

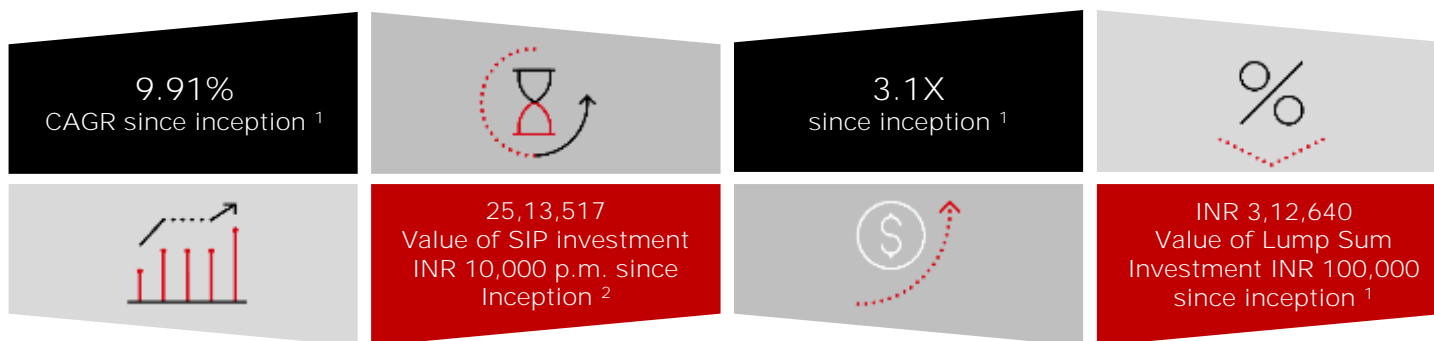
## Product Note

### HSBC Balanced Advantage Fund (HBAF) (Formerly known as L&T Balanced Advantage Fund)

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

March 2023

| Fund Category        | Fund Manager                    | Benchmark                                  | Inception Date | AUM            |
|----------------------|---------------------------------|--|----------------|----------------|
| Balanced Hybrid Fund | Neelotpal Sahai and Ritesh Jain | NIFTY 50 Hybrid Composite Debt 50:50 Index | 7 Feb 2011     | Rs. 1511.03 Cr |



| Portfolio                         | % of net assets |
|-----------------------------------|-----------------|
| Realty                            | 3.85%           |
| Petroleum Products                | 0.63%           |
| Banks                             | 0.00%           |
| Pharmaceuticals and Biotechnology | 1.48%           |
| Banks                             | 0.00%           |
| IT - Software                     | 0.00%           |
| Entertainment                     | 2.25%           |
| Banks                             | 1.66%           |
| Finance                           | 0.00%           |
| IT - Software                     | 0.00%           |

| Sector - Allocation               | % of net assets |
|-----------------------------------|-----------------|
| Government Securities             | 25.87%          |
| Banks                             | 13.60%          |
| Pharmaceuticals and Biotechnology | 7.41%           |
| Finance                           | 7.25%           |
| IT - Software                     | 4.77%           |
| Realty                            | 4.62%           |
| Cement and Cement Products        | 3.67%           |
| Beverages                         | 2.83%           |
| Petroleum Products                | 2.83%           |
| Diversified FMCG                  | 2.64%           |

Equity as an asset class is associated with high volatility and this is the key reason why most investors tend to stay away from equities or under allocate to equities, despite the strong long term return potential of this asset class. Such cautious investors fearful of high volatility could consider investing in funds which dynamically manage equity allocation based on valuation level – i.e. increase equity exposure when markets are cheap and reduce equity exposure when markets are expensive. Historical data suggests that such a strategy helps in taming the volatility significantly and yet help investors participate in the long term growth potential of equities.

<sup>1</sup> As on 28 February 2023 of Growth option. During the same period, scheme benchmark (NIFTY 50 Hybrid Composite Debt 50:50 Index) has moved by 3.2X to Rs. 3,20,290 from Rs.100,000 and delivered return of 10.1%. Please refer page no.3 for detailed performance of HSBC Balanced Advantage Fund.

