

**Aim to benefit from business cycles**

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**HSBC Business Cycles Fund**

January 2026

# HSBC Business Cycles Fund

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## 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. 1,137.31 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 December 2025, \* 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.

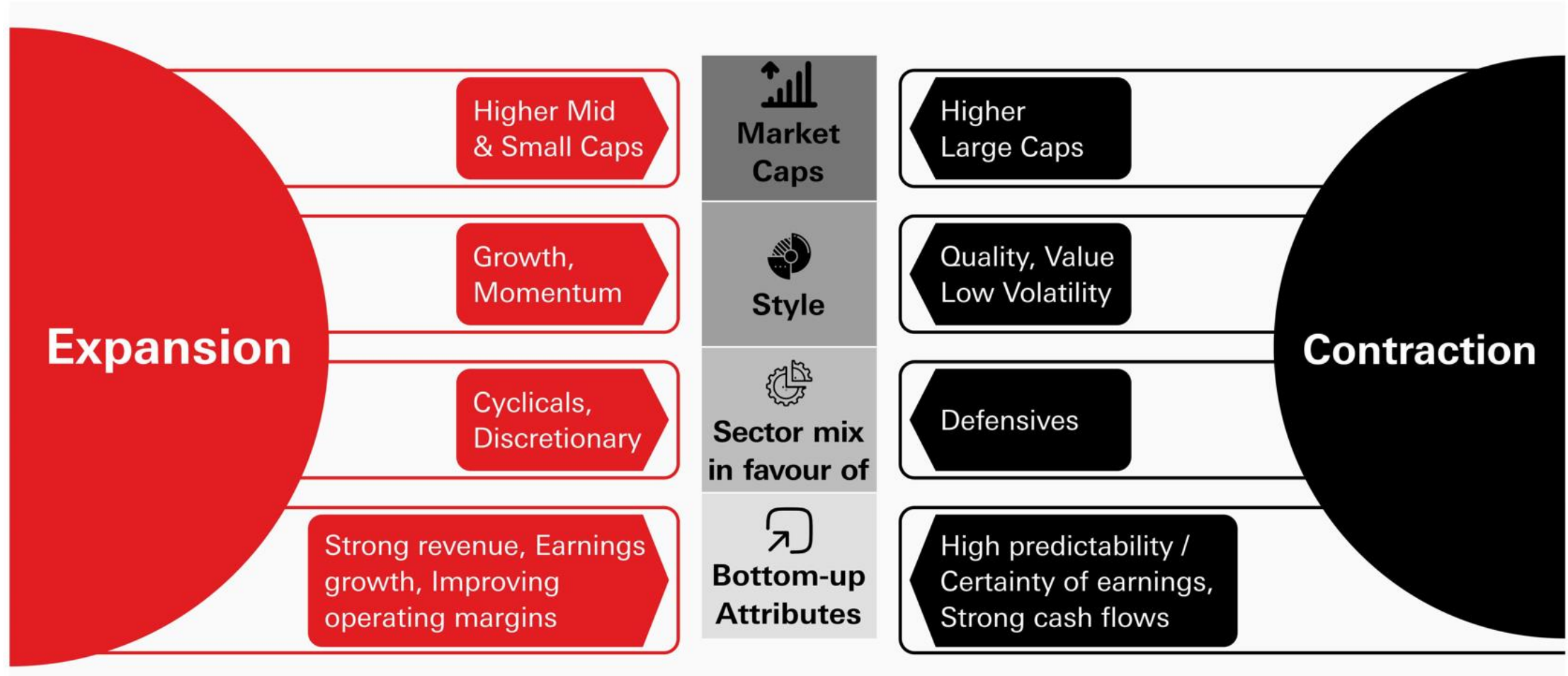
<sup>#</sup> Mayank Chaturvedi is the fund manager for investments in foreign securities for all the schemes of HSBC Mutual Fund w.e.f. 1 October 2025.

<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>

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# Portfolio construction approach

