



**Aim to benefit from business cycles**

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**HSBC Business Cycles Fund**

# HSBC Business Cycles Fund

## Fund snapshot

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date*	AUM <sup>&amp;</sup>
Thematic Fund	Gautam Bhupal, Mayank Chaturvedi <sup>#</sup>	NIFTY 500 TRI	20 Aug 2014	Rs. 1,089.59 Cr

### Investment approach

- Business cycles approach

### Parameters used

- Stage of economy or business cycle determines portfolio positioning

### Key features

- Use medium term economic / business trends to position portfolio
- Not swayed by short term movements in the market
- Decisions based on forward looking business / market parameters

Source – HSBC Mutual Fund, Data as on 31 January 2026, \* 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.

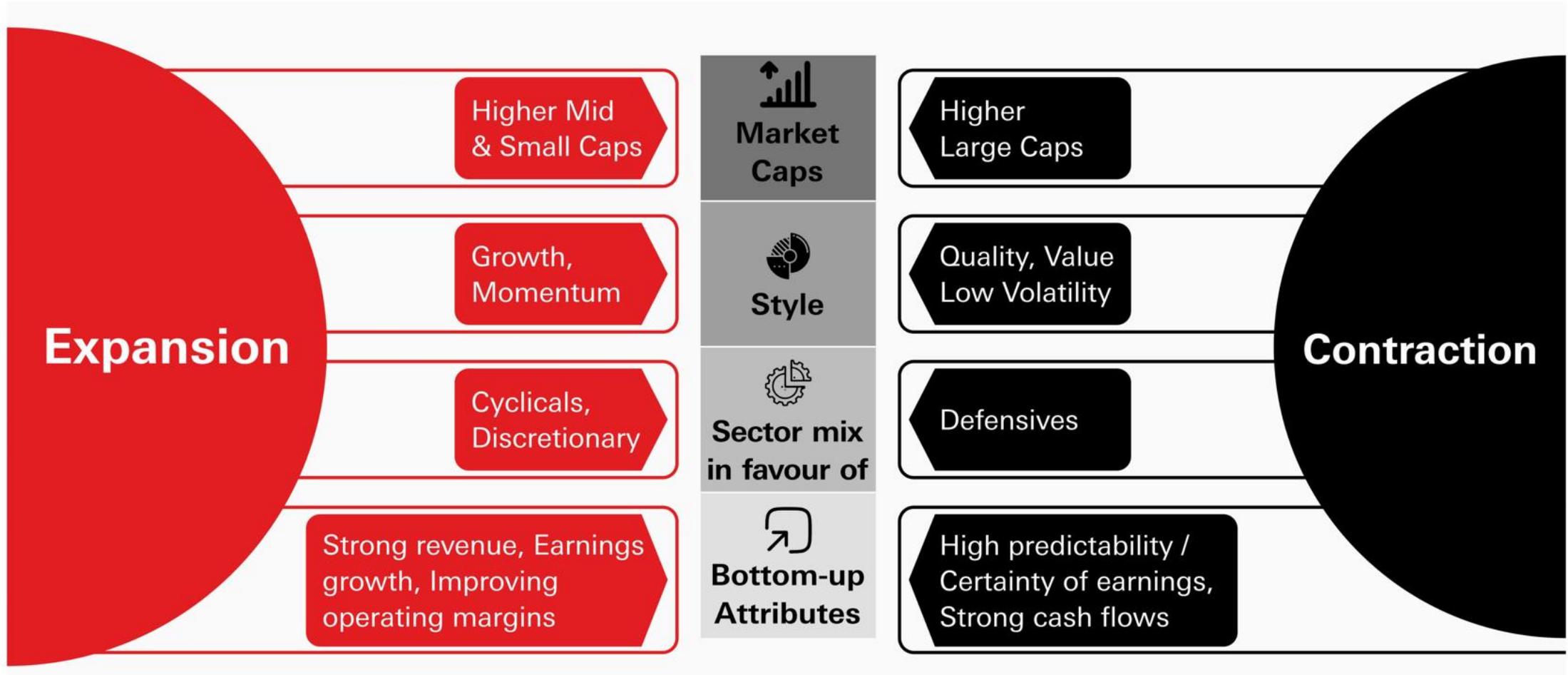
<sup>#</sup> Mayank Chaturvedi is the fund manager for investments in foreign securities for all the schemes of HSBC Mutual Fund w.e.f. 1 October 2025.

