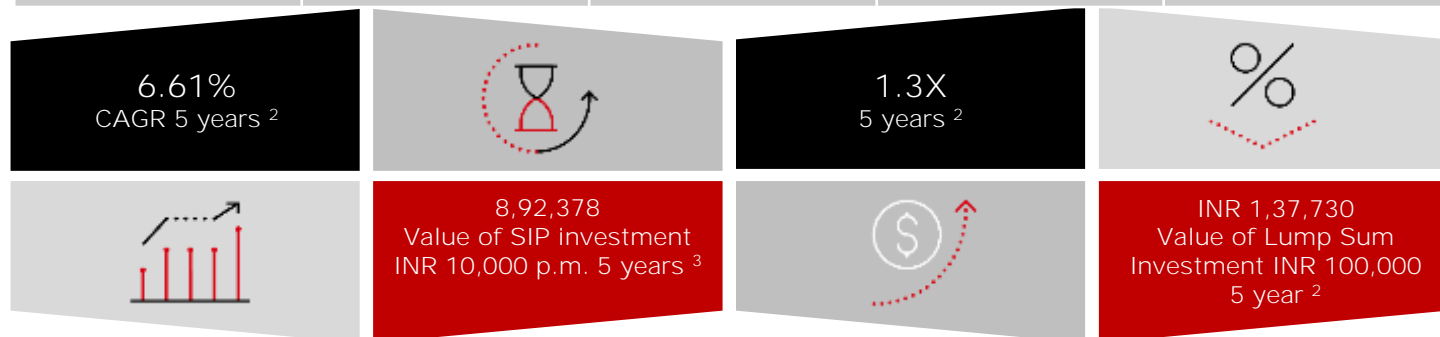


HSBC Small Cap Equity Fund (HSEF)

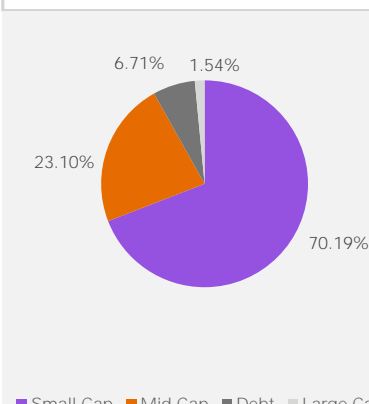
Small Cap Fund - An open ended equity scheme predominantly investing in small cap stocks.

Date: November 2022

Fund Category	Fund Manager ⁷	Benchmark ¹	Inception Date	AUM
Small Cap Fund	Ankur Arora	S&P BSE 250 Small Cap Index TRI	19 May 2005	Rs. 300.29 Cr



Risk Ratios		Portfolio Characteristics		Load / Expenses	
		Fund	Benchmark		
Standard Deviation ⁴	26.89%	Number of holdings	47	Entry Load	NIL
Beta	0.85	Price to book (PB) ⁶	4.98	Exit Load	1 % if redeemed / switched out within 1 year from date of allotment, else nil
Sharpe Ratio ⁵	0.66	Price to earnings (PE) ⁶	43.61	Expense ratio (Other than Direct)	2.50%
R2	0.94	Return on Equity (ROE (%))	12.16	Expense ratio (Direct)	1.09%
		Portfolio Turnover ⁷	0.33		

Portfolio	% of net assets	Sector - Allocation	% of net assets	Market Cap weight %	
KEI Industries Limited	4.30	Industrial Products	12.64		
Radico Khaitan Limited	4.16	Chemicals & Petrochemicals	10.22		
APL Apollo Tubes Limited	3.95	Consumer Durables	9.64		
J.B. Chemicals & Pharmaceuticals Limited	3.94	Pharmaceuticals & Biotechnology	6.21		
Dixon Technologies (India) Limited	3.76	IT - Software	6.17		
Rainbow Children's Medicare Ltd.	2.87	Healthcare Services	5.35		
J.K. Lakshmi Cement Limited	2.76	Finance	4.54		
Mahindra Logistics Ltd.	2.69	Cement & Cement Products	4.35		
Multi Commodity Exchange of India Limited	2.56	Beverages	4.16		
Carborundum Universal Limited	2.54	Realty	4.04		

PRODUCT NOTE

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 October 2022 of Growth option. During the same period, scheme benchmark (S&P BSE25 Small Cap Index) data is not available. Please refer page no. 3 for detailed performance of HSBC Small Cap Equity Fund. ³ During the same period, value of scheme benchmark (S&P BSE 250 small cap index TRI) is not available.