HSBC Business Cycles Fund

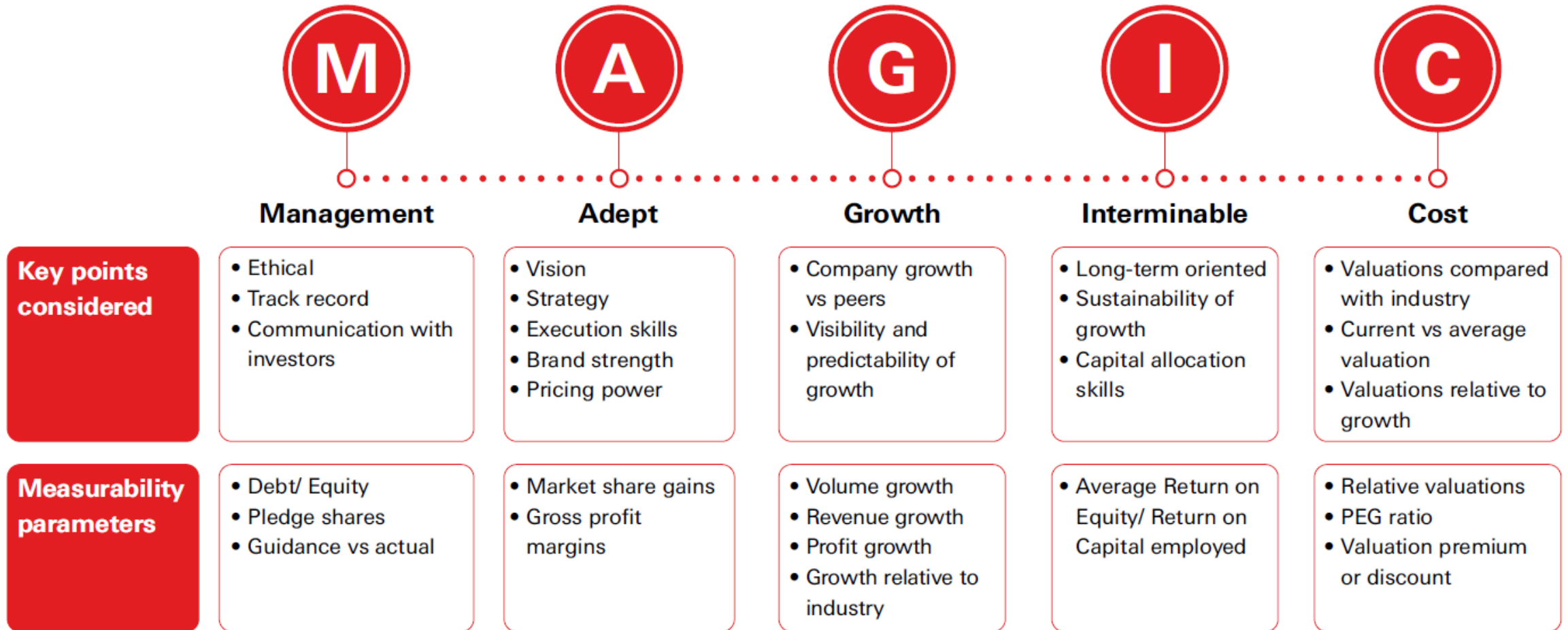


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# Bottom-up investment approach

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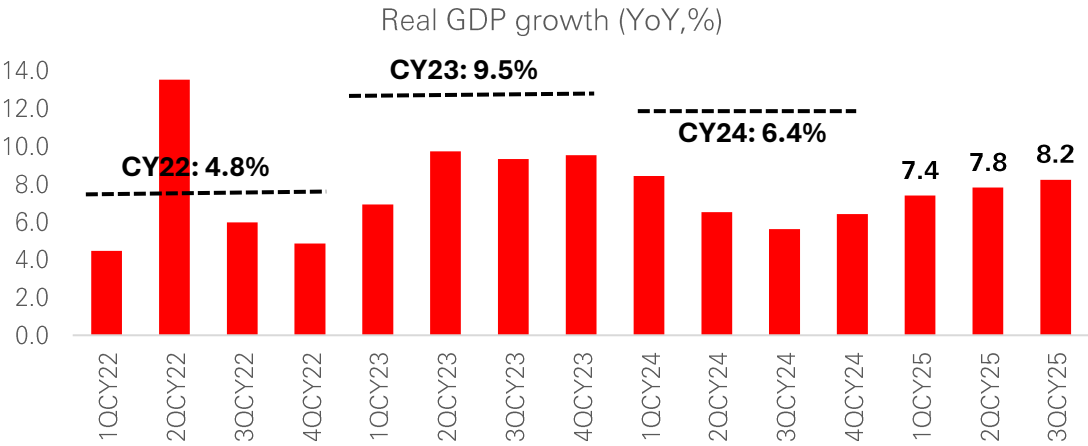
HSBC Business Cycles Fund