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

# Portfolio construction approach

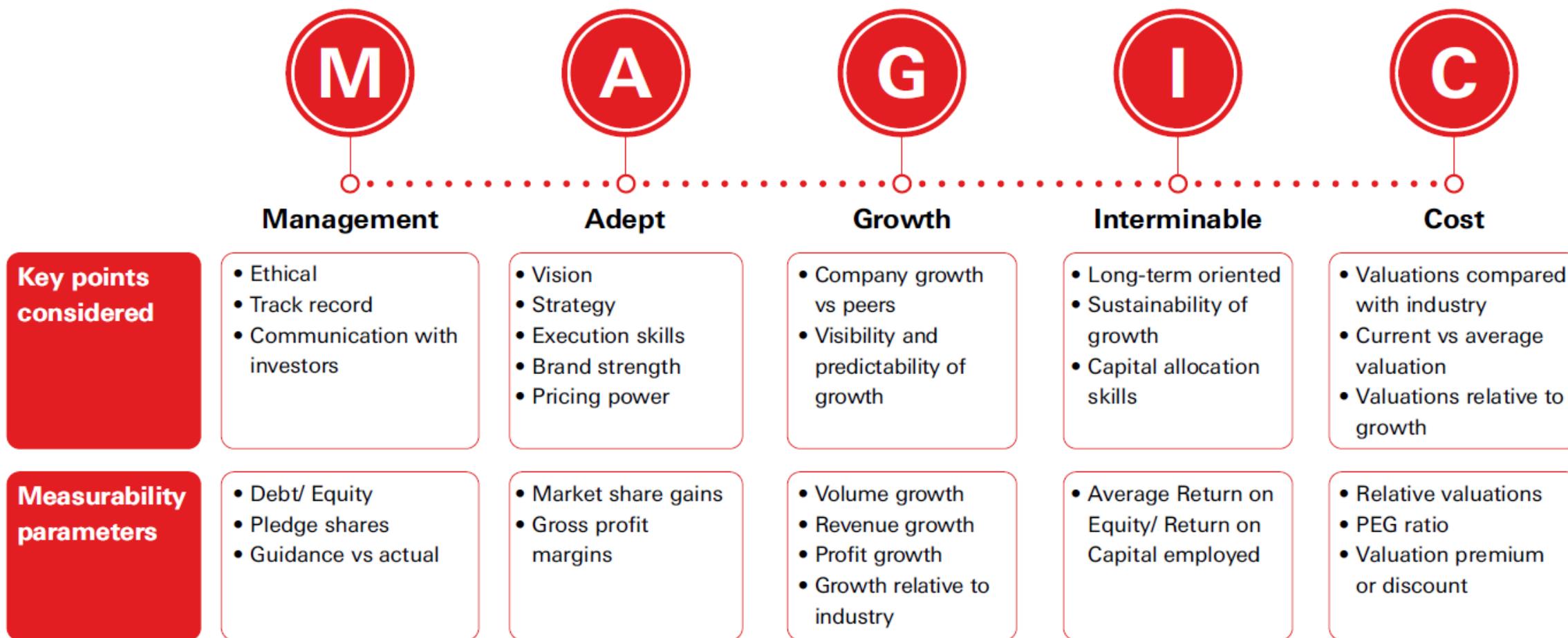
HSBC Business Cycles Fund



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# Bottom-up investment approach

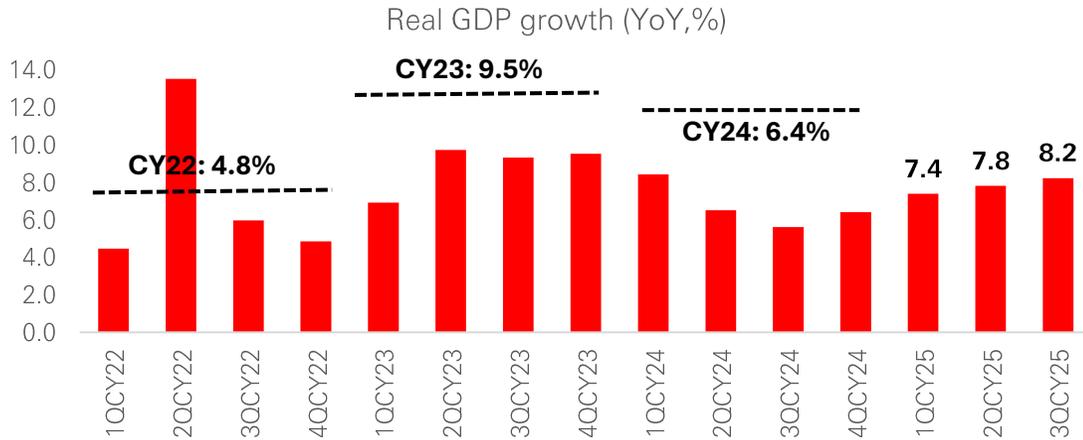
HSBC Business Cycles Fund



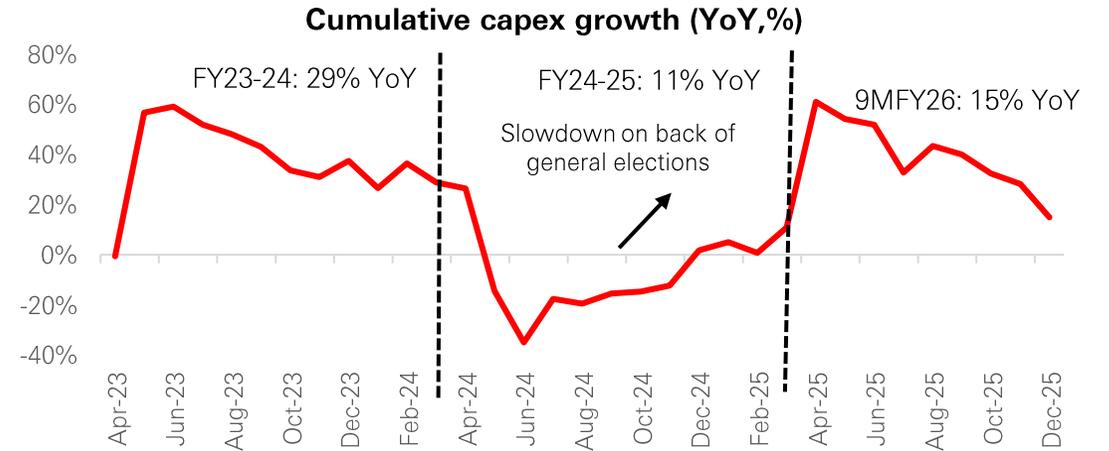
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# Economy continues to remain in 'Expansion' phase

