposes only and is not guaranteed, BSE Data ended April 30, 2023 except otherwise mentioned. Past performance may or may not sustain and does not guarantee future performance.

Different equity mutual fund schemes follow different investment styles

- ◆ **Growth Investing:** Funds which are based on the growth investing style try to identify stocks which will deliver higher earnings per share (EPS) growth over the next few quarters. Capital appreciation in equities is directly related to EPS growth. Share prices usually go up when EPS increases and hence growth stocks exhibit faster growth in share prices. In a market like India, growth investing style is very popular.
- ◆ **Value Investing:** Fund managers who follow the value style try to identify stocks which are trading at significant discounts to their intrinsic value. The market may over-estimate or under-estimate the intrinsic value of a stock. If the market is under-estimating the intrinsic value of a stock, then the current market price (share price) of the stock will be lower than the intrinsic value. Value fund managers will invest in stocks, where the market price is significantly lower than the intrinsic value as determined by the fund manager.
- ◆ **Growth at a Reasonable Price (GARP):** This investing style was popularized by legendary fund manager, Peter Lynch. This investing style blends growth and value investing. While the focus of GARP is on growth stocks (stocks with high EPS growth expectations), the fund manager also looks at price relative to EPS growth. In the GARP investing style, the fund managers would avoid stocks whose price (valuations) have run ahead of EPS growth.

A strategy of investing in stocks that trade at less than their intrinsic value

What is intrinsic value in value investing?

Value of a stock is the present value of future free cash-flows of the company. Fund managers estimate intrinsic value of a stock based through fundamental analysis i.e. analysis of the industry growth potential, the company's competitive strengths, market share growth, operating margins, working capital and capex growth, financial projections including earnings per share (EPS) growth etc.

Margin of safety in value stocks

If you buy stocks which are trading at significant discount to its intrinsic value, you get a margin of safety. Margin of safety limits downside risk in deep market corrections since the prices are relatively low. Value fund managers aim to pick stocks which give them high margin of safety. Value funds may be more suitable to investors who do not have very high risk appetites. In volatile markets, value stocks can be attractive for investors looking for capital appreciation over long investment horizons.

Source: Bloomberg, MSCI, Financial Express

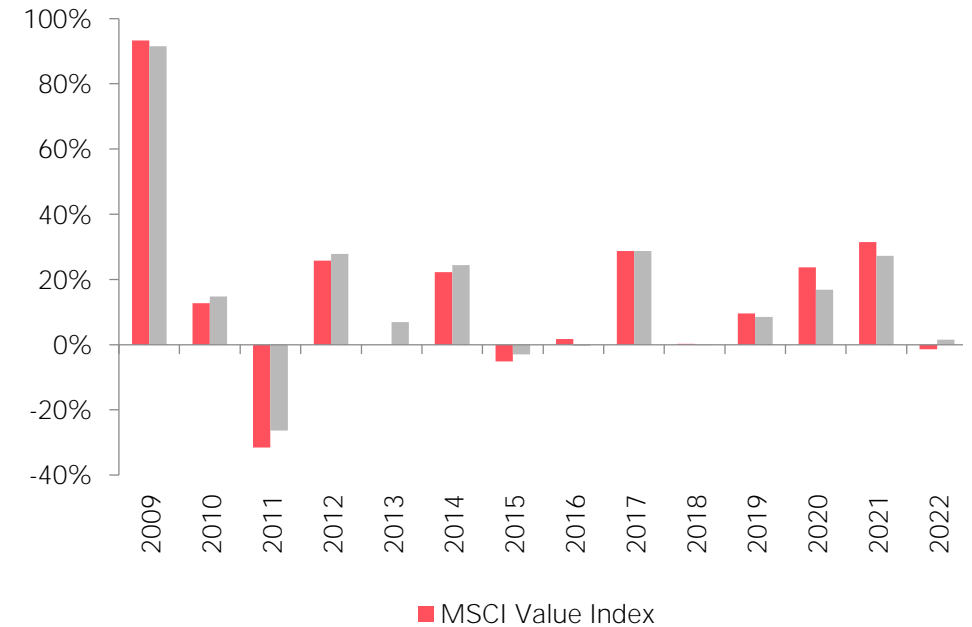
Value fund managers look at metrics like Price to Earnings ratio (PE), Price to Book ratio (PB) and Dividend Yield

- PE Ratio: PE ratio is the current market price (share price) of a stock divided by its 12-month EPS. The 12-month EPS can either be the last 12 months (TTM PE) or estimated EPS over the next 12 months (Forward PE).
- PB Ratio: PB ratio is the current market price (share price) of a stock divided by its book value per share. Book value of a share is total assets minus total liabilities (excluding shareholder's equity)
- Dividend Yield: Dividend yield is the annual dividend paid by the stock divided by the share price. Suppose the share price of a company is Rs 100. The company declares a dividend of Rs 10. The dividend yield will be $\text{Rs } 10 \div 100 = 10\%$.
- Value fund managers will typically invest in stocks, which have low PE, PB and high dividend yield.

