



HSBC Arbitrage Fund

(Erstwhile L&T Arbitrage Opportunities Fund)

An open ended scheme investing in arbitrage opportunities.

Abridged Annual Report 2023 - 2024



SPONSOR

HSBC Securities and Capital Markets (India) Private Limited

CIN – U67120MH1994PTC081575

Regd. Office: 52/60, Mahatma Gandhi Road, Fort, Mumbai 400001.

TRUSTEE COMPANY

HSBC Trustees (India) Private Limited

CIN – U66190MH2024PTC416973

Regd. Office: 52/60, Mahatma Gandhi Road, Fort, Mumbai 400001.

ASSET MANAGEMENT COMPANY

HSBC Asset Management (India) Private Limited

CIN – U74140MH2001PTC134220

Regd. Office: 9-11 Floors, NESCO IT Park, Building No. 3,
Western Express Highway, Goregaon (East), Mumbai 400063.

CUSTODIAN

Citibank N.A.

First International Financial Center (FIFC), 9th Floor,
C-54 & 55, G – Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

AUDITORS TO THE SCHEME

MSKA & Associates

Chartered Accountants

602, Floor 6, Raheja Titanium, Western Express Highway,
Geetanjali Railway Colony, Ram Nagar, Goregaon (East), Mumbai 400063.

REGISTRAR & TRANSFER AGENTS

Computer Age Management Services Limited (CAMS)

Unit: HSBC Mutual Fund

New No. 10, M.G.R Salai, Nungambakkam, Chennai 600034.

BOARD OF TRUSTEES

Ms. Jasmine Batliwalla – Chairperson

Mr. Nani Javeri – Trustee

Mr. David Rasquinha – Trustee

Mr. Nicolas Moreau – Trustee

BOARD OF DIRECTORS

Dr. Indu Shahani – Director

Mr. Kapil Seth – Director

Ms. Roopa Varma – Director

Mr. Kailash Kulkarni – Director & Chief Executive Officer

Dear Investor,

As we reflect on the past year, I am filled with pride and optimism about the future of our company and overall growth of the mutual fund industry. The past year has marked significant milestones in our journey, particularly as we capitalise on the immense potential of India's burgeoning growth story.

Fiscal 2024 turned out to be one of the best years for the domestic mutual fund industry as assets under management (AUM) spurted by nearly Rs. 14 lakh crore to a record Rs. 53.40 lakh crore as of March 2024 compared with Rs. 39.42 lakh crore as of March 2023.

The mutual fund industry is experiencing immense growth and we are poised to take advantage of this upward trajectory. Our company is an integral part of this growth story, riding the wave with several strategic initiatives and accomplishments that have set us on a path of sustained success.



Major achievements post integration

- Post integration we have enhanced our digital offering for both B2B and B2C to provide improved customer journeys.
- HSBC AM India's AUM increased from USD 1.4 bn (before integration) to USD 13.7 bn as of April 2024.
- HSBC Asset Management India has now become the 14th largest asset manager in India in terms of AUM.
- HSBC AM India has launched 4 new products since integration (raising \$445M).
- We have expanded HSBC AM India's product offerings to 43 funds.

Key Achievements in FY2023-2024

Investment Performance: Our disciplined investment strategy and thorough research have been pivotal to our success. We have focused on high-quality, undervalued assets, achieving consistent returns across our portfolio.

Product Innovation: This year, we launched two new funds - HSBC Multi Asset Allocation Fund and HSBC Consumption Fund, tailored to meet the evolving needs of our investors. These new offerings have been well-received, contributing to our growth in AUM significantly.

Increased Media Presence: In FY24, we significantly boosted our media presence, ensuring that our brand and thought leadership are recognized across various platforms. Through strategic media engagements like Informed Investing with ET Now, talks shows and several authored articles plus interviews - we have amplified our message, reaching a broader audience and reinforcing our market position.

Successful Campaign Launch: We successfully launched SIP Hai #FaydeWaliAadat, an investor education campaign, that highlighted the transformative power of SIPs in achieving long-term financial

goals. A first of its kind campaign, it aimed at educating and empowering the millennial investors in India. The campaign garnered significant attention and positive feedback, strengthening our brand presence and engaging a wider audience. Notably, the campaign has also earned us prestigious awards and accolades highlighting our commitment to excellence and innovation.

Client Relationships: We have strengthened our client relationships through enhanced communication, transparency, and personalized service. Our client satisfaction scores have reached new heights, reflecting our commitment to exceptional service.

We believe that the India story has just begun and its economic landscape is poised for significant growth. An exposure to unique and future relevant themes can provide a much-needed inflation buffer. The importance of asset allocation continues to be critical. It is critical for all of us to review our risk appetite and goal proximity and construct a portfolio appropriately.

Besides construction, portfolio rebalancing is equally important in order to achieve optimal outcomes. I do hope you share my enthusiasm and I ask that you continue to invest whilst reviewing your asset allocation at all times.

I would like to express my sincere gratitude to our dedicated team, whose expertise and commitment are the backbone of our success. To our investors, thank you for your trust and continued support. Your confidence in our approach motivates us to strive for excellence in everything we do. Also, I want to express my deepest gratitude to our valuable partners for their unwavering support and keep our services running. Look forward to achieving even greater milestones together.

As we move forward, we remain committed to delivering superior investment performance, fostering strong client relationships, and driving sustainable growth. Together, we are well-positioned to navigate the future and achieve our goals.

Warm regards,

A handwritten signature in black ink, appearing to read 'Kailash Kulkarni', is written over a solid black horizontal line.

Kailash Kulkarni

Chief Executive Officer

HSBC Asset Management India

Trustees' Report

For the year ended March 31, 2024

The Board of Directors of HSBC Trustees (India) Private Limited, Trustees of HSBC Mutual Fund present the Twenty Second Annual Report and the audited abridged financial statements of the schemes of the HSBC Mutual Fund ("the Fund") for the year ended March 31, 2024.

With the acquisition of L&T Mutual Fund in the previous financial year, the Fund's Assets Under Management ('AUM') (excluding Domestic FOFs) as on March 31, 2024 was INR 109368.16 crores (audited). The Fund ranks in the top 15 Mutual Fund houses in India in terms of AUM.

As at March 31, 2024, the Fund offered 43 schemes across asset classes to meet the varying investment needs of the investors. During the year, the Fund launched two new products namely HSBC Consumption Fund and HSBC Multi Asset Allocation Fund in Equity and Hybrid categories.

The Fund continues its focus on delivering consistent long-term returns. The comments on the performance of the scheme(s) are provided hereinafter. Dividends were declared under various schemes as per the provisions contained in the respective Scheme Information Documents after considering the distributable surplus available under the respective plans of the schemes. Details of dividends declared can be viewed on our website at www.assetmanagement.hsbc.co.in.

During the year, HSBC Securities and Capital Markets (India) Private Limited ("HSCI"), Sponsors of the Fund established a private limited company with limited liability to act as the "Trustees" of the Fund. HSBC Trustees (India) Private Limited ("HTIP") was incorporated on 9 January 2024. Accordingly, HTIP has replaced the Board of Trustees of HSBC Mutual Fund w.e.f. 1 March 2024, and the Company through its Board of Directors has been discharging its obligations as the "Trustees" of the Fund from this date.

1. SCHEME PERFORMANCE, MARKET OUTLOOK, AND OPERATIONS OF THE SCHEMES

a. Operations and Performance of the Scheme

➤ Equity Scheme

HSBC Arbitrage Fund ('HAF')

(Arbitrage Fund - An open-ended scheme investing in arbitrage opportunities)

The investment objective of the scheme is to seek to generate reasonable returns by predominantly investing in arbitrage opportunities in the cash and derivatives segments of the equity markets and by investing balance in debt and money market instruments. There is no assurance that the objective of the scheme will be realised and the scheme does not assure or guarantee any returns.

The net assets of HAF amounted to INR 2003.18 crores as at March 31, 2024 as against INR 1955.60 crores as at March 31, 2023. Around 77.1% of the net assets were invested in equities, 11.42% of the net assets were invested in debt, 4.9% of the net assets were invested in reverse repos/TREPS and (0.24%) in net current assets as at March 31, 2024.

The investment strategy includes identifying and investing into arbitrage opportunities between spot/cash and futures prices of individual stocks. The scheme may also invest in debt and money market securities instruments. It will deploy "Cash and Carry Arbitrage" strategy wherein the Fund Manager will evaluate the difference between price of an individual stock in the futures market and in the spot/cash market. If the price of a stock in the futures market is higher than in the spot/cash market, after considering the associated costs and taxes, the scheme may buy the stock in the spot/cash market and sell the same in equal quantity in the futures market simultaneously. Similarly, the scheme may at a later date, unwind the trade by selling cash position and buying in the futures markets. The Fund Manager after careful analysis may also decide to roll over the position, if the market conditions are favorable.

| HSBC Arbitrage Fund | | Date of Inception : 30 June, 2014 | | | | | | | |
|--|---------------|-----------------------------------|---------------|----------------|---------------|----------------|-----------------|----------------|--|
| Fund / Benchmark (Value of ₹ 10,000 invested) | 1 Year | | 3 Years | | 5 Years | | Since Inception | | |
| | Amount (₹) | Returns (%) | Amount (₹) | Returns (%) | Amount (₹) | Returns (%) | Amount (₹) | Returns (%) | |
| HSBC Arbitrage Fund | 10743 | 7.47 | 11656 | 5.25 | 12896 | 5.22 | 17459 | 5.88 | |


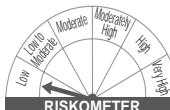
Trustees' Report

For the year ended March 31, 2024 (Contd...)

| HSBC Arbitrage Fund | | | | Date of Inception : 30 June, 2014 | | | | |
|--|---------------|----------------|---------------|-----------------------------------|---------------|----------------|-----------------|----------------|
| Fund / Benchmark (Value of ₹ 10,000 invested) | 1 Year | | 3 Years | | 5 Years | | Since Inception | |
| | Amount (₹) | Returns (%) | Amount (₹) | Returns (%) | Amount (₹) | Returns (%) | Amount (₹) | Returns (%) |
| Scheme Benchmark (Nifty 50 Arbitrage Index) | 10812 | 8.17 | 11813 | 5.72 | 12826 | 5.10 | 16973 | 5.58 |
| Additional Benchmark (Nifty 50 TRI) | 13008 | 30.27 | 15736 | 16.35 | 20356 | 15.27 | 32979 | 13.02 |

Past performance may or may not be sustained in future. Returns have been calculated for the respective periods for Growth Option of Regular Plan as on last business day of the month i.e. March 28, 2024 due to non-availability of benchmark indices as of March 31, 2024. Returns on ₹ 10,000 are point-to-point returns for the specific time period, invested at the start of the period. Returns for 1 year and above are Compounded Annualized. Different plans shall have a different expense structure. Performance of the respective benchmark is calculated as per the Total Return Index (TRI).

Risk-o-meter as of 31st March, 2024:

| Scheme Name | Scheme Risk-o-meter | Benchmark Risk-o-meter |
|---------------------|--|--|
| HSBC Arbitrage Fund |  <p>Investors understand that their principal will be at Low risk</p> | <p>Benchmark Index: Nifty 50 Arbitrage Index</p>  |

Please note that the above risk-o-meter is as per the product labelling of the Scheme basis Scheme's monthly portfolio as on March 31, 2024.

b. Market Overview & Outlook (as furnished by HSBC Asset Management (India) Private Limited)

➤ EQUITY OUTLOOK

Recap of FY 2023-24:

FY24 was a stellar year for the Indian equity markets with strong economic momentum, healthy earnings growth and strong inflows from domestic and foreign institutional investors and strong retail participation driving a broad-based bull market. The Nifty and Sensex were up a solid 30.1%/26.5% respectively during the year, while the BSE Midcap and BSE Smallcap indices gained an astounding 65.2% and 61.4% respectively.

