

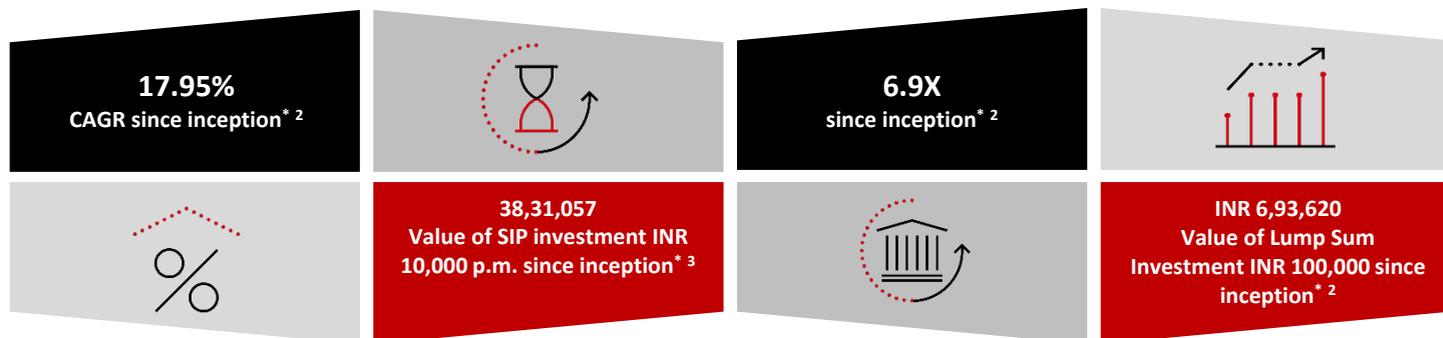
## Product Note

### HSBC Small Cap Fund (HSCF)

(An open ended equity scheme predominantly investing in small cap stocks)

February 2026

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date*	AUM <sup>&amp;</sup>
Small Cap Fund	Venugopal Manghat and Mayank Chaturvedi <sup>#</sup>	NIFTY Small Cap 250 TRI	12 May 2014	Rs. 15,028.86 Cr



Portfolio	% to net assets
Multi Commodity Exchange of India Ltd.	3.16%
Karur Vysya Bank Limited	2.92%
eClerx Services Limited	2.36%
The Federal Bank Limited	2.05%
PNB Housing Finance Limited	1.87%
City Union Bank Limited	1.72%
Time Technoplast Limited	1.63%
Delhivery Limited	1.58%
Mtar Technologies Limited	1.52%
IDFC First Bank Limited	1.48%

Industry - Allocation	% to net assets
Industrial Products	10.79%
Banks	9.15%
Capital Markets	8.50%
Pharmaceuticals & Biotechnology	7.15%
Finance	6.63%
Auto Components	5.65%
Consumer Durables	5.51%
Textiles & Apparels	4.20%
Commercial Services & Supplies	3.81%
Construction	3.41%

Risk Ratios <sup>4</sup>	
Standard Deviation	18.77%
Beta	0.89

Risk Ratios <sup>4</sup>	
Sharpe Ratio <sup>5</sup>	0.60
R2	0.94%

**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. A switch-out or a withdrawal under SWP 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 case of Units allotted on account of IDCW reinvestments, if any. Exit load is not applicable for Segregated Portfolio.

**Month End Total Expenses Ratios (Annualized)<sup>6</sup> – Regular<sup>7</sup>: 1.71%, Direct: 0.71%**

\* Since inception - 12 May 14

<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>2</sup> As on 31 January 2026 of Growth option regular plan. During the same period, scheme benchmark (NIFTY Small Cap 250 TRI) has moved by 6.0X to Rs 6,00,760 from Rs 100,000 and delivered return of 16.52% Please refer page no. 3 for detailed performance of HSBC Small Cap Fund.

<sup>3</sup> During the same period, value of scheme benchmark (NIFTY Small Cap 250 TRI) has moved to 36,71,410.

<sup>4</sup> Quantitative Data disclosed are as per monthly returns (Annualized) for the last 3 years..

<sup>5</sup> Risk free rate: 5.53% (FIMMDA-NSE Mibor)

<sup>6</sup> TER Annualized TER including GST on Investment Management Fees. <sup>7</sup> Continuing plans.