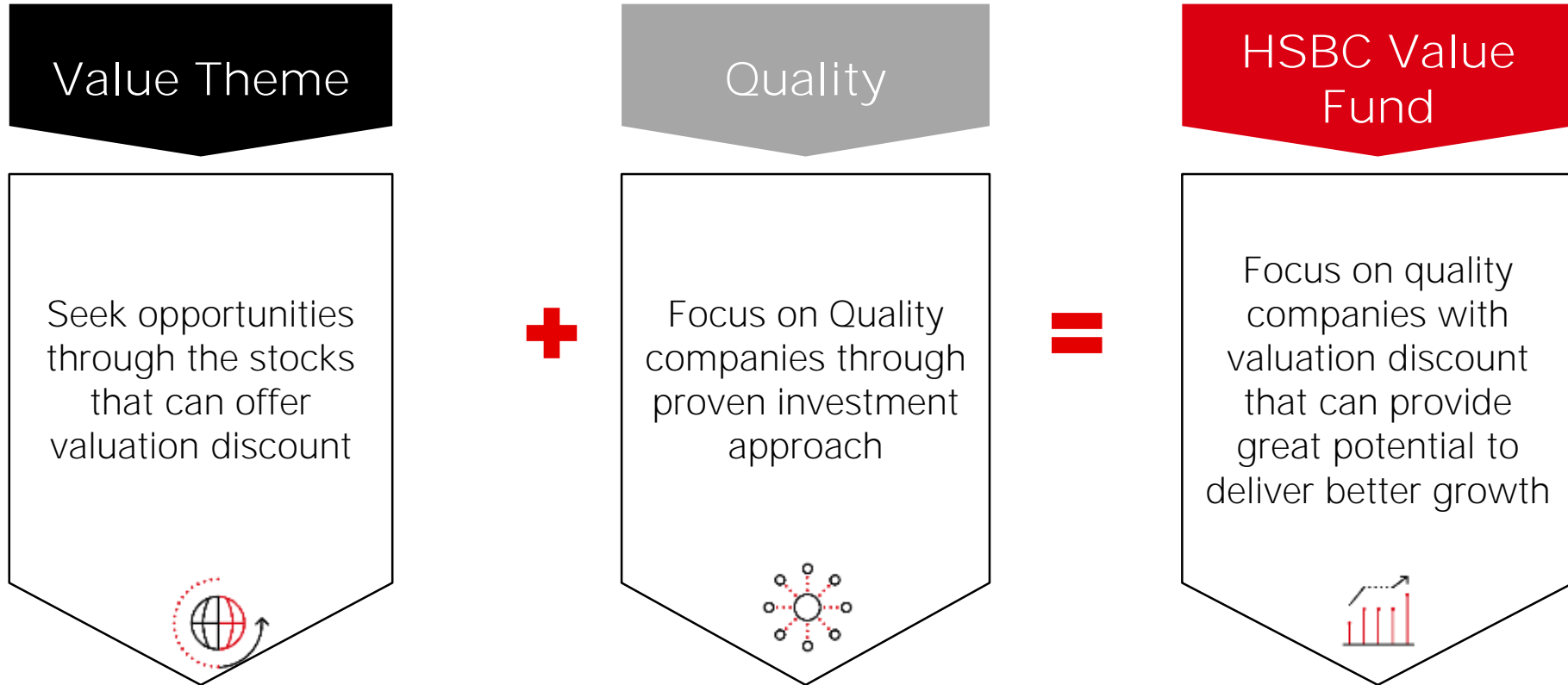
Source: Bloomberg, MSCI, Financial Express

Why invest in value theme now?