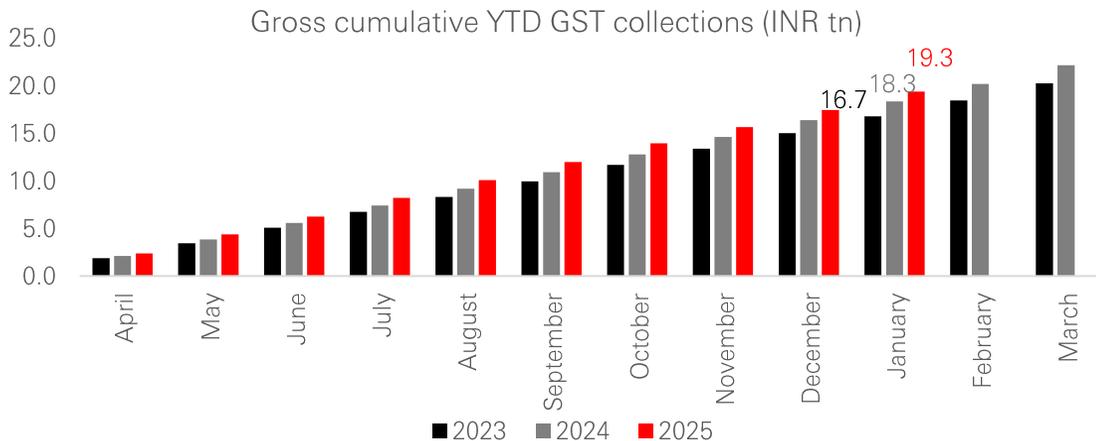
## GDP growth continues to remain strong



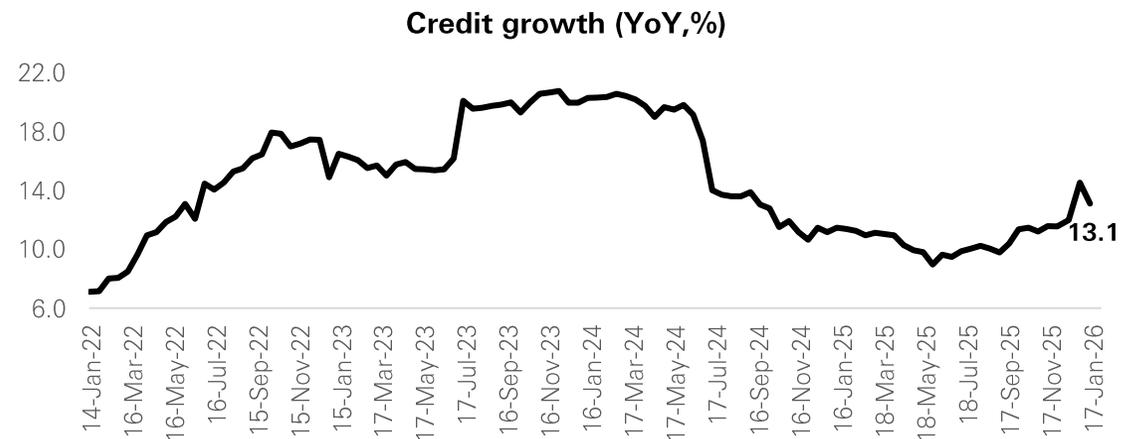
## Front-loaded capex normalizing in-line with expectations



## Consistent growth in GST collections



## Credit growth has seen sharp pick up from lows



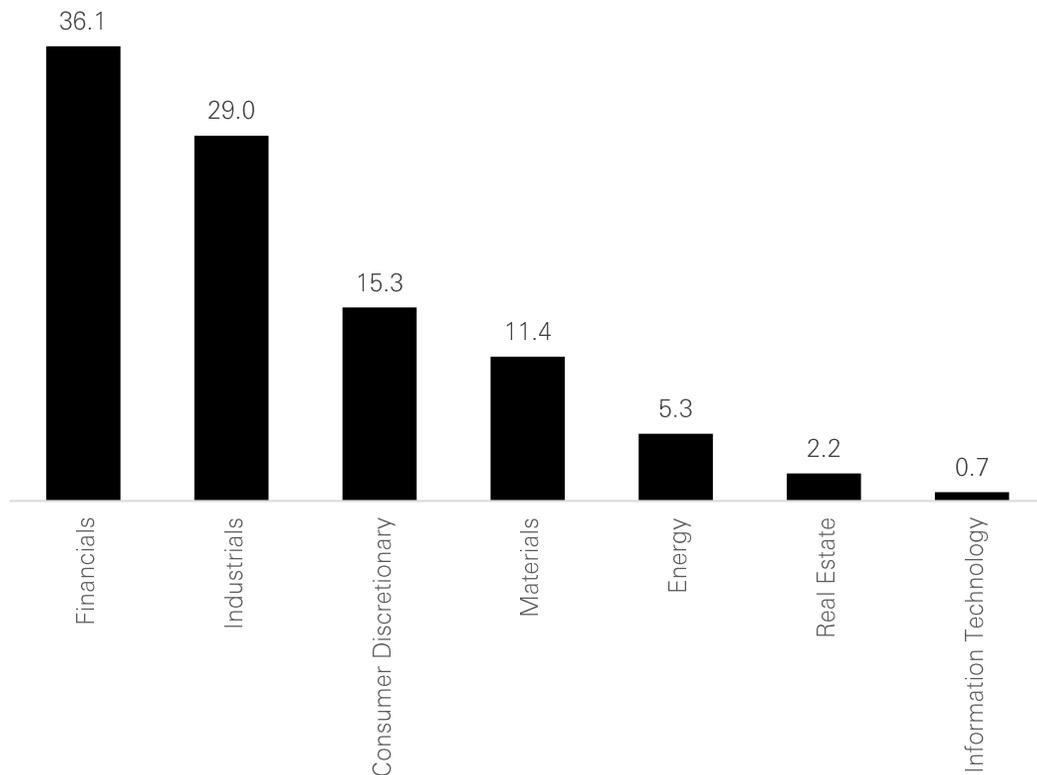
Source: Controller General of Accounts (CGA), RBI, Government of India, CEIC, HSBC Mutual Fund, Latest available data as on 31 January 2026

