

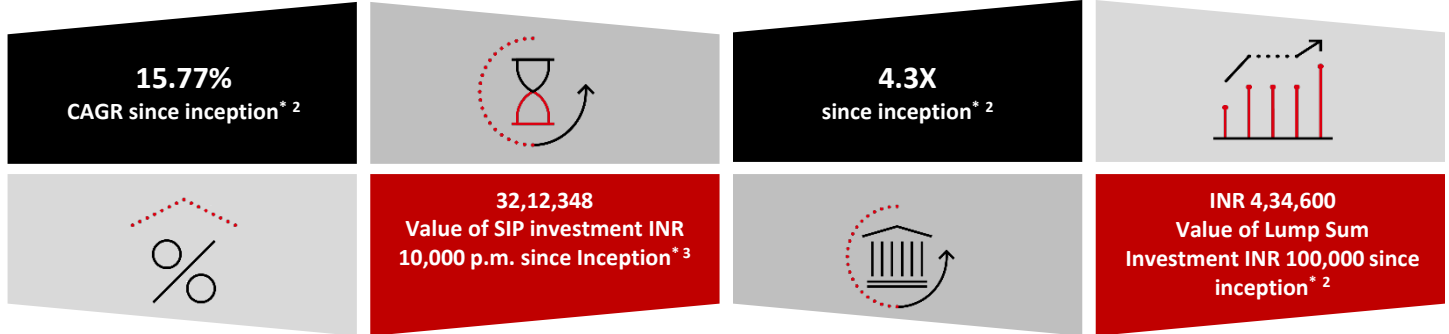
## Product Note

### HSBC Business Cycles Fund (HBCF)

(An open ended equity scheme following business cycles based investing theme)

September 2024

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM <sup>&amp;</sup>
Thematic Fund	Gautam Bhupal, Venugopal Manghat and Sonal Gupta <sup>#</sup>	NIFTY 500 TRI	20 Aug 2014	Rs. 976.93 Cr



Portfolio	% to net assets	Industry - Allocation	% to net assets
Trent Limited	7.84%	Construction	16.00%
ICICI Bank Limited	5.35%	Banks	12.18%
Multi Commodity Exchange of India Limited	5.00%	Retailing	7.84%
Reliance Industries Limited	4.19%	Industrial Products	7.21%
Ahluwalia Contracts (India) Limited	3.62%	Capital Markets	6.02%
Larsen & Toubro Limited	3.31%	Consumer Durables	5.20%
HDFC Bank Limited	3.24%	Electrical Equipment	4.35%
Power Mech Projects Limited	3.15%	Petroleum Products	4.19%
Bharat Electronics Limited	3.06%	Finance	4.06%
PB Fintech Limited	2.71%	Cement & Cement Products	3.32%

Risk Ratios <sup>4</sup>	
Standard Deviation	14.21%
Beta	0.98

Risk Ratios <sup>4</sup>	
Sharpe Ratio <sup>5</sup>	1.20
R2	0.84

**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>: 2.29%, Direct: 1.22%**

<sup>\*</sup> Since inception - 20 Aug 14

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular for Mutual Funds no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 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. Furthermore, the same is effective from 01 December 2021.

<sup>2</sup> As on 30 August 2024 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 4.2X to Rs 4,19,530 from Rs 100,000 and delivered return of 15.36%. Please refer page no. 3 for detailed performance of HSBC Business Cycles Fund.

<sup>3</sup> During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 31,22,301.

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

<sup>5</sup> Risk free rate: 5.65% (FIMMDA-NSE MIBOR)

<sup>6</sup> TER Annualized TER including GST on Investment Management Fees

<sup>7</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 30 August 2024. **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.

All economies go through “Business Cycles” and every stage of the business cycle impacts performance of each sector that largely drives the performance of equity market.

Thus, timely selection of the prospective sectors that could benefit in different market cycles may provide great opportunity to generate alpha. Invest in HSBC Business Cycles Fund that adopts business cycle approach by identifying economic trends and strategically investing in the sectors and stocks that may perform at that stage of business cycle in the economy which seek to generate wealth in the long-run.

## Why HSBC Business Cycles Fund?

- Aim to build a portfolio of predominantly equities with focus on riding business cycles
- Dynamic allocation between cyclical and defensive sectors and stocks at different stages of business cycles in the economy
- To aim to create a corpus through generating inflation-adjusted returns to cater to long-term goals

## Fund Approach

- HBCF focuses on riding business cycles by strategically changing allocation between various sectors and stocks at different stages of business cycle in the economy
- The fund has the flexibility to invest across the market capitalization spectrum.
- Within a sector, the fund prefers dominant and scalable businesses available at reasonable valuations

## Key portfolio themes:

- We believe that the macro recovery cycle is still underway and has some way to go before turning. In line with that we are invested into the cyclical part of the economy. We believe the earnings growth delivered by these companies will be strong in the medium term partially aided by the economic tailwinds.
- Margins are also showing signs of an uptick. Remain constructive on the businesses that are participating in the current growth trends.
- Inflationary pressures seem to be moderating and the likelihood of further interest rates increase has reduced. We remain positively biased towards domestic cyclicals, supported by the more robust medium term growth outlook.
- Our positioning in the portfolio is:
  - Capex recovery theme: Industrial Product sector is seeing a strong growth driven by a strong capex push by both public and private sector companies.
  - Infrastructure: Remain positive on infrastructure space driven by strong push by government.
  - Financials: Financials are seeing a strong growth driven by recovery in credit growth cycle coupled with credit cost normalisation which is leading to earnings expansion.

