

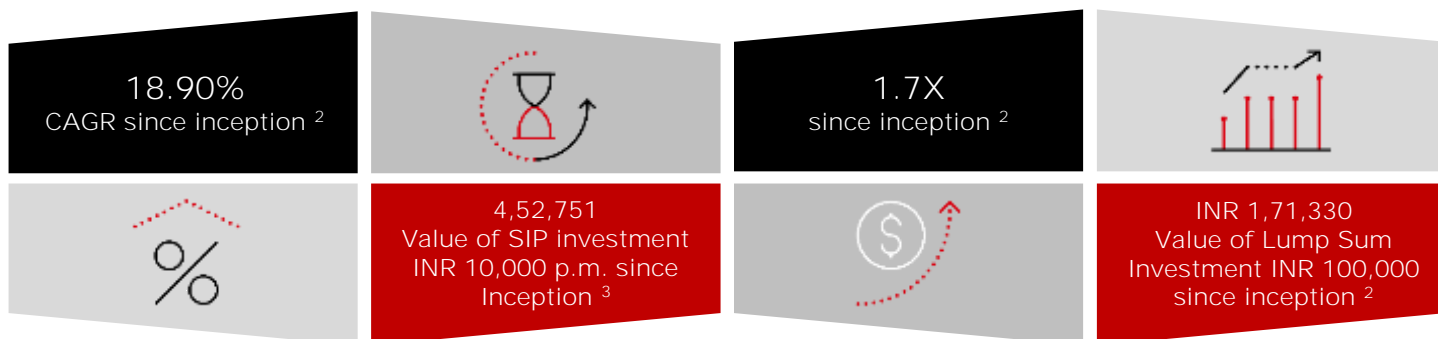
Product Note

HSBC Focused Fund (HFOF) (Formerly known as L&T Focused Equity Fund)

Focused Fund - An open ended equity scheme investing in maximum 30 stocks across market caps (i.e. Multi-Cap).
L&T Focused Equity Fund has merged into HSBC Focused Equity Fund and the surviving scheme has been renamed)

September 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Focused	Neelotpal Sahai and Cheenu Gupta	Nifty 500 TRI	22 July 2020	Rs. 1410.40 Cr



Portfolio	% of net assets
ICICI Bank Limited	9.52%
HDFC Bank Limited	9.02%
Infosys Limited	5.60%
Larsen & Toubro Limited	4.98%
Axis Bank Limited	4.83%
ITC Limited	4.68%
Hindustan Unilever Limited	4.00%
State Bank of India	3.58%
Reliance Industries Limited	3.41%
DLF Limited	3.40%

Sector - Allocation	% of net assets
Banks	28.90%
IT - Software	11.70%
Diversified FMCG	8.68%
Construction	8.22%
Industrial Products	7.56%
Consumer Durables	5.40%
Pharmaceuticals & Biotechnology	4.75%
Petroleum Products	3.41%
Realty	3.40%
Finance	3.23%

Why HSBC Focused Fund?

- To seek growth from an actively managed portfolio comprising of up to 30 companies across market capitalization (i.e. Multi Caps)
- Top down and bottom up approach will be used to invest in equity and equity related instruments
- Investments will be based on the Investment Team's analysis of business cycles, regulatory reforms, competitive advantages and more

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 500 TRI) has moved by 1.9X to Rs. 1,93,550 from Rs.100,000 and delivered return of 23.66%. Please refer page no. 3 for detailed performance of HSBC Focused Fund.

³ During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 4,67,513 Data as on 31 August 2023, HSBC Mutual Fund

Fund Philosophy

- The fund follows a flexi-cap strategy with a flexibility to invest across the market capitalization spectrum and sectors.
- 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 high-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 seek long term capital growth through investments in a concentrated portfolio of equity & equity related instruments of up to 30 companies across market capitalization. However, there is no assurance that the investment objective of the Scheme will be achieved.

Load / Month End Total Expenses Ratios (Annualized) ⁵	
Entry Load	NIL
Exit Load - NIL (after 1 year), 1% (before 1 year) ⁴	
Expense ratio (Other than Direct) ⁶	2.15%
Expense ratio (Direct)	0.95%

⁴ 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

⁵ TER Annualized TER including GST on Investment Management Fees

⁶ Continuing plans

HSBC Focused Fund (HFOF) | Product Note
[September 2023]

Fund Managers - Neelopal Sahai (No of Schemes Managed – 4) - Managing Fund Since July 29 2020 and Cheenu Gupta (No of Schemes Managed – 8) - Managing Fund Since June 01, 2023 and Sonal Gupta (No of Schemes Managed - 6, for investment in foreign securities)

Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		Since Inception		22-Jul-20
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Focused Fund-Regular	11194	11.91	16609	18.43	17133	18.90	
Scheme Benchmark (Nifty 500 TRI)	11142	11.39	18655	23.10	19355	23.66	
Additional Benchmark (Nifty 50 TRI)	10953	9.50	17532	20.58	17964	20.73	

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 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 Mutual Fund, data as on 31 August 2023

Past performance may or may not be sustained in the future.

SIP Performance - HSBC Focused Fund - Regular					Inception Date: 22-Jul-20
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	NA	370000	
Market Value as on August 31, 2023 (₹)	133,496	435,793	NA	452,751	
Scheme Returns (%)	21.54	12.82	NA	13.19	
Nifty 500 TRI - Scheme Benchmark (₹)	132,388	455,037	NA	474,632	
Nifty 500 TRI - Scheme Benchmark Returns (%)	19.72	15.83	NA	16.39	
Nifty 50 TRI - Additional Benchmark (₹)	128,540	439,512	NA	457,865	
Nifty 50 TRI - Additional Benchmark Returns (%)	13.48	13.41	NA	13.95	

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.

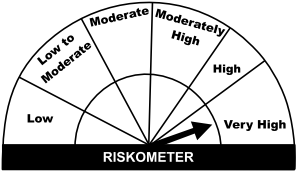
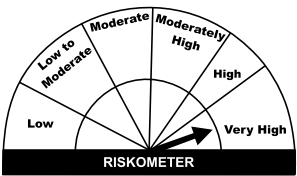
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Data as on 31 August 2023, HSBC Mutual Fund

[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 Focused Fund (Erstwhile HSBC Focused Equity Fund) - Focused Fund – An open ended equity scheme investing in maximum 30 stocks across market caps (i.e. Multi-Cap).</p> <ul style="list-style-type: none"> • Long term wealth creation • Investment in equity and equity related securities across market capitalization in maximum 30 stocks. <p>(Benchmark : NIFTY 500 TRI Index)</p>	 <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.