While geo-political conflicts continued in FY24, their impact on crude and global supply chains moderated. Crude prices largely remained range bound during the year. Inflation barring a brief spike largely remained well contained, the economy gained further steam with GDP growth crossing 8% in H1FY24 supported by government thrust on infrastructure. This translated into strong growth for several core sector industries including steel and cement. The growth in the real estate sector has been strong with inventory continuing to decline in metro markets. However, lagged impact of price increases continued to impinge on consumer demand growth which remained subdued for most mass market categories.

Domestic cyclicals were the best performing sectors during the year led by Real Estate, Capital Goods, Autos. Power was also among the best performing sectors. Global cyclicals like Metals and Oil & Gas also strongly outperformed the Nifty. FMCG and Banking while delivering healthy positive returns underperformed the Nifty, while IT performance was closer to Nifty.

Trustees' Report

For the year ended March 31, 2024 (Contd...)

MSCI India index outperformed most of key global indices during the past fiscal. MSCI India index (USD) gained 35.5% as compared to 23.1% gain for MSCI World, 27.9% for US S&P 500, 11.0% for MSCI Europe and only 5.3% for MSCI Emerging Markets as MSCI China declined 19.0% over the period.

Strong performance of the market and subsiding global macro headwinds drove a sharp turnaround in foreign investment flows. FI net inflow was at USD 25.3bn in FY24 versus an outflow of USD 6.0bn/17.1bn in FY23/FY22. DIs, on the other hand, matched FI inflow with an inflow of USD 25.3bn although it was lower than the net inflows at USD 30.8bn in FY23. Within DIs, the MF segment was the key contributor (USD 24.3 bn of net inflows up from USD 21.8bn in FY23) while domestic Insurers were also in the net inflow territory (USD 1.0bn of net inflows vs USD 9.0bn in FY23).

Source: Motilal Oswal

| Indices Returns (April 01, 2023 to March 31, 2024) | 1 Year [^] |
|--|---------------------|
| S&P BSE Sensex TR | 26.5% |
| NSE CNX Nifty TR | 30.1% |
| S&P BSE 100 TR | 34.2% |
| S&P BSE 200 TR | 38.5% |
| S&P BSE 500 TR | 40.2% |
| S&P BSE Midcap TR | 65.2% |
| S&P BSE Small-cap TR | 61.4% |

[^] Source: Bloomberg (Above table values are for total return indices)

Way forward:

The global macro environment remains challenging with heightened geo-political and economic uncertainties. US bond yields remain high putting pressure on interest rates and currencies globally. For India, growth has continued to remain strong with GDP growth of 8.4% in Q3FY24 driven by strong government spending on infrastructure and pickup in manufacturing and construction. The 2024 interim budget has re-affirmed government focus on infrastructure. At the same time reduction in fiscal deficit should also help in easing of domestic interest rates. However, after last year's patchy monsoon, a good monsoon will be an important factor for rural demand and overall consumption growth in the economy in FY25.

India starts FY25 on a strong footing with positive growth momentum and India's investment cycle is expected to be on a medium-term uptrend supported by rising government investment in infrastructure and recovery in real estate cycle. There is also an expectation of higher private investments in renewable energy and related supply chain, localization of higher-end technology components, and India becoming a more meaningful part of global supply chains. Finally, it is expected for consumption to improve as the impact of high inflation fades and real incomes start to grow again.

However, several of these positives are getting discounted by the high valuations currently prevailing in the equity market. While the fund managers remain constructive on Indian equities supported by the more robust medium-term growth outlook there is a caution against high return expectations. Nifty continues to trade on 20.6x consensus 1 year forward PE (as of 30 April). On a 10-year basis, Nifty is still trading 10% above its historic average valuation but is in-line with its 5-year average. Valuations of the midcap and small cap indices are even higher versus their historical average.

➤ DEBT OUTLOOK

Market drivers during the course of the year FY 2024

The year started with advanced economies continuing to grapple with higher inflation and policy tightening remained a common theme across economies. During FY2024, the Federal Open Market Committee (FOMC) raised policy rates by 50 bps while European Central Bank (ECB) and Bank of England (BOE) raised policy rates by 100 bps each. The cumulative rate hikes by various advanced economies in this cycle are as follows:

Trustees' Report

For the year ended March 31, 2024 (Contd...)

Fed (525 bps), BOE (515 bps) and ECB (450 bps). Meanwhile cumulative rate hikes by the Monetary Policy Committee (MPC) in this cycle was 250 bps. On account of higher Government debt burden, Fitch downgraded US sovereign rating from AAA to AA+. US Treasury yields remained volatile during the year, with the 10-year benchmark rising higher by 73 bps during the year. Crude prices also moved higher by USD 7-8/bbl.

On the domestic front, Consumer price Index (CPI) inflation remained broadly in the upper end of the MPC's targeted band of 4% +/- 2% for most the financial year, however, inflation printed above 6% on two occasions due to high food inflation. Headline inflation remained susceptible to high food inflation with markets now expecting some relief of food prices on the back of normal monsoon. Core inflation eased through the year falling to below 4% in the last quarter.

Domestically, one of the biggest events during the year was the much-awaited index inclusion of Indian Government Bonds (IGBs) into the GBI-EM Global index suite and its relevant benchmarks. India is expected to reach the maximum weight of 10% in the GBI-EM Global Diversified Index (GBI-EM GD), with the inclusion staggered over a 10-month period starting June 2024. Following this, Bloomberg also included IGBs in their Bloomberg EM Local Currency Index, with India expected to reach a maximum weight of 10% over a 10-month period starting Jan 2025. Both these inclusions are expected to bring in INR 25-30 bn of index related FPI inflows over the next 1-2 years and paving the way for inclusion into other global bond indices as well. During FY2024, FPIs poured in close USD 12 bn into IGBs, with majority of the inflows coming in post the JP Morgan index inclusion announcement.

Government continued its path of fiscal consolidation, with the revised estimate of the Fiscal deficit for FY2024 coming in at 5.6%, with expectations for FY2025 at 5.1% and target of below 4.5% by FY2026. PMI numbers continue to remain in expansion, GST revenues remain buoyant and credit off-take upbeat.

The external sector has remained strong due to healthy service exports and remittances. Current Account Deficit (CAD) is expected to be around 1% for the year. Rupee remained one of the more stable currencies during the year, with active intervention from RBI smoothening any volatility. RBI continued to build on the FX reserves with year-end number around USD 650 bn.

Money market rates moved higher during the year due to tightening in liquidity along with higher Certificate of Deposit (CD) issuances. G-Sec yields, however, moved lower due to favorable demand supply and lower G-Sec borrowing. 10-year G-Sec moved lower during the year by 25 bps, while 5 yr G-Sec moved lower by 13 bps.

Market Outlook

While US markets have braced for "higher for longer" rates, we have seen in the past, that reactions to favorable data in such an environment can be sharp. Any softness in growth, employment or inflation data over the next few months will allow the markets to quickly start pricing in aggressive future policy easing. In our view, the RBI is also likely to gradually shift the liquidity deficit into surplus over the course of the next 3-6 months, flipping overnight rates from the top to the bottom of the rate corridor. The yield curve is likely to steepen as liquidity eases. This along with a potential 50 bps of policy easing in first half of CY2025 may push overnight rates lower by 75-100 bps.

While any form of additional spending by the new Government to address concerns of rural sections of the country and the possibility of additional spending to fund such policies will remain a key monitorable, it is believed the Government is likely to remain cognizant of the possible impact of such policies and take measured steps. With the dust settling down on the election outcome, the broad macroeconomic factors should continue to remain stable and could support softening in domestic yields going forward.

The Fund Managers continue to have a positive outlook for interest rates, based on various favorable factors: (a) Record RBI dividend to the Government, (b) reduced Fiscal deficit number of 5.6%, (c) favorable G-Sec supply demand dynamics, (d) FPI index related inflows, (e) revised outlook in India by S&P, (f) soft core inflation along with expectations of a better than normal monsoon, and finally (g) soft signals by Government and RBI on liquidity.

Source: RBI, Bloomberg, Internal HSBC Research & CCIL

Trustees' Report

For the year ended March 31, 2024 (Contd...)

2. BRIEF BACKGROUND OF THE SPONSORS, THE FUND, THE TRUSTEES AND THE ASSET MANAGEMENT COMPANY

A. Sponsor

HSBC Mutual Fund is sponsored by HSBC Securities and Capital Markets (India) Private Limited (HSCI). The Sponsor is the Settler of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs. 1,00,000/- (Rupees One Lakh only) to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

HSCI offers integrated investment banking services, securities and corporate finance & advisory. HSCI is a member of the Bombay Stock Exchange Limited and National Stock Exchange (capital and derivative market segments). HSCI holds 100% of the paid-up equity share capital of HSBC Asset Management (India) Private Limited.

B. HSBC Mutual Fund

HSBC Mutual Fund ("the Mutual Fund" or "the Fund") has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) vide a Trust Deed dated February 7, 2002 (as amended) with HSBC Securities and Capital Markets (India) Private Limited, as the Sponsor and HSBC Trustees (India) Private Limited. The Trustee has entered into an Investment Management Agreement dated February 7, 2002 (as amended) with HSBC Asset Management (India) Private Limited (AMC) to function as the Investment Manager for all the schemes of the Fund. The Fund was registered with SEBI vide registration number MF/046/02/5 dated May 27, 2002.

The Trust has been formed for the purpose of pooling of capital from the public for collective investment in securities for the purpose of providing facilities for participation by persons as beneficiaries in such investments and in the profits/income arising therefrom.

C. HSBC Trustees (India) Private Limited (the Trustees)

The Trustees are the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The Trustees have been discharging their duties and carrying out the responsibilities as provided in the SEBI (Mutual Funds) Regulations, 1996 and the Trust Deed. The Trustees seek to ensure that the Fund and the schemes floated there under are managed by the AMC in accordance with the Trust Deed, the said Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

During the year, HSBC Securities and Capital Markets (India) Private Limited ("HSCI"), Sponsors of HSBC Mutual Fund) established a private limited company with limited liability to act as the "Trustee" of HSBC Mutual Fund. HSBC Trustees (India) Private Limited ("HTIP") was incorporated on 9 January 2024. Accordingly, HTIP has replaced the Board of Trustees of HSBC Mutual Fund w.e.f. 1 March 2024, and the Company through its Board of Directors has been discharging its obligations as the "Trustees" of the Fund from this date.

As of March 31, 2024, HSCI holds 100% of the paid-up equity share capital of HTIP.

D. Asset Management Company (the AMC)

HSBC Asset Management (India) Private Limited (the Investment Manager or the AMC) is a private limited company incorporated under the Companies Act, 1956 on December 12, 2001 having its Registered Office at 9-11 Floors, NESCO IT Park, Building no. 3, Western Express Highway, Goregaon (East), Mumbai – 400 063. HSBC Asset Management (India) Private Limited has been appointed as the Asset Management Company of HSBC Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated February 7, 2002 (as amended) and executed between the Trustees and the AMC. SEBI approved the AMC to act as the Investment Manager of the Fund vide its letter No. MFD/BC/163/2002 dated May 27, 2002. The paid-up equity share capital of the AMC is Rs. 344.41 crores. The AMC is registered as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993 vide registration no. INP000001322. The AMC also offers non-binding Advisory services to offshore funds under the mutual fund license.

HSBC Securities and Capital Markets (India) Private Limited holds 100% of the paid-up equity share capital of the AMC.

Trustees' Report

For the year ended March 31, 2024 (Contd...)

3. INVESTMENT OBJECTIVE OF THE SCHEMES

The investment objective of respective schemes has been provided above under the heading "Scheme Performance, Future Outlook and Operation of the Scheme" (Refer Section 1).