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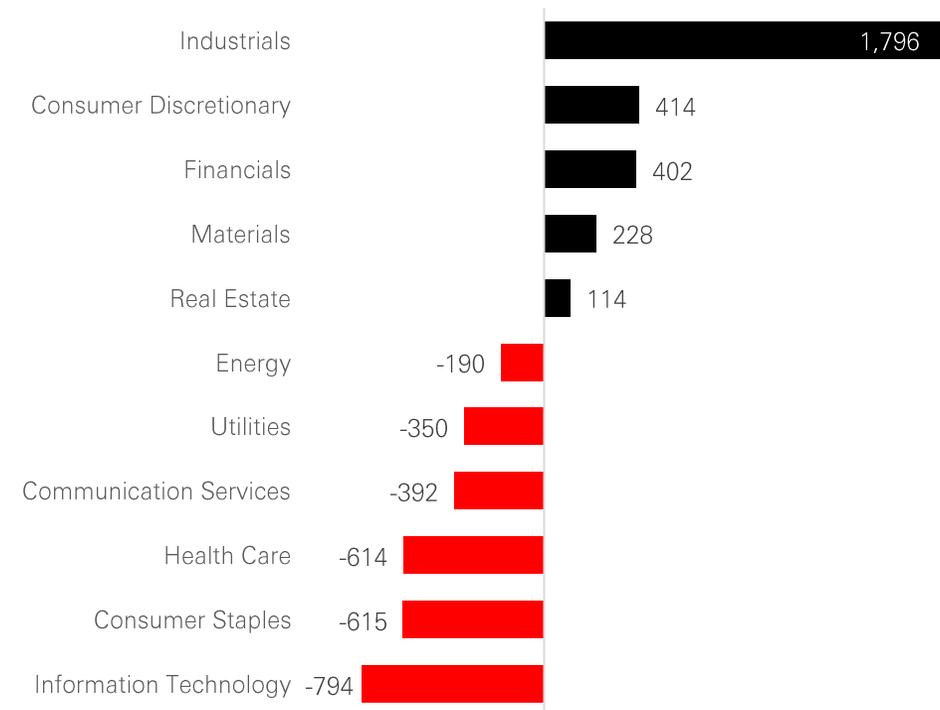
# Sector allocation with active weights

HSBC Business Cycles Fund

Portfolio sector weights (%)



Active Sector weights (bps)



Source: Bloomberg, HSBC Mutual Fund, Data as on 31 January 2026

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# Financials: Rate cuts, better liquidity and financialization drive our weights

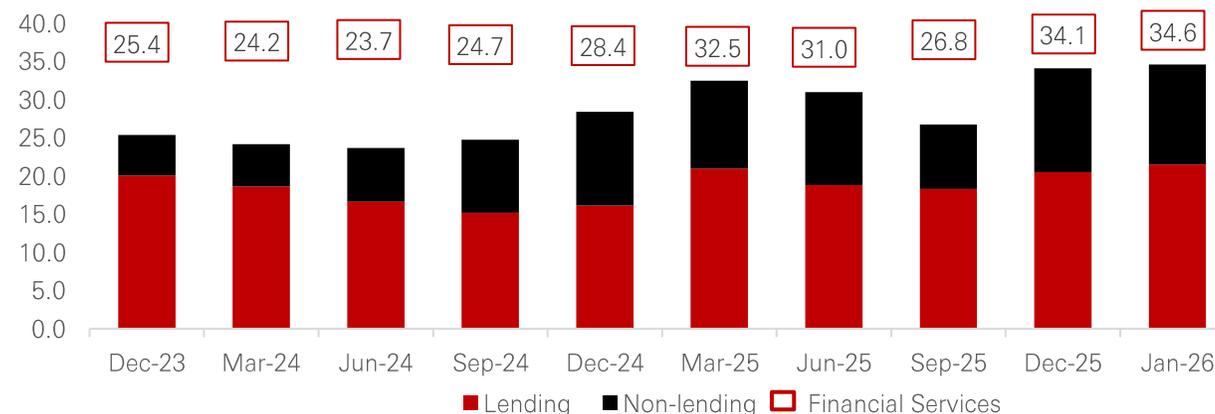
## ▪ Lending

- Repo and CRR cut, easing of risk weights and other norms, increasing system liquidity, along with consumption boost has started to drive credit growth
- Asset quality remain benign (barring micro finance segment) with reasonable valuations
- Exposure primarily through Large Banks and NBFCs with visibility of healthy growth along with stable asset quality.