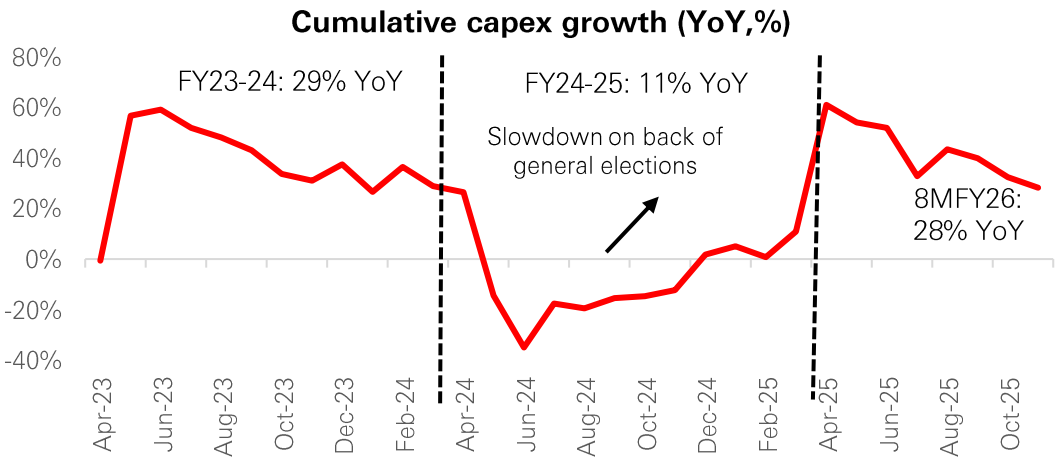
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# Economy continues to remains in 'Expansion' phase

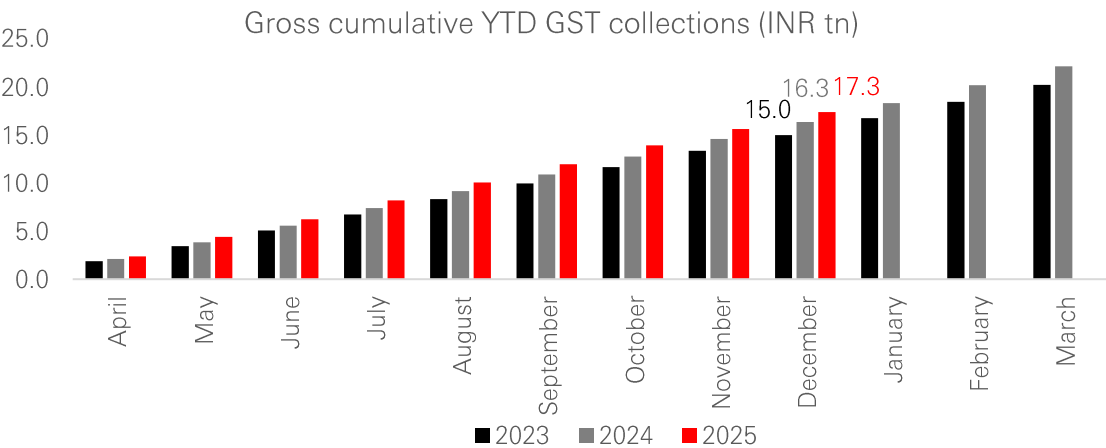
## GDP growth continues to remain strong



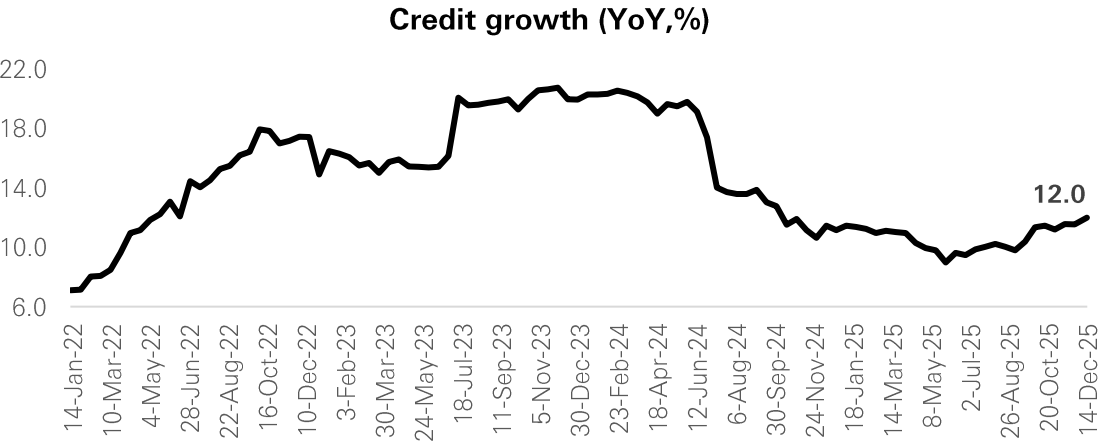
## FY26 capex front-loaded; growth likely to taper