4. SIGNIFICANT ACCOUNTING POLICIES

The Significant Accounting Policies form part of the Notes to the Accounts annexed to the Balance Sheet of the Schemes in the Full Annual Report. The accounting policies are in accordance with Securities Exchange Board of India (Mutual Funds) Regulations, 1996 and Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 (the "Act" read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time).

5. UNCLAIMED DIVIDENDS & REDEMPTIONS

Summary of number of investors & corresponding amount as on March 31, 2024:

| Scheme Name | Unclaimed Dividend | | Unclaimed Redemption | |
|---------------------|--------------------|------------|----------------------|------------|
| | No. of Investors | Amount (₹) | No. of Investors | Amount (₹) |
| HSBC Arbitrage Fund | 44 | 86,764.00 | 13 | 386,650.32 |

6. INVESTOR SERVICES

The number of official points of acceptance of transactions are 210 locations. In addition to the offices of the Registrar & Transfer Agent, the AMC has its own office in 61 locations and Investor Service Centers in 39 locations. The AMC has 2 Toll Free numbers (1800-4190-200/1800-200-2434) which can be dialed from anywhere in India and 1 number i.e. +91 44 39923900 (Investors calling from abroad). The call center service is being managed by the Registrar and Transfer Agents. HSBC Mutual Fund offers the online transaction facility through the AMC's website at www.assetmanagement.hsbc.co.in.

On the distribution front, the number of empaneled distributors were 59046 as on March 31, 2024. During the year, the AMC initiated tie-ups for online distribution of the Mutual Fund's schemes with several channel partners taking the total number of such tie-ups to 160 as on March 31, 2024.

7. DETAILS OF INVESTOR GRIEVANCE REDRESSAL

The details of the redressal of investor complaints received against HSBC Mutual Fund during April 2023 - March 2024 are as follows:

| 2023-2024 | | | | | | | | | | | | |
|----------------|--|--|--|-----------------------|------------|-------------|-----------------|------------------|------------|------------|------------|-------------|
| Complaint code | Type of Complaint | (a) No. of complaints pending at the beginning of the period | (b) No. of complaints received during the given period | Action on (a) and (b) | | | | | | | | |
| | | | | Resolved | | | | Non Action-able* | Pending | | | |
| | | | | Within 30 days | 30-60 days | 60-180 days | Beyond 180 days | | 0-3 months | 3-6 months | 6-9 months | 9-12 months |
| I A | Non receipt of amount declared under Income Distribution cum Capital Withdrawal option | 1 | 10 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I B | Interest on delayed payment of amount declared under Income Distribution cum Capital Withdrawal option | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I C | Non receipt of Redemption Proceeds | 1 | 38 | 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I D | Interest on delayed payment of Redemption | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Trustees' Report

For the year ended March 31, 2024 (Contd...)

| 2023-2024 | | | | | | | | | | | | |
|----------------|--|--|--|-----------------------|------------|-------------|-----------------|------------------|------------|------------|------------|-------------|
| Complaint code | Type of Complaint | (a) No. of complaints pending at the beginning of the period | (b) No. of complaints received during the given period | Action on (a) and (b) | | | | | | | | |
| | | | | Resolved | | | | Non Action-able* | Pending | | | |
| | | | | Within 30 days | 30-60 days | 60-180 days | Beyond 180 days | | 0-3 months | 3-6 months | 6-9 months | 9-12 months |
| II A | Non receipt of Statement of Account/Unit Certificate | 0 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II B | Discrepancy in Statement of Account | 1 | 22 | 23 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II C | Data corrections in Investor details | 1 | 250 | 249 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 |
| II D | Non receipt of Annual Report/ Abridged Summary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III A | Wrong switch between Schemes | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III B | Unauthorized switch between Schemes | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III C | Deviation from Scheme attributes | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III D | Wrong or excess charges/load | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III E | Non updation of changes viz. address, PAN, bank details, nomination, etc | 1 | 127 | 127 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| III F | Delay in allotment of Units | 0 | 5 | 4 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III G | Unauthorized Redemption | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| IV | Others** | 1 | 78 | 76 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 |
| | TOTAL | 6 | 540 | 539 | 1 | 0 | 0 | 0 | 6 | 0 | 0 | 0 |

** As per AMFI Best Practice Guidelines Circular No.25/2011-12 for Revisions in the Guidelines on Standardization of Complaints/Grievances Reporting Procedure. If "Others" include a type of complaint which is more than 10% of overall complaints, then such a reason should be provided separately. Hence, data corrections in Investor Details are included as a separate category.

* Non-actionable means the complaint is incomplete/outside the scope of the mutual fund

Summary of Complaints for FY 2023-24

| Particulars | Count |
|-----------------------------------|-----------|
| Total complaints received | 540 |
| Total number of folios | 21,39,406 |
| % of complaints against the folio | 0.025 |

8. INVESTOR EDUCATION INITIATIVES

During the FY 2023-24, the AMC conducted the following investor education and awareness initiatives:

- An integrated multi-media marketing campaign on SIP Hai 'FaydeWaliAadat' aimed to tap into the aspirations, financial goals, and unique spending habits of millennials.
- Editorial content on Systematic Investment Plans (SIP) created across 15 states through various regional television channels.
- Investor education content on the Platform - Quora.
- 'Be Money Confident' video series targeting women through Jio Platforms.
- Campaign on Women & Investing for Women's Day.
- Campaign for Marathon enthusiast on the similarities between running a Marathon & Investing.

Trustees' Report

For the year ended March 31, 2024 (Contd...)

- Financial literacy virtual event on the occasion of Mother's Day, which received more than 725 registered users.
- A mom blogger outreach program to reach Women Investors with financial education content on MF on the occasion of Mother's Day.
- Education campaign on ELSS executed for working audiences.
- Blogs and content for Investor Education properties like SIP Sahi Hai in Value Research, Gyan Guroovaar on Facebook, Investment Ki Paathshala on the website and investor education blogs on the platform - Advisor Khoj.
- 1,462 Investor Education programs to reach out to an audience of 71,465 people out of which 458 were women programs attended by 20,139 women.

9. PROXY VOTING POLICY

As per para 6.16 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the Fund has adopted Proxy Voting Policy and Procedures for exercising voting rights in respect of securities held by the Schemes. (please refer Proxy Voting Policy and Procedures)

The summary of the votes casted in the general meetings of the Investee companies, by the AMC for and on behalf of the Schemes of the Fund, for the financial year 2023-24 is provided below:

| Quarter | Total no. of resolutions | Break-up of Vote decision | | |
|------------------------------|--------------------------|---------------------------|------------|------------|
| | | For | Against | Abstained |
| April 2023 - June 2023 | 387 | 260 | 75 | 52 |
| July 2023 - September 2023 | 2,169 | 1607 | 448 | 114 |
| October 2023 - December 2023 | 197 | 138 | 37 | 22 |
| January 2024 - March 2024 | 319 | 240 | 50 | 29 |
| TOTAL | 3,072 | 2,245 | 610 | 217 |

As per para 6.16.7 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the AMC has obtained certificate from M/s. M. P. Chitale & Co., Chartered Accountants, who is acting as a Scrutinizer, on the voting report for the FY 2023-24. The certificate dated May 22, 2024 issued by M/s. M. P. Chitale & Co., is available on the website of the AMC as part of the full Annual Report.

Unitholders can refer to the full Annual Report for complete details of actual exercise of votes in the general meetings of the investee companies for the financial year 2023-24 or log on to our website at www.assetmanagement.hsbc.co.in.

10. STATUTORY DETAILS

- a) The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond initial contribution of Rs. 1 lakh for setting up the Fund.
- b) The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- c) Full Annual Report of HSBC Mutual Fund and of HSBC Asset Management (India) Private Limited (the AMC) shall be disclosed on the website at www.assetmanagement.hsbc.co.in and shall be available for inspection at the Head Office of the Mutual Fund. Present and prospective unitholders can obtain copy of the Trust Deed, the full Annual Report of the Scheme(s), the Annual Report of HSBC Asset Management (India) Private Limited and the text of the relevant Scheme(s) at a price.

11. CHANGES IN RISK-O-METER OF THE SCHEME DURING FY 2023-24

As per para 17.4. of SEBI Master Circular on Mutual Funds dated June 27, 2024 on product labelling, the changes carried out in the risk-o-meter of the schemes of HSBC Mutual Fund during FY 2023-24 have been

Trustees' Report

For the year ended March 31, 2024 (Contd...)

given in the below mentioned table for the information of the unitholders, a report on the said changes has also been displayed on the website of the Fund and AMFI.

| Scheme Name | Risk-o-meter level as on March 31, 2023 | Risk-o-meter level as on March 31, 2024 | Number of changes in Risk-o-meter during the F.Y. 2023-24) |
|---------------------|---|---|--|
| HSBC Arbitrage Fund | Low | Low | 0 |

12. GOVERNANCE UNDER THE POLICY ON STEWARDSHIP RESPONSIBILITIES OF HSBC MUTUAL FUND

As per para 6.16.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024, HSBC Mutual Fund has adapted the policy on stewardship responsibilities, the unitholders are requested to note the status of governance with the same as mentioned below:

| S. No. | Particulars of Principles of Stewardship Code | Status of compliance (Complied/ Not Complied) | Description | Remarks/ reasons for deviation/non-compliance, if any |
|--------|--|---|--|---|
| 1 | Principle 1: Institutional Investors should formulate a comprehensive policy on the discharge of their stewardship responsibilities, publicly disclose it, review and update it periodically. | Complied | HSBC Asset Management (India) Private Limited's (AMIN) 'Policy on Stewardship responsibilities' (Stewardship Code/ Policy) was formulated and implemented on 01 July, 2020. This is a comprehensive document which has been publicly disclosed on the website of AMIN. The same shall follow a periodic review. | N.A. |
| 2 | Principle 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it. | Complied | Defining and managing Conflict of Interest in fulfilling stewardship responsibilities are detailed in the Stewardship Policy document. The policy document is publicly disclosed. | N.A. |
| 3 | Principle 3: Institutional investors should monitor their investee companies. | Complied | AMIN monitors all investee companies through its investment process. This includes assessment of companies' own and market data, consideration of research from brokers and other independent research providers – including ESG & voting research, attending individual & group meetings with company management and directors, visiting production sites (wherever necessary), engaging with key stakeholders including competitors and customers, and financial modelling. More details enumerated in the policy document | N.A. |

Trustees' Report

For the year ended March 31, 2024 (Contd...)

| S. No. | Particulars of Principles of Stewardship Code | Status of compliance (Complied/ Not Complied) | Description | Remarks/ reasons for deviation/non-compliance, if any |
|--------|--|---|--|---|
| 4 | Principle 4: Institutional investors should have a clear policy on intervention in their investee companies. Institutional investors should also have a clear policy for collaboration with other institutional investors where required, to preserve the interests of the ultimate investors, which should be disclosed. | Complied | Details of undertaking active engagement with investee companies and the policy for collaboration with other institutional holders are detailed in the policy document. The policy document is publicly disclosed. | N.A. |
| 5 | Principle 5: Institutional investors should have a clear policy on voting and disclosure of voting activity. | Complied | AMIN has a clear and detailed voting policy which provides the framework for the voting decisions. All voting decisions shall be in accordance with AMIN's Voting Policy and Procedures, which is disclosed on the website. AMIN discloses the details of the voting on its website on a quarterly basis within 10 working days from the end of the quarter. Additionally, AMIN also discloses the details of the votes cast, in the annual report of the schemes of HSBC Mutual Fund. | N.A. |
| 6 | Principle 6: Institutional investors should report periodically on their stewardship activities. | Complied | The annual status report of the stewardship code and quarterly report on proxy voting are publicly disclosed on the website as required under SEBI Regulations. | N.A. |

13. DISCLOSURES PERTAINING TO NAV ADJUSTED DURING THE FINANCIAL YEAR FOR SWING FACTOR ALONG WITH THE PERFORMANCE IMPACT

| Sr No. | Period of applicability of swing pricing | Scheme Name | Unswung NAV | Swing factor applied | Whether optional or mandatory |
|--------|--|-------------|-------------|----------------------|-------------------------------|
| NIL | | | | | |

14. SIGNIFICANT EVENT AFTER THE END OF THE FINANCIAL YEAR

NIL

Trustees' Report

For the year ended March 31, 2024 (Contd...)