<sup>2</sup> During the same period, value of scheme benchmark (NIFTY 50 Hybrid Composite Debt 50:50 Index) has moved to 27,83,473

<sup>3</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>4</sup> Continuing plans

Data as on 28th February, 2023 unless otherwise given

## HSBC Balanced Advantage Fund (HBAF)

Equity as an asset class is associated with high volatility and this is the key reason why most investors tend to stay away from equities or under allocate to equities, despite the strong long term return potential of this asset class. Such cautious investors fearful of high volatility could consider investing in funds which dynamically manage equity allocation based on valuation level – i.e. increase equity exposure when markets are cheap and reduce equity exposure when markets are expensive. Historical data suggests that such a strategy helps in taming the volatility significantly and yet help investors participate in the long term growth potential of equities.

## Why HSBC Balanced Advantage Fund?

- Asset allocation between equity and debt depending on prevailing market and economic conditions
- Aims to build a portfolio of companies diversified across major industries, economic sectors and market capitalization that offer an acceptable risk reward balance
- Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook
- To benefit from both asset classes of equity and fixed income for an optimal asset-allocation portfolio
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

## Fund Philosophy

- The fund could help investors participate in the long term growth potential of equities but with a much lower short term volatility
- The Fund helps in systematically managing equity allocation based on valuations and keep emotions away from asset allocation decisions
- History suggests that sharp corrections in the market typically occur when equity valuations are expensive. Due to the fund's strategy of maintaining low equity allocation at higher valuation levels, it could help reduce downside significantly during such market corrections
- Potential to substantially improve risk adjusted return for medium to long term investors; active stock picking approach for equity allocation
- The Fund provides a tax efficient and cost efficient dynamic asset allocation solution – taxation similar to equity oriented schemes

## Portfolio sectoral positioning (Unhedged Equity) as on 28th February 2023:

- Positive view on: Healthcare, Real Estate, and Industrials
- Neutral: Utilities, Staples, Materials, and Communication Services
- Underweight stance: Financials, Discretionary, Technology, and Energy

## Investment Objective

To seek long term capital growth and income through investments in equity and equity related securities and fixed income instruments. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

|   |       |
|---|-------|
| Load / Expenses   |       |
| Entry Load  | NIL   |
| Exit Load - NIL (after 1 year), 1% (before 1 year) <sup>4</sup> |       |
| Expense ratio (Other than Direct) <sup>5</sup>                  | 2.14% |
| Expense ratio (Direct)  | 0.78% |

<sup>4</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>5</sup> Continuing plans

HSBC Balanced Advantage Fund (HBAF) | Product Note  
[ March 2023 ]

Fund Managers - Neelotpal Sahai (No of Schemes Managed – 4) - Managing Fund Since 26 Nov 2022 and Ritesh Jain (No of Schemes Managed – 5) - Managing Fund Since 26 Nov 2022 and Sonal Gupta (No of Schemes Managed - 4, for investment in foreign securities)

| Lump Sum Investment Performance                               |              |               |              |               |              |               |                 |               | Inception Date |
|---|--------------|---------------|--------------|---------------|--------------|---------------|-----------------|---------------|----------------|
| Fund / Benchmark<br>(Value of Rs 10,000 Invested)             | 1 Year       |               | 3 Years      |               | 5 Years      |               | Since Inception |               |                |
|   | Amount in Rs | PTP Returns % | Amount in Rs | PTP Returns % | Amount in Rs | PTP Returns % | Amount in Rs    | PTP Returns % |                |
| HSBC Balanced Advantage Fund - Regular                        | 10304        | 3.04          | 12635        | 8.10          | 13723        | 6.53          | 31264           | 9.91          | 07-Feb-11      |
| Scheme Benchmark (Nifty 50 Hybrid composite debt 50:50 Index) | 10389        | 3.89          | 14072        | 12.05         | 16284        | 10.24         | 32029           | 10.13         |                |
| Additional Benchmark (S&P BSE Sensex TRI)                     | 10619        | 6.19          | 15966        | 16.86         | 18306        | 12.85         | 38501           | 11.82         |                |