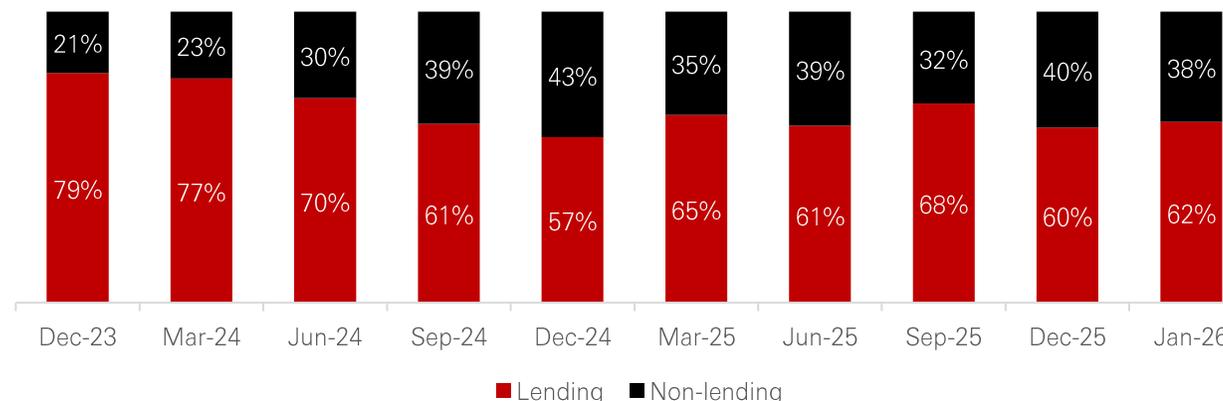
## ▪ Non-lending

- Financialization of savings is a medium-term theme and will continue to play in India over next several years
- AMC, Exchanges and select Stockbrokers and Intermediaries will be biggest beneficiaries and our portfolio has exposure to some of these Mid and Small cap companies.
- The non-life insurance industry penetration remains low and remains a medium to long term investment beneficiary. Regulatory interventions in some industries like Health insurance remains a short-term headwind and not a structural issue.

Financial Services allocation (%)



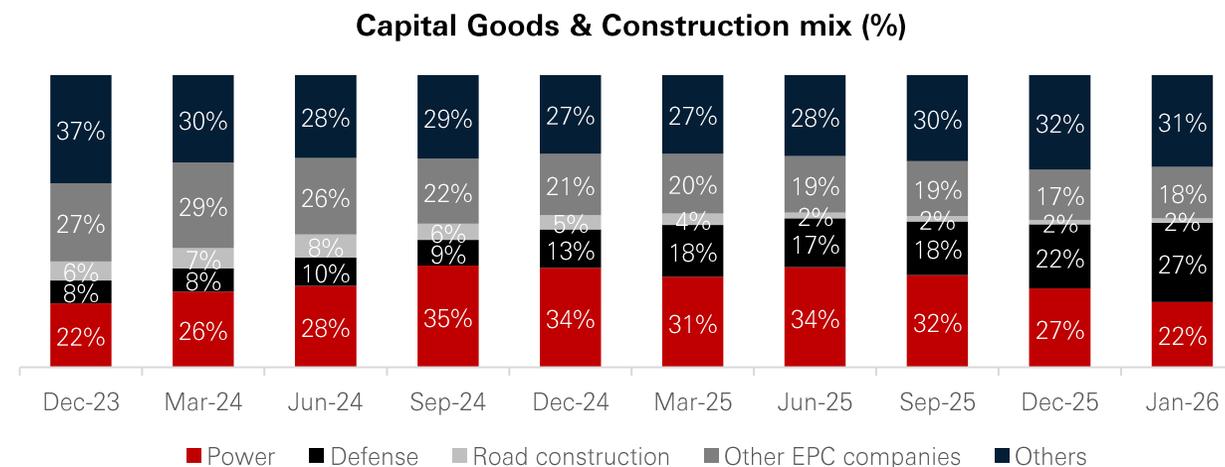
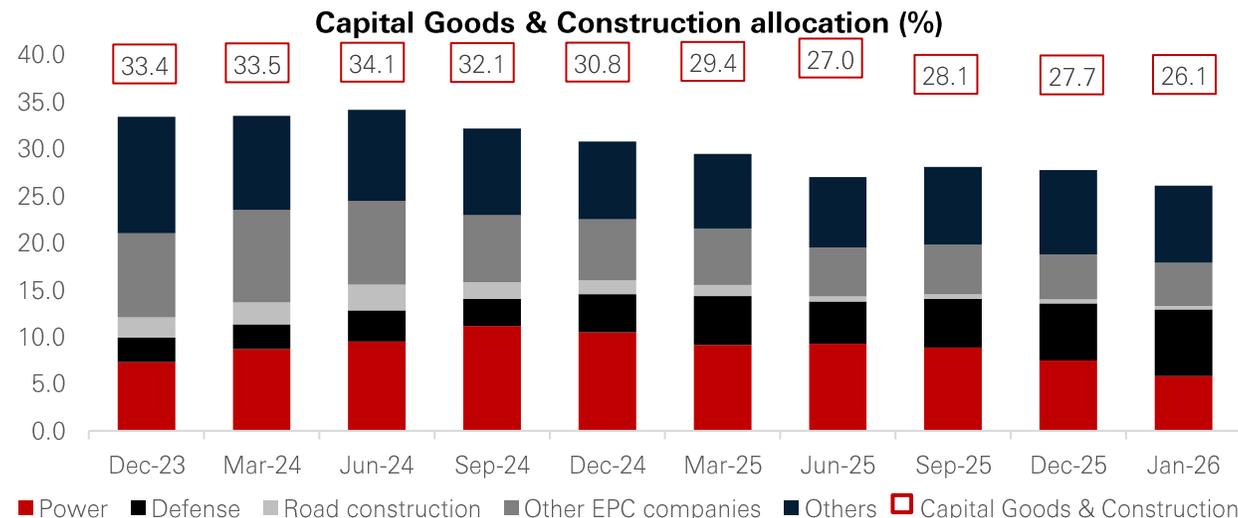
Financial Services mix (%)