15. ACKNOWLEDGEMENTS

The Trustees wish to thank the unitholders of the Schemes for their support throughout the year, and also thank the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and the Association of Mutual Funds in India (AMFI) for the guidance provided by them. The Trustees also appreciate the services provided by the Registrar and Transfer Agent, Fund Accountant, Custodian, Bankers, Distributors and Brokers. The guidance and services provided by the auditors and advocates and the ebullience, sincerity and dedication of the employees of HSBC Asset Management (India) Private Limited is also appreciated.

The Trustees look forward to the continued support of everyone.

For and on behalf of **HSBC Trustees (India) Private Ltd.**

Sd/-

Director

Mumbai

July 19, 2024

Independent Auditors' Report

To the Board of Directors of HSBC Trustees (India) Private Limited (the "Trustee")

HSBC Arbitrage Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **HSBC Arbitrage Fund** (the "Scheme") of HSBC Mutual Fund (the "Fund"), which comprise the Balance Sheet as at March 31, 2024, the Revenue Account and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of material accounting policy and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the Scheme give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, including the accounting policies and standards specified in the Regulation 50 and Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("the SEBI Regulations") (collectively referred to as the "Regulations") as amended:

- a. in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2024;
- b. in the case of the Revenue Account, of the net surplus for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Scheme in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Board of Directors of HSBC Asset Management (India) Private Limited (the "AMC") and the Board of Directors of HSBC Trustees (India) Private Limited (the "Trustees") (collectively referred to as "the Management") are responsible for the other information. The other information comprises the information included in the Trustees report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting policies and standards specified in Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the SEBI

Independent Auditors' Report *(Contd...)*

Regulations for safeguarding of the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management, either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report *(Contd...)*

Report on Other Legal and Regulatory Requirements

1. As required by regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the SEBI Regulations, we report that:
 - a. we have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the accounting policies and standards specified in the Regulations; and
 - c. the Balance Sheet, the Revenue Account and the Cash Flow Statement, dealt with by this report are in agreement with the books of accounts of the Scheme.
2. In our opinion, the methods used to value non-traded securities as at March 31, 2024, as determined by the Management under procedures approved by the Trustees in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule to the SEBI Regulations, are fair and reasonable.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Sd/-

Swapnil Kale

Partner

Membership No: 117812

UDIN: 24117812BKFRU9284

Place : Mumbai

Date : July 19, 2024

Abridged Balance Sheet as at March 31, 2024

| Rs. in Lakhs | | | |
|--------------------|---|-------------------------|------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at April 1, 2022 |
| LIABILITIES | | | |
| 1 | Unit Capital | 112,421.57 | 118,519.99 |
| 2 | Reserves & Surplus | | 217,045.82 |
| 2.1 | Unit Premium Reserves | 12,498.97 | 11,928.90 |
| 2.2 | Unrealised Appreciation Reserve | 8,910.69 | 198.98 |
| 2.3 | Other Reserves | 66,487.15 | 63,949.64 |
| 3 | Loans & Borrowings | - | - |
| 4 | Current Liabilities & Provisions | | |
| 4.1 | Provision for Doubtful Income/Deposits | - | - |
| 4.2 | Other Current Liabilities & Provisions | 2,218.53 | 3,326.83 |
| | TOTAL | 202,536.92 | 197,924.34 |
| | | | 346,178.38 |
| ASSETS | | | |
| 1 | Investments | | |
| 1.1 | Listed Securities: | | |
| 1.1.1 | Equity Shares | 154,439.73 | 138,075.01 |
| 1.1.2 | Preference Shares | - | - |
| 1.1.3 | Equity Linked Debentures | - | - |
| 1.1.4 | Other Debentures & Bonds | - | - |
| 1.1.5 | Securitised Debt Securities | - | - |
| 1.2 | Securities Awaited Listing: | | |
| 1.2.1 | Equity Shares | - | - |
| 1.2.2 | Preference Shares | - | - |
| 1.2.3 | Equity Linked Debentures | - | - |
| 1.2.4 | Other Debentures & Bonds | - | - |
| 1.2.5 | Securitised Debt Securities | - | - |
| 1.3 | Unlisted Securities: | | |
| 1.3.1 | Equity Shares | - | - |
| 1.3.2 | Preference Shares | - | - |
| 1.3.3 | Equity Linked Debentures | - | - |
| 1.3.4 | Other Debentures & Bonds | - | - |
| 1.3.5 | Securitised Debt Securities | - | - |
| 1.4 | Government Securities | - | 5,001.59 |
| 1.5 | Treasury Bills | 17,938.39 | 27,018.93 |
| 1.6 | Commercial Paper | - | - |
| 1.7 | Certificate of Deposits | 4,938.75 | 7,070.36 |
| 1.8 | Bill Rediscounting | - | - |
| 1.9 | Units of Domestic Mutual Fund | 13,656.28 | 10,268.04 |
| 1.10 | Foreign Securities | - | - |
| | Total Investments | 190,973.15 | 187,433.93 |
| 2 | Deposits | 323.95 | 64.59 |
| 3 | Other Current Assets | | 162.66 |
| 3.1 | Cash & Bank Balance | 49.66 | 89.43 |
| 3.2 | CBLO/TREPS/Reverse Repo Lending | 9,823.29 | 5,835.58 |
| 3.3 | Others | 1,366.86 | 4,500.81 |
| 4 | Deferred Revenue Expenditure (to the extent not written off) | - | - |
| | TOTAL | 202,536.92 | 197,924.34 |
| | | | 346,178.38 |

Notes to Accounts - Annexure I

Abridged Revenue Account for the year ended March 31, 2024

| | | Rs. in Lakhs | |
|------|--|---|--|
| | | Current Year ended March 31, 2024 | Previous Year ended March 31, 2023 |
| 1 | INCOME | | |
| 1.1 | Dividend | 1,915.14 | 4,582.38 |
| 1.2 | Interest | 2,539.14 | 4,481.27 |
| 1.3 | Realised Gain/(Loss) on Foreign Exchange Transactions | - | - |
| 1.4 | Realised Gains/(Losses) on Interscheme Sale of Investments | - | - |
| 1.5 | Realised Gains/(Losses) on External Sale/Redemption of Investments | 53,297.97 | 6,175.59 |
| 1.6 | Realised Gains/(Losses) on Derivative Transactions | (54,019.98) | 12,151.17 |
| 1.7 | Other Income | 15.03 | 21.35 |
| | (A) | 3,747.30 | 27,411.75 |
| 2 | EXPENSES | | |
| 2.1 | Management Fees | 347.35 | 675.06 |
| 2.2 | GST on Management Fees | 62.52 | 121.51 |
| 2.3 | Transfer Agents Fees and Expenses | 51.89 | 47.90 |
| 2.4 | Custodian Fees | 2.16 | 5.33 |
| 2.5 | Trusteeship Fees | 1.53 | 1.76 |
| 2.6 | Commission to Agents | 801.12 | 1,140.23 |
| 2.7 | Marketing & Distribution Expenses | 0.82 | 1.35 |
| 2.8 | Audit Fees | 2.59 | 3.22 |
| 2.9 | Investor Education Expenses | 37.45 | 54.44 |
| 2.10 | Interest on Borrowing | - | - |
| 2.11 | Brokerage & Transaction Costs | 2,279.15 | 2,150.44 |
| 2.12 | Other Operating Expenses | 30.89 | 27.21 |
| | (B) | 3,617.47 | 4,228.44 |
| 3 | NET REALISED GAINS/(LOSSES) FOR THE YEAR (C = A - B) | 129.83 | 23,183.32 |
| 4 | Change in Unrealised Depreciation in Value of Investments | (D) 4,997.41 | (5,084.43) |
| 5 | NET GAINS/(LOSSES) FOR THE YEAR (E = C + D) | 5,127.24 | 18,098.89 |
| 6 | Change in Unrealised Appreciation in Value of Investments | (F) 8,711.71 | (5,282.61) |
| 7 | NET SURPLUS/(DEFICIT) FOR THE YEAR (G = E + F) | 13,838.96 | 12,816.28 |
| 7.1 | Add : Balance Transfer from Unrealised Appreciation Reserve | - | 5,555.32 |
| 7.2 | Less : Balance Transfer to Unrealised Appreciation Reserve | 8,711.71 | - |
| 7.3 | Add/(Less) : Equalisation | (2,496.79) | (47,525.81) |
| 7.4 | Transfer from Reserve Fund | 63,949.64 | 93,357.90 |
| 7.5 | Transfer from Unit Premium Reserve | - | - |
| 8 | Total | 66,580.10 | 64,203.69 |
| 9 | Dividend Appropriation | | |
| 9.1 | Income Distributed during the Year | (92.95) | (254.05) |
| 9.2 | Tax on Income Distributed during the Year | - | - |
| 10 | Retained Surplus/(Deficit) Carried Forward to Balance Sheet | 66,487.15 | 63,949.64 |

Notes to Accounts - Annexure I

Key Statistics for the year ended March 31, 2024

| | Current Year ended March 31, 2024 | Previous Year ended March 31, 2023 |
|--|---|--|
| 1. NAV per unit (Rs.): | | |
| Open | | |
| Regular Plan - Growth Option | 16.2511 | 15.5120 |
| Direct Plan - Growth Option | 17.1380 | 16.2490 |
| Regular Plan - Monthly IDCW Option | 10.3054 | 10.1610 |
| Regular Plan - Quarterly IDCW Option | 11.1579 | 10.9450 |
| Direct Plan - Monthly IDCW Option | 10.4935 | 10.4290 |
| Direct Plan - Quarterly IDCW Option | 11.4140 | 11.1450 |
| High | | |
| Regular Plan - Growth Option | 17.4595 | 16.2511 |
| Direct Plan - Growth Option | 18.5363 | 17.1380 |
| Regular Plan - Monthly IDCW Option | 10.5965 | 10.3054 |
| Regular Plan - Quarterly IDCW Option | 11.2386 | 11.1579 |
| Direct Plan - Monthly IDCW Option | 10.6888 | 10.4935 |
| Direct Plan - Quarterly IDCW Option | 11.5014 | 11.4140 |
| Low | | |
| Regular Plan - Growth Option | 16.2608 | 15.5130 |
| Direct Plan - Growth Option | 17.1491 | 16.2520 |
| Regular Plan - Monthly IDCW Option | 10.2715 | 10.1030 |
| Regular Plan - Quarterly IDCW Option | 11.0008 | 10.9220 |
| Direct Plan - Monthly IDCW Option | 10.4499 | 10.3470 |
| Direct Plan - Quarterly IDCW Option | 11.2255 | 11.1380 |
| End | | |
| Regular Plan - Growth Option | 17.4595 | 16.2511 |
| Direct Plan - Growth Option | 18.5363 | 17.1380 |
| Regular Plan - Monthly IDCW Option | 10.4992 | 10.3054 |
| Regular Plan - Quarterly IDCW Option | 11.0548 | 11.1579 |
| Direct Plan - Monthly IDCW Option | 10.5791 | 10.4935 |
| Direct Plan - Quarterly IDCW Option | 11.2743 | 11.4140 |
| 2. Closing Assets Under Management (Rs. in Lakhs) | | |
| End | 200,318 | 195,560 |
| Average (AAuM) ¹ | 187,260 | 272,188 |
| 3. Gross income as % of AAuM ² | | |
| | 2.00% | 10.07% |
| 4. Expense Ratio: | | |
| a. Total Expense as % of AAuM (including GST tax on Management fees) (planwise) | | |
| Regular Plan | 0.95% | 1.01% |
| Direct Plan | 0.27% | 0.34% |