## Consistent growth in GST collections

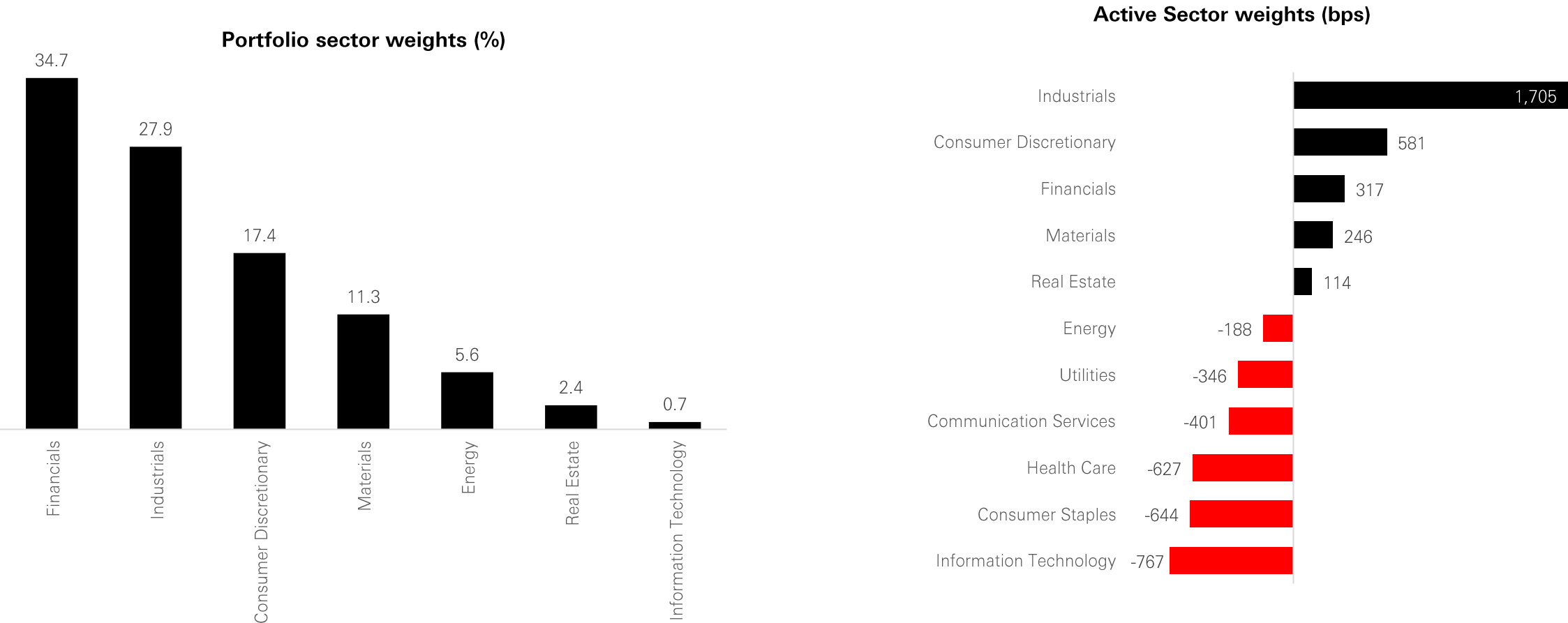


## Credit growth has seen sharp pick up from lows



# Sector allocation with active weights

HSBC Business Cycles Fund



Source: Bloomberg, HSBC Mutual Fund, Data as on 31 December 2025  
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# Financials: Rate cuts, better liquidity and financialization drive our weights

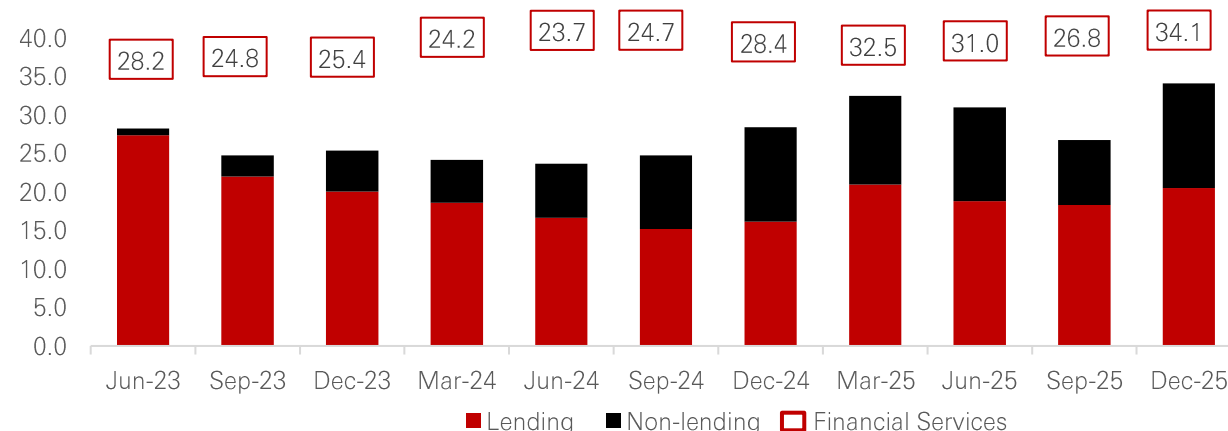
## ▪ Lending

- 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.

