

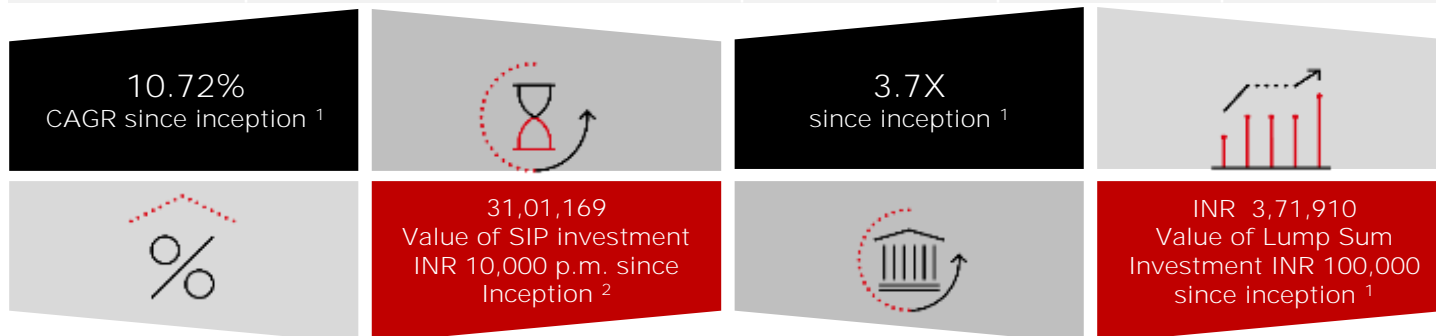
## Product Note

### HSBC Balanced Advantage Fund (HBAF)

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

January 2024

Fund Category	Fund Manager	Benchmark	Inception Date	AUM <sup>&amp;</sup>
Balanced Advantage Fund	Neelotpal Sahai, Gautam Bhupal <sup>@</sup> , Praveen Ayathan <sup>@</sup> , Hitesh Gondhia <sup>@</sup> , Mahesh Chhabria and Sonal Gupta <sup>#</sup>	NIFTY 50 Hybrid Composite Debt 50:50 Index <sup>3</sup>	7 Feb 2011	Rs. 1390.73 Cr



Portfolio	% of net assets
HDFC Bank Limited	6.15%
Reliance Industries Limited	4.65%
ICICI Bank Limited	3.94%
DLF Limited	2.40%
Larsen & Toubro Limited	2.28%
United Spirits Limited	2.27%
Varun Beverages Limited	2.22%
Zee Entertainment Enterprises Limited	2.19%
ITC Limited	2.16%
NTPC Limited	2.01%

Sector - Allocation	% of net assets
Government Securities	13.09%
Banks	11.68%
Pharmaceuticals & Biotechnology	6.06%
Finance	5.75%
IT - Software	5.60%
Petroleum Products	4.65%
Beverages	4.49%
Realty	3.89%
Industrial Products	3.40%
Construction	3.20%

Entry Load\*: Not Applicable, 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, A switch-out or a withdrawal under SWP may also attract an Exit Load like any Redemption. No Exit load will be chargeable in case of switches made between different options of the Scheme. No Exit load will be chargeable in case of Units allotted on account of dividend reinvestments, if any<sup>\*\*\*</sup> A switch-out or a withdrawal under SWP or a transfer under STP (except a switch-out or a transfer under STP into any of the Equity Schemes except HSBC Arbitrage Fund) may also attract an Exit Load/CDSC like any Redemption. No Exit Load will be chargeable in case of switches made between different options of the Scheme. No Exit Load will be chargeable in respect of redemption / switch out of redemption of Units allotted on account of dividend. In case of units switched out/systematically transferred to another option/plan within the same plan/Scheme and if subsequently redeemed, for the purpose of determining the Exit Load, the date when such units were first allotted in the respective plan/Scheme will be considered as the purchase/allotment date. In terms of 10.4.1.a. of SEBI Master Circular on Mutual Funds dated May 19, 2023, no entry load will be charged to the investor effective August 1, 2009.

Month End Total Expenses Ratios (Annualized)<sup>4</sup> – Regular<sup>5</sup>: 2.12%, Direct: 0.78%

<sup>1</sup> As on 29 December 2023 of Growth option. During the same period, scheme benchmark (NIFTY 50 Hybrid Composite Debt 50:50 Index) has moved by 3.7X to Rs. 3,72,990 from Rs.100,000 and delivered return of 10.74%. Please refer page no.3 for detailed performance of HSBC Balanced Advantage Fund.

<sup>2</sup> During the same period, value of scheme benchmark (NIFTY 50 Hybrid Composite Debt 50:50 Index) has moved to 33,50,880

<sup>3</sup> 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.

<sup>4</sup> TER Annualized TER including GST on Investment Management Fees

<sup>5</sup> Continuing plans

<sup>@</sup> Managing since October 01, 2023. Please refer notice cum addendum dated September 29, 2023.

<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).

Source – HSBC Mutual Fund, Data as of 31 December 2023. Past performance may or may not be sustained in the future and is not indicative of future results.

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

Note : Please refer to Scheme Information Document for more details on Asset Allocation of the scheme.

## 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.

## 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.

HSBC Balanced Advantage Fund (HBAF) | Product Note  
[ January 2024 ]

Fund Manager - Neelotpal Sahai Effective 26 Nov 2022. Total Schemes Managed - 10; Gautam Bhupal Effective 01 Oct 2023. Total Schemes Managed - 12; Praveen Ayathan Effective 01 Oct 2023. Total Schemes Managed - 5; Hitesh Gondhia Effective 01 Oct 2023. Total Schemes Managed - 3; Sonal Gupta Effective 26 Nov 2022. Total Schemes Managed - 15; Mahesh Chhabria Effective 15 Jul 2023. Total Schemes Managed - 10

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 %	07-Feb-11
HSBC Balanced Advantage Fund - Regular	11797	18.03	13015	9.20	15879	9.70	37191	10.72	
Scheme Benchmark (Nifty 50 Hybrid composite debt 50:50 Index)	11426	14.30	13677	11.02	17901	12.36	37299	10.74	
Additional Benchmark (S&P BSE Sensex TRI)	12033	20.39	15687	16.23	21258	16.29	47722	12.88	

Past performance may or may not be sustained in the future and is not indicative of future results. The performance details provided herein are 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 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.

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.

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.

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	1540000	
Market Value as on December 29, 2023 (₹)	134,805	429,933	790,254	3,101,169	
Scheme Returns (%)	23.91	11.92	10.98	10.33	
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark (₹)	132,395	428,512	826,123	3,350,880	
Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark Returns (%)	19.91	11.69	12.78	11.43	
S&P BSE Sensex TRI - Additional Benchmark (₹)	138,695	461,237	947,219	4,195,300	
S&P BSE Sensex TRI - Additional Benchmark Returns (%)	30.45	16.84	18.36	14.58	



Past performance may or may not be sustained in the future and is not indicative of future results. 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.

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

Source: HSBC Mutual Fund, data as on 31 December 2023

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

## Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter
<p><b>HSBC Balanced Advantage Fund</b></p> <p><b>Balanced Advantage Fund</b> – 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"> <li>• Long term capital appreciation and generation of reasonable returns</li> <li>• Investment in equity and equity related instruments, derivatives and debt and money market instruments</li> </ul>	 <p>Investors understand that their principal will be at Very High risk</p>	<p>Benchmark Index: NIFTY 50 Hybrid Composite Debt 50:50 Index</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 December 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 and is not indicative of future results. Source: HSBC Mutual Fund, data as on 31 December 2023

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