| Performance of other funds managed by the Fund Manager |              |               |              |               |              |               |                 |               | Inception Date |
|--|--------------|---------------|--------------|---------------|--------------|---------------|-----------------|---------------|----------------|
| Fund / Benchmark<br>(Value of Rs 10,000 Invested)      | 1 Year       |               | 3 Years      |               | 5 Years      |               | Since Inception |               |                |
|  | Amount in Rs | PTP Returns % | Amount in Rs | PTP Returns % | Amount in Rs | PTP Returns % | Amount in Rs    | PTP Returns % |                |
| HSBC Large Cap Fund – Regular <sup>5</sup>             | 10219        | 2.19          | 14542        | 13.28         | 15444        | 9.08          | 326902          | 18.81         | 10-Dec-02      |
| Scheme Benchmark (Nifty 100 TRI)                       | 10156        | 1.56          | 15627        | 16.03         | 16699        | 10.79         | NA              | NA            |                |
| Additional Benchmark (Nifty 50 TRI)                    | 10427        | 4.27          | 16014        | 16.98         | 17540        | 11.89         | 213689          | 16.34         |                |
| HSBC Large and Mid Cap Fund-Regular                    | 10358        | 3.58          | 14758        | 13.84         | NA           | NA            | 15045           | 10.96         | 28-Mar-19      |
| Scheme Benchmark (NIFTY Large Midcap 250 TRI)          | 10493        | 4.93          | 17133        | 19.64         | NA           | NA            | 16793           | 14.12         |                |
| Additional Benchmark (Nifty 50 TRI)                    | 10427        | 4.27          | 16014        | 16.98         | NA           | NA            | 15671           | 12.12         |                |
| HSBC Conservative Hybrid Fund - Regular                | 10103        | 1.03          | 11915        | 6.01          | 13336        | 5.92          | 44801           | 8.20          | 24-Feb-04      |
| Scheme Benchmark (NIFTY Large Midcap 250 TRI)          | 10334        | 3.34          | 12494        | 7.70          | 14943        | 8.36          | 45267           | 8.26          |                |
| Additional Benchmark (CRISIL 10 year Gilt Index)       | 10200        | 2.00          | 10906        | 2.93          | 13438        | 6.09          | 27311           | 5.42          |                |
| HSBC Equity Savings Fund-Regular                       | 10253        | 2.53          | 13347        | 10.09         | 13577        | 6.30          | 23465           | 7.79          | 18-Oct-11      |
| Scheme Benchmark (NIFTY Equity Savings Index)          | 10443        | 4.43          | 13165        | 9.59          | 14913        | 8.32          | 27631           | 9.35          |                |
| Additional Benchmark (CRISIL 10 year Gilt Index)       | 10200        | 2.00          | 10906        | 2.93          | 13438        | 6.09          | 20607           | 6.56          |                |
| HSBC Arbitrage Fund-Regular                            | 10424        | 4.24          | 11250        | 4.00          | 12678        | 4.86          | 16161           | 5.69          | 30-Jun-14      |
| Scheme Benchmark (Nifty 50 Arbitrage Index)            | 10457        | 4.57          | 11111        | 3.57          | 12461        | 4.50          | 15582           | 5.25          |                |
| Additional Benchmark (Nifty 50 TRI)                    | 10427        | 4.27          | 16014        | 16.98         | 17540        | 11.89         | 25270           | 11.28         |                |

| Fund / Benchmark<br>(Value of Rs 10,000 Invested) | 1 Year       |               | Since Inception |               |           |
|---|--------------|---------------|-----------------|---------------|-----------|
|   | Amount in Rs | PTP Returns % | Amount in Rs    | PTP Returns % |           |
| HSBC Focused Fund-Regular                         | 9939         | -0.61         | 14557           | 15.50         | 22-Jul-20 |
| Scheme Benchmark (Nifty 500 TRI)                  | 10258        | 2.58          | 16497           | 21.18         |           |
| Additional Benchmark (Nifty 50 TRI)               | 10427        | 4.27          | 16018           | 19.82         |           |