- Global inflation has been stickier than previously anticipated. This may force central banks to increase interest rates more than previously anticipated by the market or keep them elevated for a longer period of time than previously anticipated.
- Since the inflation and interest rate outlook is uncertain, the market may continue to be volatile for some time. In volatile markets, value stocks provide a margin of safety for investors.
- India outperformed in 2022 when global markets (major markets like US, Europe, China etc) were down. Valuations may be stretched in some stocks and a value based stock specific investment approach may be suitable in the current environment.
- Value stocks outperform in early stages of economic recovery, which is when valuation rerating takes place. EPS also picks up at this stage and value funds get twin benefits of valuation rerating and EPS growth.
- Value funds provide diversification to your investment portfolio. The MSCI India Value Index outperformed the MSCI India Index (comprising of both growth and value stocks) for around 50% of the times in the last 15 years.
- Value investing requires considerable bottom up stock picking expertise backed by strong research capabilities. You should invest in funds with strong long term performance track record.
- You should have very long investment horizons for value funds, since the prices of value stocks can remain depressed for a long time till the market discovers their value.



Source: Bloomberg, MSCI, Financial Express. Data as at March 31, 2023



HSBC Value Fund offers a strong alpha generation potential for long term investors

- Adopts a bottom-up stock selection approach with strong focus on valuations to spot businesses whose stocks have a potential to deliver outperformance over medium to long term
- Aims to invest in stocks with adequate margin of safety to reduce risk in a volatile market environment
- Complete flexibility to invest across market cap segments and sectors, thus allowing it to capitalize on investment opportunities across market spectrum without any restrictions
- For assessing the value of a stock, the Fund Manager typically assesses various parameters such as growth potential, cash flows, dividend payouts, subsidiary valuations, sum of the parts ,etc.
- The Fund Managers looks at valuation of a stock vis-à-vis its (a) earnings growth prospects, (b) historical long period valuation, and (c) relative valuation compared to peers.
- Strong risk management framework - a well diversified portfolio with focus on managing liquidity and other portfolio risks

Prefer companies with differentiated business models which can act as moats to ensure higher growth trajectory

HSBC Value Fund - An open ended equity scheme following a value investment strategy

| Fund Category | Fund Manager | Benchmark ¹ | Inception Date | AUM |
|---------------|---|------------------------|----------------|----------------|
| Value | Venugopal Manghat and Vihang Shankar Naik | Nifty 500 TRI | 8 Jan 2010 | Rs. 8087.74 Cr |

- The Fund has a strong performance track record, and its active investment style offers a strong alpha generation potential for long term investors
- The Fund’s emphasis on owning stocks with adequate margin of safety and identifying valuation anomalies versus the economic potential of the business over the medium term
- Aims to minimize portfolio risk by investing in quality companies, monitoring corporate fundamentals closely
- As earnings growth recover, value focused strategy could not only benefit from higher earnings growth but also on account of re-rating of stocks

| Portfolio | % of net assets |
|---------------------------------------|-----------------|
| ICICI Bank Limited | 6.94% |
| NTPC Limited | 4.44% |
| State Bank of India | 4.12% |
| HDFC Bank Limited | 3.71% |
| Sun Pharmaceutical Industries Limited | 3.69% |
| ITC Limited | 3.59% |
| The Federal Bank Limited | 3.58% |
| Infosys Limited | 3.11% |
| Mahindra and Mahindra Limited | 2.70% |
| Larsen and Toubro Limited | 2.67% |

Data as at April 2023

Value Fund - An open ended equity scheme following a value investment strategy

Why HSBC Value Fund?

- To seek an exposure to value style companies
- Aim to identify undervalued stocks having the potential to deliver long term superior risk-adjusted returns
- Undervalued stocks would include stocks which the Fund Managers believe are trading at less than their assessed values
- Long term capital appreciation
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

| Sector - Allocation | % of net assets |
|---------------------------------|-----------------|
| Banks | 26.85% |
| IT - Software | 7.91% |
| Construction | 5.40% |
| Pharmaceuticals & Biotechnology | 4.75% |
| Industrial Products | 4.63% |
| Cement & Cement Products | 4.47% |
| Power | 4.44% |
| Diversified FMCG | 3.59% |
| Ferrous Metals | 3.54% |
| Automobiles | 3.53% |

Fund Philosophy

- Diversified equity fund with strong value bias that aims to deliver long term reasonable risk adjusted returns
- Focus on identifying valuation anomalies versus the economic potential of the business over the medium term
- Aims to minimize portfolio risk by investing in quality companies, monitoring corporate fundamentals closely
- The fund looks to invest in fundamentally strong companies that the fund manager believes are trading at less than their assessed values thus offering higher upside potential
- This approach not only helps in identifying undervalued stocks but also factor-in the risk elements while picking stocks

Data as at April 2023

HSBC Value Fund has demonstrated a strong performance track record across market cycles. As can be seen in the table below, the fund delivered strong outperformance across bullish and bearish phases in the market.