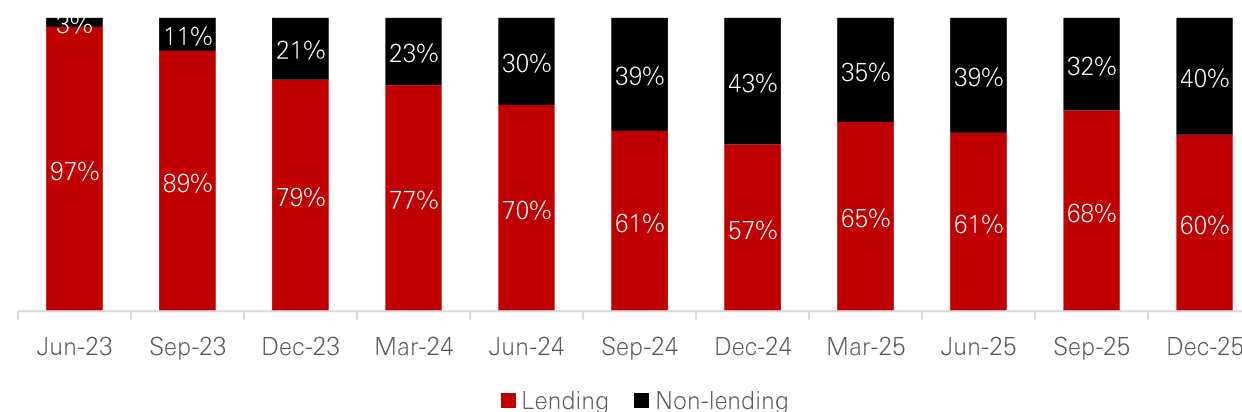
## ▪ Non-lending

- 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 (%)



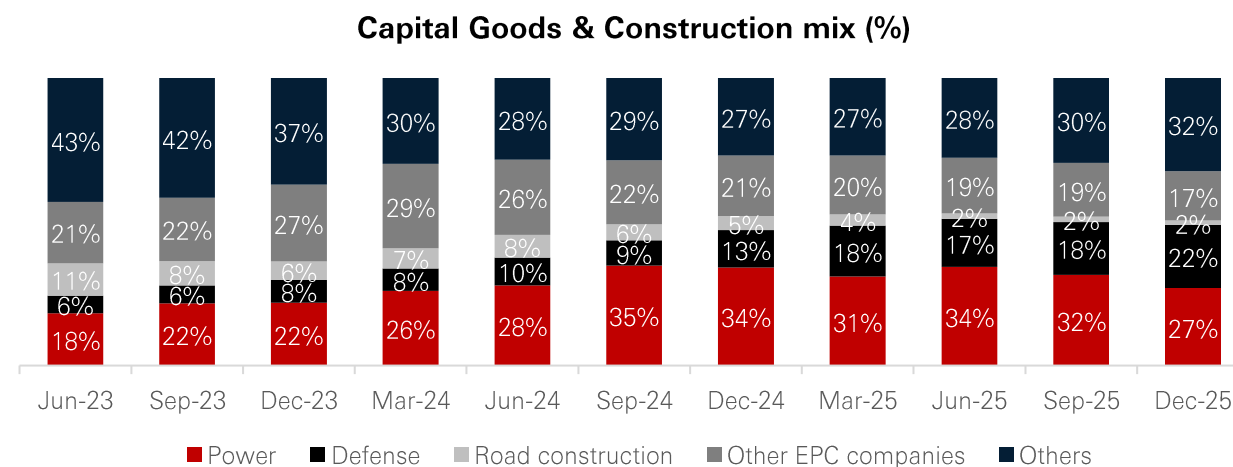
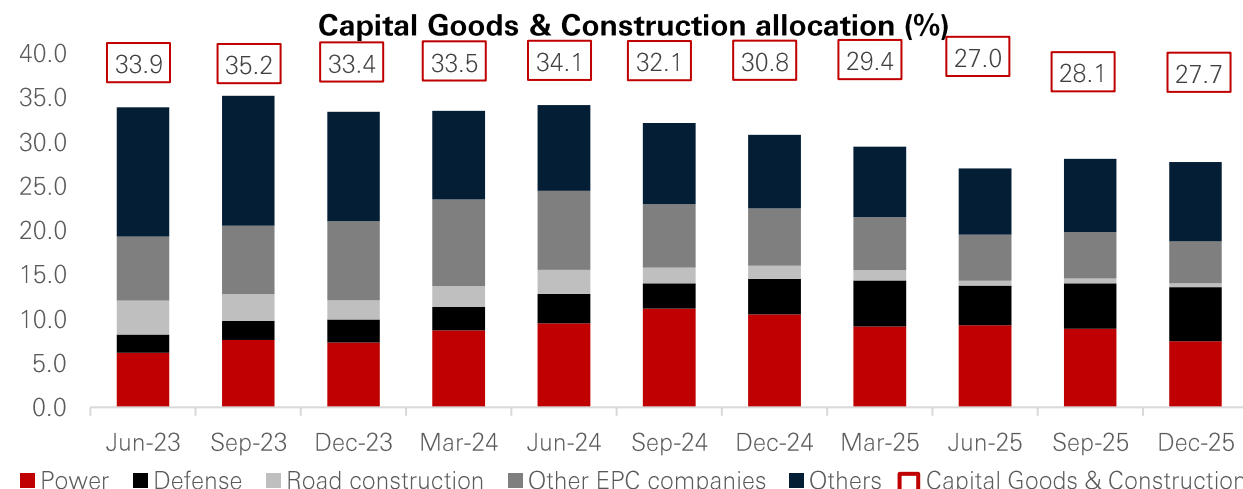
Financial Services mix (%)



