

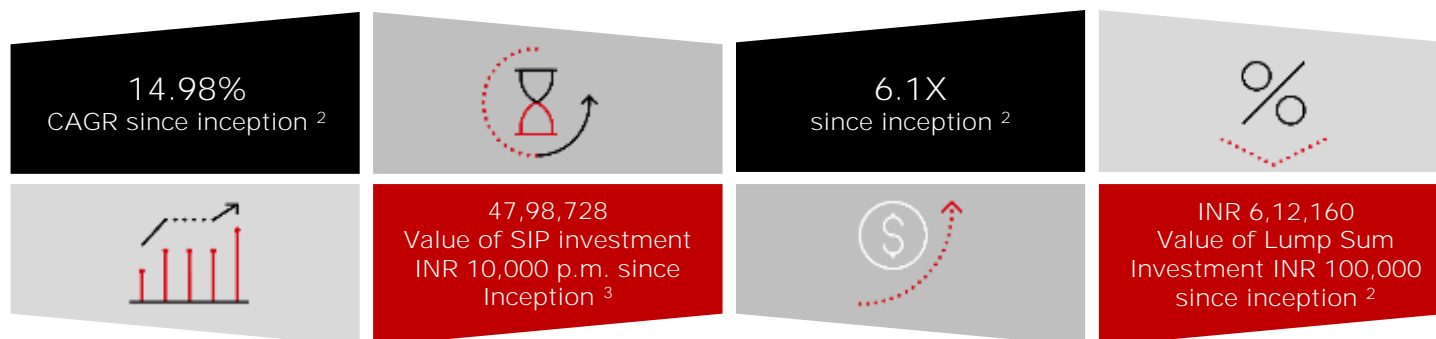
Product Note

HSBC Value Fund (HVAF) (Formerly known as L&T Value Fund)

Value Fund - An open ended equity scheme following a value investment strategy

January 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Value	Venugopal Manghat and Vihang Shankar Naik	Nifty 500 TRI	8 Jan 2010	Rs. 8075.80 Cr



Portfolio	% of net assets	Sector - Allocation	% of net assets
ICICI Bank Limited	7.39%	Banks	27.47%
State Bank of India	4.38%	IT - Software	7.59%
NTPC Limited	4.30%	Pharmaceuticals & Biotechnology	5.35%
Infosys Limited	3.75%	Construction	5.21%
Sun Pharmaceutical Industries Limited	3.75%	Cement & Cement Products	4.59%
The Federal Bank Limited	3.70%	Power	4.30%
HDFC Bank Limited	3.58%	Automobiles	3.57%
ITC Limited	3.04%	Ferrous Metals	3.31%
Mahindra & Mahindra Limited	2.75%	Diversified FMCG	3.04%
Reliance Industries Limited	2.73%	Realty	2.81%

Risk Ratios ⁴	Load / Expenses
Standard Deviation 24.94%	Entry Load NA
Beta 1.04	Exit Load - NIL (after 1 year), 1% (before 1 year) ⁶
Sharpe Ratio ⁵ 0.58	Expense ratio (Other than Direct) ⁷ 1.84%
R2 0.96	Expense ratio (Direct) 0.87%

¹ SEBI vide its circular no. SEBI/HO/IMD/IMD-II/DF3/P/ CIR/2021/652 dated October 27, 2021, 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

² As on 31 December 2022 of Growth option. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 4.0X to Rs. 4,06,460 from Rs.100,000 and delivered return of 11.4%. Please refer page no.3 for detailed performance of HSBC Value Fund.

³ During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 39,56,461

⁴ Statistical Ratios disclosed are as per monthly returns (Annualized) for the last 3 years.

⁵ Risk free rate: 5.86% (FIMMDA-NSE Mibor) as on November 30, 2022

⁶ 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.

⁷ Continuing plans
• 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

⁷ Continuing plans

Data as on 31st December, 2022 unless otherwise given)

The fund has undergone merger/consolidation along with changes to its fundamental attributes as per the notice published on 15 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

While volatility is a big fear for most investors, disciplined value investors don't equate volatility with risk. Such investors, instead, turn to buying stocks that are trading at a discount to their intrinsic value. Even the most successful global investors of all time advocate the value investing approach to unearth good businesses at good prices.