| Return Period | HSBC Value Fund – Regular Growth (returns %) | Nifty 500 TRI (returns %) |
|-------------------------------------|--|---------------------------|
| 277 Days(05-Feb-10 to 09-Nov-10) | 35.6 | 30.3 |
| 406 Days(09-Nov-10 to 20-Dec-11) | -32.3 | -31.1 |
| 1169 Days(20-Dec-11 to 03-Mar-15) | 187.9 | 114.8 |
| 359 Days(03-Mar-15 to 25-Feb-16) | -13.9 | -20.1 |
| 243 Days(25-Feb-16 to 25-Oct-16) | 40.3 | 31.1 |
| 62 Days(25-Oct-16 to 26-Dec-16) | -11.9 | -10.8 |
| 399 Days(26-Dec-16 to 29-Jan-18) | 49.7 | 47.9 |
| 270 Days(29-Jan-18 to 26-Oct-18) | -19.2 | -13.3 |
| 220 Days(26-Oct-18 to 03-Jun-19) | 15.7 | 18.4 |
| 80 Days(03-Jun-19 to 22-Aug-19) | -13.2 | -11.5 |
| 155 Days(22-Aug-19 to 24-Jan-20) | 16.5 | 15.9 |
| 59 Days(24-Jan-20 to 23-Mar-20) | -39.7 | -37.9 |
| 494 Days(23-Mar-20 to 30-Jul-21) | 135.2 | 122.1 |
| 171 Days(30-Jul-21 to 17-Jan-22) | 15.7 | 15.9 |
| 151 Days(17-Jan-22 to 17-Jun-22) | -19.6 | -17.1 |
| 287 Days(17-Jun-22 to 31-Mar-23) | 22.4 | 12.8 |

Prefer companies with differentiated business models which can act as moats to ensure higher growth trajectory

Data as on March 31, 2023
 Past performance may or may not sustain and doesn't guarantee the future performance

HSBC Value Fund has demonstrated a strong performance track record across market cycles

| Calendar Year | HSBC Value Fund - Reg - Growth | S&P BSE 200 TRI |
|---------------|--------------------------------|-----------------|
| 2013 | 6.6 | 4.8 |
| 2014 | 74.1 | 39.3 |
| 2015 | 12.9 | 0.2 |
| 2016 | 8.1 | 5.1 |
| 2017 | 40.3 | 37.8 |
| 2018 | -11 | -1.6 |
| 2019 | 4.6 | 9 |
| 2020 | 14.6 | 17.8 |
| 2021 | 40.3 | 31.6 |
| 2022 | 5.3 | 4.3 |

- The table shows calendar year wise performance of the Fund vis-à-vis its benchmark S&P BSE 200 TRI Index
- The Fund has outperformed its benchmark S&P BSE 200 TRI Index in most of the calendar year periods

Data as on March 31, 2023

Past performance may or may not sustain and doesn't guarantee the future performance

Fund Managers - Venugopal Manghat (No of Schemes Managed – 5) - Managing Fund Since 24 Nov 2012 and Vihang Shankar Naik (No of Schemes Managed – 4) - Managing Fund Since 17 Dec 2019 and Sonal Gupta (No of Schemes Managed - 4, 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 | Returns % | Amount in Rs | Returns % | Amount in Rs | Returns % | Amount in Rs | Returns % | |
| HSBC Value Fund-Regular | 10986 | 9.89 | 21604 | 29.34 | 16232 | 10.18 | 62268 | 14.73 | 08-Jan-10 |
| Scheme Benchmark (Nifty 500 TRI) | 10404 | 4.05 | 19585 | 25.17 | 16949 | 11.14 | 40098 | 11.00 | |
| Additional Benchmark (Nifty 50 TRI) | 10689 | 6.91 | 18945 | 23.78 | 17865 | 12.31 | 40396 | 11.06 | |

| SIP Performance HSBC Value Fund - Reg | | | | | Inception Date: 08-Jan-10 |
|---|----------|----------|----------|-----------------|---------------------------|
| Scheme Name & Benchmarks | 1 Year | 3 Years | 5 Years | Since Inception | |
| Total amount invested (₹) | 120000 | 360000 | 600000 | 1590000 | |
| Market Value as on April 30, 2023 (₹) | 1,29,083 | 4,74,883 | 9,06,947 | 49,22,263 | |
| Scheme Returns (%) | 14.60 | 18.97 | 16.60 | 15.80 | |
| Nifty 500 TRI - Scheme Benchmark (₹) | 1,23,741 | 4,45,130 | 8,58,334 | 39,44,001 | |
| Nifty 500 TRI - Scheme Benchmark Returns (%) | 5.94 | 14.38 | 14.35 | 12.83 | |
| Nifty 50 TRI - Additional Benchmark (₹) | 1,25,331 | 4,45,256 | 8,54,658 | 38,58,688 | |
| Nifty 50 TRI - Additional Benchmark Returns (%) | 8.50 | 14.40 | 14.18 | 12.54 | |