Source: HSBC Mutual Fund, Latest available data as on 31 January 2026. **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). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Industrials: Remain selective with exposure to Power and Defense

- Overall capex growth dipped in FY26, however, is expected to grow in-line with nominal GDP in FY27
  - Centre YTD capex strong, however, appears front-loaded
  - Risk to State capex growth
  - Private capex is picking up and will continue to drive growth
- Expect select segments in capex to do well
  - Aerospace & Defense
  - Power (especially T&D)
  - Industrial
- Reduced exposure in Road construction and other EPC companies on muted government capex.
- Geo-political concerns will continue to drive defense budget as a percentage of GDP higher
- Power consumption will continue to increase driven by rising demand for appliances, AI, data centers, extreme weather changes, etc. Increasing share of renewables is driving capex in transmission for grid stability.

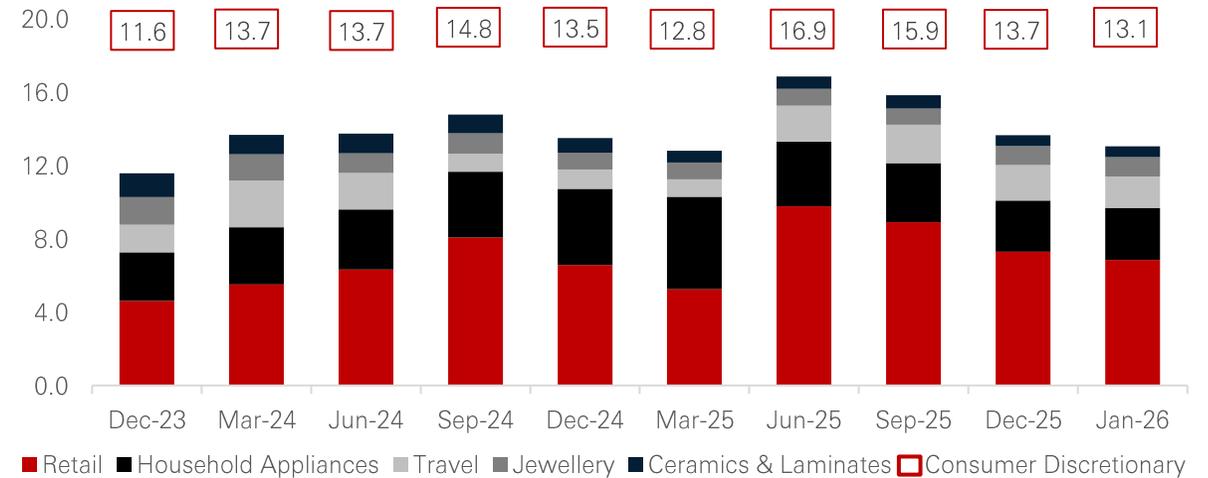


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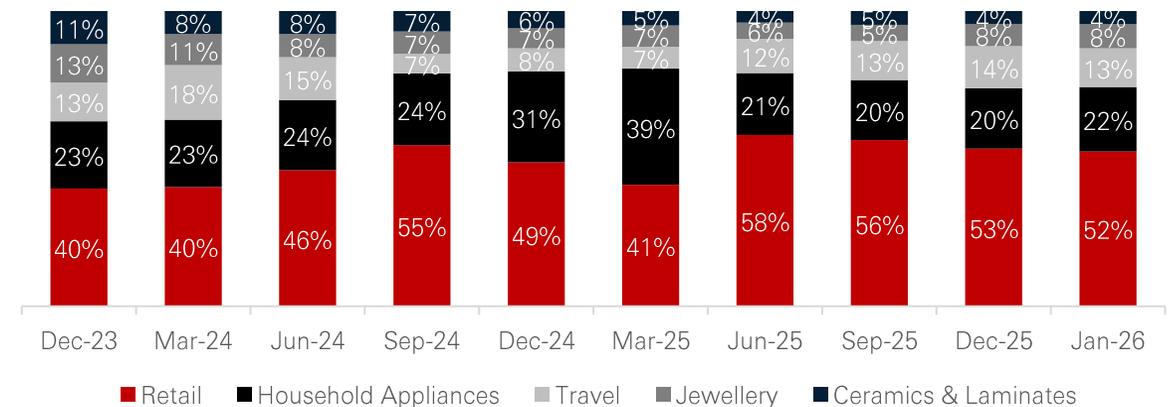
# Consumer Discretionary: Aspiration, convenience and higher incomes to drive category