⁴ Statistical Ratios disclosed are as per monthly returns (Annualized) for the last 3 years. ⁵ Risk free rate: 6.25% (FIMMDA-NSE Mibor) as on October 31, 2022. ⁶ EPS - Trailing 12 month Estimates Comparable Adjusted EPS, PE - Trailing 12 month Price to earnings adjusted for negative earnings, Weighted average method, PB - Price to book value, Trailing 12 month Price to earnings, Index method aggregation. Source - HSBC AMC India and Bloomberg, Data as of 31 October 2022. ⁷ Portfolio Turnover Ratio is computed for the last 12 months. ⁸ Continuing plans.

Refer to the Fund's website, www.assetmanagement.hsbc.co.in for monthly portfolio disclosures.

The fund may undergo merger/consolidation along with changes to their fundamental attributes as per the notice published on 14 Oct '22. For more details visit our website page -

<https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

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Top 3 Stock & Sector Movements^

Allocation decrease in existing stocks	Weight
Vinati Organics Limited	-0.50%
Somany Ceramics Limited	-0.08%

Allocation decrease in existing sectors	Weight
Materials	-0.61%

Portfolio sectoral positioning:

View	Sector			
Positive	Specialty Chemical	Healthcare	Real Estate	-
Neutral	Infrastructure	Consumer Discretionary	Industrials	-
Negative	Financials	Energy	Communication Services	-

Fund Philosophy:

- Prefer efficient and scalable small cap businesses available at reasonable valuations
- Invest in businesses that are leader or strong challenger in their own respective sub-segments.
- Focus is on companies that are likely to deliver strong earnings growth in the medium term as they continue to outperform the market growth.

Key portfolio themes:

- Margin pressures remain a bane for most corporates given the persistent high inflation. Given the margin headwinds, market will need to recalibrate the profit growth expectations in FY23E. Also, one must be cognizant of the demand outlook which can get impacted with the overall economy slowing down. So far revenue growth trajectory has remained strong but one needs to watch the growth trends in coming quarter. Continue to maintain a positive stance on companies seeing strong demand growth despite short term margin concerns.
- Continue to focus on companies that are leader in their respective sectors as they are best placed to manage the current challenging environment.
- Positive on make in India theme and the opportunities it is providing to many corporates
- Positive stance on industrial space given the need for capex across sectors due to high utilization rates.

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

^ The above information is for illustrative purpose only and it should not be considered as investment research, investment recommendation or advice to any reader of this content to buy or sell investments. Past performance may or may not sustain and doesn't guarantee the future performance. The Fund may or may not have any future position in these stocks.

Lump Sum Investment Performance								
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 Rs	Returns %
HSBC Small Cap Equity Fund	9,377	-6.20	18,265	22.22	13,773	6.61	81,964	12.80
S&P BSE 250 Small Cap Index TRI (Scheme Benchmark) ⁹	10,190	1.89	19,981	25.93	NA	NA	NA	NA
Nifty 50 TRI (Additional Benchmark)*	10,332	3.30	15,709	16.23	18,558	13.16	1,12,823	14.89

Inception Date: 19-May-05

SIP Performance - HSBC Small Cap Equity Fund				
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception
Total amount invested (₹)	120000	360000	600000	2090000
Market Value as on October 31, 2022 (₹)	1,18,392	5,11,785	8,92,378	67,97,464
Scheme Returns (%)	-2.47	24.25	15.88	12.29
S&P BSE 250 Small Cap Index TRI - Scheme Benchmark (₹) ¹¹	1,24,448	5,52,419	NA	NA
S&P BSE 250 Small Cap Index TRI - Scheme Benchmark Returns (%)	6.95	29.90	NA	NA
Nifty 50 TRI - Additional Benchmark (₹)*	1,27,301	4,84,659	9,00,550	71,45,616
Nifty 50 TRI - Additional Benchmark Returns (%)*	11.47	20.30	16.25	12.78

Inception Date: 19-May-05

Lump Sum Investment Performance				
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		Since Inception	
	Amount in Rs	Returns %	Amount in Rs	Returns %
HSBC Mid Cap Fund	9,733	-2.65	9,496	-4.59
Scheme Benchmark (S&P BSE 150 MidCap TRI)	10,362	3.60	10,420	3.80
Additional Benchmark (Nifty 50 TRI)	10,332	3.30	10,239	2.17

Inception Date: 22-Oct-19

Past performance may or may not be sustained in the future. Refer note below. HSBC Small Cap Equity Fund – Fund Manager - Funds Managed by Ankur Arora (Total Schemes Managed1) - Effective (05 Aug 2019), HSBC Mid Cap Fund - Fund Manager - Funds Managed by Ankur Arora Total Schemes Managed – 2 - Effective (31 March 2022)

Please Note : “NA” means not available.