Performance of other Funds managed by Fund Manager

| 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 | Returns % | Amount in Rs | Returns % | Amount in Rs | Returns % | Amount in Rs | Returns % | |
| HSBC Infrastructure Fund-Regular ⁸ | 11566 | 15.70 | 23878 | 33.73 | 14968 | 8.41 | 27314 | 6.66 | 27-Sep-07 |
| Scheme Benchmark (NIFTY Infrastructure TRI) | 10531 | 5.32 | 20259 | 26.59 | 16602 | 10.68 | 14503 | 2.41 | |
| Additional Benchmark (Nifty 50 TRI) | 10689 | 6.91 | 18945 | 23.78 | 17865 | 12.31 | 43341 | 9.86 | |
| HSBC Flexi Cap Fund-Regular | 10712 | 7.14 | 18274 | 22.30 | 14721 | 8.05 | 161318 | 15.60 | 24-Feb-04 |
| Scheme Benchmark (Nifty 500 TRI) | 10404 | 4.05 | 19585 | 25.17 | 16949 | 11.14 | 133111 | 14.44 | |
| Additional Benchmark (Nifty 50 TRI) | 10689 | 6.91 | 18945 | 23.78 | 17865 | 12.31 | 126688 | 14.15 | |
| HSBC Business Cycles Fund-Regular | 11114 | 11.17 | 20659 | 27.42 | 14576 | 7.83 | 25037 | 11.13 | 20-Aug-14 |
| Scheme Benchmark (Nifty 500 TRI) | 10404 | 4.05 | 19585 | 25.17 | 16949 | 11.14 | 26487 | 11.86 | |
| Additional Benchmark (Nifty 50 TRI) | 10689 | 6.91 | 18945 | 23.78 | 17865 | 12.31 | 25413 | 11.33 | |
| HSBC Small Cap Fund-Regular ⁹ | 11001 | 10.04 | 29380 | 43.32 | 17093 | 11.32 | 46698 | 18.75 | 12-May-14 |
| Scheme Benchmark (NIFTY Small Cap 250 TRI) | 9987 | -0.13 | 26649 | 38.72 | 14734 | 8.06 | 35184 | 15.06 | |
| Additional Benchmark (Nifty 50 TRI) | 10689 | 6.91 | 18945 | 23.78 | 17865 | 12.31 | 28764 | 12.50 | |
| HSBC Mid Cap Fund-Regular ¹⁰ | 10200 | 2.00 | 18516 | 22.84 | 13889 | 6.79 | 206503 | 17.55 | 09-Aug-04 |
| Scheme Benchmark (NIFTY Midcap 150 TRI) | 10744 | 7.46 | 23780 | 33.55 | 17632 | 12.02 | NA | NA | |
| Additional Benchmark (Nifty 50 TRI) | 10689 | 6.91 | 18945 | 23.78 | 17865 | 12.31 | 139130 | 15.09 | |

Performance of other Funds managed by Fund Manager (Continue)

| Name of Scheme | Fund Manager | No. of funds managed and Co-managed |
|---------------------------|--|--|
| HSBC Value Fund | Venugopal Manghat- Since Nov 24,2012 Vihang Shankar Naik- Since Dec 17,2019 | Venugopal Manghat-5 Vihang Shankar Naik-4 |
| HSBC Infrastructure Fund | Venugopal Manghat- Since Dec 17, 2019 Gautam Bhupal-Since Nov 26, 2022 | Venugopal Manghat-5 Gautam Bhupal-6 |
| HSBC Flexi Cap Fund | Vihang Shankar Naik- Since Nov, 26 2022 Venugopal Manghat- Since Nov, 26 2022 | Vihang Shankar Naik-4 Venugopal Manghat-5 |
| HSBC Business Cycles Fund | Ankur Arora- Since Nov 26 2022 Venugopal Manghat- Since Aug 20 2014 | Ankur Arora-3 Venugopal Manghat-5 |
| HSBC ELSS Fund | Cheenu Gupta- Since Jul 02, 2021 Gautam Bhupal- Since Nov 26,2022 | Cheenu Gupta-7 Gautam Bhupal-6 |
| HSBC Small Cap Fund | Venugopal Manghat- Since Dec 17, 2019 Vihang Shankar Naik- Since Dec 17, 2019 | Venugopal Manghat-5 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-7 |

⁸ HSBC Infrastructure Fund: The launch date of the S&P BSE India Infrastructure Index (INR) is May 19, 2014 whereas the inception date of the scheme is September 27, 2007.