- Consumer basket is shifting from staples to discretionary consumption
- Consumption seeing nudge from the government
  - GST rationalization (~Rs 2.2 tn)
  - Income tax relief (~Rs 1 tn)
  - Social welfare schemes (~ Rs 2 tn)
  - Pay hike in 8<sup>th</sup> pay commission in 2027 (~Rs 4 tn)
  - Total stimulus of ~Rs 9.2 tn (2.5% of GDP)
- Like multiple themes within the sector
  - Changing customer behavior, convenience and premiumization is driving Retail. Our reduction in weight over the past some months has been driven by our preference of platform companies over brick-and-mortar retail.
  - Social media awareness and preference to have unique experiences is driving need for higher travel
  - Household appliances demand likely to increase, however, seasonality issues influences weightages
- Select exposure in Jewelry and Ceramics/ laminates

Consumer Discretionary allocation (%)



Consumer Discretionary mix (%)



Source: HSBC Mutual Fund, Latest available data as on 31 January 2026. **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). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Top stocks and active weights

HSBC Business Cycles Fund

Company name	Portfolio weights (%)	Benchmark weights (%)	Active weights (bps)
ICICI Bank	5.3	5.0	31
Reliance Industries	5.1	4.9	29
Multi Commodity Exchange of India	4.5	0.3	415
HDFC Bank	4.2	7.3	-310
Bharat Electronics	2.8	0.8	195
Hindustan Aeronautics	2.7	0.5	225
Larsen & Toubro	2.4	2.4	2
ICICI Prudential AMC	2.3	0.0	232
Ultratech Cement	2.3	0.8	151
State Bank of India	2.3	2.3	-4

Source: Bloomberg, HSBC Mutual Fund, Data as on 31 January 2026

The above sectors mentioned are for illustration purpose only. The above data/information represents historic performance of the sector and for illustration purpose only. The scheme may or may not have future positions in this sector. The above graphs/ analysis should not be construed as an investment advice or research report or recommendation to buy or sell in any sector mentioned above. Past performance may or may not be sustained in future and is not a guarantee of any future returns. 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

# Key portfolio metrics

HSBC Business Cycles Fund

Number of equity stocks	Top 5 stocks weight (%)	Top 10 stocks weight (%)	Active Share (%)
72	21.90	33.86	70.88
Beta (Slope)	Sharpe Ratio	Standard Deviation (%)	Portfolio Turnover (1 year)^
1.12	0.81	16.79	0.26

Source: Bloomberg, HSBC Mutual Fund, Data as of 31 January 2026. Note - Quantitative Data disclosed are as per monthly returns (Annualized) for the last 3 years, Risk free rate: 5.52% (FIMMDA-NSE Mibor) Refer to the Fund's website, [www.assetmanagement.hsbc.co.in](http://www.assetmanagement.hsbc.co.in) for monthly portfolio disclosures.

^ 1 Year period 31 January 2025 to 31 January 2026.

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

# Market cap classification

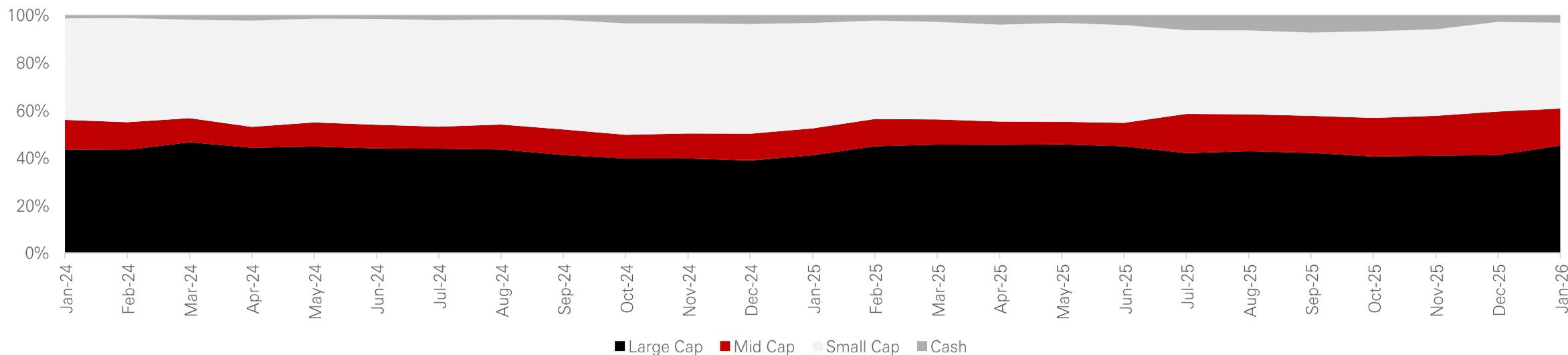
## HSBC Business Cycles Fund

The changes in market cap allocation happens due to SEBI's semi-annual revision of market capitalization rather than any active increase in allocation. This normalizes over the next 2-3 months post the semi-annual revision.

Our small cap exposure has come down from its peak in 4Q24 driven by slowdown in government capex growth. We have reduced exposure to some of the small cap companies in Capital Goods / Infrastructure sector in 2025.