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

| Name of Scheme                                      | Fund Manager   | No. of funds managed and Co-managed  |
|---|--|--------------------------------------|
| HSBC Balanced Advantage Fund                        | Neelotpal Sahai (Equity)- Since Nov 26,2022<br>Ritesh Jain (Fixed Income) -Since Nov 26,2022     | Neelotpal Sahai-4<br>Ritesh Jain-5   |
| HSBC Large Cap Fund                                 | Neelotpal Sahai- Since May 27, 2013<br>Ankur Arora- Since Nov 26, 2022                           | Neelotpal Sahai-4<br>Ankur Arora-3   |
| HSBC Large & Mid Cap Fund                           | Cheenu Gupta- Since Nov 26, 2022<br>Neelotpal Sahai- Since Mar 28, 2019                          | Cheenu Gupta-7<br>Neelotpal Sahai-4  |
| HSBC Conservative Hybrid Fund                       | Ritesh Jain (Fixed Income) Since Nov 26,2022<br>Cheenu Gupta (Equity) Since Nov 26,2022          | Ritesh Jain-5<br>Cheenu Gupta-7      |
| HSBC Equity Savings Fund                            | Cheenu Gupta (Equity) -Since Jul 02, 2021<br>Ritesh Jain (Fixed Income) -Since Nov 26,2022       | Cheenu Gupta-7<br>Ritesh Jain-5      |
| HSBC Arbitrage Fund                                 | Praveen Ayathan (Equity) : Since Jun 30, 2014<br>Ritesh Jain (Fixed Income) - Since Nov 26, 2022 | Praveen Ayathan-3<br>Ritesh Jain-5   |
| HSBC Equity Savings Fund                            | Cheenu Gupta (Equity) -Since Jul 02, 2021<br>Ritesh Jain (Fixed Income) -Since Nov 26,2022       | Cheenu Gupta-7<br>Ritesh Jain-5      |
| HSBC Focused Fund                                   | Neelotpal Sahai- Since Nov 26, 2022<br>Ankur Arora- Since July 29, 2020                          | Neelotpal Sahai-4<br>Ankur Arora-3   |
| HSBC CRISIL IBX 50-50 Gilt Plus Apr 2028 Index Fund | Ritesh Jain Since Nov 26,2022<br>Kapil Lal Punjabi Since Mar 31, 2022                            | Ritesh Jain-5<br>Kapil Lal Punjabi-6 |

<sup>5</sup>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 shall be 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 Asset Management India, data as at 28 Feb 2023

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| SIP Performance HSBC Balanced Advantage Fund - Reg                        |          |          |          |                 | Inception Date: 07-Feb-11 |
|---|----------|----------|----------|-----------------|---------------------------|
| Scheme Name & Benchmarks  | 1 Year   | 3 Years  | 5 Years  | Since Inception |                           |
| Total amount invested (₹)   | 120000   | 360000   | 600000   | 1440000         |                           |
| Market Value as on February 28, 2023 (₹)                                  | 1,21,467 | 3,91,136 | 7,04,885 | 25,13,517       |                           |
| Scheme Returns (%)  | 2.29     | 5.48     | 6.39     | 8.88            |                           |
| Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark (₹)         | 1,21,946 | 4,12,849 | 7,73,856 | 27,83,473       |                           |
| Nifty 50 Hybrid composite debt 50:50 Index - Scheme Benchmark Returns (%) | 3.05     | 9.13     | 10.13    | 10.45           |                           |
| S&P BSE Sensex TRI - Additional Benchmark (₹)                             | 1,22,521 | 4,48,480 | 8,46,927 | 32,92,346       |                           |
| S&P BSE Sensex TRI - Additional Benchmark Returns (%)                     | 3.95     | 14.86    | 13.78    | 13.01           |                           |

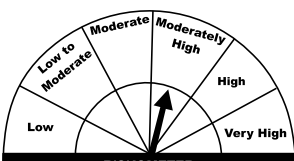

Since Inception returns are provided from the date of allotment of units. PTP returns – Point to Point returns.



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.

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 February 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.