The corresponding benchmark returns since inception of the scheme is not available.

⁹ HSBC Small Cap Fund: The launch date of the S&P BSE 250 Small Cap Index (INR) is November 30, 2017 whereas the inception date of the scheme is May 12, 2014. The corresponding benchmark returns since inception of the scheme is not available.

¹⁰ 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 shall be 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 Asset Management India, data as at 30 April 2023

Since Inception returns are provided from the date of allotment of units. PTP returns – Point to Point returns.

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.

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 April 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.

Pursuant to the transfer of schemes of L&T Mutual Fund to HSBC Mutual Fund, which was effective from the close of business hours of November 25, 2022, the performance of the Scheme (which is the surviving scheme out of the merger of schemes with similar features) provided above is computed as per the provisions of SEBI Circular No- SEBI/HO/IMD/DF3/CIR/P/2018/69 dated April 12, 2018 using the weighted average performance of both transferor and transferee schemes. The details of the transferor and transferee schemes please refer to our notice dated October 14, 2022 available on www.assetmanagement.hsbc.co.in.

HSBC Mutual Fund
Equity Investment Process



450+ companies* covered across sectors & market caps

Large Cap
Stocks
coverage -
95%*

Mid Cap
Stocks
coverage -
95%*

Small Cap
Stocks
coverage –
75%*

Sectors - Auto & Auto comps, Pharma & Healthcare, Paints, Media, Textiles, Consumer Staples, Consumer Discretionary, Durables and bldg materials, Real Estate, O&G Sugar Telecom, Capital Goods, Power & infra, Logistics, Tech Services, Metals, Cement, Banks and lenders, Financial services, Chemical and Paper

*Large Cap: top 100 stocks on full market capitalisation basis; Mid caps - next 150 stocks based on full market capitalization; Small Cap: Stocks in Nifty 250 small cap index; 437 companies from NIFTY 500 TRI, remaining outside Nifty 500 TRI
Source: HSBC Mutual Fund

450+ companies* covered across sectors & market caps

| GICS classification - Sectors | Stocks in Coverage | Stocks in NIFTY 500 Index | % of Coverage |
|-------------------------------|--------------------|---------------------------|---------------|
| Financials | 70 | 84 | 83% |
| Information Technology | 28 | 34 | 82% |
| Materials | 73 | 87 | 84% |
| Consumer Discretionary | 72 | 79 | 91% |
| Energy | 11 | 11 | 100% |
| Consumer Staples | 26 | 33 | 79% |
| Industrials | 71 | 79 | 90% |
| Health Care | 48 | 49 | 98% |
| Utilities | 14 | 17 | 82% |
| Communication Services | 13 | 17 | 76% |
| Real Estate | 11 | 11 | 100% |
| Total | 437* | 501 | 87% |

Source: HSBC Mutual Fund; *437 companies from NIFTY 500 Index; remaining outside NIFTY 500 Index

Guiding principles that drive Investment philosophy and approach

Investment mandate

- Ensures that the fund manager adheres to the investment style stated in the prospectus

Active fund management

- Focus and conviction on long-term business fundamentals
- Coupled with disciplined yet active fund management generate superior long-term performance