Source: Ace MF, HSBC Mutual Fund, Latest available data as on 31 December 2025. **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 to be bit muted in FY26
  - Centre YTD capex strong, however, appears front-loaded
  - Risk to State capex growth
  - Private capex is picking up and will continue to drive growth
- Medium to longer term growth driver remain intact
- Despite muted capex, expect select segments to do well
  - Aerospace & Defense
  - Power (especially T&D)
  - Industrial
- Reduced exposure in Road construction and other EPC companies on muted government capex.
- 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.

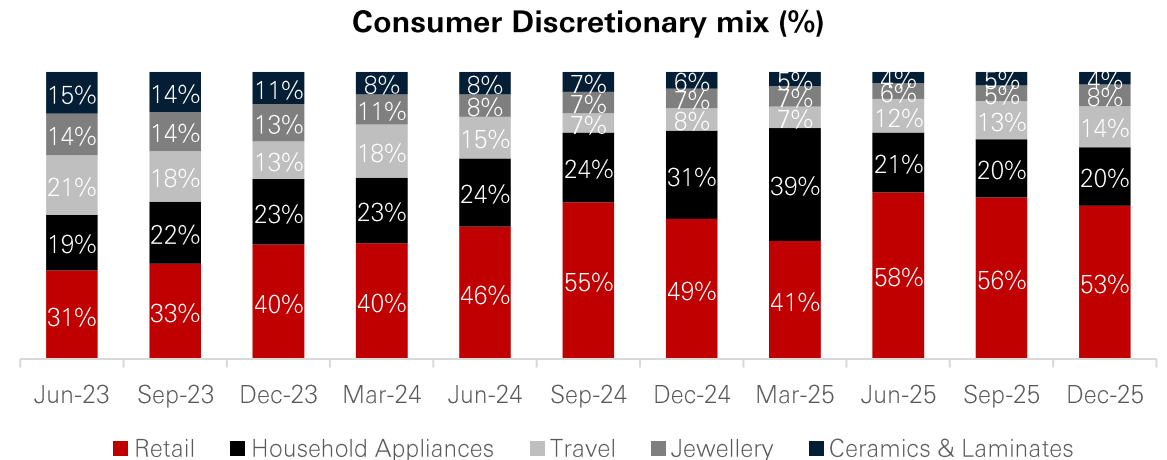
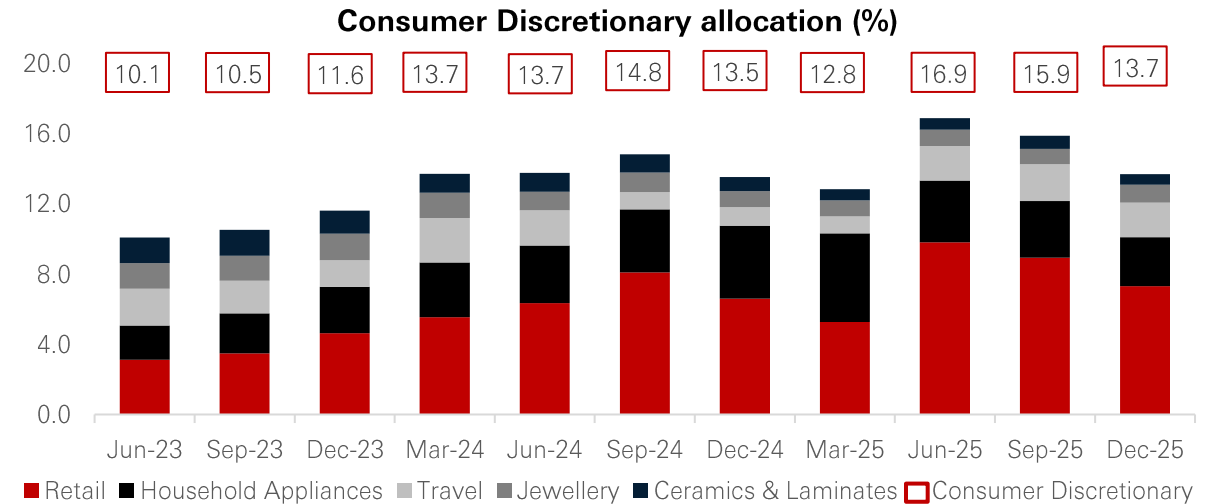


Source: Ace MF, HSBC Mutual Fund, Latest available data as on 31 December 2025. **Note:** The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this 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.