## Investment Objective

The investment objective of the Scheme is to seek to generate long-term capital appreciation from a portfolio of predominantly equity and equity related securities, including equity derivatives, in the Indian market with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy. The Scheme could also additionally invest in Foreign Securities. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

**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 - Gautam Bhupal Effective 01 Jun 2023. Total Schemes Managed - 13; Fund Manager - Venugopal Manghat Effective 20 Aug 2014. Total Schemes Managed - 7;  
Fund Manager - Sonal Gupta Effective 05 Jul 2021. Total Schemes Managed - 25

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in Rs	PTP Returns %	Amount in ₹	Returns %	
HSBC Business Cycles Fund-Regular~~	15313	53.13	19758	25.48	30720	25.13	43460	15.77	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	14158	41.58	16829	18.95	27845	22.70	41953	15.36	
Additional Benchmark (Nifty 50 TRI)	13264	32.64	15274	15.17	24262	19.37	36194	13.68	

**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 August 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

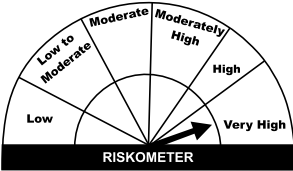
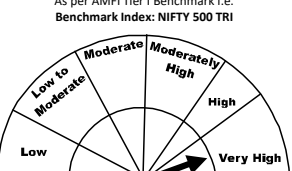
SIP Performance - HSBC Business Cycles Fund – Regular Plan					Inception Date: 20-Aug-14
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1200000	
Market Value as on August 30, 2024 (₹)	1,55,165	5,96,770	12,79,186	32,12,348	
Scheme Returns (%)	58.66	35.78	30.86	18.72	
Nifty 500 TRI - Scheme Benchmark (₹)	1,46,047	5,32,879	11,32,373	31,22,301	
Nifty 500 TRI - Scheme Benchmark Returns (%)	42.71	27.23	25.72	18.19	
Nifty 50 TRI - Additional Benchmark (₹)	1,41,152	4,94,045	10,23,424	28,26,922	
Nifty 50 TRI - Additional Benchmark Returns (%)	34.34	21.70	21.52	16.34	

**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 August 2024

[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 Business Cycles Fund</b>                      (An open ended equity scheme following business cycles based investing theme)</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 focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy.</li> </ul>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Very High risk</p>	<p>As per AMFI Tier I Benchmark i.e. Benchmark Index: NIFTY 500 TRI</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 30 August 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

**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 30 August 2024

Investors are requested to note that as per SEBI (Mutual Funds) Regulations, 1996 and guidelines issued thereunder, HSBC AMC, its employees and/or empaneled distributors/agents are forbidden from guaranteeing/promising/assuring/predicting any returns or future performances of the schemes of HSBC Mutual Fund. Hence please do not rely upon any such statements/commitments. If you come across any such practices, please register a complaint via email at [investor.line@mutualfunds.hsbc.co.in](mailto:investor.line@mutualfunds.hsbc.co.in).

**Disclaimer:** This document has been prepared by HSBC Mutual Fund. for information purposes only and should not be construed as i) an offer or recommendation to buy or sell securities, commodities, currencies or other investments referred to herein; or ii) an offer to sell or a solicitation or an offer for purchase of any of the funds of HSBC Mutual Fund; or iii) an investment research or investment advice. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Investors should seek personal and independent advice regarding the appropriateness of investing in any of the funds, securities, other investment or investment strategies that may have been discussed or referred herein and should understand that the views regarding future prospects may or may not be realized. In no event shall HSBC Mutual Fund/HSBC Asset management (India) Private Limited and / or its affiliates or any of their directors, trustees, officers and employees be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of information / opinion herein.

This document is intended only for those who access it from within India and approved for distribution in Indian jurisdiction only. Distribution of this document to anyone (including investors, prospective investors or distributors) who are located outside India or foreign nationals residing in India, is strictly prohibited. Neither this document nor the units of HSBC Mutual Fund have been registered under Securities law/Regulations in any foreign jurisdiction. The distribution of this document in certain jurisdictions may be unlawful or restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions. If any person chooses to access this document from a jurisdiction other than India, then such person do so at his/her own risk and HSBC and its group companies will not be liable for any breach of local law or regulation that such person commits as a result of doing so.

© Copyright. HSBC Mutual Fund. 2024, ALL RIGHTS RESERVED.  
 HSBC Mutual Fund, 9-11th Floor, NESCO - IT Park Bldg. 3, Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063. Maharashtra.  
 GST - 27AABCH0007N1ZS, Email: [investor.line@mutualfunds.hsbc.co.in](mailto:investor.line@mutualfunds.hsbc.co.in) | Website: [www.assetmanagement.hsbc.co/in](http://www.assetmanagement.hsbc.co/in)

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