Key Statistics for the year ended March 31, 2024 *(Contd...)*

| | Current Year ended March 31, 2024 | Previous Year ended March 31, 2023 |
|--|---|--|
| b. Management Fee as % of AAuM (planwise) | | |
| Regular Plan | 0.19% | 0.25% |
| Direct Plan | 0.17% | 0.25% |
| 5. Net Income as a percentage of AAuM ³ | 0.07% | 8.52% |
| 6. Portfolio turnover ratio ⁴ | 3.22 | 2.99 |
| 7. Total IDCW per unit distributed during the year (plan wise) | | |
| Retail | | |
| Regular Plan - Monthly IDCW Option | 0.51 | 0.37 |
| Regular Plan - Quarterly IDCW Option | 0.90 | 0.30 |
| Direct Plan - Monthly IDCW Option | 0.69 | 0.54 |
| Direct Plan - Quarterly IDCW Option | 1.03 | 0.33 |
| Corporate | | |
| Regular Plan - Monthly IDCW Option | 0.51 | 0.37 |
| Regular Plan - Quarterly IDCW Option | 0.90 | 0.30 |
| Direct Plan - Monthly IDCW Option | 0.69 | 0.54 |
| Direct Plan - Quarterly IDCW Option | 1.03 | 0.33 |
| 8. Returns: | | |
| a. Last One Year | | |
| Scheme | | |
| Regular Plan - Growth Option | 7.47% | 4.76% |
| Direct Plan - Growth Option | 8.19% | 5.47% |
| Benchmark | | |
| Nifty 50 Arbitrage Index | 8.17% | 5.24% |
| b. Since Inception | | |
| Scheme | | |
| Regular Plan - Growth Option | 5.88% | 5.70% |
| Direct Plan - Growth Option | 6.53% | 6.35% |
| Benchmark | | |
| Nifty 50 Arbitrage Index | 5.58% | 5.29% |

1. AAuM = Average daily net assets

2. Gross income = amount against (A) in the Revenue Account i.e. Income

3. Net income = amount against (C) in the Revenue Account i.e. Net Realised Gains/(Losses) for the year

4. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year

Note: Returns have been calculated as on last business day of the month i.e. March 28, 2024 due to non-availability of benchmark indices as of March 31, 2024.

Notes to Accounts – Annexure I

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

1 Investments:

- 1.1. All Investments of the Scheme are registered in the name of the Trustee for the benefit of the Scheme's Unitholders.
- 1.2. Open Position of derivatives as at the year ended March 31, 2024 and March 31, 2023 are as under:

| 2023-24 | | | |
|---------------------|--|---------------------|---------------------------|
| Scheme Name | Underlying Assets Name | Number of Contracts | Units Outstanding (Short) |
| HSBC Arbitrage Fund | The India Cements Limited | 174 | 504,600 |
| HSBC Arbitrage Fund | LTIMindtree Limited | 7 | 1,050 |
| HSBC Arbitrage Fund | L&T Technology Services Limited | 28 | 5,600 |
| HSBC Arbitrage Fund | Manappuram Finance Limited | 101 | 606,000 |
| HSBC Arbitrage Fund | Aditya Birla Fashion and Retail Limited | 218 | 566,800 |
| HSBC Arbitrage Fund | Adani Ports and Special Economic Zone Limited | 31 | 24,800 |
| HSBC Arbitrage Fund | Alkem Laboratories Limited | 56 | 11,200 |
| HSBC Arbitrage Fund | Bajaj Finance Limited | 228 | 28,500 |
| HSBC Arbitrage Fund | Balrampur Chini Mills Limited | 260 | 416,000 |
| HSBC Arbitrage Fund | Bharat Electronics Limited | 178 | 1,014,600 |
| HSBC Arbitrage Fund | Cholamandalam Investment and Finance Company Limited | 59 | 36,875 |
| HSBC Arbitrage Fund | City Union Bank Limited | 223 | 1,115,000 |
| HSBC Arbitrage Fund | Escorts Kubota Limited | 210 | 57,750 |
| HSBC Arbitrage Fund | Gujarat Narmada Valley Fertilizers and Chemicals Limited | 90 | 117,000 |
| HSBC Arbitrage Fund | JSW Steel Limited | 5 | 3,375 |
| HSBC Arbitrage Fund | Dr. Lal Path Labs Ltd. | 464 | 139,200 |
| HSBC Arbitrage Fund | Samvardhana Motherson International Limited | 1 | 7,100 |
| HSBC Arbitrage Fund | Pidilite Industries Limited | 22 | 5,500 |
| HSBC Arbitrage Fund | TATA Consumer Products Limited | 317 | 285,300 |
| HSBC Arbitrage Fund | Tata Consultancy Services Limited | 94 | 16,450 |
| HSBC Arbitrage Fund | Ambuja Cements Limited | 3 | 5,400 |
| HSBC Arbitrage Fund | Balkrishna Industries Limited | 152 | 45,600 |
| HSBC Arbitrage Fund | Dabur India Limited | 153 | 191,250 |
| HSBC Arbitrage Fund | Deepak Nitrite Limited | 3 | 900 |
| HSBC Arbitrage Fund | Grasim Industries Limited | 2 | 954 |
| HSBC Arbitrage Fund | Hindustan Petroleum Corporation Limited | 2 | 5,400 |
| HSBC Arbitrage Fund | Indian Oil Corporation Limited | 5 | 48,750 |
| HSBC Arbitrage Fund | Marico Limited | 84 | 100,800 |
| HSBC Arbitrage Fund | Mphasis Limited | 532 | 146,300 |
| HSBC Arbitrage Fund | NMDC Limited | 1 | 4,500 |

Notes to Accounts – Annexure I (Contd..)

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

| 2023-24 | | | |
|---------------------|---|---------------------|---------------------------|
| Scheme Name | Underlying Assets Name | Number of Contracts | Units Outstanding (Short) |
| HSBC Arbitrage Fund | Petronet LNG Limited | 64 | 192,000 |
| HSBC Arbitrage Fund | RBL Bank Limited | 274 | 685,000 |
| HSBC Arbitrage Fund | Vedanta Limited | 1304 | 2,999,200 |
| HSBC Arbitrage Fund | Apollo Hospitals Enterprise Limited | 339 | 42,375 |
| HSBC Arbitrage Fund | Container Corporation of India Limited | 422 | 422,000 |
| HSBC Arbitrage Fund | Cummins India Limited | 49 | 14,700 |
| HSBC Arbitrage Fund | Dixon Technologies (India) Limited | 241 | 24,100 |
| HSBC Arbitrage Fund | Indian Energy Exchange Limited | 524 | 1,965,000 |
| HSBC Arbitrage Fund | Piramal Enterprises Limited | 19 | 14,250 |
| HSBC Arbitrage Fund | SBI Life Insurance Company Limited | 38 | 28,500 |
| HSBC Arbitrage Fund | Zee Entertainment Enterprises Limited | 888 | 2,664,000 |
| HSBC Arbitrage Fund | Bank of Baroda | 253 | 740,025 |
| HSBC Arbitrage Fund | Coromandel International Limited | 1 | 700 |
| HSBC Arbitrage Fund | Crompton Greaves Consumer Electricals Limited | 25 | 45,000 |
| HSBC Arbitrage Fund | Glenmark Pharmaceuticals Limited | 378 | 274,050 |
| HSBC Arbitrage Fund | Godrej Consumer Products Limited | 2 | 1,000 |
| HSBC Arbitrage Fund | Granules India Limited | 275 | 550,000 |
| HSBC Arbitrage Fund | Hindustan Aeronautics Limited | 42 | 12,600 |
| HSBC Arbitrage Fund | Hindustan Copper Limited | 107 | 567,100 |
| HSBC Arbitrage Fund | The Indian Hotels Company Limited | 2 | 4,000 |
| HSBC Arbitrage Fund | Indus Towers Limited | 736 | 2,502,400 |
| HSBC Arbitrage Fund | ITC Limited | 57 | 91,200 |
| HSBC Arbitrage Fund | Kotak Mahindra Bank Limited | 1518 | 607,200 |
| HSBC Arbitrage Fund | LIC Housing Finance Limited | 3 | 6,000 |
| HSBC Arbitrage Fund | National Aluminium Company Limited | 3 | 22,500 |
| HSBC Arbitrage Fund | Oberoi Realty Limited | 4 | 2,800 |
| HSBC Arbitrage Fund | Page Industries Limited | 27 | 405 |
| HSBC Arbitrage Fund | Reliance Industries Limited | 1492 | 373,000 |
| HSBC Arbitrage Fund | Tata Communications Limited | 369 | 184,500 |
| HSBC Arbitrage Fund | Tata Power Company Limited | 294 | 992,250 |
| HSBC Arbitrage Fund | Wipro Limited | 129 | 193,500 |
| HSBC Arbitrage Fund | Aarti Industries Limited | 31 | 31,000 |
| HSBC Arbitrage Fund | Abbott India Limited | 7 | 280 |
| HSBC Arbitrage Fund | Bandhan Bank Limited | 730 | 1,825,000 |
| HSBC Arbitrage Fund | Coforge Limited | 24 | 3,600 |
| HSBC Arbitrage Fund | DLF Limited | 28 | 46,200 |

Notes to Accounts – Annexure I (Contd..)

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

| 2023-24 | | | |
|---------------------|---|---------------------|---------------------------|
| Scheme Name | Underlying Assets Name | Number of Contracts | Units Outstanding (Short) |
| HSBC Arbitrage Fund | HDFC Bank Limited | 1795 | 987,250 |
| HSBC Arbitrage Fund | HDFC Life Insurance Company Limited | 172 | 189,200 |
| HSBC Arbitrage Fund | IndusInd Bank Limited | 39 | 19,500 |
| HSBC Arbitrage Fund | Indian Railway Catering And Tourism Corporation Limited | 13 | 11,375 |
| HSBC Arbitrage Fund | JK Cement Limited | 25 | 6,250 |
| HSBC Arbitrage Fund | United Spirits Limited | 19 | 13,300 |
| HSBC Arbitrage Fund | Max Financial Services Limited | 197 | 157,600 |
| HSBC Arbitrage Fund | Mahanagar Gas Limited | 1 | 800 |
| HSBC Arbitrage Fund | Navin Fluorine International Limited | 4 | 600 |
| HSBC Arbitrage Fund | Power Finance Corporation Limited | 13 | 50,375 |
| HSBC Arbitrage Fund | Power Grid Corporation of India Limited | 6 | 21,600 |
| HSBC Arbitrage Fund | Steel Authority of India Limited | 27 | 216,000 |
| HSBC Arbitrage Fund | Torrent Pharmaceuticals Limited | 1 | 500 |
| HSBC Arbitrage Fund | UltraTech Cement Limited | 13 | 1,300 |
| HSBC Arbitrage Fund | Zydus Lifesciences Limited | 2 | 1,800 |
| HSBC Arbitrage Fund | ABB India Limited | 3 | 375 |
| HSBC Arbitrage Fund | Aditya Birla Capital Limited | 261 | 1,409,400 |
| HSBC Arbitrage Fund | Atul Limited | 1 | 75 |
| HSBC Arbitrage Fund | Biocon Limited | 253 | 632,500 |
| HSBC Arbitrage Fund | Canara Bank | 304 | 820,800 |
| HSBC Arbitrage Fund | Chambal Fertilizers & Chemicals Limited | 138 | 262,200 |
| HSBC Arbitrage Fund | Eicher Motors Limited | 11 | 1,925 |
| HSBC Arbitrage Fund | Hindustan Unilever Limited | 65 | 19,500 |
| HSBC Arbitrage Fund | Larsen & Toubro Limited | 32 | 9,600 |
| HSBC Arbitrage Fund | Lupin Limited | 178 | 151,300 |
| HSBC Arbitrage Fund | PI Industries Limited | 85 | 21,250 |
| HSBC Arbitrage Fund | State Bank of India | 191 | 286,500 |
| HSBC Arbitrage Fund | Siemens Limited | 23 | 3,450 |
| HSBC Arbitrage Fund | Tata Steel Limited | 33 | 181,500 |
| HSBC Arbitrage Fund | Aurobindo Pharma Limited | 324 | 356,400 |
| HSBC Arbitrage Fund | Bharti Airtel Limited | 7 | 6,650 |
| HSBC Arbitrage Fund | Coal India Limited | 4 | 8,400 |
| HSBC Arbitrage Fund | Exide Industries Limited | 14 | 50,400 |
| HSBC Arbitrage Fund | Godrej Properties Limited | 315 | 149,625 |
| HSBC Arbitrage Fund | Vodafone Idea Limited | 189 | 15,120,000 |
| HSBC Arbitrage Fund | InterGlobe Aviation Limited | 27 | 8,100 |

Notes to Accounts – Annexure I (Contd...)

