

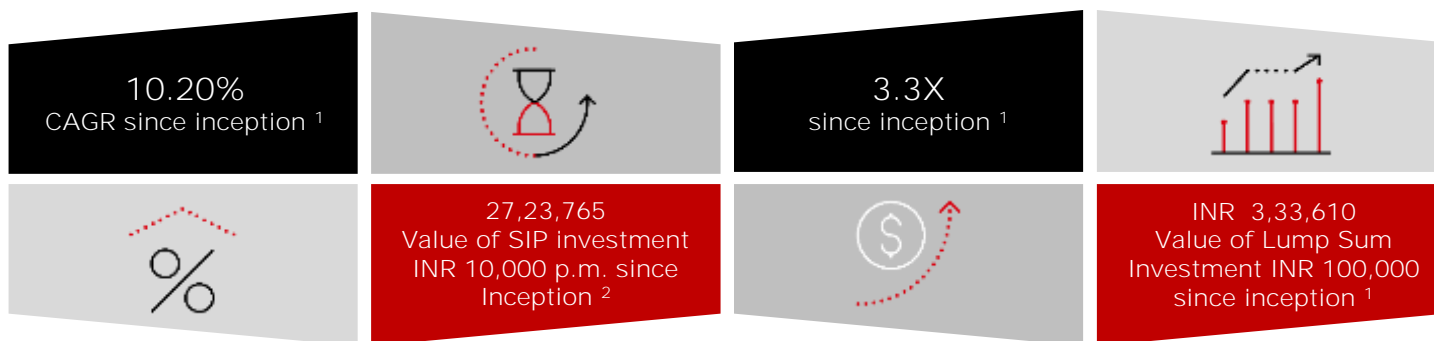
## Product Note

### HSBC Balanced Advantage Fund (HBAF) (Formerly known as L&T Balanced Advantage Fund)

Balanced Hybrid Fund – An open ended dynamic asset allocation fund.

July 2023

Fund Category	Fund Manager	Benchmark	Inception Date	AUM
Balanced Hybrid Fund	Neelotpal Sahai and Ritesh Jain	NIFTY 50 Hybrid Composite Debt 50:50 Index	7 Feb 2011	Rs. 1430.74 Cr



Portfolio	% of net assets
Reliance Industries Limited	5.21%
HDFC Bank Limited	4.16%
ICICI Bank Limited	3.59%
DLF Limited	2.91%
Infosys Limited	2.33%
Ambuja Cements Limited	2.10%
Sun Pharmaceutical Industries Limited	2.06%
ITC Limited	2.05%
CRISIL Limited	1.64%
RHI Magnesita India Limited	1.61%

Sector - Allocation	% of net assets
Finance	22.40%
Government Securities	14.42%
Banks	13.75%
Pharmaceuticals & Biotechnology	7.82%
Petroleum Products	5.21%
Realty	4.88%
Diversified FMCG	3.48%
Industrial Products	3.45%
Reverse Repos/TREPS	3.35%
Beverages	3.01%

<sup>1</sup> As on 30 June 2023 of Growth option. During the same period, scheme benchmark (NIFTY 50 Hybrid Composite Debt 50:50 Index) has moved by 3.4X to Rs. 3,44,090 from Rs.100,000 and delivered return of 10.48%. Please refer page no.3 for detailed performance of HSBC Balanced Advantage Fund.

<sup>2</sup> During the same period, value of scheme benchmark (NIFTY 50 Hybrid Composite Debt 50:50 Index) has moved to 3,032,218

<sup>3</sup> 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

<sup>4</sup> Continuing plans

Data as on 30 June, 2023 unless otherwise given

## HSBC Balanced Advantage Fund (HBAF)

Equity as an asset class is associated with high volatility and this is the key reason why most investors tend to stay away from equities or under allocate to equities, despite the strong long term return potential of this asset class. Such cautious investors fearful of high volatility could consider investing in funds which dynamically manage equity allocation based on valuation level – i.e. increase equity exposure when markets are cheap and reduce equity exposure when markets are expensive. Historical data suggests that such a strategy helps in taming the volatility significantly and yet help investors participate in the long term growth potential of equities.