Research based stock selection

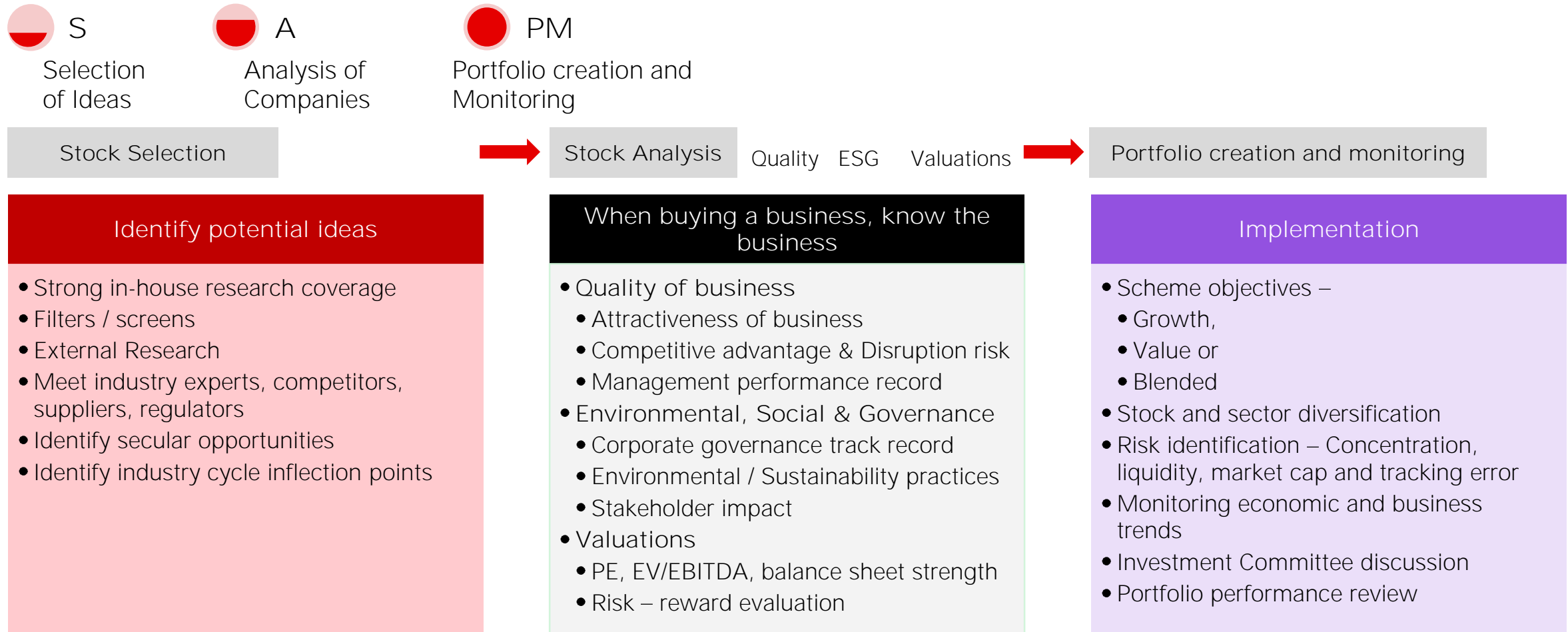
- Focus is on identifying stocks with
 - Strong business fundamentals,
 - Better growth prospects and
 - Undervalued relative to their intrinsic worth

Robust risk management

- A robust framework for evaluating, monitoring and managing various risks are an integral part of the investment process

