

# Why stop at one

## Invest in HSBC Multi Cap Fund

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

NFO

Opens 10 January, 2023

Closes 24 January, 2023

Reopening 3 February, 2023

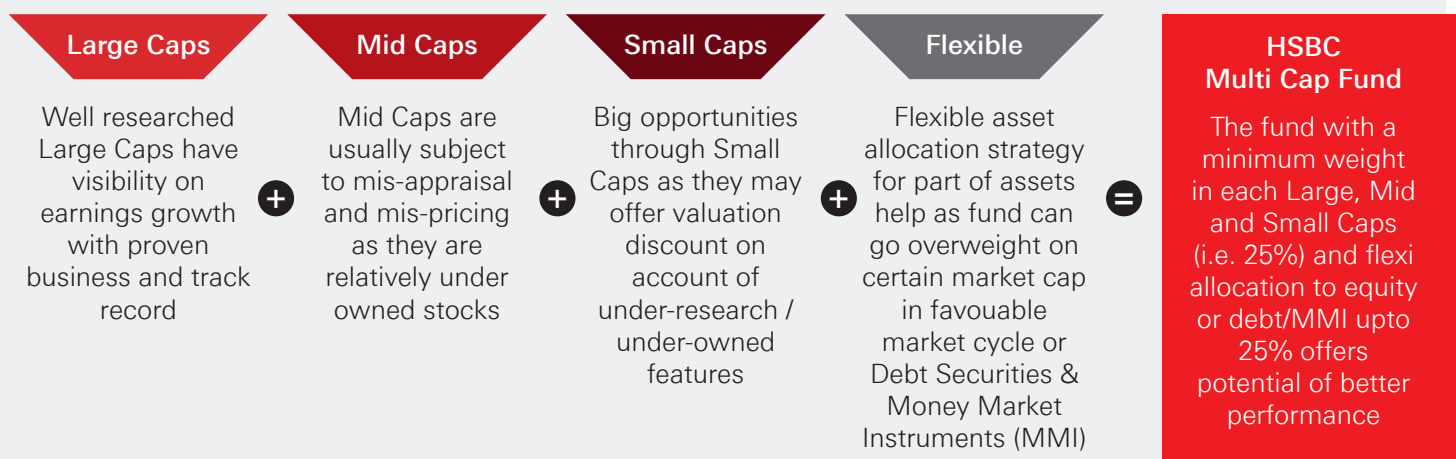


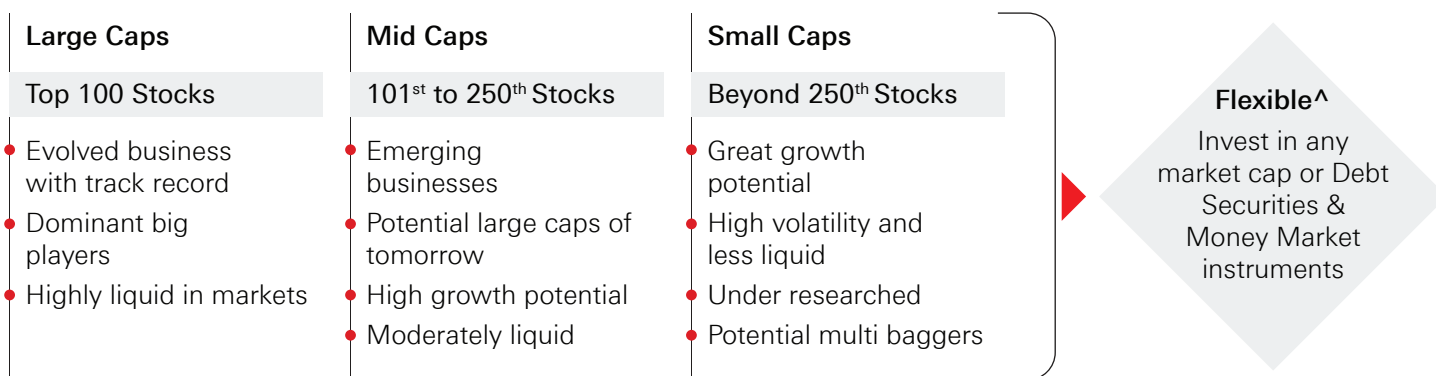
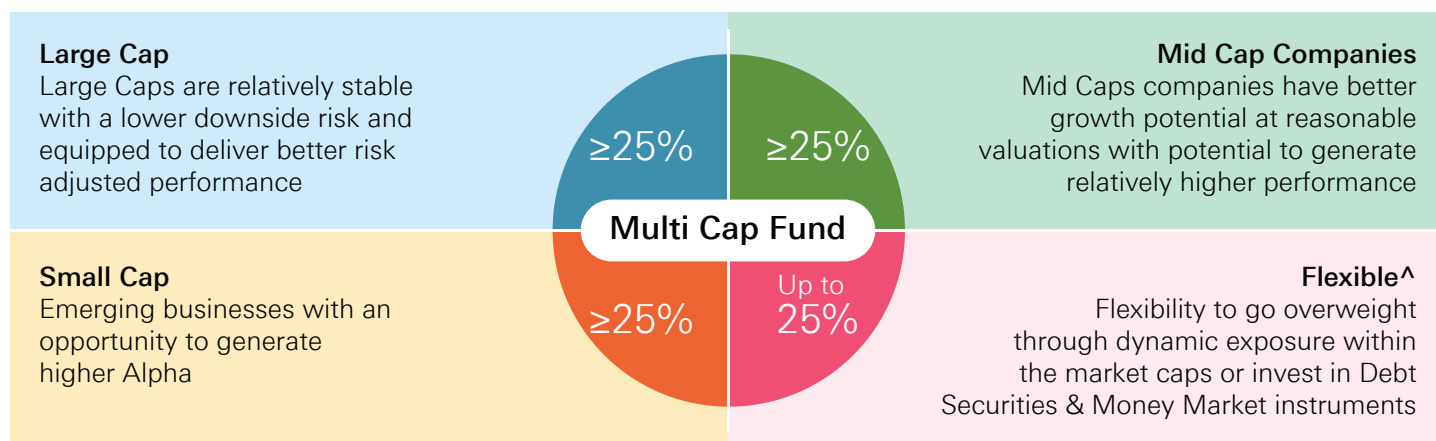
# when you can aim to win them all?