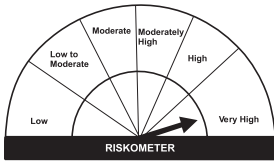
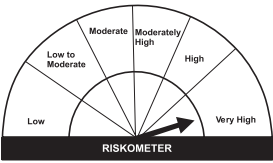
*Additional benchmark as per SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021

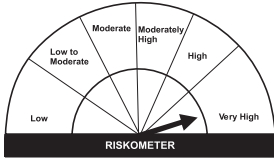
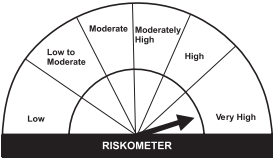
⁹ The launch date of the S&P BSE 250 Small Cap Index (INR) is November 30, 2017 whereas the inception date of the scheme is May 19, 2005. All information presented prior to the index launch date is back-tested which is available from Mar 31, 2008. The corresponding benchmark returns since inception of the scheme is not available. All index data is available on the website of Asia Index Pvt. Ltd. a joint venture between BSE Ltd. and S&P Dow Jones Indices LLC. (source: <http://www.asiaindex.co.in>). Source: ICRA MFI, Bloomberg, Data as at October 2022

Returns are of growth option. The returns for the respective periods are provided as on October 2022. Returns above 1 year are Compounded Annualized. Standard The performance details provided herein are of other than 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 October 2022 for the respective Schemes. Returns for 1 year and Above are Compounded Annualised. Returns for less than 1 year is Simple Annualised. 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 Other than Direct Plan. The performance data of the scheme(s) managed by the respective Fund Manager which has/have not completed 6 month is not provided. 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.

The performance details provided herein are of other than Direct Plan –Growth Option. Assuming ₹ 10,000 invested systematically on the first Business Day of every month over a period of time The returns for the respective periods are provided as on last available NAV of October 2022 for the respective Schemes. Returns for 1 year and Above are Compounded Annualised. Returns for less than 1 year is Simple Annualised. 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 Other than Direct Plan. The performance data of the scheme(s) managed by the respective Fund Manager which has/have not completed 6month is not provided. 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.

The Fund offers flexible and convenient Systematic Investment Plan (SIP) facility. To illustrate the advantages of SIP investments, this is how your investments would have grown if you had invested say ₹ 10,000 systematically on the first Business Day of every month over a period of time in the Growth Option of Respective Scheme. The returns are calculated by XIRR approach assuming investment of ₹ 10,000/- on the 1st working day of every month. XIRR helps in calculating return on investments given an initial and final value and a series of cash inflows and outflows with correct allowance for the time impact of the transactions.

Riskometer		
<p>HSBC Small Cap Equity Fund</p>  <p>Investors understand that their principal will be at Very High risk</p>	<p>Small Cap Fund - An open ended equity scheme predominantly investing in small cap stocks.</p> <p>This product is suitable for investors who are seeking**:</p> <ul style="list-style-type: none"> To create wealth over. Investment in predominantly small cap equity and equity related securities. <p>**Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p>Please note that the above risk-o-meter is as per the product labelling of the Scheme available as on the date of this communication/ disclosure.' As per SEBI circular dated October 5, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. 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.</p>	<p>Benchmark: S&P BSE 250 Small Cap Index TRI</p> 

Riskometer		
<p>HSBC Mid Cap Fund</p>  <p>Investors understand that their principal will be at Very High risk</p>	<p>Mid Cap Fund - (Mid Cap Fund – An open ended equity scheme predominantly investing in mid cap stocks).</p> <p>This product is suitable for investors who are seeking**:</p> <ul style="list-style-type: none"> Long term wealth creation. Investment predominantly in equity and equity related securities of mid cap companies. <p>**Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p>Please note that the above risk-o-meter is as per the product labelling of the Scheme available as on the date of this communication/ disclosure.' As per SEBI circular dated October 5, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. 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.</p>	<p>Benchmark: S&P BSE 150 MidCap TRI</p> 

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