

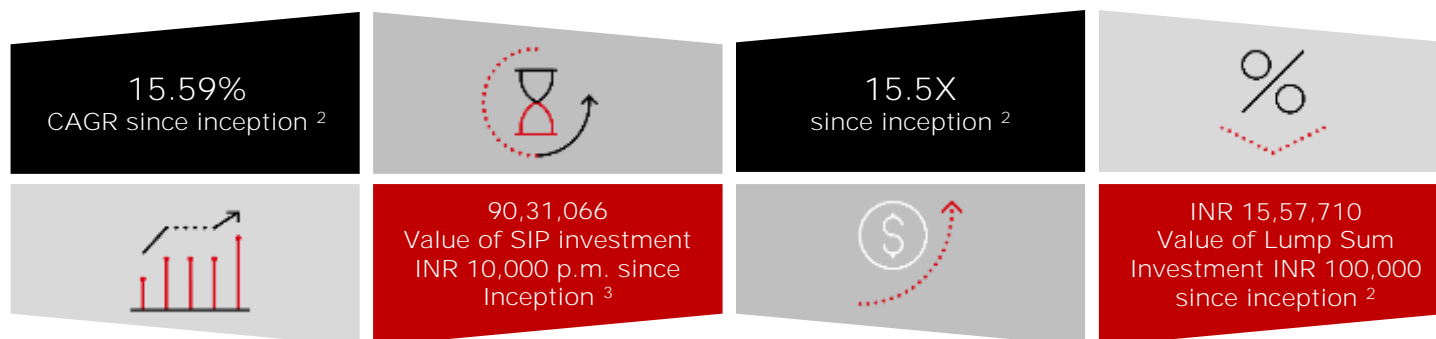
Product Note

HSBC Flexi Cap Fund (HFCF)

Flexi cap fund - An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks
(L&T Flexicap Fund has merged into HSBC Flexi Cap Fund)

February 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Flexi Cap Fund	Vihang Shankar Naik and Venugopal Manghat	NIFTY 500 TRI	24 Feb 2004	Rs. 3158.86 Cr



Portfolio	% of net assets
Reliance Industries Limited	5.22%
Infosys Limited	5.04%
HDFC Bank Limited	5.01%
ICICI Bank Limited	3.75%
ITC Limited	3.10%
Tata Consultancy Services Limited	3.07%
State Bank of India	2.47%
Mahindra and Mahindra Limited	2.16%
Larsen and Toubro Limited	2.03%
Housing Development Finance Corporation Limited	2.02%

Sector - Allocation	% of net assets
Banks	16.84%
IT Software	11.55%
Finance	5.94%
Pharmaceuticals and Biotechnology	5.66%
Automobiles	5.49%
Petroleum Products	5.22%
Diversified FMCG	4.91%
Cement and Cement Products	3.29%
Personal Products	3.14%
Auto Components	3.11%

Risk Ratios ⁴	
Standard Deviation	21.98%
Beta	0.92
Sharpe Ratio ⁵	0.38
R2	0.97

Load / Expenses	
Entry Load	NA
Exit load – NIL (after 1 year), 1% (before 1 year) ⁶	
Expense ratio (Other than Direct) ⁷	2.03%
Expense ratio (Direct)	1.22%

¹ SEBI vide its circular no. SEBI/HO/IMD/IMD-II DF3/P/CIR/2021/652 dated October 27, 2021, 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. Furthermore, the same is effective from 01 December 2021

² As on 31 January 2023 of Growth option. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 13.0x to Rs. 13,04,710 from Rs.100,000 and delivered return of 14.5%. Please refer page no. 3 for detailed performance of HSBC Flexi Cap Fund.

³ During the same period, value of investments in scheme benchmark (Nifty 500 TRI) has moved to 90,27,906.

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

⁵ Risk free rate: 6.50% (FIMMDA-NSE MIBOR) as on January 31, 2023

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 Continuing plans

Data as on 31 January, 2023 unless otherwise given

Why HSBC Flexi Cap Fund?