Source: HSBC Mutual Fund

Power of SAPM - Equity investment process comprises three stages



Source: HSBC Mutual Fund



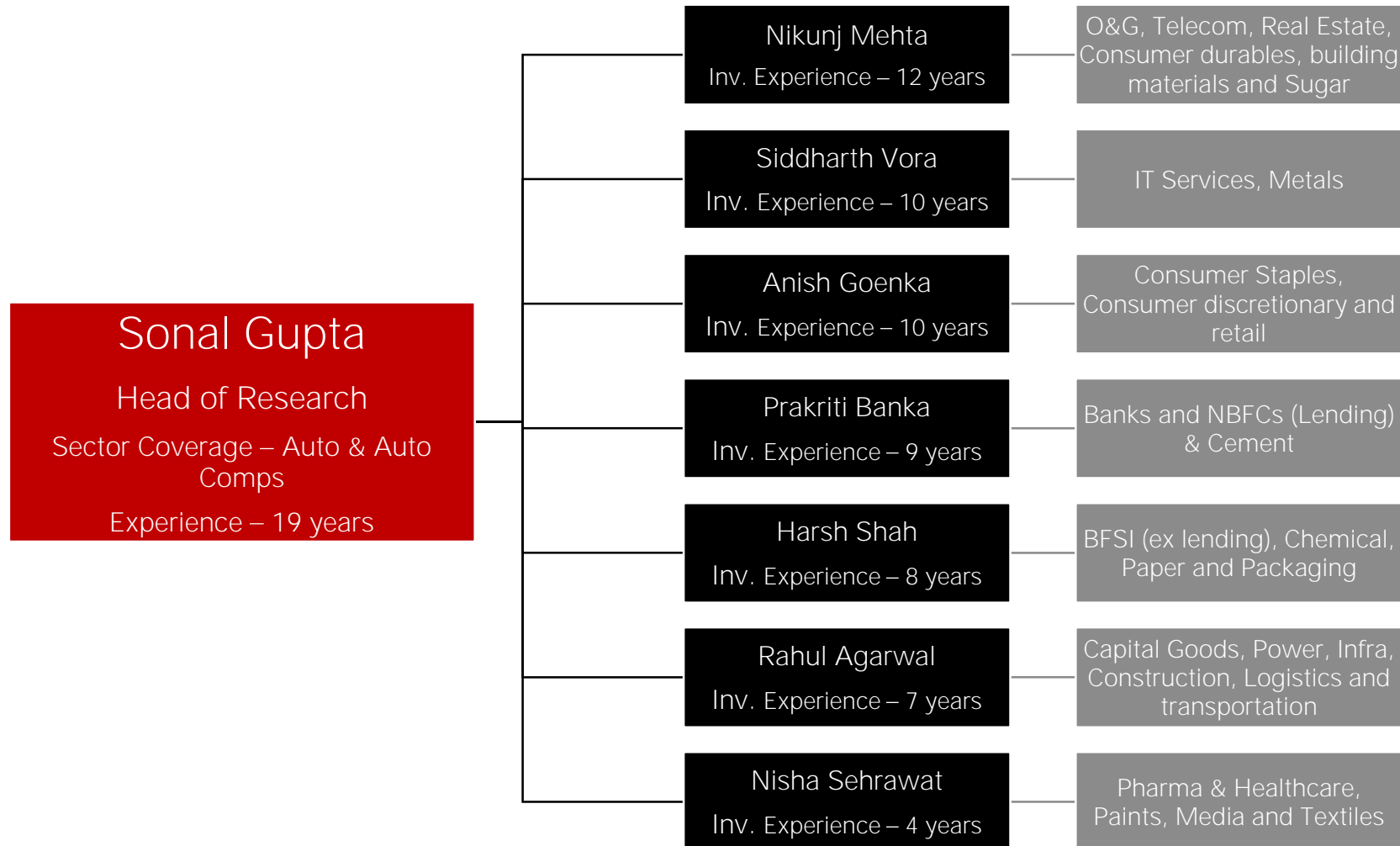
Mr. Venugopal Manghat
CIO - Equities

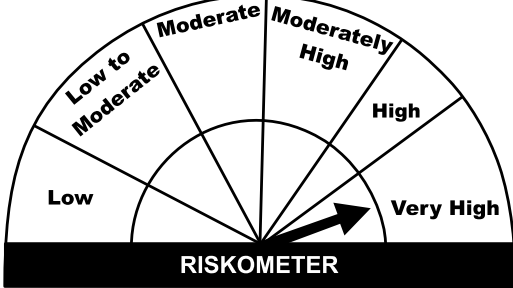
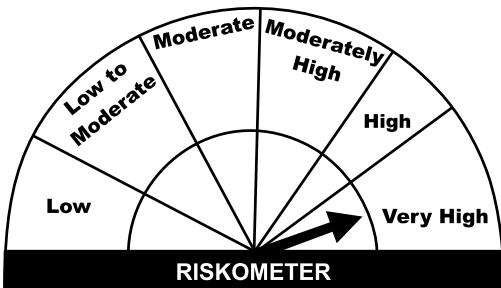
Mr. Venugopal Manghat has an experience of 29 years in Indian equity markets. Prior to becoming CIO Equities at HSBC Asset Management, he was Head Equities at L&T Investment Management.

Before that he was Co-head of Equities at Tata Asset Management. He started his career as a research analyst on the sell side before joining Tata Asset Management. He holds a Bachelor of Mathematics degree and an MBA in Finance.

Equity Research Team

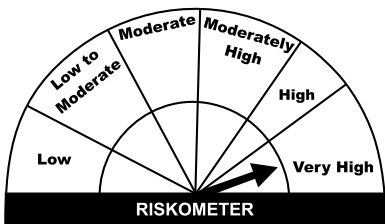
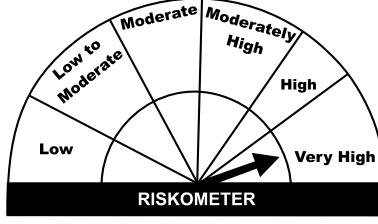
- Team of 8 Analysts with wide sector coverage
- More than 50% of the team with 8+ years investments experience



| Scheme name and Type of scheme | *Riskometer of the Scheme | Riskometer of the benchmark |
|--|--|---|
| <p>HSBC Value Fund (Erstwhile L&T India Value Fund)</p> <p>- 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. <p>(Benchmark : NIFTY 500 TRI Index)</p> |  <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 30 April 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

| 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 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 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 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 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"> • Long term capital appreciation • 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. (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 style="text-align: center;">RISKOMETER</p> <p style="text-align: center;">Investors understand that their principal will be at Very High risk</p> |  <p style="text-align: center;">RISKOMETER</p> |

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