

Product Note

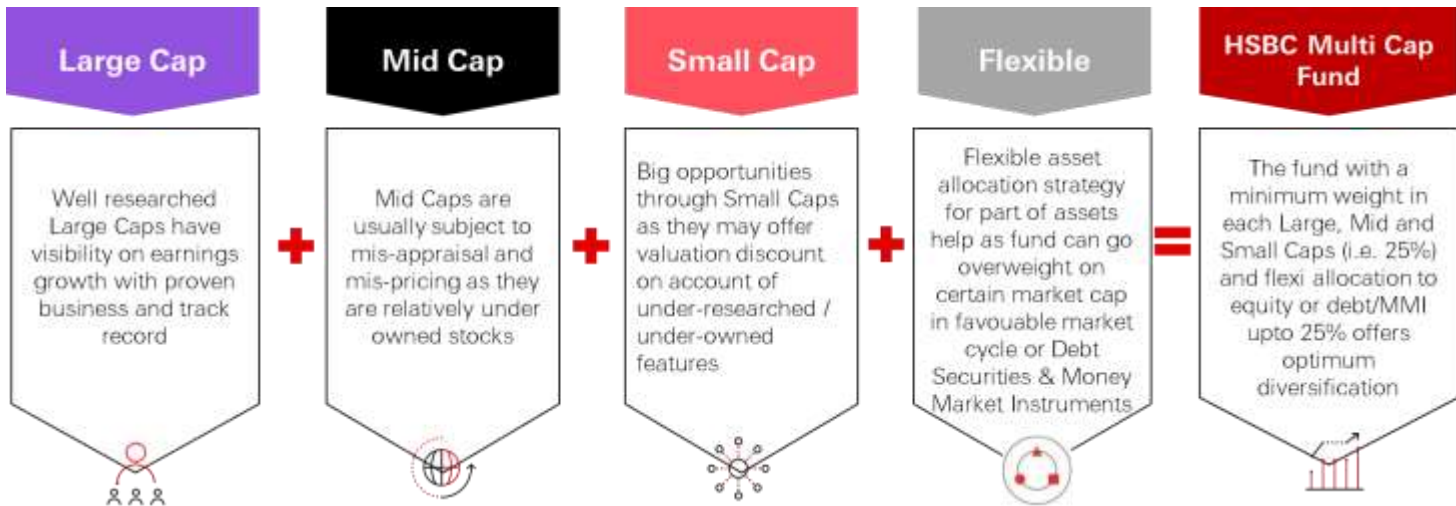
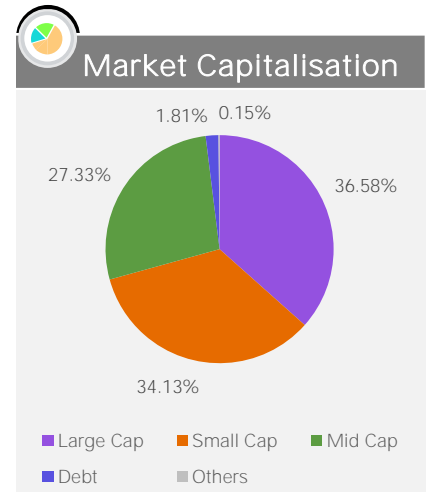
HSBC Multi Cap Fund (HMCF)

(Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks)

September 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Multi Cap Fund	Venugopal Manghat, Kapil Punjabi and Sonal Gupta [#]	NIFTY 500 Multicap 50:25:25 TRI	30 Jan 2023	Rs. 1657.96 Cr

Portfolio	% of net assets	Sector - Allocation	% of net assets
Larsen & Toubro Limited	2.94%	Banks	12.52%
HDFC Bank Limited	2.87%	Industrial Products	12.13%
Birlasoft Limited	2.85%	IT - Software	11.84%
ICICI Bank Limited	2.66%	Construction	7.08%
NTPC Limited	2.53%	Electrical Equipment	5.42%
APL Apollo Tubes Limited	2.43%	Finance	5.03%
Kirloskar Oil Eng Limited	2.28%	Pharmaceuticals & Biotechnology	4.76%
KPIT Technologies Limited	2.20%	Leisure Services	3.16%
Zydus Lifesciences Limited	2.17%	Automobiles	2.97%
Power Mech Projects Limited	2.16%	Textiles & Apparels	2.86%



Access benefits in multiple market cycles through one fund

¹ 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.
 Source – HSBC Mutual Fund, Data as on 31 August 2023 #Sonal Gupta shall be dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Stock selection

- The fund invest across Large, Mid and Small Caps
- Aim to focus on smaller size businesses in their early stage of development that have potential for growth in the long run
- Focus on growth potential in revenue and profit opportunities as compared to broader market
- Follows bottom-up stock selection using proprietary investment approach
- Aims to invest in undervalued, under-owned, and under researched segments that may deliver growth in long run
- Valuation is the most important key focus while investing in stocks with an adequate margin of safety