- To seek an exposure to any one or all across market capitalisations in the portfolio to get a value from opportunities in small, mid and or large cap segments
- 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

Investment Objective

To seek long term capital growth through investments made dynamically across market capitalization (i.e., Large, Mid, and Small Caps). The investment could be in any one, two or all three types of market capitalization. The Scheme aims to predominantly invest in equity and equity related securities. However, in line with the asset allocation pattern of the Scheme, it could move its assets between equity and fixed income securities depending on its view on these markets. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

Fund Managers - Vihang Shankar Naik (No of Schemes Managed – 4) - Managing Fund Since 26 Nov 2022 and Venugopal Manghat (No of Schemes Managed – 5) - Managing Fund Since 2 Nov 2022 and Sonal Gupta (No of Schemes Managed - 4, 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	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Flexi Cap Fund-Regular	10117	1.17	14477	13.11	14091	7.10	155771	15.59	24-Feb-04
Scheme Benchmark (Nifty 500 TRI)	10128	1.28	15654	16.10	16317	10.28	130471	14.52	
Additional Benchmark (Nifty 50 TRI)	10318	3.18	15298	15.21	17049	11.25	123717	14.20	

Performance of other funds managed by the Fund Manager									Inception Date
Fund / Benchmark (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 Small Cap Fund-Regular ⁸	10097	0.97	19863	25.68	16484	10.51	44278	18.59	12-May-14
Scheme Benchmark (NIFTY Small Cap 250 TRI)	9533	-4.67	18349	22.40	13862	6.75	34646	15.30	
Additional Benchmark (Nifty 50 TRI)	10318	3.18	15298	15.21	17049	11.25	28089	12.56	
HSBC Business Cycles Fund-Regular	10304	3.04	14608	13.45	13434	6.08	23631	10.71	20-Aug-14
Scheme Benchmark (Nifty 50 TRI)	10128	1.28	15654	16.10	16317	10.28	25962	11.95	
Additional Benchmark (Nifty 50 TRI)	10318	3.18	15298	15.21	17049	11.25	24817	11.35	
HSBC Infrastructure Fund-Regular ⁹	10452	4.52	15924	16.76	13339	5.93	25300	6.23	27-Sep-07
Scheme Benchmark (NIFTY Infrastructure TRI)	10140	1.40	16336	17.76	15239	8.79	13702	2.07	
Additional Benchmark (Nifty 50 TRI)	10318	3.18	15298	15.21	17049	11.25	42325	9.85	
HSBC Value Fund-Regular	10364	3.64	16482	18.11	15427	9.05	60624	14.78	08-Jan-10
Scheme Benchmark (Nifty 500 TRI)	10128	1.28	15654	16.10	16317	10.28	39303	11.04	
Additional Benchmark (Nifty 50 TRI)	10318	3.18	15298	15.21	17049	11.25	39449	11.07	
HSBC Mid Cap Fund-Regular ¹⁰	9995	-0.05	14657	13.58	13730	6.54	204271	17.72	09-Aug-04
Scheme Benchmark (NIFTY Midcap 150 TRI)	10256	2.56	17904	21.40	17077	11.29	NA	NA	
Additional Benchmark (Nifty 50 TRI)	10318	3.18	15298	15.21	17049	11.25	135868	15.15	

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 Flexi Cap Fund	Vihang Shankar Naik- Since Nov, 26 2022 Venugopal Manghat- Since Nov, 26 2022	Vihang Shankar Naik-4 Venugopal Manghat-5
HSBC Small Cap Fund	Venugopal Manghat- Since Dec 17, 2019 Vihang Shankar Naik- Since Dec 17, 2019	Venugopal Manghat-5 Vihang Shankar Naik-4
HSBC Business Cycles Fund	Ankur Arora- Since Nov 26 2022 Venugopal Manghat- Since Aug 20 2014	Ankur Arora-3 Venugopal Manghat-5
HSBC Infrastructure Fund	Venugopal Manghat- Since Dec 17, 2019 Gautam Bhupal-Since Nov 26, 2022	Venugopal Manghat-5 Gautam Bhupal-6
HSBC Value Fund	Venugopal Manghat- Since Nov 24,2012 Vihang Shankar Naik- Since Dec 17,2019	Venugopal Manghat-5 Vihang Shankar Naik-4
HSBC Midcap Fund	Vihang Shankar Naik- Since June 28 2016 Cheenu Gupta- Since Nov 26 2022	Vihang Shankar Naik-4 Cheenu Gupta-7

