

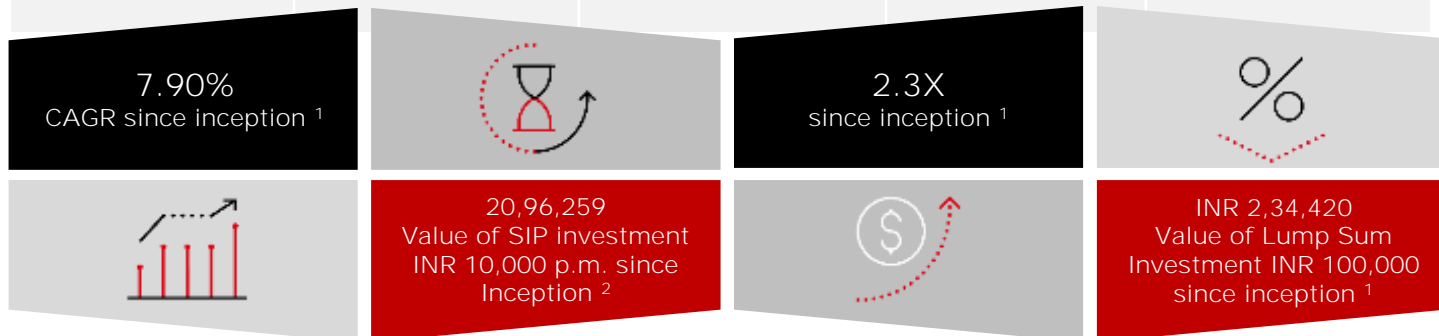
## Product Note

### HSBC Equity Savings Fund (HESF) (Formerly known as L&T Equity Savings Fund)

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

January 2023

Fund Category	Fund Manager	Benchmark	Inception Date	AUM
Equity Savings	Cheenu Gupta and Ritesh Jain	NIFTY Equity Savings Index	18 Oct 2011	Rs. 169.52 Cr



Portfolio	% of net assets
Ambuja Cements Limited	4.79%
State Bank of India	3.08%
The Indian Hotels Company Limited	2.48%
ICICI Bank Limited	2.19%
Persistent Systems Limited	1.50%
Cholamandalam Investment and Finance Company Ltd	1.49%
Larsen & Toubro Limited	1.48%
UPL Limited	1.26%
Shoppers Stop Limited	1.26%
Hindustan Unilever Limited	1.21%

Sector - Allocation	% of net assets
Government Securities	23.10%
Banks	15.84%
Finance	6.12%
Beverages	5.95%
Cement & Cement Products	4.79%
IT - Software	3.66%
Leisure Services	3.64%
Non - Ferrous Metals	3.41%
Capital Markets	2.82%
Retailing	2.60%

Peace of mind comes with balance. 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.

<sup>1</sup> As on 31 December 2022 of Growth option. During the same period, scheme benchmark (Nifty Equity Savings Index) has moved by 2.7X to Rs. 2,78,820 from Rs.100,000 and delivered return of 9.5%. 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 22,89,786

<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 31<sup>st</sup> December, 2022 unless otherwise given)

## Fund Strategy

- The fund aims to generate income and capital appreciation, through a combination of equity, equity arbitrage strategies, debt and money market instruments
- The fund is subject low volatility as the exposure to Fixed Income securities and equity arbitrage reduces fund volatility inherent to directional equity exposure
- The fund is suitable for risk averse investors who fear market volatility but still want exposure to equities in their portfolio can opt for the scheme of this category. The arbitrage components in the portfolio of these schemes try to protect the downside risk
- The scheme is tax efficient as more than 65% of the scheme's portfolio is deployed in equity, the scheme enjoys equity taxation

## 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
- Ensure reasonable liquidity and better risk adjusted performance to suit the investor's requirements
- Maintains optimum allocation across arbitrage instruments
- Aims to generate of reasonable returns over short to medium term

## 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.

Load / Expenses	
Entry Load	NA
Exit Load - NIL (after 1 year), 1% (before 1 year) <sup>3</sup>	
Expense ratio (Other than Direct) <sup>4</sup>	1.58%
Expense ratio (Direct)	0.69%

HSBC Equity Savings Fund (HESF) | Product Note  
[ January 2023 ]

Fund Managers – Cheenu Gupta (No of Schemes Managed – 7) - Managing Fund Since 02 July 2021 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 %	18-Oct-11
HSBC Equity Savings Fund-Reg	10203	2.04	13122	9.48	13527	6.22	23442	7.90	
Scheme Benchmark (NIFTY Equity Savings Index)	10487	4.88	13041	9.25	15113	8.60	27882	9.58	
Additional Benchmark (CRISIL 10 year Gilt Index)	10044	0.44	11122	3.61	13029	5.43	20531	6.63	

