

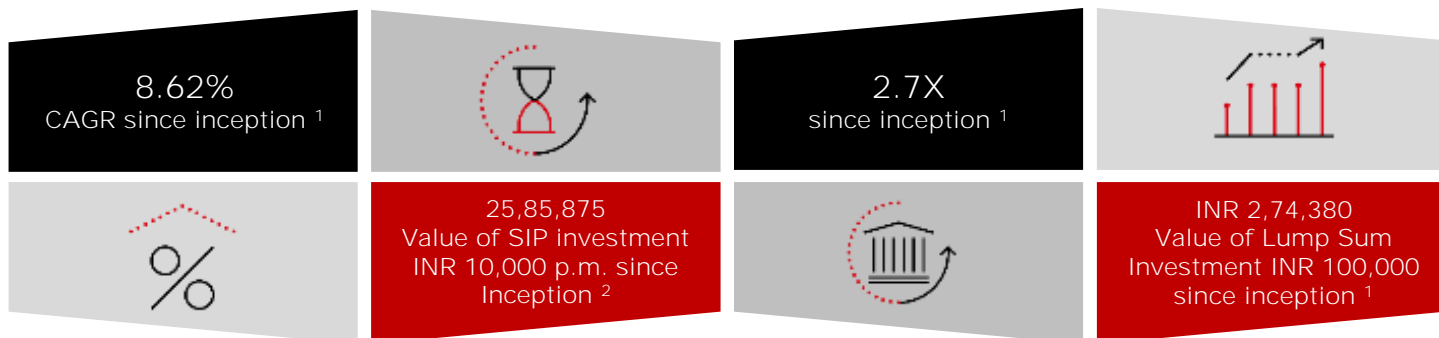
## Product Note

### HSBC Equity Savings Fund (HESF)

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

January 2024

Fund Category	Fund Manager	Benchmark <sup>3</sup>	Inception Date	AUM <sup>&amp;</sup>
Equity Savings Fund	Cheenu Gupta, Mahesh Chhabria, Neelotpal Sahai <sup>@</sup> , Praveen Ayathan <sup>@</sup> , Hitesh Gondhia <sup>@</sup> , Sonal Gupta <sup>#</sup>	NIFTY Equity Savings Index	18 Oct 2011	Rs. 211.18 Cr



Portfolio	% to net assets	Sector - Allocation	% to net assets
Bharat Electronics Limited	6.51%	Government Securities	20.84%
United Spirits Limited	6.04%	Reverse Repos/TREPS	7.49%
Ambuja Cements Limited	2.97%	IT - Software	7.06%
Pidilite Industries Limited	2.70%	Aerospace & Defense	6.51%
Sonata Software Limited	2.60%	Beverages	6.04%
The Indian Hotels Company Limited	2.16%	Consumer Durables	5.73%
Larsen & Toubro Limited	2.05%	Finance	3.75%
Steel Authority of India Limited	2.01%	Electrical Equipment	3.65%
Eureka Forbes Limited	1.86%	Industrial Products	3.62%
Polycab India Limited	1.82%	Cement & Cement Products	2.97%

Investors often strive to strike a balance between the risk associated with their investments and proportionate returns. It is a known fact that equities, over a longer period of time, prove to be unwavering wealth creators. However, despite long-term growth opportunities, investors take caution while investing in equities, due to the intermittent risk. A solution to this could be a portfolio mix of equities, debt and arbitrage opportunities that could help achieve the desired risk-return profile, along with tax efficiency.

Entry Load\*: Not Applicable, Exit Load: If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 Month from the date of allotment – Nil, If units redeemed or switched out are over and above the limit i.e beyond 10% of the allotted units within 1 Month from the date of allotment – 0.05%, If units are redeemed or switched out on or after 1 Month from the date of allotment. – Nil. \*A switch-out or a withdrawal under SWP or a transfer under STP (except a switch-out or a transfer under STP into any of the Equity Schemes except HSBC Arbitrage Fund) may also attract an Exit Load like any. Redemption No Exit Load will be chargeable in case of switches made between different options of the Scheme. No Exit Load will be chargeable in respect of redemption / switch out of redemption of: Units allotted on account of dividend. In case of units switched out/systematically transferred to another option/plan within the same plan/Scheme and if subsequently redeemed, for the purpose of determining the Exit Load, the date when such units were first allotted in the respective plan/Scheme will be considered as the purchase/allotment date. \* 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 effective August 1, 2009.