## Why HSBC Balanced Advantage Fund?

- Asset allocation between equity and debt depending on prevailing market and economic conditions
- Aims to build a portfolio of companies diversified across major industries, economic sectors and market capitalization that offer an acceptable risk reward balance
- Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook
- To benefit from both asset classes of equity and fixed income for an optimal asset-allocation portfolio
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

## Fund Philosophy

- The fund could help investors participate in the long term growth potential of equities but with a much lower short term volatility
- The Fund helps in systematically managing equity allocation based on valuations and keep emotions away from asset allocation decisions
- History suggests that sharp corrections in the market typically occur when equity valuations are expensive. Due to the fund's strategy of maintaining low equity allocation at higher valuation levels, it could help reduce downside significantly during such market corrections
- Potential to substantially improve risk adjusted return for medium to long term investors; active stock picking approach for equity allocation
- The Fund provides a tax efficient and cost efficient dynamic asset allocation solution – taxation similar to equity oriented schemes

## Portfolio sectoral positioning (Unhedged Equity) as on 28th February 2023:

- Positive view on: Healthcare, Real Estate, Materials, Consumer Staples, Utilities, and Communication Services
- Neutral: Industrials
- Underweight stance: Financials, Technology, Energy, and Consumer Discretionary

## Investment Objective

To seek long term capital growth and income through investments in equity and equity related securities and fixed income instruments. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

Load / Expenses	
Entry Load	NIL
Exit Load - NIL (after 1 year), 1% (before 1 year) <sup>4</sup>	
Expense ratio (Other than Direct) <sup>5</sup>	2.12%
Expense ratio (Direct)	0.78%

<sup>4</sup> 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

<sup>5</sup> Continuing plans

HSBC Balanced Advantage Fund (HBAF) | Product Note  
[ July 2023 ]

Fund Managers - Neelotpal Sahai (No of Schemes Managed – 4) - Managing Fund Since 26 Nov 2022 and Ritesh Jain (No of Schemes Managed – 5) - Managing Fund Since 26 Nov 2022 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	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Balanced Advantage Fund - Regular	11260	12.60	13214	9.74	14294	7.40	33361	10.20	07-Feb-11
Scheme Benchmark (Nifty 50 Hybrid composite debt 50:50 Index)	11566	15.66	15099	14.72	17162	11.39	34409	10.48	
Additional Benchmark (S&P BSE Sensex TRI)	12367	23.67	19263	24.43	19404	14.16	42530	12.38	

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 Large Cap Fund – Regular <sup>5</sup>	12374	23.74	17870	21.35	17244	11.50	365737	19.13	10-Dec-02
Scheme Benchmark (Nifty 100 TRI)	12111	21.11	18855	23.54	18418	12.98	NA	NA	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	238088	16.66	
HSBC Large and Mid Cap Fund-Regular	12970	29.70	19298	24.50	NA	NA	17263	13.67	28-Mar-19
Scheme Benchmark (NIFTY Large Midcap 250 TRI)	12772	27.72	21528	29.12	NA	NA	19309	16.70	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	NA	NA	17460	13.98	
HSBC Conservative Hybrid Fund - Regular	11081	10.81	12571	7.92	14205	7.26	47493	8.38	24-Feb-04
Scheme Benchmark (NIFTY Large Midcap 250 TRI)	11058	10.58	12590	7.98	15446	9.07	47389	8.37	
Additional Benchmark (CRISIL 10 year Gilt Index)	10928	9.28	10959	3.10	13872	6.76	28578	5.57	
HSBC Equity Savings Fund-Regular	11304	13.04	15172	14.91	14731	8.05	25337	8.27	18-Oct-11
Scheme Benchmark (NIFTY Equity Savings Index)	11214	12.14	13906	11.62	15449	9.08	29217	9.59	
Additional Benchmark (CRISIL 10 year Gilt Index)	10928	9.28	10959	3.10	13872	6.76	21562	6.78	
HSBC Arbitrage Fund-Regular	10559	5.59	11315	4.20	12723	4.93	16529	5.74	30-Jun-14
Scheme Benchmark (Nifty 50 Arbitrage Index)	10610	6.10	11379	4.40	12616	4.75	15995	5.35	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	28155	12.18	