Indian economy is at an important juncture. While the trajectory of GDP growth looks promising, factors like slew of reforms, strong domestic demand have set the stage right for a decade of growth in the Indian economy. One of the smartest ways to benefit from this potential growth of the Indian equity market is investing in a diversified portfolio, which invest across a range of market cap can be a solution to build wealth. Multi Cap schemes can be a good choice for a core portfolio of investors looking to invest in equities and participate in broad-based growth.

HSBC Multi Cap Fund with a minimum weight of 25% each to Large, Mid and Small Caps and flexi allocation upto 25% to equity or Debt Securities & Money Market instruments, has potential to offer effective diversification and consistent better performance.

## Access benefits in multiple market cycles through one fund

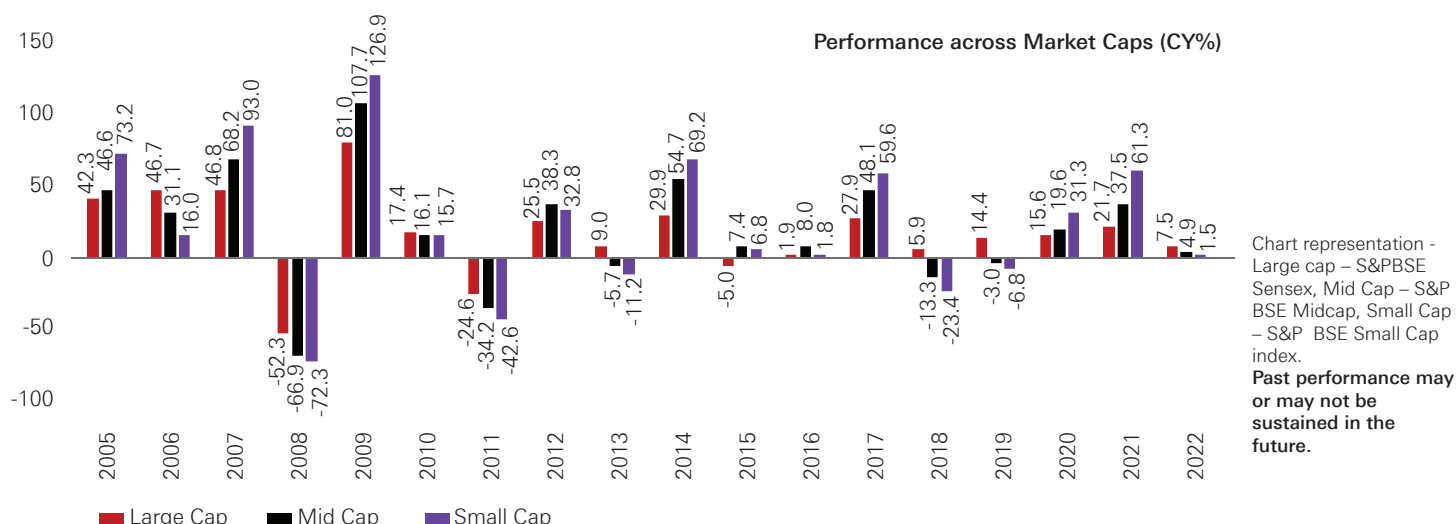




**Large Cap (25%) + Mid Cap (25%) + Small Cap (25%) + Flexible^ (25%) = Multi Cap advantage**

Source – HSBC Mutual Fund. ^ Flexible^ – The fund can invest in any market cap or Debt Securities & Money Market instruments. The asset allocation and investment strategy will be as per Scheme Information Document (SID). 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 .