<sup>#</sup> Mayank Chaturvedi shall be the fund manager for investments in foreign securities (wherever applicable) for all the schemes of HSBC Mutual Fund. w.e.f. October 01, 2025.

<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 January 2026. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**

Historically, small cap companies have outperformed other segments of the market cap in the long term, paving the way for tremendous growth potential for investors. While large cap companies are extensively researched, small cap stocks are under researched and under owned. Small cap stocks often present relatively attractive opportunity from a long-term perspective.

## Why HSBC Small Cap Fund?

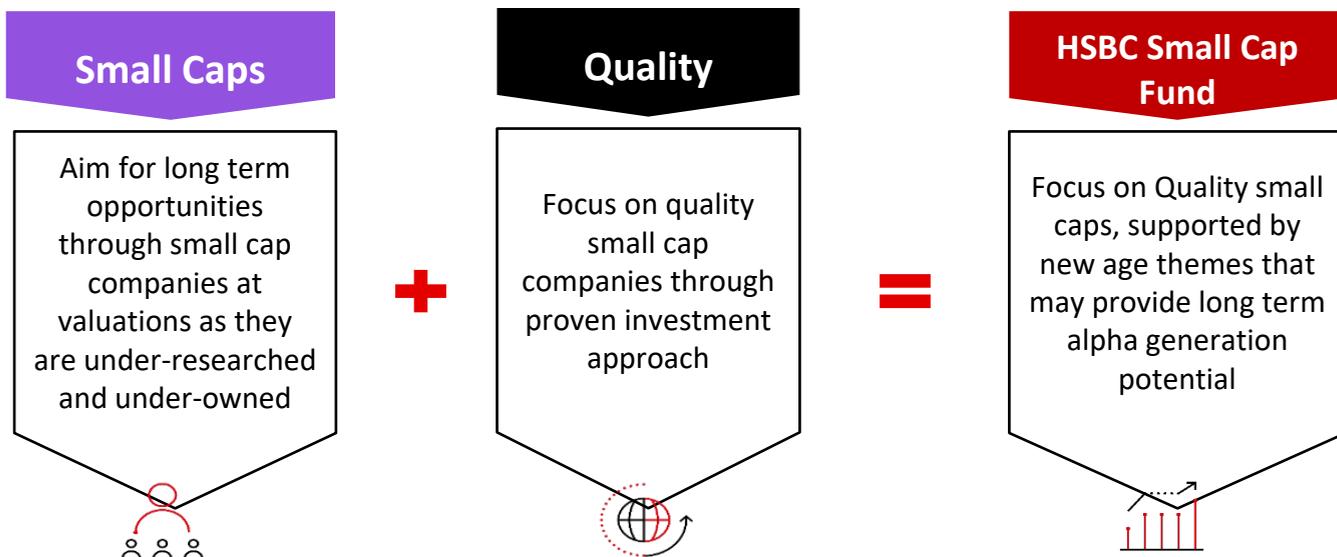
- HSBC Small Cap Fund invests in smaller size businesses in their early stage of development
- Small cap stocks aim to have a potential for growth in the long run
- These businesses may have better revenue and profit growth potential as compared to broader market.
- The fund seek an exposure in small cap segment stocks for alpha generating opportunities in long run
- Follows bottom-up stock selection using our proven investment approach
- At least 65% exposure to small cap companies that comprises of companies from 251st onwards in terms of full market capitalization
- Aims to invest in undervalued, under-owned, and under researched segments that may deliver in long run

## Fund approach

- The HSBC Small Cap fund focusses on buying smaller companies gaining market share within large industries, niche businesses or businesses which are currently small but have large opportunity to grow due to market factors.
- HSBC Small Cap Fund needs to have more than two-third allocation to small caps as a regulatory requirement.
- Smaller companies have been found to do well in expanding economic cycles or when economic growth rates are rising, leading to higher earnings growth rates.
- As India is a fast-growing economy, growth would be one of the key styles while investing in the HSBC Small Cap Fund.
- HSBC Small Cap Fund portfolio is broadly aligned to the four key India growth themes (Infrastructure & Real Estate, Manufacturing, Consumption and Financialization of savings).

## Investment Objective

To generate long term capital growth from an actively managed portfolio of equity and equity related securities of predominantly small cap companies. However, it could move a portion of its assets towards fixed income securities if the fund manager becomes negative on the Indian equity markets. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.