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

| 2023-24 | | | |
|---------------------|--|---------------------|---------------------------|
| Scheme Name | Underlying Assets Name | Number of Contracts | Units Outstanding (Short) |
| HSBC Arbitrage Fund | Mahindra & Mahindra Limited | 32 | 11,200 |
| HSBC Arbitrage Fund | Multi Commodity Exchange of India Limited | 49 | 19,600 |
| HSBC Arbitrage Fund | Info Edge (India) Limited | 1 | 150 |
| HSBC Arbitrage Fund | Oracle Financial Services Software Limited | 9 | 1,800 |
| HSBC Arbitrage Fund | PVR Limited | 1 | 407 |
| HSBC Arbitrage Fund | SRF Limited | 57 | 21,375 |
| HSBC Arbitrage Fund | Syngene International Limited | 14 | 14,000 |
| HSBC Arbitrage Fund | ACC Limited | 26 | 7,800 |
| HSBC Arbitrage Fund | Bharat Petroleum Corporation Limited | 30 | 54,000 |
| HSBC Arbitrage Fund | Can Fin Homes Limited | 107 | 104,325 |
| HSBC Arbitrage Fund | Dalmia Bharat Limited | 172 | 43,000 |
| HSBC Arbitrage Fund | Divi's Laboratories Limited | 28 | 5,600 |

| 2022-23 | | | |
|---------------------|---|---------------------|---------------------------|
| Scheme Name | Underlying Assets Name | Number of Contracts | Units Outstanding (Short) |
| HSBC Arbitrage Fund | Power Grid Corporation of India Limited | 2 | 5,400 |
| HSBC Arbitrage Fund | Sun TV Network Limited | 1 | 1,500 |
| HSBC Arbitrage Fund | Aditya Birla Capital Limited | 149 | 804,600 |
| HSBC Arbitrage Fund | ACC Limited | 5 | 1,250 |
| HSBC Arbitrage Fund | Balrampur Chini Mills Limited | 1 | 1,600 |
| HSBC Arbitrage Fund | Bata India Limited | 69 | 18,975 |
| HSBC Arbitrage Fund | Colgate Palmolive (India) Limited | 2 | 700 |
| HSBC Arbitrage Fund | City Union Bank Limited | 132 | 660,000 |
| HSBC Arbitrage Fund | DLF Limited | 52 | 85,800 |
| HSBC Arbitrage Fund | Godrej Properties Limited | 198 | 84,150 |
| HSBC Arbitrage Fund | HDFC Bank Limited | 149 | 81,950 |
| HSBC Arbitrage Fund | Indraprastha Gas Limited | 136 | 187,000 |
| HSBC Arbitrage Fund | InterGlobe Aviation Limited | 2 | 600 |
| HSBC Arbitrage Fund | Infosys Limited | 14 | 5,600 |
| HSBC Arbitrage Fund | Kotak Mahindra Bank Limited | 1706 | 682,400 |
| HSBC Arbitrage Fund | Mahanagar Gas Limited | 83 | 66,400 |
| HSBC Arbitrage Fund | Max Financial Services Limited | 63 | 40,950 |
| HSBC Arbitrage Fund | Mphasis Limited | 20 | 5,500 |
| HSBC Arbitrage Fund | Info Edge (India) Limited | 9 | 1,125 |
| HSBC Arbitrage Fund | Oberoi Realty Limited | 306 | 214,200 |

Notes to Accounts – Annexure I (Contd..)

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

| 2022-23 | | | |
|---------------------|---|---------------------|---------------------------|
| Scheme Name | Underlying Assets Name | Number of Contracts | Units Outstanding (Short) |
| HSBC Arbitrage Fund | PI Industries Limited | 141 | 35,250 |
| HSBC Arbitrage Fund | Steel Authority of India Limited | 83 | 664,000 |
| HSBC Arbitrage Fund | UPL Limited | 1 | 1,300 |
| HSBC Arbitrage Fund | Vedanta Limited | 7 | 14,000 |
| HSBC Arbitrage Fund | Apollo Tyres Limited | 2 | 7,000 |
| HSBC Arbitrage Fund | Asian Paints Limited | 87 | 17,400 |
| HSBC Arbitrage Fund | Biocon Limited | 613 | 1,409,900 |
| HSBC Arbitrage Fund | BIRLASOFT LIMITED | 18 | 36,000 |
| HSBC Arbitrage Fund | Chambal Fertilizers & Chemicals Limited | 67 | 100,500 |
| HSBC Arbitrage Fund | Coromandel International Limited | 278 | 194,600 |
| HSBC Arbitrage Fund | Indiabulls Housing Finance Limited | 185 | 740,000 |
| HSBC Arbitrage Fund | Hindustan Petroleum Corporation Limited | 63 | 170,100 |
| HSBC Arbitrage Fund | IndusInd Bank Limited | 39 | 17,550 |
| HSBC Arbitrage Fund | IPCA Laboratories Limited | 27 | 17,550 |
| HSBC Arbitrage Fund | Mahindra & Mahindra Financial Services Limited | 330 | 1,320,000 |
| HSBC Arbitrage Fund | National Aluminium Company Limited | 1 | 7,500 |
| HSBC Arbitrage Fund | Power Finance Corporation Limited | 862 | 5,344,400 |
| HSBC Arbitrage Fund | Sun Pharmaceutical Industries Limited | 367 | 256,900 |
| HSBC Arbitrage Fund | TATA CONSUMER PRODUCTS LIMITED | 63 | 56,700 |
| HSBC Arbitrage Fund | Tata Steel Limited | 206 | 1,133,000 |
| HSBC Arbitrage Fund | United Breweries Limited | 17 | 6,800 |
| HSBC Arbitrage Fund | Aditya Birla Fashion and Retail Limited | 98 | 254,800 |
| HSBC Arbitrage Fund | Apollo Hospitals Enterprise Limited | 1 | 125 |
| HSBC Arbitrage Fund | Bandhan Bank Limited | 777 | 1,398,600 |
| HSBC Arbitrage Fund | Bharti Airtel Limited | 90 | 85,500 |
| HSBC Arbitrage Fund | Delta Corp Limited | 69 | 193,200 |
| HSBC Arbitrage Fund | Glenmark Pharmaceuticals Limited | 1 | 1,450 |
| HSBC Arbitrage Fund | Grasim Industries Limited | 6 | 2,850 |
| HSBC Arbitrage Fund | Honeywell Automation India Limited | 58 | 870 |
| HSBC Arbitrage Fund | ICICI Prudential Life Insurance Company Limited | 494 | 741,000 |
| HSBC Arbitrage Fund | Indian Oil Corporation Limited | 160 | 1,560,000 |
| HSBC Arbitrage Fund | Nestle India Limited | 1 | 40 |
| HSBC Arbitrage Fund | NMDC Limited | 239 | 1,075,500 |
| HSBC Arbitrage Fund | Piramal Enterprises Limited | 263 | 144,650 |
| HSBC Arbitrage Fund | SBI Life Insurance Company Limited | 46 | 34,500 |

Notes to Accounts – Annexure I (Contd...)

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

| 2022-23 | | | |
|---------------------|--|---------------------|---------------------------|
| Scheme Name | Underlying Assets Name | Number of Contracts | Units Outstanding (Short) |
| HSBC Arbitrage Fund | Wipro Limited | 14 | 21,000 |
| HSBC Arbitrage Fund | Ambuja Cements Limited | 242 | 435,600 |
| HSBC Arbitrage Fund | Bajaj Finance Limited | 67 | 8,375 |
| HSBC Arbitrage Fund | Balkrishna Industries Limited | 129 | 38,700 |
| HSBC Arbitrage Fund | Canara Bank | 83 | 224,100 |
| HSBC Arbitrage Fund | Eicher Motors Limited | 1 | 175 |
| HSBC Arbitrage Fund | Havells India Limited | 1 | 500 |
| HSBC Arbitrage Fund | HDFC Life Insurance Company Limited | 54 | 59,400 |
| HSBC Arbitrage Fund | IDFC Limited | 688 | 6,880,000 |
| HSBC Arbitrage Fund | Laurus Labs Limited | 217 | 238,700 |
| HSBC Arbitrage Fund | United Spirits Limited | 166 | 103,750 |
| HSBC Arbitrage Fund | Oil & Natural Gas Corporation Limited | 6 | 23,100 |
| HSBC Arbitrage Fund | Rain Industries Limited | 103 | 360,500 |
| HSBC Arbitrage Fund | Tata Chemicals Limited | 117 | 58,500 |
| HSBC Arbitrage Fund | Tata Motors Limited | 33 | 47,025 |
| HSBC Arbitrage Fund | Zee Entertainment Enterprises Limited | 525 | 1,575,000 |
| HSBC Arbitrage Fund | Container Corporation of India Limited | 261 | 261,000 |
| HSBC Arbitrage Fund | Dr. Reddy's Laboratories Limited | 8 | 1,000 |
| HSBC Arbitrage Fund | Gujarat Narmada Valley Fertilizers and Chemicals Limited | 141 | 183,300 |
| HSBC Arbitrage Fund | Granules India Limited | 108 | 216,000 |
| HSBC Arbitrage Fund | The Indian Hotels Company Limited | 26 | 52,000 |
| HSBC Arbitrage Fund | The India Cements Limited | 158 | 458,200 |
| HSBC Arbitrage Fund | Marico Limited | 8 | 9,600 |
| HSBC Arbitrage Fund | Pidilite Industries Limited | 55 | 13,750 |
| HSBC Arbitrage Fund | Siemens Limited | 14 | 3,850 |
| HSBC Arbitrage Fund | Abbott India Limited | 1 | 40 |
| HSBC Arbitrage Fund | Astral Limited | 13 | 4,771 |
| HSBC Arbitrage Fund | Bharat Electronics Limited | 686 | 3,910,200 |
| HSBC Arbitrage Fund | Bharat Petroleum Corporation Limited | 438 | 788,400 |
| HSBC Arbitrage Fund | Dabur India Limited | 69 | 86,250 |
| HSBC Arbitrage Fund | Exide Industries Limited | 1 | 3,600 |
| HSBC Arbitrage Fund | Godrej Consumer Products Limited | 11 | 11,000 |
| HSBC Arbitrage Fund | Hindustan Aeronautics Limited | 1 | 300 |
| HSBC Arbitrage Fund | HCL Technologies Limited | 29 | 20,300 |
| HSBC Arbitrage Fund | Housing Development Finance Corporation Limited | 71 | 21,300 |

Notes to Accounts – Annexure I (Contd..)