Why HSBC Value Fund?

- To seek an exposure to value style companies
- Aim to identify undervalued stocks having the potential to deliver long term superior risk-adjusted returns
- Undervalued stocks would include stocks which the Fund Managers believe are trading at less than their assessed values
- Long term capital appreciation
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Philosophy

- Diversified equity fund with strong value bias that aims to deliver long term reasonable risk adjusted returns
- Focus on identifying valuation anomalies versus the economic potential of the business over the medium term
- Aims to minimize portfolio risk by investing in quality companies, monitoring corporate fundamentals closely
- The fund looks to invest in fundamentally strong companies that the fund manager believes are trading at less than their assessed values thus offering higher upside potential
- This approach not only helps in identifying undervalued stocks but also factor-in the risk elements while picking stocks

Investment Objective

The investment objective of the Scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity related securities, in the Indian markets with higher focus on undervalued securities. The Scheme could also additionally invest in Foreign Securities in international markets.

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Fund Managers - Venugopal Manghat (No of Schemes Managed – 5) - Managing Fund Since 24 Nov 2012 and Vihang Shankar Naik (No of Schemes Managed – 4) - Managing Fund Since 17 Dec 2019 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	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Value Fund-Regular	10524	5.25	16925	19.17	15679	9.40	61216	14.98	08-Jan-10
Scheme Benchmark (Nifty 500 TRI)	10425	4.26	16173	17.38	17247	11.50	40646	11.41	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	40433	11.36	

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	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Infrastructure Fund-Regular ⁸	10479	4.80	16722	18.69	13170	5.65	25364	6.29	27-Sep-07
Scheme Benchmark (S&P BSE India Infrastructure TRI)	11507	15.11	18910	23.66	13797	6.64	NA	NA	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	43380	10.09	
HSBC Flexi Cap Fund-Regular	10185	1.85	14713	13.74	14611	7.87	157695	15.75	24-Feb-04
Scheme Benchmark (Nifty 500 TRI)	10425	4.26	16173	17.38	17247	11.50	134929	14.79	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	126802	14.42	
HSBC Business Cycles Fund-Regular	10533	5.34	15489	15.70	13458	6.11	24107	11.09	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	10425	4.26	16173	17.38	17247	11.50	26849	12.53	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	25435	11.80	
HSBC Small Cap Fund-Regular ⁹	10046	0.46	20654	27.35	16125	10.02	44346	18.81	12-May-14
Scheme Benchmark (S&P BSE 250 Small Cap Index TRI)	9898	-1.02	20142	26.29	14066	7.05	NA	NA	
Additional Benchmark (Nifty 50 TRI)	10569	5.71	15416	15.52	18305	12.84	28789	13.02	
HSBC Mid Cap Fund-Regular ¹⁰	9935	-0.65	15584	15.94	13688	6.47	207154	17.90	09-Aug-04
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	

Name of Scheme	Fund Manager	No. of funds managed and Co-managed
HSBC Value Fund	Venugopal Manghat- Since Nov 24,2012 Vihang Shankar Naik- Since Dec 17,2019	Venugopal Manghat-5 Vihang Shankar Naik-4
HSBC Infrastructure Fund	Venugopal Manghat- Since Dec 17, 2019 Gautam Bhupal-Since Nov 26, 2022	Venugopal Manghat-5 Gautam Bhupal-6
HSBC Flexi Cap Fund	Vihang Shankar Naik- Since Nov, 26 2022 Venugopal Manghat- Since Nov, 26 2022	Vihang Shankar Naik-4 Venugopal Manghat-5
HSBC Business Cycles Fund	Ankur Arora- Since Nov 26 2022 Venugopal Manghat- Since Aug 20 2014	Ankur Arora-3 Venugopal Manghat-5
HSBC ELSS Fund	Cheenu Gupta- Since Jul 02, 2021 Gautam Bhupal- Since Nov 26,2022	Cheenu Gupta-7 Gautam Bhupal-6
HSBC Small Cap Fund	Venugopal Manghat- Since Dec 17, 2019 Vihang Shankar Naik- Since Dec 17, 2019	Venugopal Manghat-5 Vihang Shankar Naik-4
HSBC Midcap Fund	Vihang Shankar Naik- Since June 28 2016 Cheenu Gupta- Since Nov 26 2022	Vihang Shankar Naik-4 Cheenu Gupta-7

⁸ HSBC Infrastructure Fund: The launch date of the S&P BSE India Infrastructure Index (INR) is May 19, 2014 whereas the inception date of the scheme is September 27, 2007.
The corresponding benchmark returns since inception of the scheme is not available.