Pursuant to the transfer of schemes of L&T Mutual Fund to HSBC Mutual Fund, which was effective from the close of business hours of November 25, 2022, the performance of the Scheme (which is the surviving scheme out of the merger of schemes with similar features) provided above is computed as per the provisions of SEBI Circular No- SEBI/HO/IMD/DF3/CIR/P/2018/69 dated April 12, 2018 using the weighted average performance of both transferor and transferee schemes. The details of the transferor and transferee schemes please refer to our notice dated October 14, 2022 available on [www.assetmanagement.hsbc.co.in](http://www.assetmanagement.hsbc.co.in).

## Product Label



| HSBC Balanced Advantage Fund (Erstwhile L&T Balanced Advantage Fund)   |   |   |
|--|---|---|
|  <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Moderately High risk</p> | <p>HSBC Balanced Advantage Fund – An open-ended dynamic asset allocation fund.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Long term capital appreciation and generation of reasonable returns</li> <li>• Investment in equity and equity related instruments, derivatives and debt and money market instruments</li> </ul> | <p>Benchmark Index: NIFTY 50 Composite Hybrid Debt 50:50 Index</p>  <p><b>RISKOMETER</b></p> |



| Scheme name and Type of scheme  | *Riskometer of the Scheme  | Riskometer of the benchmark  |
|---|--|--|
| <p><b>This product is suitable for investors who are seeking*:</b></p> <p><b>HSBC Large Cap Fund (Erstwhile HSBC Large Cap Equity Fund) - Large Cap Fund</b> – An open ended equity scheme predominantly investing in large cap stocks.</p> <ul style="list-style-type: none"> <li>• To create wealth over long term.</li> <li>• Investment in predominantly large cap equity and equity related securities. (Benchmark : NIFTY 100 TRI Index)</li> </ul> <p><b>HSBC Large and Mid Cap Fund (Erstwhile HSBC Large &amp; Mid Cap Equity Fund) - Large and Mid Cap Fund</b> – An open ended equity scheme investing in both large cap and mid cap stocks.</p> <ul style="list-style-type: none"> <li>• Long term wealth creation and income</li> <li>• Investment predominantly in equity and equity related securities of Large and Mid cap companies (Benchmark : NIFTY Large Midcap 250 TRI)</li> </ul> <p><b>HSBC Focused Fund (Erstwhile HSBC Focused Equity Fund) - Focused Fund</b> – An open ended equity scheme investing in maximum 30 stocks across market caps (i.e. Multi-Cap).</p> <ul style="list-style-type: none"> <li>• Long term wealth creation</li> <li>• Investment in equity and equity related securities across market capitalization in maximum 30 stocks. (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>RISKOMETER</b></p> |

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

Past performance may or may not be sustained in the future. Source: HSBC Asset Management India, data as at 28 Feb 2023

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| Scheme name and Type of scheme   | *Riskometer of the Scheme   | Riskometer of the benchmark  |
|--|---|--|
| <p><b>This product is suitable for investors who are seeking*:</b></p> <p><b>Equity Savings Fund</b> – An open ended scheme investing in equity, arbitrage and debt.</p> <ul style="list-style-type: none"> <li>Investment in fixed income (debt and money market instruments) as well as equity and equity related securities</li> <li>Capital appreciation over medium to long term<br/><b>(NIFTY Equity Savings Index)</b></li> </ul> <p><b>Index Fund</b> - An open-ended Target Maturity Index Fund tracking CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028. Relatively High interest rate risk and Low credit risk.</p> <ul style="list-style-type: none"> <li>Income over target maturity period</li> <li>Investment in constituents similar to the composition of CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028<br/><b>(CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028)</b></li> </ul> |  <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Moderate risk</p> |  <p><b>RISKOMETER</b></p> |

| HSBC Conservative Hybrid Fund (Erstwhile HSBC Regular Savings Fund)  |  |  |
|--|--|--|
|  <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Moderately High risk</p> | <p><b>Conservative Hybrid Fund</b> – An open ended hybrid scheme investing predominantly in debt instruments.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>Investment in fixed income (debt and money market instruments) as well as equity and equity related securities</li> <li>Capital appreciation over medium to long term</li> </ul> | <p><b>Benchmark Index: NIFTY 50 Hybrid Composite Debt 15:85 Index</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 28 Feb 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 Asset Management India, data as at 28 Feb 2023

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