Month End Total Expenses Ratios (Annualized)<sup>4</sup> – Regular<sup>5</sup>: 1.51%, Direct: 0.61%

<sup>1</sup> As on 29 December 2023 of Growth option regular plan. During the same period, scheme benchmark (Nifty Equity Savings Index) has moved by 3.1X to Rs. 3,13,370 from Rs.100,000 and delivered return of 9.81%. Please refer page no. 3 for detailed performance of HSBC Equity Savings Fund.

<sup>2</sup> During the same period, value of scheme benchmark (Nifty Equity Savings Index) has moved 27,03,763

<sup>3</sup> 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.

<sup>@</sup> Managing since October 01, 2023. Please refer notice cum addendum dated September 29, 2023. <sup>4</sup> TER Annualized TER including GST on Investment Management Fees,

<sup>5</sup> Continuing plans, <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).

Source – HSBC Mutual Fund, Data as of 31 December 2023. Past performance may or may not be sustained in the future and is not indicative of future results. <sup>#</sup> Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

## Fund Strategy

- The fund aims to generate regular income by predominantly investing in arbitrage opportunities in the cash and derivatives segments of the equity markets and debt and money market instruments and to generate long-term capital appreciation through unhedged exposure to equity and equity related instruments.
- The arbitrage components in the portfolio of these schemes try to minimise the downside risk
- The fund manager can decide asset allocation between equity and debt depending on prevailing market and economic conditions as per indicative allocation given in the Scheme Information Document.

## 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
- Aim to provide reasonable liquidity and risk adjusted performance in long term to suit the investor's requirements
- Maintains optimum allocation across arbitrage instruments

## Investment Objective

The investment objective of the Scheme is to generate regular income by predominantly investing in arbitrage opportunities in the cash and derivatives segments of the equity markets and debt and money market instruments and to generate long-term capital appreciation through unhedged exposure to equity and equity related instruments. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

HSBC Equity Savings Fund (HESF) | Product Note  
[ January 2024 ]

Fund Manager - Cheenu Gupta Effective 02 Jul 2021. Total Schemes Managed - 9; Neelopal Sahai Effective 01 Oct 2023. Total Schemes Managed - 10; 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; Sonal Gupta Effective 26 Nov 2022. Total Schemes Managed - 15

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 %	18-Oct-11
HSBC Equity Savings Fund-Reg	11705	17.10	13866	11.53	15921	9.75	27438	8.62	
Scheme Benchmark (NIFTY Equity Savings Index)	11239	12.43	13144	9.56	16099	10.00	31337	9.81	
Additional Benchmark (CRISIL 10 year Gilt Index)	10782	7.84	10976	3.16	13247	5.79	22136	6.73	

PTP returns – Point to Point returns. | 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 December 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. As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023, the scheme returns vis-a-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.

SIP Performance - HSBC Equity Savings Fund - Regular					Inception Date: 18-Oct-11
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1460000	
Market Value as on December 29 2023 (₹)	132,304	428,388	807,244	2,585,875	
Scheme Returns (%)	19.76	11.67	11.84	8.98	
NIFTY Equity Savings Index - Scheme Benchmark (₹)	130,261	419,095	781,279	2,703,763	
NIFTY Equity Savings Index - Scheme Benchmark Returns (%)	16.41	10.16	10.52	9.66	
CRISIL 10 Year Gilt Index - Additional Benchmark (₹)	124,664	387,821	675,942	2,144,726	
CRISIL 10 Year Gilt Index - Additional Benchmark Returns (%)	7.36	4.91	4.72	6.11	



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 31 December 2023

[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><b>HSBC Equity Savings Fund</b></p> <p><b>Equity Savings Fund</b> – An open ended scheme investing in equity, arbitrage and debt.</p> <p><b>This product is suitable for Investors who are seeking*:</b></p> <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>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Moderately High risk</p>	<p><b>Benchmark Index: NIFTY Equity Savings Index</b></p>  <p><b>RISKOMETER</b></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 December 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 and is not indicative of future results. Source: HSBC Mutual Fund, data as on 31 December 2023

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