

Product Note

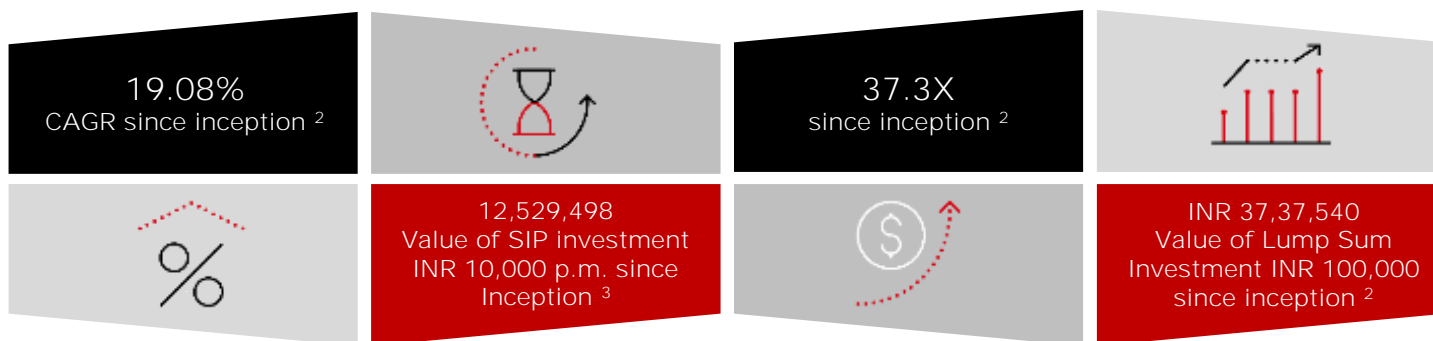
HSBC Large Cap Fund (HLEF) (Formerly known as HSBC Large Cap Equity Fund)

Large Cap Fund – An open ended equity scheme predominantly investing in large cap stocks.

(L&T India Large Cap Fund has merged into HSBC Large Cap Equity Fund and the surviving scheme has been renamed)

September 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Large Cap	Neelotpal Sahai and Gautam Bhupal	Nifty 100 TRI	10 Dec 2002	Rs. 1534.61 Cr



Portfolio	% of net assets
HDFC Bank Limited	9.47%
ICICI Bank Limited	8.12%
Reliance Industries Limited	6.27%
Infosys Limited	6.08%
ITC Limited	4.73%
Axis Bank Limited	4.44%
Larsen & Toubro Limited	3.52%
Sun Pharmaceutical Industries Limited	3.26%
DLF Limited	2.96%
State Bank of India	2.93%

Sector - Allocation	% of net assets
Banks	29.63%
IT - Software	11.71%
Diversified FMCG	7.42%
Petroleum Products	6.27%
Pharmaceuticals & Biotechnology	5.07%
Realty	4.13%
Automobiles	4%
Construction	3.52%
Consumer Durables	3.22%
Insurance	2.91%

Risk Ratios ⁴	
Standard Deviation	14.17%
Beta	0.93
Sharpe Ratio ⁵	0.82
R2	0.95

Load / Month End Total Expenses Ratios (Annualized) ⁷	
Entry Load	NA
Exit Load - NIL (after 1 year), 1% (before 1 year) ⁶	
Expense ratio (Other than Direct) ⁷	2.17%
Expense ratio (Direct)	1.22%

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.

² As on 31 August 2023 of Growth option regular plan. During the same period, scheme benchmark (Nifty 100 TRI) has moved by NA to Rs NA from Rs 100,000 and delivered return of NA Please refer page no. 3 for detailed performance of HSBC Large Cap Fund.

³ During the same period, value of scheme benchmark (Nifty 100 TRI) is not available.

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

⁵ Risk free rate: 6.69% (FIMMDA-NSE Mibor) as on August 31, 2023.

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

⁶ 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

⁷ TER Annualized TER including GST on Investment Management Fees

⁸ Continuing plans

Data as on 31 August 2023, HSBC Mutual Fund

Why HSBC Large Cap Fund?