Market Cap (%)	December 2025	January 2026
Large Cap	41.2	45.2
Mid Cap	18.3	15.6
Small Cap	37.7	36.1
Cash	2.8	3.2

Market cap mix (%)



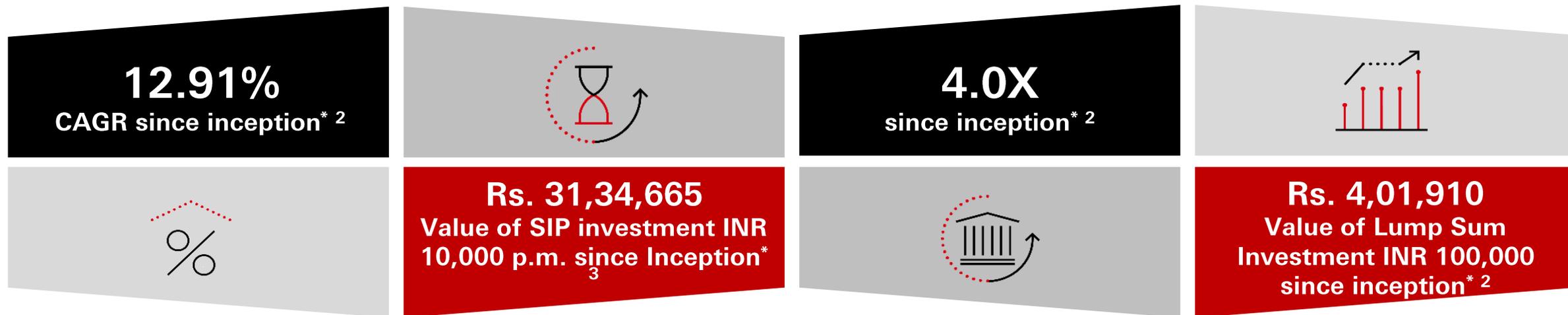
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# Fund Snapshot

HSBC Business Cycles Fund (HBCF)  
(An open ended equity scheme following business cycles based investing theme)

**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.



Source: HSBC Mutual Fund, Data as on 31 Jan 2026. <sup>2</sup> As on 31 Jan 2026 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 4.1X to Rs 4,12,850 from Rs 100,000 and delivered return of 13.18%. Please refer performance slides 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 32,46,712.

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# Lump Sum performance

## HSBC Business Cycles Fund

Fund Manager - Gautam Bhupal Effective 01 Jun 2023. Total Schemes Managed - 6; Fund Manager - Mayank Chaturvedi Effective 01 Oct 2025. Total Schemes Managed - 19

Lump Sum Investment Performance											Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		10 Years		Since Inception		
	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in ₹	Returns %	
HSBC Business Cycles Fund-Regular~~	10243	2.43	17008	19.37	24001	19.11	36668	13.86	40191	12.91	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	10798	8.00	15902	16.72	21493	16.52	40702	15.05	41285	13.18	
Additional Benchmark (Nifty 50 TRI)	10897	9.00	14848	14.08	19714	14.52	37878	14.23	36848	12.06	
HSBC Business Cycles Fund-Direct~~	10361	3.62	17577	20.68	25346	20.42	40214	14.91	44512	13.92	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	10798	8.00	15902	16.72	21493	16.52	40702	15.05	41285	13.18	
Additional Benchmark (Nifty 50 TRI)	10897	9.00	14848	14.08	19714	14.52	37878	14.23	36848	12.06	

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

**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 Jan 2025 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. Mayank Chaturvedi is the fund manager for investments in foreign securities for all the schemes of HSBC Mutual Fund w.e.f. 1 October 2025.

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

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# SIP Performance

## HSBC Business Cycles Fund

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	1370000	
Market Value as on January 30, 2026 ( ₹ )	1,17,832	4,18,376	8,59,963	31,34,665	
Scheme Returns (%)	-3.34	10.01	14.38	13.72	
Nifty 500 TRI - Scheme Benchmark ( ₹ )	1,23,700	4,24,948	8,31,509	32,46,712	
Nifty 500 TRI - Scheme Benchmark Returns (%)	5.78	11.08	13.01	14.28	
Nifty 50 TRI - Additional Benchmark ( ₹ )	1,24,462	4,20,587	8,03,989	30,54,669	
Nifty 50 TRI - Additional Benchmark Returns (%)	6.98	10.37	11.65	13.31	

SIP Performance - HSBC Business Cycles Fund – Direct Plan*					Inception Date: 20-Aug-14
Total amount invested ( ₹ )	120000	360000	600000	1370000	
Market Value as on January 30, 2026 ( ₹ )	1,18,582	4,26,430	8,88,180	33,56,120	
Scheme Returns (%)	-2.19	11.32	15.69	14.81	
Nifty 500 TRI - Scheme Benchmark ( ₹ )	1,23,700	4,24,948	8,31,509	32,46,712	
Nifty 500 TRI - Scheme Benchmark Returns (%)	5.78	11.08	13.01	14.28	
Nifty 50 TRI - Additional Benchmark ( ₹ )	1,24,462	4,20,587	8,03,989	30,54,669	
Nifty 50 TRI - Additional Benchmark Returns (%)	6.98	10.37	11.65	13.31	

**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.

\*Note - 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 Jan 2026

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## Gautam Bhupal

Senior Vice President & Fund Manager – Equity, HSBC Mutual Fund

Inv. Experience – 21 years

Gautam Bhupal is a Fund Manager with HSBC Asset Management, India. He has an experience of more than 21 years in the asset management industry and has been working with HSBC AMC for more than 15 years. Prior to joining HSBC in July 2008, Gautam worked as an Analyst with UTI Asset Management in India for more than 4 years.

Gautam received an MBA from the Management Development Institute, Gurgaon, India and is also a Chartered Accountant and Company Secretary.

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>The risk of the scheme is Very High Risk</p>	<p>As per AMFI Tier I Benchmark i.e. <b>Benchmark Index: NIFTY 500 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 Jan 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.

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).

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