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

| 2022-23 | | | |
|---------------------|---|---------------------|---------------------------|
| Scheme Name | Underlying Assets Name | Number of Contracts | Units Outstanding (Short) |
| HSBC Arbitrage Fund | Mahindra & Mahindra Limited | 301 | 210,700 |
| HSBC Arbitrage Fund | NTPC Limited | 6 | 34,200 |
| HSBC Arbitrage Fund | Petronet LNG Limited | 82 | 246,000 |
| HSBC Arbitrage Fund | RBL Bank Limited | 78 | 390,000 |
| HSBC Arbitrage Fund | REC Limited | 357 | 2,856,000 |
| HSBC Arbitrage Fund | SRF Limited | 152 | 57,000 |
| HSBC Arbitrage Fund | Titan Company Limited | 110 | 41,250 |
| HSBC Arbitrage Fund | Torrent Pharmaceuticals Limited | 176 | 88,000 |
| HSBC Arbitrage Fund | Trent Limited | 556 | 222,400 |
| HSBC Arbitrage Fund | Ashok Leyland Limited | 116 | 580,000 |
| HSBC Arbitrage Fund | Aurobindo Pharma Limited | 50 | 50,000 |
| HSBC Arbitrage Fund | Axis Bank Limited | 260 | 312,000 |
| HSBC Arbitrage Fund | Bajaj Finserv Limited | 565 | 282,500 |
| HSBC Arbitrage Fund | Bharat Heavy Electricals Limited | 2 | 21,000 |
| HSBC Arbitrage Fund | Cipla Limited | 177 | 115,050 |
| HSBC Arbitrage Fund | Divi's Laboratories Limited | 2 | 300 |
| HSBC Arbitrage Fund | GAIL (India) Limited | 147 | 1,345,050 |
| HSBC Arbitrage Fund | HDFC Asset Management Company Limited | 14 | 4,200 |
| HSBC Arbitrage Fund | Hindustan Copper Limited | 185 | 888,000 |
| HSBC Arbitrage Fund | Indian Energy Exchange Limited | 361 | 1,353,750 |
| HSBC Arbitrage Fund | Jindal Steel & Power Limited | 46 | 57,500 |
| HSBC Arbitrage Fund | JK Cement Limited | 1 | 250 |
| HSBC Arbitrage Fund | L&T Finance Holdings Limited | 296 | 2,641,504 |
| HSBC Arbitrage Fund | Lupin Limited | 2 | 1,700 |
| HSBC Arbitrage Fund | Punjab National Bank | 408 | 6,528,000 |
| HSBC Arbitrage Fund | Reliance Industries Limited | 1182 | 295,500 |
| HSBC Arbitrage Fund | State Bank of India | 66 | 99,000 |
| HSBC Arbitrage Fund | Syngene International Limited | 42 | 42,000 |
| HSBC Arbitrage Fund | Tata Communications Limited | 28 | 14,000 |
| HSBC Arbitrage Fund | Tata Power Company Limited | 1032 | 3,483,000 |
| HSBC Arbitrage Fund | Tata Consultancy Services Limited | 19 | 3,325 |
| HSBC Arbitrage Fund | Aarti Industries Limited | 40 | 34,000 |
| HSBC Arbitrage Fund | Adani Ports and Special Economic Zone Limited | 16 | 10,000 |
| HSBC Arbitrage Fund | Can Fin Homes Limited | 23 | 22,425 |
| HSBC Arbitrage Fund | Dalmia Bharat Limited | 104 | 52,000 |

Notes to Accounts – Annexure I (Contd...)

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

| 2022-23 | | | |
|---------------------|---|---------------------|---------------------------|
| Scheme Name | Underlying Assets Name | Number of Contracts | Units Outstanding (Short) |
| HSBC Arbitrage Fund | ICICI Bank Limited | 778 | 544,600 |
| HSBC Arbitrage Fund | ICICI Lombard General Insurance Company Limited | 25 | 10,625 |
| HSBC Arbitrage Fund | Intellect Design Arena Limited | 24 | 24,000 |
| HSBC Arbitrage Fund | LIC Housing Finance Limited | 180 | 360,000 |
| HSBC Arbitrage Fund | Manappuram Finance Limited | 7 | 42,000 |
| HSBC Arbitrage Fund | Oracle Financial Services Software Limited | 4 | 800 |
| HSBC Arbitrage Fund | Page Industries Limited | 1 | 15 |

- 1.3. Investment in Associates and Group Companies as at the year ended March 31, 2024 and March 31, 2023 are NIL.
- 1.4. Open positions of Securities Borrowed and/or Lent by the scheme as on the year ended March 31, 2024 & period ended March 31, 2023 are NIL.
- 1.5. Investment in Below investment grade and default/Securities in default beyond its maturity date as on March 31, 2024 and March 31, 2023 are NIL.
- 1.6. Aggregate Unrealised Gain/Loss as at the end of the Financial Year March 31, 2024 and March 31, 2023 are as under :

Rs. In Lakhs

| Company Name | Amount | Percentage to Net Assets | Amount | Percentage to Net Assets |
|--|----------------------|--------------------------|----------------------|--------------------------|
| | As at March 31, 2024 | | As at March 31, 2023 | |
| Equity Shares | | | | |
| - Appreciation | 13,677.64 | 6.83 | 3,079.60 | 1.57 |
| - Depreciation | 5,779.35 | 2.89 | 7,543.58 | 3.86 |
| Central and State Government Securities | | | | |
| - Appreciation | - | - | - | - |
| - Depreciation | - | - | 157.87 | 0.08 |
| Commercial Papers / Certificate of Deposits | | | | |
| - Appreciation | 0.08 | 0.00~ | 11.86 | 0.01 |
| - Depreciation | 0.45 | 0.00~ | - | - |
| Futures | | | | |
| - Appreciation | 348.65 | 0.17 | 225.85 | 0.12 |
| - Depreciation | 2,361.77 | 1.18 | 2,614.29 | 1.34 |
| Domestic Mutual Fund | | | | |
| - Appreciation | 1,012.40 | 0.51 | 0.97 | 0.00~ |
| - Depreciation | - | - | 11.01 | 0.01 |
| Treasury Bills | | | | |
| - Appreciation | 0.75 | 0.00~ | - | - |
| - Depreciation | 10.18 | 0.01 | - | - |

(-) - Indicates less than 0.01%

Notes to Accounts – Annexure I (Contd..)

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

1.7. The aggregate value of investment securities (excluding TREPS and Reverse Repos) purchased and sold (including matured) during the financial year 2023-2024 (excluding accretion of discount) is Rs. 622,677.46 lakhs and Rs. 687,813.48 lakhs respectively being 332.52% and 367.30% of the average net assets.

The aggregate value of investment securities (excluding TREPS and Reverse Repos) purchased and sold (including matured) during the financial year 2022-2023 (excluding accretion of discount) is Rs. 834,138.34 lakhs and Rs. 975,709.37 lakhs respectively being 306.46% and 358.47% of the average net assets.

1.8. Non-Traded securities in the portfolio of the scheme as on the year ended March 31, 2024 and March 31, 2023:

| Security Category | Fair Value (Rs in Lakhs) | % to Net Assets | Fair Value (Rs in Lakhs) | % to Net Assets |
|--------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | 2024 | | 2023 | |
| Money market Instruments | 4,939 | 2.47 | 2,355 | 1.20 |
| Total | 4,939 | 2.47 | 2,355 | 1.20 |

2 Disclosure Under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended.

During the year 2023-24, The Hongkong and Shanghai Banking Corporation Limited, an associate entity of HSBC Asset Management (India) Private Limited was paid collection/bank charges amounting to Rs. 21.82 lakhs.

During the year 2022-23, The Hongkong and Shanghai Banking Corporation Limited, an associate entity of HSBC Asset Management (India) Private Limited was paid collection/bank charges amounting to Rs. Nil.

Commission paid to Sponsor/AMC and its associates/related parties/group companies

| Name of Sponsor/AMC and its associates/related parties/group companies | Nature of Association / Nature of Relation | Period Covered | Business Given [Rs. In lakhs] | % of Total Business received by the Fund | Commission paid [Rs. In Lakhs] | % of Total commission paid by the Fund |
|--|--|----------------|-------------------------------|--|--------------------------------|--|
| The Hongkong and Shanghai Banking Corporation Limited | Group Company | 2023-2024 | 38,185.00 | 27.90 | 75.05 | 9.50 |
| The Hongkong and Shanghai Banking Corporation Limited | Group Company | 2022-2023 | 16,048.92 | 13.71 | 13.70 | 1.30 |

Brokerage paid to Sponsor/AMC and its associates/related parties/group companies

| Name of Sponsor/AMC and its associates/related parties/group companies | Nature of Association / Nature of Relation | Period Covered | Value of Transactions [Rs. In lakhs] | % of total value of transactions of the fund | Brokerage paid [Rs. In lakhs] | % of total brokerage paid by the fund |
|--|--|----------------|--------------------------------------|--|--------------------------------|---------------------------------------|
| HSBC Securities and Capital Market (India) Private Limited | Sponsor | 2023-2024 | 112,274.46 | 2.16 | 19.63 | 2.46 |
| HSBC Securities and Capital Market (India) Private Limited | Sponsor | 2022-2023 | 109,566.63 | 1.69 | 19.16 | 1.87 |

Notes to Accounts – Annexure I (Contd...)**To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024****PCM Charges paid to Sponsor/AMC and its associates/related parties/ group companies**

| Name of Sponsor/AMC and its associates/related parties/ group companies | Nature of Association/ Nature of relation | Transaction Type | Period Covered | Amount (Rs. In Lakhs) |
|---|--|------------------|----------------|-----------------------|
| HSBC Securities and Capital Market (India) Private Limited | Sponsor | Clearing Charges | 2023-2024 | 21.82 |
| | | | 2022-2023 | – |

- 3 None of the Investors held more than 25% of the total net assets of the scheme at the year ended March 31, 2024 and March 31, 2023.
- 4 Unit Capital movement during the year ended March 31, 2024, March 31, 2023 and March 31, 2022:

| Description | 2023-24 | | | | |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|------------|
| | Opening Units | Subscription | Redemption | Closing Units | Face value |
| Regular Plan - Growth Option | 834,751,611.519 | 430,912,077.508 | 625,845,115.118 | 639,818,573.909 | 10 |
| Regular Plan - Monthly IDCW | 13,475,439.639 | 3,067,708.886 | 4,816,895.702 | 11,726,252.823 | 10 |
| Regular Plan - Quarterly IDCW | 358,462.626 | 757,206.791 | 823,608.234 | 292,061.183 | 10 |
| Direct Plan - Growth Option** | 333,912,276.075 | 353,251,065.488 | 217,523,620.540 | 469,639,721.023 | 10 |
| Direct Plan - Monthly IDCW | 2,466,801.059 | 336,760.623 | 358,608.522 | 2,444,953.160 | 10 |
| Direct Plan - Quarterly IDCW | 235,265.793 | 64,078.493 | 5,184.205 | 294,160.081 | 10 |

| Description | 2022-23 | | | | |
|-------------------------------|-------------------|-----------------|-----------------|-----------------|------------|
| | Opening Units | Subscription | Redemption | Closing Units | Face value |
| Regular Plan - Growth Option | 1,261,915,158.741 | 293,383,448.941 | 720,546,996.063 | 834,751,611.519 | 10 |
| Regular Plan - Monthly IDCW | 30,596,243.190 | 115,056,988.798 | 132,177,792.349 | 13,475,439.639 | 10 |
| Regular Plan - Quarterly IDCW | 530,523.143 | 109,509.510 | 281,570.027 | 358,462.626 | 10 |
| Direct Plan - Growth Option** | 873,178,264.969 | 358,171,206.624 | 897,437,195.518 | 333,912,276.075 | 10 |
| Direct Plan - Monthly IDCW | 3,221,291.022 | 145,038.462 | 899,528.425 | 2,466,801.059 | 10 |
| Direct Plan - Quarterly IDCW | 1,016,740.258 | 5,022.446 | 786,496.911 | 235,265.793 | 10 |