⁹ HSBC Small Cap Fund: The launch date of the S&P BSE 250 Small Cap Index (INR) is November 30, 2017 whereas the inception date of the scheme is May 12, 2014. The corresponding benchmark returns since inception of the scheme is not available.

¹⁰ 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.

Note - Sonal Gupta shall be dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

SIP Performance HSBC Value Fund - Reg					Inception Date: 08-Jan-10
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1550000	
Market Value as on December 31, 2022 (₹)	1,28,923	5,03,745	9,15,755	47,98,728	
Scheme Returns (%)	14.14	23.13	16.95	16.23	
Nifty 500 TRI - Scheme Benchmark (₹)	1,25,930	4,83,362	8,98,652	39,56,461	
Nifty 500 TRI - Scheme Benchmark Returns (%)	9.33	20.14	16.18	13.57	
Nifty 50 TRI - Additional Benchmark (₹)	1,26,680	4,75,581	8,87,596	38,21,144	
Nifty 50 TRI - Additional Benchmark Returns (%)	10.53	18.98	15.67	13.08	

Since Inception returns are provided from the date of allotment of units. PTP returns – Point to Point returns.

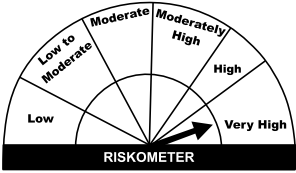
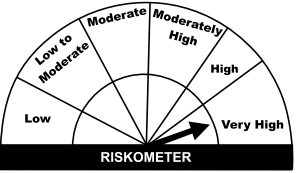
For SIP returns, monthly investment of Rs.10,000 invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis.

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.

Past performance may or may not be sustained in the future. Source: HSBC Asset Management India, data as at 31 Dec 2022

Product Label

Scheme name and Type of scheme	Riskometer of the Scheme	Riskometer of the benchmark
<p>This product is suitable for investors who are seeking*:</p> <p>HSBC Value Fund (Erstwhile L&T India Value Fund) - Value Fund - An open ended equity scheme following a value investment strategy.</p> <ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity-related securities in Indian markets and foreign securities with higher focus on undervalued securities. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Small Cap Fund (Erstwhile L&T Emerging Businesses Fund) - Small Cap Fund – An open ended equity scheme predominantly investing in small cap stocks</p> <ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity-related securities, including equity derivatives in Indian markets with key theme focus being emerging companies (small cap stocks); and foreign securities (Benchmark : S&P BSE 250 Small Cap Index TRI Index) <p>HSBC Infrastructure Fund - Thematic Fund (Erstwhile L&T Infrastructure Fund) – An open-ended Equity Scheme following Infrastructure theme.</p> <ul style="list-style-type: none"> To create wealth over long term Investment in equity and equity related securities, primarily in themes that play an important role in India's economic development. (Benchmark : S&P BSE India Infrastructure TRI Index) <p>HSBC Flexi Cap Fund - Flexi Cap Fund – An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.</p> <ul style="list-style-type: none"> To create wealth over long term Investment in equity and equity related securities across market capitalizations. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Business Cycles Fund (Erstwhile L&T Business Cycles Fund) - Thematic Fund - An open ended equity scheme following business cycles based investing theme.</p> <ul style="list-style-type: none"> Long term capital appreciation 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. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Midcap Fund (Erstwhile L&T Midcap Fund) - Midcap Fund – An open ended equity scheme predominantly investing in mid cap stocks.</p> <ul style="list-style-type: none"> Long term wealth creation Investment in equity and equity related securities of mid cap companies. (Benchmark : S&P BSE 150 MidCap TRI Index) 	 <p>Investors understand that their principal will be at 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 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.