# Consumer Discretionary: Consumption seeing a big push from the Government

- 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 2026 (~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 couple of 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 with above consumer trends
- Select exposure in Jewelry and Ceramics/ laminates



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# Top stocks and active weights

HSBC Business Cycles Fund

Company name	Portfolio weights (%)	Benchmark weights (%)	Active weights (bps)
Multi Commodity Exchange of India	5.9	0.3	565
Reliance Industries	5.6	5.3	27
ICICI Bank	5.0	4.8	25
HDFC Bank	4.3	7.6	-325
Hindustan Aeronautics	2.5	0.4	205
Larsen & Toubro	2.4	2.4	0
Ahluwalia Contracts (India)	2.4	0.0	237
Bharat Electronics	2.4	0.7	166
Swiggy	2.2	0.3	191
Kotak Mahindra Bank	2.1	1.6	52

Source: Bloomberg, HSBC Mutual Fund, Data as on 31 December 2025

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# Key portfolio metrics

HSBC Business Cycles Fund

Number of equity stocks	Top 5 stocks weight (%)	Top 10 stocks weight (%)	Active Share (%)
69	23.26	34.69	70.84
Beta (Slope)	Sharpe Ratio	Standard Deviation (%)	Portfolio Turnover (1 year)^
1.10	0.86	16.57	0.22

Source: Bloomberg, HSBC Mutual Fund, Data as of 31 December 2025. 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 December 2024 to 31 December 2025.

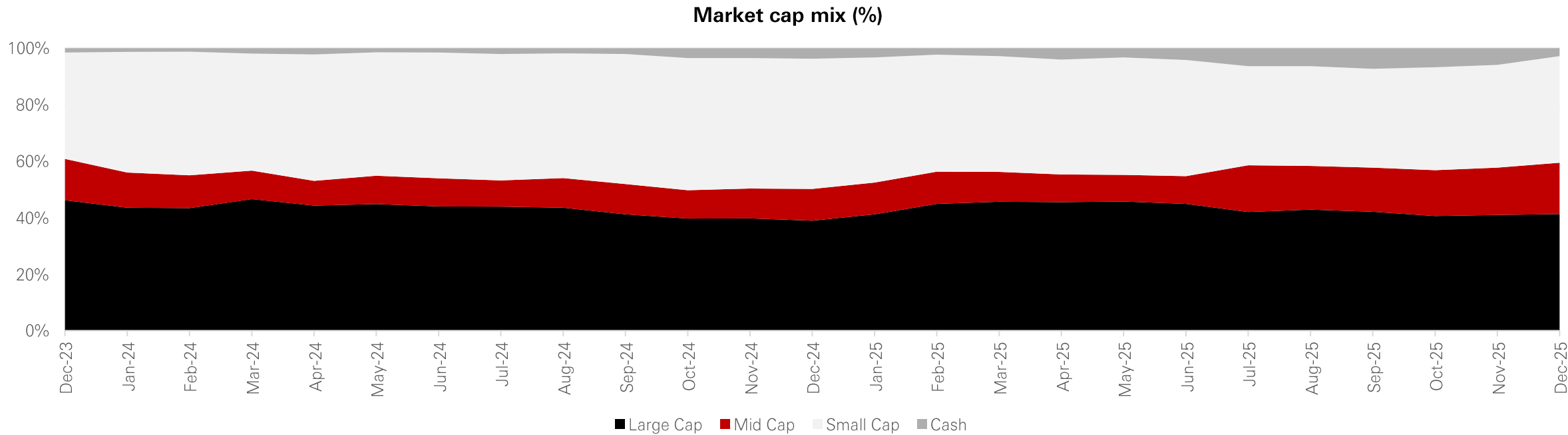
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# Market cap classification

HSBC Business Cycles Fund

With the slowdown in capex, we have reduced exposure to some small cap companies in Capital Goods / Infrastructure sector. Our increase in Mid cap allocation is led by NBFCs within Financials and some Consumer Discretionary companies.