- To seek an exposure to true large cap companies which are relatively stable than mid and small cap companies
- A top down and bottom up approach will be used to invest in equity and equity related instruments
- True to label fund – The fund will stay true to its objective in keeping with the mandate reposed by the investor whilst investing in the fund
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Philosophy

- Prefer dominant and scalable businesses available at reasonable valuations.
- Profit pool consolidation with dominant players to continue and disruption to accelerate this shift.
- Stock selection focuses on earnings growth trajectory and within that, the emphasis lies on earnings surprises.
- Since valuations are in line with its historical averages, earnings visibility and relative earnings growth are the key criteria of stock selection.

Key Portfolio themes:

- Our portfolio is a conviction portfolio which is positioned for stocks with earnings visibility in the near term and growth in medium to long term.
- Portfolio construction is through bottom-up stock selection and there is an emphasis on sustainable earnings growth, relative earnings and earnings surprises.
- The current set up of the market is that of moderating inflation, peaked interest rates, improving current account and balance of payment, and reviving growth. That means we are likely to witness improving macro data. However, we are not seeing its impact on corporate earnings that continues to have downward revision.
- Consensus earnings estimates of FY24 and FY25 look optimistic. The markets have been steady as the time-correction has led the valuations to be in line with historical averages. We have tamed our pro-cyclical bias and increased our exposure in the defensive sectors to de-risk our portfolio.

Investment Objective

To generate long-term capital growth from an actively managed portfolio of equity and equity related securities of predominantly large cap companies. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

HSBC Large Cap Fund (HLEF) | Product Note
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Fund Managers - Neelopal Sahal (No of Schemes Managed – 4) - Managing Fund Since 27 May 2013 and Gautam Bhupal (No of Schemes Managed – 8) - Managing Fund Since June 01, 2023 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 Large Cap Fund – Regular ⁹	11026	10.23	16800	18.88	16379	10.37	373754	19.08	10-Dec-02
Scheme Benchmark (Nifty 100 TRI)	10705	7.03	17292	20.03	16948	11.12	NA	NA	
Additional Benchmark (Nifty 50 TRI)	10953	9.50	17532	20.58	17495	11.83	239648	16.55	

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.

⁹ HSBC Large Cap Fund: The launch date of the Nifty 100 TRI is Jan 01, 2003 whereas the inception date of the scheme is Dec 10, 2002. The corresponding benchmark returns since inception of the scheme not available.

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 Large Cap Fund - Reg						Inception Date: 10-Dec-02
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception		
Total amount invested (₹)	120000	360000	600000	2480000		
Market Value as on August 31, 2023 (₹)	130,829	435,356	854,165	12,529,498		
Scheme Returns (%)	17.18	12.75	14.11	13.77		
Nifty 100 TRI - Scheme Benchmark (₹)	127,935	433,995	868,990	NA		
Nifty 100 TRI - Scheme Benchmark Returns (%)	12.51	12.53	14.81	NA		
Nifty 50 TRI - Additional Benchmark (₹)	128,540	439,512	882,930	12,686,834		
Nifty 50 TRI - Additional Benchmark Returns (%)	13.48	13.41	15.45	13.87		

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.

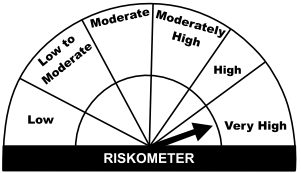
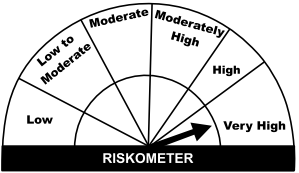
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[Click here](#) to check other funds performance managed by the Fund Manager

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 Large Cap Fund (Erstwhile HSBC Large Cap Fund) - Large Cap Fund – An open ended equity scheme predominantly investing in large cap stocks.</p> <ul style="list-style-type: none"> • To create wealth over long term. • Investment in predominantly large cap equity and equity related securities. (Benchmark : NIFTY 100 TRI Index) 	 <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.