Source – Bloomberg, HSBC Mutual Fund

**Note** – Details provided above is as on 31 January 2026 or as latest available. Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for all your investment decision.

**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).

Fund Manager - Venugopal Manghat Effective 17 Dec 2019. Total Schemes Managed – 4; Fund Manager - Mayank Chaturvedi Effective 01 Oct 2025. Total Schemes Managed – 19

Lump Sum Investment Performance											
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		10 Years		Since Inception		Inception Date
	Amount in ₹	Returns %	Amount in ₹	Returns %							
HSBC Small Cap Fund-Regular Plan~~	9449	-5.52	15665	16.14	27899	22.75	46937	16.70	69362	17.95	12-May-14
Scheme Benchmark (NIFTY Small Cap 250 TRI)	10001	0.01	17340	20.14	26655	21.64	41572	15.30	60076	16.52	
Additional Benchmark (Nifty 50 TRI)	10897	9.00	14848	14.08	19714	14.52	37878	14.23	41707	12.95	
HSBC Small Cap Fund-Direct Plan~~	9547	-4.54	16152	17.33	29517	24.14	50345	17.52	76579	18.95	12-May-14
Scheme Benchmark (NIFTY Small Cap 250 TRI)	10001	0.01	17340	20.14	26655	21.64	41572	15.30	60076	16.52	
Additional Benchmark (Nifty 50 TRI)	10897	9.00	14848	14.08	19714	14.52	37878	14.23	41707	12.95	

**Past performance may or may not be sustained in future and is not a guarantee of any future returns.** The performance details provided herein are of Regular as well as Direct 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 January 2026 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 Small Cap Fund – Regular Plan				
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception
Total amount invested ( ₹ )	120000	360000	600000	1400000
Market Value as on January 30, 2025 ( ₹ )	1,14,353	3,82,708	8,19,079	38,31,057
Scheme Returns (%)	-8.62	4.01	12.40	16.19
NIFTY Small Cap 250 TRI - Scheme Benchmark (₹)	1,16,803	4,09,330	8,58,353	36,71,410
NIFTY Small Cap 250 TRI - Scheme Benchmark Returns (%)	-4.91	8.52	14.30	15.53
Nifty 50 TRI - Additional Benchmark ( ₹ )	1,24,462	4,20,587	8,03,989	31,70,702
Nifty 50 TRI - Additional Benchmark Returns (%)	6.98	10.37	11.65	13.25

Inception Date: 12-May-14

SIP Performance - HSBC Small Cap Fund – Direct Plan				
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception
Total amount invested ( ₹ )	120000	360000	600000	1400000
Market Value as on January 30, 2025 ( ₹ )	1,15,001	3,89,360	8,45,780	40,84,432
Scheme Returns (%)	-7.65	5.16	13.70	17.18
NIFTY Small Cap 250 TRI - Scheme Benchmark (₹)	1,16,803	4,09,330	8,58,353	36,71,410
NIFTY Small Cap 250 TRI - Scheme Benchmark Returns (%)	-4.91	8.52	14.30	15.53
Nifty 50 TRI - Additional Benchmark ( ₹ )	1,24,462	4,20,587	8,03,989	31,70,702
Nifty 50 TRI - Additional Benchmark Returns (%)	6.98	10.37	11.65	13.25

Inception Date: 12-May-14

**Past performance may or may not be sustained in future and is not a guarantee of any future 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. IDCW are assumed to be reinvested and bonus is adjusted. Load is not taken into consideration.

Mayank Chaturvedi shall be the fund manager for investments in foreign securities (wherever applicable) for all the schemes of HSBC Mutual Fund. w.e.f. October 01, 2025.

Source: HSBC Mutual Fund, data as on 31 January 2026

[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 (as applicable)
<p><b>HSBC Small Cap Fund</b> (An open ended equity scheme predominantly investing in small cap stocks)</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</li> <li>• 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</li> </ul>	 <p>The risk of the scheme is Very High Risk</p>	<p>As per AMFI Tier I. <b>Benchmark : NIFTY Small Cap 250 TRI</b></p>  <p>The risk of the benchmark is 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 31 January 2026, 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 future and is not a guarantee of any future returns.** Source: HSBC Mutual Fund, data as on 31 January 2026

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