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 %	26-Mar-19
HSBC Large and Mid Cap Fund-Reg	9797	-2.04	14843	14.07	NA	NA	15404	12.17	
Scheme Benchmark (NIFTY Large Midcap 250 TRI)	10448	4.50	17307	20.06	NA	NA	17698	16.39	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	NA	NA	16381	14.02	
HSBC ELSS Fund-Reg	9697	-3.04	14332	12.75	13786	6.63	79320	13.08	
Scheme Benchmark (Nifty 500 TRI)	10425	4.26	16173	17.38	17247	11.50	70964	12.33	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	72507	12.48	
HSBC Mid Cap Fund-Reg <sup>5</sup>	9935	-0.65	15584	15.94	13688	6.47	207154	17.90	
Scheme Benchmark (S&P BSE 150 MidCap TRI)	10364	3.65	19457	24.84	17074	11.28	NA	NA	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	139254	15.39	
HSBC Tax Saver Equity Fund-Reg	9966	-0.34	14887	14.18	14233	7.31	56769	11.47	
Scheme Benchmark (Nifty 500 TRI)	10425	4.26	16173	17.38	17247	11.50	55982	11.37	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	55088	11.26	
HSBC Conservative Hybrid Fund - Reg	10039	0.39	12030	6.35	13111	5.56	44979	8.30	
Scheme Benchmark (NIFTY 50 Hybrid Composite Debt 15:85 Index)	10341	3.42	12635	8.11	14867	8.24	45336	8.34	
Additional Benchmark (CRISIL 10 year Gilt Index)	10044	0.44	11122	3.61	13029	5.43	27211	5.45	
HSBC Aggressive Hybrid Fund-Reg	9638	-3.63	13483	10.48	13847	6.72	36695	11.54	
Scheme Benchmark (NIFTY 50 Hybrid Composite Debt 65:35 Index)	10492	4.93	14453	13.06	17150	11.38	34752	11.03	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	38863	12.08	
HSBC Balanced Advantage Fund-Reg	10181	1.81	12444	7.56	13919	6.83	31525	10.13	
Scheme Benchmark (Nifty 50 Hybrid composite debt 50:50 Index)	10451	4.53	13951	11.74	16528	10.56	32645	10.45	
Additional Benchmark (S&P BSE Sensex TRI)	10580	5.82	15274	15.17	18943	13.61	39660	12.27	
HSBC Arbitrage Fund-Reg	10390	3.91	11283	4.11	12680	4.86	15987	5.67	
Scheme Benchmark (Nifty 50 Arbitrage Index)	10419	4.20	11109	3.57	12375	4.35	15405	5.21	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	26416	12.10	

Fund / Benchmark (Value of Rs10,000 invested)	6 Months		Since Inception		31-Mar-22
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC CRISIL IBX 50-50 Gilt Plus Apr 2028 Index Fund	10360	7.33	10224	2.99	
Scheme Benchmark (CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028)	10396	8.07	10218	2.91	
Additional Benchmark (CRISIL 10 year Gilt Index)	10396	8.08	10146	1.94	

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 31 Dec 2022

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 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 Large & Mid Cap Fund	Cheenu Gupta- Since Nov 26, 2022 Neelotpal Sahai- Since Mar 28, 2019	Cheenu Gupta-7 Neelotpal Sahai-4
HSBC ELSS Fund	Cheenu Gupta- Since Jul 02, 2021 Gautam Bhupal- Since Nov 26, 2022	Cheenu Gupta-7 Gautam Bhupal-6
HSBC Midcap Fund	Vihang Shankar Naik- Since June 28 2016 Cheenu Gupta- Since Nov 26 2022	Vihang Shankar Naik-4 Cheenu Gupta-7
HSBC Tax Saver Fund	Gautam Bhupal- Since July 23, 2019 Cheenu Gupta- Since Nov 26, 2022	Gautam Bhupal-6 Cheenu Gupta-7
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 Aggressive Hybrid Fund	Cheenu Gupta (Equity)- Since July 02, 2021 Shriram Ramanathan (Fixed Income)- Since May 30, 2016	Cheenu Gupta-7 Shriram Ramanathan-11
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 Arbitrage Fund	Praveen Ayathan (Equity) - Since Jun 30, 2014 Ritesh Jain (Fixed Income) - Since Nov 26, 2022	Praveen Ayathan-3 Ritesh Jain-5
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 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.