Fund / Benchmark (Value of Rs 10,000 Invested)	1 Year		Since Inception		Inception Date
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Focused Fund-Regular	11950	19.50	16396	18.32	22-Jul-20
Scheme Benchmark (Nifty 500 TRI)	12390	23.90	18736	23.81	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	17847	21.78	

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 Balanced Advantage Fund	Neelotpal Sahai (Equity)- Since Nov 26,2022 Ritesh Jain (Fixed Income) -Since Nov 26,2022	Neelotpal Sahai-4 Ritesh Jain-5
HSBC Large Cap Fund	Neelotpal Sahai- Since May 27, 2013 Ankur Arora- Since Nov 26, 2022	Neelotpal Sahai-4 Ankur Arora-3
HSBC Large & Mid Cap Fund	Cheenu Gupta- Since Nov 26, 2022 Neelotpal Sahai- Since Mar 28, 2019	Cheenu Gupta-7 Neelotpal Sahai-4
HSBC Conservative Hybrid Fund	Ritesh Jain (Fixed Income) Since Nov 26,2022 Cheenu Gupta (Equity) Since Nov 26,2022	Ritesh Jain-5 Cheenu Gupta-7
HSBC Equity Savings Fund	Cheenu Gupta (Equity) -Since Jul 02, 2021 Ritesh Jain (Fixed Income) -Since Nov 26,2022	Cheenu Gupta-7 Ritesh Jain-5
HSBC Arbitrage Fund	Praveen Ayathan (Equity) : Since Jun 30, 2014 Ritesh Jain (Fixed Income) - Since Nov 26, 2022	Praveen Ayathan-3 Ritesh Jain-5
HSBC Equity Savings Fund	Cheenu Gupta (Equity) -Since Jul 02, 2021 Ritesh Jain (Fixed Income) -Since Nov 26,2022	Cheenu Gupta-7 Ritesh Jain-5
HSBC Focused Fund	Neelotpal Sahai- Since Nov 26, 2022 Ankur Arora- Since July 29, 2020	Neelotpal Sahai-4 Ankur Arora-3
HSBC CRISIL IBX 50-50 Gilt Plus Apr 2028 Index Fund	Ritesh Jain Since Nov 26,2022 Kapil Lal Punjabi Since Mar 31, 2022	Ritesh Jain-5 Kapil Lal Punjabi-6

<sup>5</sup>HSBC Large Cap Fund: The launch date of the Nifty 100 TRI is Jan 01, 2003 whereas the inception date of the scheme is Dec 10, 2002. The corresponding benchmark returns since inception of the scheme 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 June 2023

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SIP Performance HSBC Balanced Advantage Fund - Reg					Inception Date: 07-Feb-11
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1480000	
Market Value as on June 30, 2023 (₹)	127,595	402,663	736,072	2,723,765	
Scheme Returns (%)	12.03	7.43	8.12	9.43	
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark (₹)	128,401	421,198	803,810	3,032,218	
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark Returns (%)	13.33	10.50	11.66	11.02	
S&P BSE Sensex TRI - Additional Benchmark (₹)	131,870	455,405	898,286	3,679,833	
S&P BSE Sensex TRI - Additional Benchmark Returns (%)	18.98	15.92	16.17	13.87	


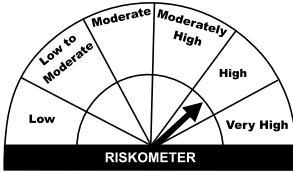
Since Inception returns are provided from the date of allotment of units. PTP returns – Point to Point returns.

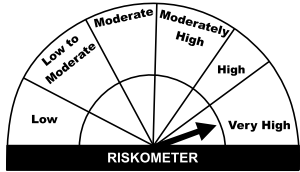
For SIP returns, monthly investment of Rs.10,000 invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis.