Notes to Accounts – Annexure I (Contd..)**To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024**

| Description | 2021-22 | | | | |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|------------|
| | Opening Units | Subscription | Redemption | Closing Units | Face value |
| Regular Plan - Growth Option | 1,622,154,323.144 | 1,145,661,921.679 | 1,505,901,086.082 | 1,261,915,158.741 | 10 |
| Regular Plan - Monthly IDCW | 44,016,168.464 | 15,182,141.622 | 28,602,066.896 | 30,596,243.190 | 10 |
| Regular Plan - Quarterly IDCW | 729,894.400 | 203,369.914 | 402,741.171 | 530,523.143 | 10 |
| Direct Plan - Growth Option** | 664,885,374.890 | 1,836,454,022.014 | 1,628,161,131.935 | 873,178,264.969 | 10 |
| Direct Plan - Monthly IDCW | 4,316,803.596 | 300,022.178 | 1,395,534.752 | 3,221,291.022 | 10 |
| Direct Plan - Quarterly IDCW | 1,027,297.206 | 118,772.911 | 129,329.859 | 1,016,740.258 | 10 |

**Units held by the AMC (Seed Capital) in Direct Plan - Growth Option as on March 31, 2024 is 605,442.374 & as on March 31, 2023 is 605,442.374 & as on March 31, 2022 is 500,000.

- 5 Previous year's/period figures have been re-grouped/re-arranged where necessary.
- 6 There are no contingent liabilities and other commitments as on March 31, 2024 and March 31, 2023. Contingent asset is neither recognized nor disclosed in the financial statements.
- 7 Expenses other than Management Fees are Inclusive of GST where applicable.
- 8 Other income of Rs. 15.03 lakhs represents Exit load credited to the scheme (2023: Rs. 21.35 lakhs represents Exit load credited to the scheme).

9 Investor Education Awareness

As mandated by SEBI vide circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 an annual charge of 0.02 percent of daily net assets, being a part of total recurring expenses is set aside for Investor Education and Awareness (IEA). In view of the AMFI Best Practices Guidelines Circular No. 56/2015-16, the IEF (Investor Education Fund) accrual is set aside in a separate bank account and the consolidated balance across all schemes as on March 31, 2024.

Pursuant to SEBI circular dated May 23, 2022, w.e.f. July 1, 2022, the limit of 0.02% p.a. has been reduced to 0.01% p.a. in case of ETFs/Index Funds. Furthermore, Fund of Funds (FoFs) investing more than 80% of its NAV in the underlying domestic funds have discontinued setting aside 0.02% p.a. of daily net assets towards IEA.

The break-up of which is as under:

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-----------------------|-----------------------|
| | Amount (Rs. In Lakhs) | Amount (Rs. In Lakhs) |
| Opening Balance as on April 01, 2023 | 997.09 | 460.22 |
| Add: Accrual during FY 2023-24 | 1,962.01 | 1,432.00 |
| Less: Transferred to AMFI * | 889.11 | 646.75 |
| Less: Payable to AMFI (March 2024 accrual) * | 91.90 | 69.25 |
| Add: Investment Income FY 2023-24 | 77.08 | 166.42 |
| Less: Spent during FY 2023-24 | 1,877.44 | 345.55 |
| Closing Balance as on March 31, 2024 | 177.73 | 997.09 |

*In accordance with SEBI circular number SEBI/HO/IMD/DF2/RS/813/2016 dated January 8, 2016.

The IEA disclosure's are presented for surviving schemes only.

Notes to Accounts – Annexure I (Contd...)

To the Abridged Balance Sheet and Revenue Account for the year ended March 31, 2024

- 10 Pursuant to SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2020/194 dated October 05, 2020, the nomenclature of 'Dividend Option' under all the schemes of HSBC Mutual Fund has been revised to 'Income Distribution cum Capital Withdrawal Option' (IDCW), with effect from April 1, 2021.
- 11 Securities, excluding debt securities, where the non-traded investments which have been valued "in good faith" exceed 5% of the net assets at the end of the year is NIL.
- 12 Debt securities which have been valued at a price other than the price given by the independent valuation agencies at the end of the year is NIL.
- 13 **Disclosure of Risk-o-meter**

| Scheme Name | Risk-o-meter level at end of the financial year i.e. March 31, 2024 | Risk-o-meter level as on March 31, 2023 | Number of changes in Risk-o-meter during the financial year (March 2023 to March 2024) |
|---------------------|---|---|--|
| HSBC Arbitrage Fund | Low | Low | 0 |

- 14 Subsequent to receipt of SEBI's no objection to acquisition of 100% equity shares of L&T Investment Management Limited ("LTIM", Investment Manager of L&T Mutual Fund) and the amendments proposed to the trust deed of the HSBC Mutual Fund as required under the SEBI (Mutual Funds) Regulations, 1996, the schemes of L&T Mutual Fund (LTMF) were transferred to/ merged with the schemes of HSBC Mutual Fund on and from the close of business hours of November 25, 2022, and the HSBC AMC and HSBC Trustees assumed the responsibilities of the schemes of LTMF w.e.f. close of business hours of November 25, 2022.
- 15 During the year, HSBC Securities and Capital Markets (India) Private Limited ("HSCI"), Sponsors of HSBC Mutual Fund established a private limited company with limited liability to act as the "Trustee" of HSBC Mutual Fund. HSBC Trustees (India) Private Limited ("HTIP") was incorporated on 9 January 2024. Accordingly, HTIP has replaced the Board of Trustees of HSBC Mutual Fund w.e.f. 1 March 2024, and the Company through its Board of Directors has been discharging its obligations as the "Trustees" of the Fund from this date.
- 16 The Annual Accounts of the Schemes, prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and clause 17.14 of SEBI Master Circular for Mutual Funds dated June 27, 2024, has been approved by the Board of Directors of HSBC Asset Management (India) Private Limited and HSBC Trustees (India) Private Limited at their meetings held on July 8, 2024 and July 19, 2024 respectively. The audit report attached herewith refers to the said Annual Accounts. The aforesaid abridged accounts are an extract of the Annual Accounts and are prepared in accordance with clause 5.4 and format no. 3.B under the section of formats of SEBI Master Circular for Mutual Funds dated June 27, 2024 and other relevant circulars issued by the Securities and Exchange Board of India from time to time.

Voting Policy and Procedures

In view of para 6.16 of SEBI Master Circular on Mutual Funds dated June 27, 2024 related to "Role of Mutual Funds in Corporate Governance of Public Listed Companies", HSBC AMC has formulated its "Policy for Proxy Voting in Public Listed Companies". The said policy is available on our website and the details of actual exercise of proxy votes, the summary of votes casted and the auditor's certificate is forming part of our full Annual Report for the Financial Year 2023 – 24 which has been uploaded on our website at <http://www.assetmanagement.hsbc.co.in>

Statutory Details & Disclaimers

All the returns have been sourced from Mutual Funds India Explorer software. The performance of the schemes and the benchmark is calculated on a total return basis. This document has been prepared by HSBC Asset Management (India) Private Limited (HSBC) for information purposes only with an intent to provide market overview and should not be construed as an offer or solicitation of an offer for purchase of any of the funds of HSBC Mutual Fund. All information contained in this document (including that sourced from third parties), is obtained from sources, which HSBC/third party, believes to be reliable but which it has not been independently verified by HSBC/the third party. Further, HSBC/the third party makes no guarantee, representation or warranty and accepts no responsibility or liability as to the accuracy or completeness of such information. The information and opinions contained within the document are based upon publicly available information and rates of taxation applicable at the time of publication, which are subject to change from time to time.

Expressions of opinion are those of HSBC only and are subject to change without any prior intimation or notice. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies that may have been discussed or recommended in this report and should understand that the views regarding future prospects may or may not be realized. In no event shall HSBC Mutual Fund/ HSBC Asset management (India) Private Limited and/or its affiliates or any of their directors, trustees, officers and employees be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of information/opinion herein. Neither this document nor the units of HSBC Mutual Fund have been registered in any jurisdiction. The distribution of this document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions.

For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website at www.assetmanagement.hsbc.co.in. 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

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

Important Updates

Name and Date of Birth as per PAN card - Effective from June 1, 2024

As per recent regulatory requirement and changes advised by Income Tax Department in PAN validation process, now it is mandated to quote your Name(s) and DOB as per PAN card. To avoid any failure in such validations, we request investors to quote the Name(s) and DOB's of all the holders including Guardian, Power of Attorney (POA) holders as per PAN card.

Useful Links for self service options

- **Use our 24 x 7 Chatbot - "ASKME" for any queries or service request:**
visit: <https://invest.assetmanagement.hsbc.co.in>

SMS your request to HSBC Mutual Fund

- **Latest NAV :** Send SMS as HSBCMF NAV <Scheme Code> to 56767
Example: HSBCMF NAV F03
- **Valuation Service on registered mobile No. :** Send SMS as HSBCMF VAL <folio_number> to 56767
Example: HSBCMF VAL 123456
- **Annual Report :**
For Electronic Copy: Send SMS as HSBCMFARE <folio_number> to 567678080
Example: HSBCMF ARE 123456
For Physical Copy: Send SMS as HSBCMFARP <folio_number> to 567678080
Example: HSBCMF ARP 123456
- **Half Yearly Portfolio :**
For Electronic Copy: Send SMS as HSBCMFHPE <folio_number> to 567678080
Example: HSBCMF HPE 123456
For Physical Copy: Send SMS as HSBCMFHPP <folio_number> to 567678080
Example: HSBCMF HPP 123456

Missed Call Service

- You can give a missed call to 9212900020 to get the total valuation via SMS and a statement on your registered email ID

Book-Post

If undelivered please return to:

Computer Age Management Services Private Limited (CAMS)

Unit: HSBC Mutual Fund

New No. 10, M.G.R Salai, Nungambakkam, Chennai - 600034.

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

HSBC Asset Management (India) Private Limited

CIN NO: U74140MH2001PTC134220

9-11 Floors, NESCO IT Park, Building No. 3, Western Express Highway, Goregaon (East), Mumbai 400 063, India.

Website : www.assetmanagement.hsbc.co.in

| Description | Toll Free Number | Email ID |
|--------------------------------|-----------------------------|--------------------------------------|
| Investor related queries | 1800-4190-200/1800-200-2434 | investor.line@mutualfunds.hsbc.co.in |
| Online related queries | 1800-4190-200/1800-200-2434 | onlinemf@mutualfunds.hsbc.co.in |
| Investor (Dialing from abroad) | +91 44 39923900 | investor.line@mutualfunds.hsbc.co.in |

To get your updated account statement email us at : "mfsoa@mutualfunds.hsbc.co.in"

We're always here to help you, so feel free to reach out to us

Self-service request at your Fingertips

- Visit Website • Invest Online • Insta Statement • Download Forms
- Transact via Whats App • Use 24/7 ChatBot - Ask Me



Remember, you can also find out more via our social media handles !



Please check our website www.assetmanagement.hsbc.co.in for an updated list of Official Points of Acceptance of HSBC Mutual Fund.

CAMS SERVICE CENTRES / CAMS LIMITED TRANSACTION POINTS / CAMS COLLECTION CENTRES

For details on CAMS Service Centres, please visit www.camsonline.com