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	1340000	
Market Value as on December 31, 2022 (₹)	1,21,812	4,15,819	7,39,321	20,96,259	
Scheme Returns (%)	2.82	9.61	8.29	7.73	
NIFTY Equity Savings Index - Scheme Benchmark (₹)	1,24,340	4,14,719	7,55,990	22,89,786	
NIFTY Equity Savings Index - Scheme Benchmark Returns (%)	6.81	9.43	9.19	9.22	
CRISIL 10 Year Gilt Index - Additional Benchmark (₹)	1,22,503	3,70,691	6,68,206	18,73,593	
CRISIL 10 Year Gilt Index - Additional Benchmark Returns (%)	3.91	1.91	4.26	5.83	

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 December 2022 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 Equity Savings Fund (Erstwhile L&T Equity Savings Fund)

 <p>Investors understand that their principal will be at Moderate risk</p>	<p><b>Equity Savings Fund</b> – An open ended scheme investing in equity, arbitrage and debt.</p> <p>This product is suitable for investors who are seeking*:</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>Benchmark Index: NIFTY Equity Savings Index</p> 
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#### Scheme name and Type of scheme

#### \*Riskometer of the Scheme

#### Riskometer of the benchmark

This product is suitable for investors who are seeking\*:

**HSBC Large and Mid Cap Fund (Erstwhile HSBC Large & Mid Cap Equity Fund) - Large and Mid Cap Fund** – An open ended equity scheme investing in both large cap and mid cap stocks.

- Long term wealth creation and income
- Investment predominantly in equity and equity related securities of Large and Mid cap companies (Benchmark : NIFTY Large Midcap 250 TRI)

**HSBC ELSS Fund (Erstwhile L&T Tax Advantage Fund) - Equity Linked Savings Scheme - An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit**

- Long term capital growth
- Investment predominantly in equity and equity-related securities. (Benchmark : NIFTY 500 TRI Index)

**HSBC Midcap Fund (Erstwhile L&T Midcap Fund) - Midcap Fund** – An open ended equity scheme predominantly investing in mid cap stocks.

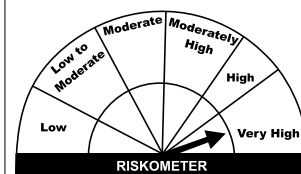
- Long term wealth creation
- Investment in equity and equity related securities of mid cap companies. (Benchmark : S&P BSE 150 MidCap TRI Index)

**HSBC Tax Saver Equity Fund - Equity Linked Savings Scheme - An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit**

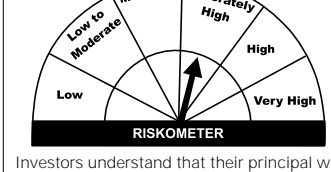

- Long term capital growth
- Investment predominantly in equity and equity-related securities. (Benchmark : NIFTY 500 TRI Index)




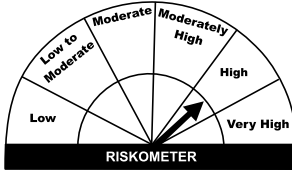
Investors understand that their principal will be at Very High risk



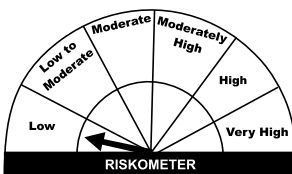


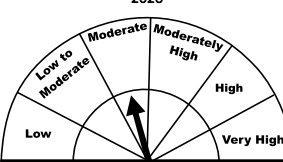


### HSBC Conservative Hybrid Fund (Erstwhile HSBC Regular Savings Fund)

 <p>Investors understand that their principal will be at Moderately High risk</p>	<p><b>Conservative Hybrid Fund</b>– An open ended hybrid scheme investing predominantly in debt instruments.</p> <p>This product is suitable for investors who are seeking*:</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>Benchmark Index: NIFTY 50 Hybrid Composite Debt 15:85 Index</p> 
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### HSBC Aggressive Hybrid Fund (Erstwhile L&T Hybrid Equity Fund)

 <p>Investors understand that their principal will be at Very High risk</p>	<p><b>Aggressive Hybrid Fund</b> - An open ended hybrid scheme investing predominantly in equity and equity related instruments.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <li>Long term wealth creation and income</li> <li>Investment in equity and equity related securities and fixed income instruments</li> </ul>	<p>Benchmark Index: Nifty 50 Hybrid composite debt 65:35 Index</p> 
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HSBC Balanced Advantage Fund (Erstwhile L&T Balanced Advantage Fund)		
 <p>Investors understand that their principal will be at Moderately High risk</p>	<p><b>HSBC Balanced Advantage Fund</b> – 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> 
HSBC Arbitrage Fund (Erstwhile L&T Arbitrage Opportunities Fund)		
 <p>Investors understand that their principal will be at Low risk</p>	<p><b>Arbitrage Fund</b> – An open ended scheme investing in arbitrage opportunities.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Generation of reasonable returns over short to medium term</li> <li>• Investment predominantly in arbitrage opportunities in the cash and derivatives segments of the equity markets; and debt and money market instrument.</li> </ul>	<p>Benchmark Index: Nifty 50 Arbitrage Index</p> 
HSBC CRISIL IBX 50:50 Gilt Plus SDL Apr 2028 Index Fund		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Index Fund - 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> <p><b>This product is suitable for investors who are seeking*:</b></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</li> </ul>	<p>Benchmark Index: CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028</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 Dec 2022, 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 at 31 Dec 2022

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