

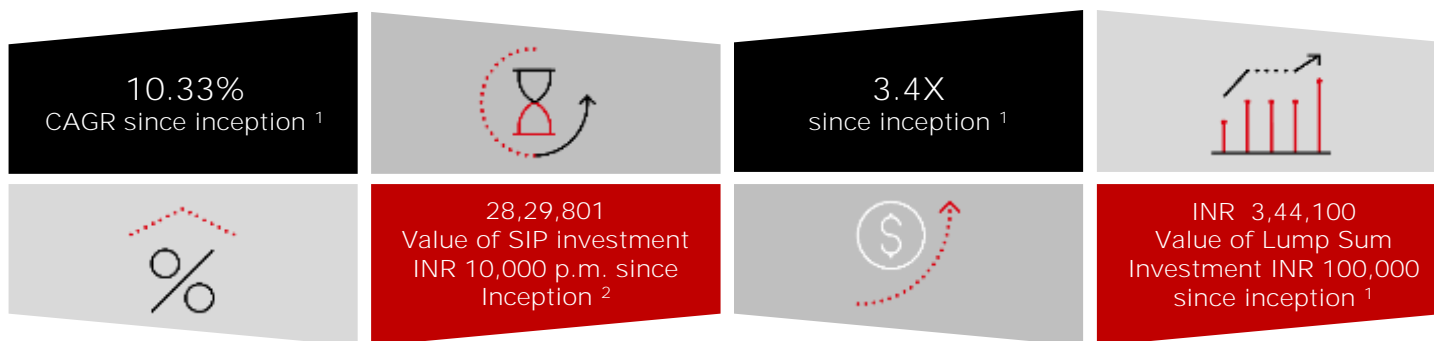
Product Note

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

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

September 2023

Fund Category	Fund Manager	Benchmark	Inception Date	AUM
Balanced Hybrid Fund	Neelotpal Sahai and Mahesh Chhabria And Sonal Gupta #	NIFTY 50 Hybrid Composite Debt 50:50 Index ³	7 Feb 2011	Rs. 1373.57 Cr



Portfolio	% of net assets
HDFC Bank Limited	5.97%
ICICI Bank Limited	3.84%
DLF Limited	3.18%
Sun Pharmaceutical Industries Limited	2.35%
Aurobindo Pharma Limited	2.26%
Ambuja Cements Limited	2.25%
ITC Limited	2.08%
Zee Entertainment Enterprises Limited	1.83%
United Spirits Limited	1.77%
Reliance Industries Limited	1.75%

Sector - Allocation	% of net assets
Government Securities	14.09%
Banks	13.56%
Pharmaceuticals & Biotechnology	8.59%
IT - Software	6.08%
Finance	4.71%
Industrial Products	4.32%
Realty	3.90%
Diversified FMCG	3.45%
Beverages	3.41%
Power	2.95%

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.

¹ As on 31 August 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. 3,47,000 from Rs.100,000 and delivered return of 10.40%. Please refer page no.3 for detailed performance of HSBC Balanced Advantage Fund.

² During the same period, value of scheme benchmark (NIFTY 50 Hybrid Composite Debt 50:50 Index) has moved to 30,77,821

³ 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.

Data as on 31 August 2023

Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

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 grab opportunity from both asset classes of equity and fixed income for an optimal asset-allocation portfolio
- Aim to create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Philosophy

- The fund may 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 may help reduce downside significantly during such market corrections
- Potential to 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

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 / Month End Total Expenses Ratios (Annualized) ⁵	
Entry Load	NIL
Exit Load - NIL (after 1 year), 1% (before 1 year) ⁴	
Expense ratio (Other than Direct) ⁶	2.13%
Expense ratio (Direct)	0.79%

⁴ 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

⁵ TER Annualized TER including GST on Investment Management Fees

⁶ Continuing plans

Note - Investors should consult their tax consultant if in doubt about whether the product is suitable for them.

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

Fund Managers - Neelopal Sahal (No of Schemes Managed – 4) - Managing Fund Since 26 Nov 2022 and Mahesh Chhabria (No of Schemes Managed – 10) - Managing Fund Since 15 July 2023 and Sonal Gupta (No of Schemes Managed - 6, 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 %	07-Feb-11
HSBC Balanced Advantage Fund - Regular	11035	10.32	12923	8.92	14447	7.63	34410	10.33	
Scheme Benchmark (Nifty 50 Hybrid composite debt 50:50 Index)	10830	8.27	14396	12.91	16436	10.44	34700	10.40	
Additional Benchmark (S&P BSE Sensex TRI)	11034	10.31	17410	20.30	17823	12.24	42743	12.25	

PTP returns – Point to Point returns. | As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023 the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units. | IDCW are assumed to be reinvested and Bonus is adjusted. | 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 August 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. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.

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.

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 on 31 August 2023

Past performance may or may not be sustained in the future.

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	1500000	
Market Value as on August 31, 2023 (₹)	129,174	408,972	750,368	2,829,801	
Scheme Returns (%)	14.50	8.47	8.88	9.66	
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark (₹)	126,748	414,906	796,526	3,077,821	
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark Returns (%)	10.61	9.45	11.28	10.89	
S&P BSE Sensex TRI - Additional Benchmark (₹)	128,496	440,112	884,565	3,718,000	
S&P BSE Sensex TRI - Additional Benchmark Returns (%)	13.41	13.50	15.53	13.62	

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.


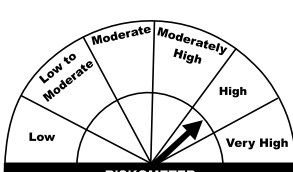
As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023 the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

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 August 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. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.

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[Click here](#) to check other funds performance managed by the Fund Manager

Product Label

HSBC Balanced Advantage Fund (Erstwhile L&T Balanced Advantage Fund)		
<p>*Riskometer of the Scheme</p>  <p>RISKOMETER</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>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term capital appreciation and generation of reasonable returns • Investment in equity and equity related instruments, derivatives and debt and money market instruments <p>Benchmark Index: NIFTY 50 Composite Hybrid Debt 50:50 Index</p>	<p>Benchmark Riskometer</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 31 August 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 Mutual Fund, Data as on 31 August 2023

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