Note - Sonal Gupta shall be dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

SIP Performance - HSBC Flexi Cap Fund - Regeular					Inception Date: 24-Feb-04
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	120000	120000	120000	
Market Value as on January 31, 2023 (₹)	1,22,925	4,45,598	8,03,910	90,31,066	
Scheme Returns (%)	4.53	14.34	11.64	13.05	
Nifty 500 TRI - Scheme Benchmark (₹)	1,21,449	4,61,397	8,61,799	90,27,906	
Nifty 500 TRI - Scheme Benchmark Returns (%)	2.24	16.78	14.45	13.04	
Nifty 50 TRI - Additional Benchmark (₹)	1,23,151	4,58,694	8,57,687	88,78,368	
Nifty 50 TRI - Additional Benchmark Returns (%)	4.88	16.37	14.26	12.90	

⁸ HSBC Small Cap Fund: The launch date of the S&P BSE 250 Small Cap Index (INR) is November 30, 2017 whereas the inception date of the scheme is May 12, 2014. The corresponding benchmark returns since inception of the scheme is not available.

⁹ HSBC Infrastructure Fund: The launch date of the S&P BSE India Infrastructure Index (INR) is May 19, 2014 whereas the inception date of the scheme is September 27, 2007. The corresponding benchmark returns since inception of the scheme is not available.

¹⁰ HSBC Mid Cap Fund: The launch date of the S&P BSE 150 Mid Cap TRI is November 30, 2017 whereas the inception date of the scheme is August 09, 2004. The corresponding benchmark returns since inception of the scheme is not available.

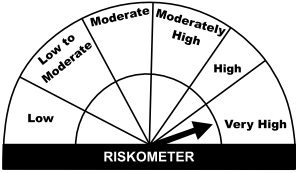
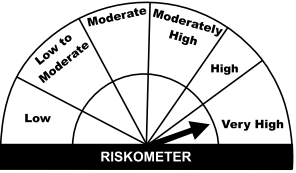
Since Inception returns are provided from the date of allotment of units. PTP returns – Point to Point returns.

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 January 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.

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 Flexi Cap Fund - Flexi Cap Fund – An open ended dynamic 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 in equity and equity related securities across market capitalizations. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Small Cap Fund (Erstwhile L&T Emerging Businesses Fund) - Small Cap Fund – An open ended equity scheme predominantly investing in small cap stocks</p> <ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity-related securities, including equity derivatives in Indian markets with key theme focus being emerging companies (small cap stocks); and foreign securities (Benchmark : NIFTY Small Cap 250 TRI) <p>HSBC Business Cycles Fund (Erstwhile L&T Business Cycles Fund) - Thematic Fund - An open ended equity scheme following business cycles based investing theme.</p> <ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity-related securities, including equity derivatives in Indian markets with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy <p>HSBC Infrastructure Fund - Thematic Fund (Erstwhile L&T Infrastructure Fund) – An open-ended Equity Scheme following Infrastructure theme.</p> <ul style="list-style-type: none"> To create wealth over long term Investment in equity and equity related securities, primarily in themes that play an important role in India’s economic development. (Benchmark : NIFTY Infrastructure TRI) <p>HSBC Value Fund (Erstwhile L&T India Value Fund) - Value Fund - An open ended equity scheme following a value investment strategy.</p> <ul style="list-style-type: none"> Long term capital appreciation 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) <p>HSBC Midcap Fund (Erstwhile L&T Midcap Fund) - Midcap Fund – An open ended equity scheme predominantly investing in mid cap stocks.</p> <ul style="list-style-type: none"> Long term wealth creation Investment in equity and equity related securities of mid cap companies. (Benchmark : NIFTY Midcap 150 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 Jan 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 31 Jan 2023

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