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 June 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](http://www.assetmanagement.hsbc.co.in).

## Product Label



HSBC Balanced Advantage Fund (Erstwhile L&T Balanced Advantage Fund)		
 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at High risk</p>	<p>HSBC Balanced Advantage Fund – An open-ended dynamic asset allocation fund.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Long term capital appreciation and generation of reasonable returns</li> <li>• Investment in equity and equity related instruments, derivatives and debt and money market instruments</li> </ul>	<p>Benchmark Index: NIFTY 50 Composite Hybrid Debt 50:50 Index</p>  <p><b>RISKOMETER</b></p>


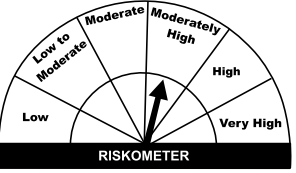
Scheme name and Type of scheme	*Riskometer of the Scheme	Riskometer of the benchmark
<p><b>This product is suitable for investors who are seeking*:</b></p> <p><b>HSBC Large Cap Fund (Erstwhile HSBC Large Cap Equity Fund) - Large Cap Fund</b> – An open ended equity scheme predominantly investing in large cap stocks.</p> <ul style="list-style-type: none"> <li>• To create wealth over long term.</li> <li>• Investment in predominantly large cap equity and equity related securities. (Benchmark : NIFTY 100 TRI Index)</li> </ul> <p><b>HSBC Large and Mid Cap Fund (Erstwhile HSBC Large &amp; Mid Cap Equity Fund) - Large and Mid Cap Fund</b> – An open ended equity scheme investing in both large cap and mid cap stocks.</p> <ul style="list-style-type: none"> <li>• Long term wealth creation and income</li> <li>• Investment predominantly in equity and equity related securities of Large and Mid cap companies (Benchmark : NIFTY Large Midcap 250 TRI)</li> </ul> <p><b>HSBC Focused Fund (Erstwhile HSBC Focused Equity Fund) - Focused Fund</b> – An open ended equity scheme investing in maximum 30 stocks across market caps (i.e. Multi-Cap).</p> <ul style="list-style-type: none"> <li>• Long term wealth creation</li> <li>• Investment in equity and equity related securities across market capitalization in maximum 30 stocks. (NIFTY 500 TRI Index)</li> </ul>		 <p><b>RISKOMETER</b></p>

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Past performance may or may not be sustained in the future. Source: HSBC Asset Management India, data as at 30 June 2023

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Scheme name and Type of scheme	*Riskometer of the Scheme	Riskometer of the benchmark
<p><b>This product is suitable for investors who are seeking*:</b></p> <p><b>Index Fund</b> - An open-ended Target Maturity Index Fund tracking CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028. Relatively High interest rate risk and Low credit risk.</p> <ul style="list-style-type: none"> <li>Income over target maturity period</li> <li>Investment in constituents similar to the composition of CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028 (CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028)</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderate risk</p>	 <p>RISKOMETER</p>

Scheme name and Type of scheme	*Riskometer of the Scheme	Riskometer of the benchmark
<p><b>This product is suitable for investors who are seeking*:</b></p> <p><b>Equity Savings Fund</b> – An open ended scheme investing in equity, arbitrage and debt.</p> <ul style="list-style-type: none"> <li>Investment in fixed income (debt and money market instruments) as well as equity and equity related securities</li> <li>Capital appreciation over medium to long term (NIFTY Equity Savings Index)</li> </ul> <p><b>Conservative Hybrid Fund</b>– An open ended hybrid scheme investing predominantly in debt instruments.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>Investment in fixed income (debt and money market instruments) as well as equity and equity related securities</li> <li>Capital appreciation over medium to long term</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderately High risk</p>	<p><b>Benchmark Index: NIFTY 50 Hybrid Composite Debt 15:85 Index</b></p>  <p>RISKOMETER</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 June 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 Asset Management India, data as on 30 June 2023

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