

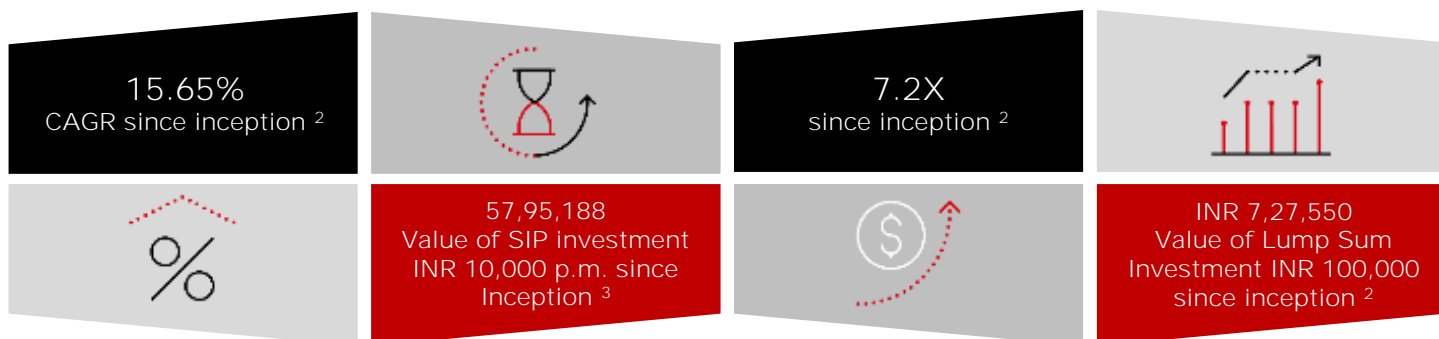
## Product Note

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

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

September 2023

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM
Value	Venugopal Manghat, Vihang Shankar Naik and Sonal Gupta <sup>#</sup>	Nifty 500 TRI	8 Jan 2010	Rs. 9236.99 Cr



Portfolio	% of net assets	Sector - Allocation	% of net assets
ICICI Bank Limited	5.62%	Banks	23.80%
NTPC Limited	4.01%	IT - Software	9.15%
Jindal Stainless Limited	3.63%	Construction	7.10%
State Bank of India	3.50%	Industrial Products	5.48%
HDFC Bank Limited	3.45%	Ferrous Metals	4.57%
The Federal Bank Limited	3.35%	Power	4.01%
KEC International Limited	2.83%	Cement & Cement Products	3.82%
Larsen & Toubro Limited	2.67%	Pharmaceuticals & Biotechnology	3.52%
ITC Limited	2.63%	Finance	3.41%
Mahindra & Mahindra Limited	2.54%	Automobiles	3.39%

Risk Ratios <sup>4</sup>	
Standard Deviation	14.16%
Beta	0.89
Sharpe Ratio <sup>5</sup>	1.38
R2	0.88

Load / Month End Total Expenses Ratios (Annualized) <sup>7</sup>	
Entry Load	NA
Exit Load - NIL (after 1 year), 1% (before 1 year) <sup>6</sup>	
Expense ratio (Other than Direct) <sup>8</sup>	1.77%
Expense ratio (Direct)	0.80%

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' has introduced two-tiered structure for benchmarking of certain categories of schemes. Accordingly, the benchmark has been classified as Tier 1 benchmark effective from 01 December 2021.

<sup>2</sup> As on 31 August 2023 of Growth option regular plan. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 4.4X to Rs. 7,27,550 from Rs.100,000 and delivered return of 11.62%. Please refer page no.3 for detailed performance of HSBC Value Fund.

<sup>3</sup> During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 4,454,494

<sup>4</sup> Quantitative Data disclosed are as per monthly returns (Annualized) for the last 3 years.

<sup>5</sup> Risk free rate: 6.69% (FIMMDA-NSE Mibor) as on August 31, 2023

<sup>6</sup> Exit Load - If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment - Nil.

• If units redeemed or switched out are over and above the limit within 1 year from the date of allotment - 1% • If units are redeemed or switched out on or after 1 year from the date of allotment - Nil