Market Cap (%)	November 2025	December 2025
Large Cap	41.0	41.2
Mid Cap	16.8	18.3
Small Cap	36.4	37.7
Cash	5.9	2.8



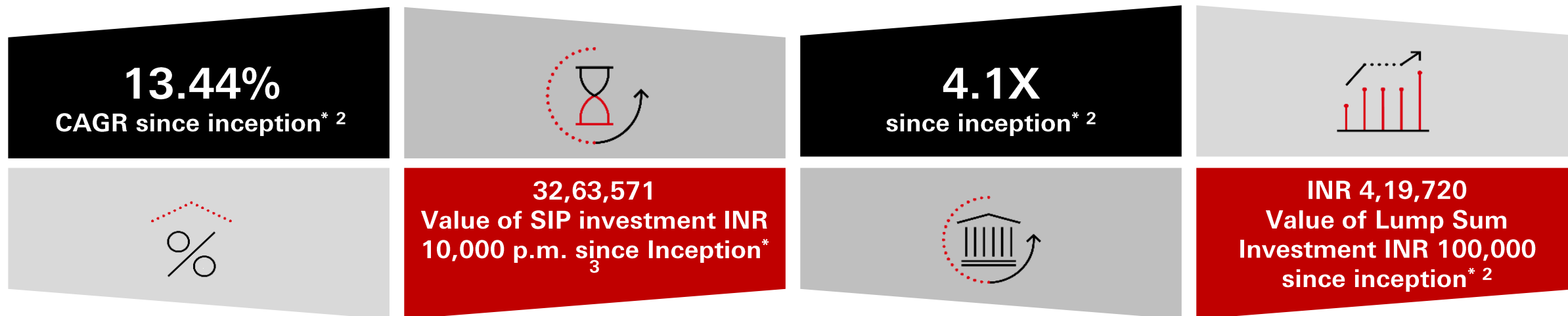
Source: HSBC Mutual Fund, Data as on 31 December 2025  
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# Fund Snapshot

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 Dec 2025. <sup>2</sup> As on 31 Dec 2025 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 4.2X to Rs 4,26,820 from Rs 100,000 and delivered return of 13.61%. 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 33,46,599. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**

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# Lump Sum performance

## HSBC Business Cycles Fund

Fund Manager - Gautam Bhupal Effective 01 Jun 2023. Total Schemes Managed – 7; Fund Manager - Mayank Chaturvedi Effective 01 Oct 2025. Total Schemes Managed - 20

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~~	9727	-2.73	17411	20.26	24668	19.78	35191	13.40	41972	13.44	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	10776	7.76	15897	16.68	21808	16.87	39677	14.76	42682	13.61	
Additional Benchmark (Nifty 50 TRI)	11188	11.88	14941	14.29	19832	14.67	37193	14.02	38002	12.46	
HSBC Business Cycles Fund-Direct~~	9838	-1.62	17994	21.59	26046	21.09	38575	14.44	46440	14.46	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	10776	7.76	15897	16.68	21808	16.87	39677	14.76	42682	13.61	
Additional Benchmark (Nifty 50 TRI)	11188	11.88	14941	14.29	19832	14.67	37193	14.02	38002	12.46	

Source: HSBC Mutual Fund, data as on 31 Dec 2025

**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 Dec 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	1360000	
Market Value as on 31 December, 2025 ( ₹ )	1,22,702	4,44,204	9,12,636	32,63,571	
Scheme Returns (%)	4.20	14.13	16.79	14.59	
Nifty 500 TRI - Scheme Benchmark ( ₹ )	1,28,629	4,45,165	8,71,367	33,46,599	
Nifty 500 TRI - Scheme Benchmark Returns (%)	13.60	14.28	14.90	15.00	
Nifty 50 TRI - Additional Benchmark ( ₹ )	1,29,510	4,38,632	8,38,961	31,40,363	
Nifty 50 TRI - Additional Benchmark Returns (%)	15.02	13.26	13.37	13.97	

SIP Performance - HSBC Business Cycles Fund – Direct Plan					Inception Date: 20-Aug-14
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested ( ₹ )	120000	360000	600000	1360000	
Market Value as on 31 December, 2025 ( ₹ )	1,23,478	4,52,765	9,42,582	34,91,472	
Scheme Returns (%)	5.42	15.47	18.11	15.68	
Nifty 500 TRI - Scheme Benchmark ( ₹ )	1,28,629	4,45,165	8,71,367	33,46,599	
Nifty 500 TRI - Scheme Benchmark Returns (%)	13.60	14.28	14.90	15.00	
Nifty 50 TRI - Additional Benchmark ( ₹ )	1,29,510	4,38,632	8,38,961	31,40,363	
Nifty 50 TRI - Additional Benchmark Returns (%)	15.02	13.26	13.37	13.97	

**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 is the fund manager for investments in foreign securities for all the schemes of HSBC Mutual Fund w.e.f. 1 October 2025.  
Source: HSBC Mutual Fund, data as on 31 Dec 2025  
[Click here](#) to check other funds performance managed by the Fund Manager



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>As per AMFI Tier I Benchmark i.e. <b>Benchmark Index: NIFTY 500 TRI</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 31 Dec 2025, 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.

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

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