The fund's Investment approach

- Aim to provide long-term capital growth through a dynamically managed portfolio across Small, Mid and Large Cap stocks
- The market capitalisation allocation of assets will be a minimum 25% each in Small, Mid and Large Cap stocks

Bottom-up stock picking is rewarding across cycles

- Various phases of the economic cycle throw up diverse stock picking opportunities
- In a growing economy, some companies may exhibit growth and earnings visibility irrespective of the business cycle
- Business cycles and macros driving them can be directional indicators but ultimately stock selection will lead to returns

Strong franchises thrive in bad macros

- Bad macro-economic conditions are a blessing for good franchises
- For e.g. rising cost of inputs forces weaker players in an industry to close capacity. This helps stronger / organized players to gain market share and dominate the industry
- Consumer staples companies do well generally in a high inflation environment. Similarly, rising crude prices have helped Paint companies even as their input prices have risen multifold
- Adverse NPA cycle has hurt weak PSU banks, curtailing their ability to lend, thereby enabling NBFCs and private banks to garner market share and strengthen their franchise further

Opportunity across sizes - LEAP

Large Cap - L eader Top 100 companies	Mid Cap - E merging A spirants 101st to 250th companies	Small Cap - P earls 251st company and beyond
Well established businesses	Potential Large Caps	Niche and emerging businesses
Matured players with long track record	Proven track record with growth prospects	potential for growth
liquidity	Comparatively volatile versus Large Caps	Relatively more volatile and less liquidity
Stable and less volatile	Potential valuation multiple re-rating candidates	research arbitrage

Chart representation - Large cap – S&PBSE Sensex, Mid Cap – S&P BSE Midcap, Small Cap – S&P BSE Small Cap index.

Past performance may or may not be sustained in the future. Source – HSBC Mutual Fund, For illustration purpose only.

Note - Large-caps are represented by the top 100 stocks on full market capitalisation basis & Mid caps are represented by the next 150 stocks based on full market capitalisation and Small Cap stocks beyond 250th stock based on full market capitalisation basis .

HSBC Multi Cap Fund (HMCF) | Product Note
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Fund Managers - Venugopal Manghat (No of Schemes Managed – 6) - Managing Fund Since 17 Dec 2019 and Kapil Punjabi (No of Schemes Managed – 10) - Managing Fund Since 30 Jan 2023 and Sonal Gupta (No of Schemes Managed - 6, for investment in foreign securities)

Fund / Benchmark (Value of Rs 10,000 invested)	6 Months		Since Inception		30-Jan-23
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Multi Cap Fund-Regular	12261	49.83	12398	41.10	30-Jan-23
Scheme Benchmark (NIFTY 500 Multicap 50:25:25 TRI)	12034	44.38	12041	34.98	
Additional Benchmark (Nifty 50 TRI)	11150	24.10	11004	17.21	

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

Past performance may or may not be sustained in the future. Refer note below.

SIP Performance - HSBC Multi Cap Fund– Regular*			Inception Date: 30-Jan-23
Scheme Name & Benchmarks	6 Months	Since Inception	
Total amount invested (₹)	60000	70000	
Market Value as on August 31, 2023 (₹)	69,352	81,733	
Scheme Returns (%)	63.53	58.55	
NIFTY 500 Multicap 50:25:25 TRI - Scheme Benchmark (₹)	68,189	80,123	
Nifty 500 TRI - Scheme Benchmark Returns (%)	54.54	49.58	
Nifty 50 TRI - Additional Benchmark (₹)	63,203	74,081	
Nifty 50 TRI - Additional Benchmark Returns (%)	19.55	18.59	

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.

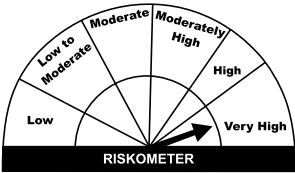

The performance details provided herein is of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of August 2023 for the respective Schemes. 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

Scheme name and Type of scheme	*Riskometer of the Scheme	Riskometer of the benchmark
<p>This product is suitable for investors who are seeking*:</p> <p>HSBC Multi Cap Fund - Multi Cap Fund – An open ended equity scheme investing across large cap, mid cap, small cap stocks.</p> <ul style="list-style-type: none"> To create wealth over long-term Investment predominantly in equity and equity related securities across market capitalization (Benchmark: NIFTY 500 Multicap 50:25:25 TRI) 	 <p>Investors understand that their principal will be at Very High risk</p>	

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

Note on Risk-o-meters: Riskometer is as on 31 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 on 31 August 2023

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