<sup>7</sup> TER Annualized TER including GST on Investment Management Fees

<sup>8</sup> Continuing plans

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

Data as on 31 August 2023, HSBC Mutual Fund

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

## Why HSBC Value Fund?

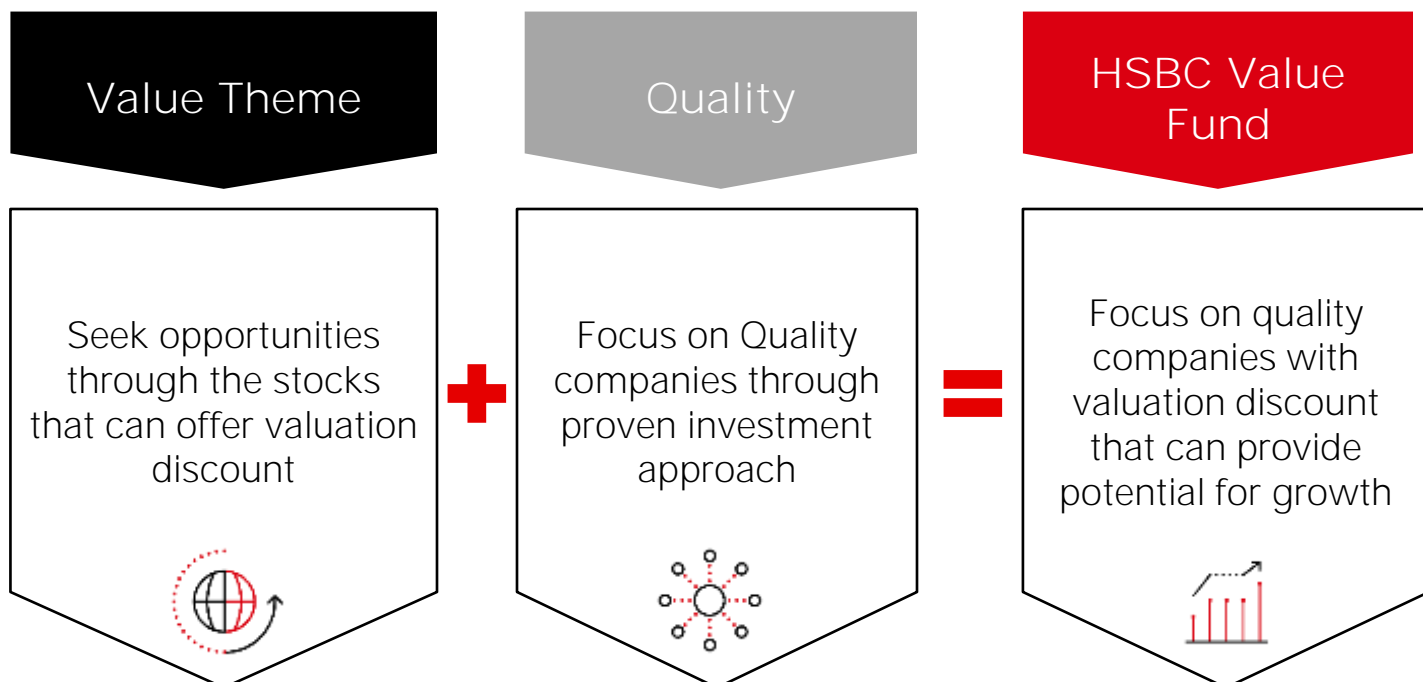
- To seek an exposure to value style companies
- Aim to identify undervalued stocks having the potential to deliver long term risk-adjusted returns
- Undervalued stocks would include stocks which the Fund Managers believe are trading at less than their assessed values
- Long term capital appreciation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

## Fund Philosophy

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

## Investment Objective

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



HSBC Value Fund (HVAF) | Product Note  
[ September 2023 ]

Fund Managers - Venugopal Manghat (No of Schemes Managed – 6 ) - Managing Fund Since 24 Nov 2012 and Vihang Shankar Naik (No of Schemes Managed – 4 ) - Managing Fund Since 17 Dec 2019 and Sonal Gupta (No of Schemes Managed - 6, for investment in foreign securities)

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 Invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Value Fund-Regular	12499	24.92	21136	28.33	19098	13.81	72755	15.65	08-Jan-10
Scheme Benchmark (Nifty 500 TRI)	11142	11.39	18655	23.10	17893	12.33	44860	11.62	
Additional Benchmark (Nifty 50 TRI)	10953	9.50	17532	20.58	17495	11.83	43377	11.35	

PTP returns – Point to Point returns. | As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023 the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units. | IDCW are assumed to be reinvested and Bonus is adjusted. | The performance details provided herein is of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of August 2023 for the respective Schemes. | Returns for 1 year and above are Compounded Annualized. Returns for less than 1 year is Simple Annualized. Load is not taken into consideration for computation of performance. Different plans shall have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged to the Regular Plan. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.

Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated May 19, 2023 on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes.

Note - Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund. Past performance may or may not be sustained in the future. Source: HSBC Mutual Fund, data as on 31 August 2023

SIP Performance HSBC Value Fund – Reg					Inception Date: 08-Jan-10
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1630000	
Market Value as on August 31, 2023 (₹)	141,110	501,407	1,023,742	5,795,188	
Scheme Returns (%)	34.23	22.76	21.52	17.16	
Nifty 500 TRI - Scheme Benchmark (₹)	132,388	455,037	925,645	4,454,494	
Nifty 500 TRI - Scheme Benchmark Returns (%)	19.72	15.83	17.38	13.75	
Nifty 50 TRI - Additional Benchmark (₹)	128,540	439,512	882,930	4,184,341	
Nifty 50 TRI - Additional Benchmark Returns (%)	13.48	13.41	15.45	12.94	

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

As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023 the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

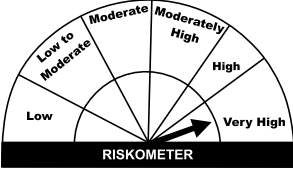

The performance details provided herein is of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of August 2023 for the respective Schemes. Returns for 1 year and above are Compounded Annualized. Returns for less than 1 year is Simple Annualized. Load is not taken into consideration for computation of performance. Different plans shall have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged to the Regular Plan. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.

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Past performance may or may not be sustained in the future. Source: HSBC Mutual Fund, data as on 31 August 2023

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

## Product Label

Product Label Scheme name and Type of scheme	*Riskometer of the Fund
<p>This product is suitable for investors who are seeking*:</p> <p><b>HSBC Value Fund (Erstwhile L&amp;T India Value Fund) - Value Fund - An open ended equity scheme following a value investment strategy.</b></p> <ul style="list-style-type: none"> <li>• Long term capital appreciation</li> <li>• Investment predominantly in equity and equity-related securities in Indian markets and foreign securities with higher focus on undervalued securities. (Benchmark : NIFTY 500 TRI Index)</li> </ul>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Very High risk</p> <p><b>Benchmark Riskometer</b></p>  <p><b>RISKOMETER</b></p>

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

**Note on Risk-o-meters:** Riskometer is as on 31 August 2023, Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme

Past performance may or may not be sustained in the future. Source: HSBC Mutual Fund, data as at 31 August 2023

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