## Multi Cap strategy has potential to perform in the different market cycles



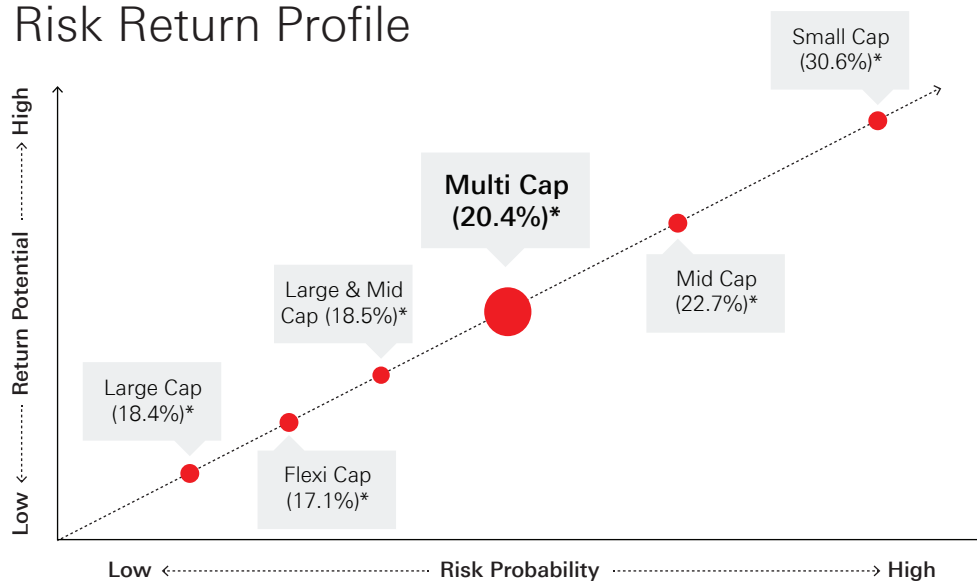
It can be seen historically, winners may change based on favourable or unfavorable market cycle

**Large Cap** stocks have outperformed / fallen less in 2006, 2008, 2010, 2011, 2013, 2018 and 2019

**Mid Cap** stocks have outperformed in 2012, 2015 & 2016

**Small Cap** stocks were the best performers in the year 2005, 2007, 2009, 2014, 2017 and 2020

# Risk Return Profile



**Multi Cap Funds offer better risk-adjusted performance**

For illustration purpose only. Actual scenario may vary.

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

Source: HSBC Mutual Fund, ICRA MFI, \* Category average return for 3 year CAGR as on 30 November 2022, Past performance may or may not be sustained in the future. All schemes from each category that have completed three years are included in above chart data. No of Funds in respective category – 30 Large Cap, 25 Flexi Cap, 26 Large & Mid Cap, 8 Multi Cap, 25 Mid Cap and 21 Small Cap funds.

## Investment Strategy – HSBC Multi Cap Fund (HMCF)

### Minimum defined weight to 3 market caps

- Actively managed portfolio of companies across three market caps with a minimum 25% weightage to each Large, Mid and Small Caps
- Focus on select dominant players in respective businesses
- Prudent risk control

### Flexibility for balance 25%

To gain from favorable market cycle, the fund has the flexibility to invest upto 25% of assets in any market cap segments or Debt Securities & Money Market instruments

### Top-Down Approach

Top-Down approach

- Macroeconomic factors
- Strengths & Opportunities in industry
- Economy / Business Cycles

### Bottom Up Approach

Bottom-up approach - key to identifying Small and Mid Cap winners

- Identify scalable opportunities
- Competent management / promoters
- Strong corporate governance
- Financial strength

**Focus on strong businesses with sustainable profitability, higher earnings potential and reasonable valuations**

## Opportunity across sizes - **L E A P**

Large Cap - **L**eader  
Top 100 companies

Well established businesses

Matured players with long track record

High liquidity

Stable and less volatile

Mid Cap – **E**merging **A**spirants  
101st to 250th companies

Potential Large Caps

Proven track record with higher growth prospects

Comparatively higher volatile versus Large Caps

Potential valuation multiple re-rating candidates

Small Cap - **P**earls  
251st company and beyond

Niche and emerging businesses

High potential for growth

Relatively more volatile and less liquidity

Higher research arbitrage

# Access many benefits through HSBC Multi Cap Fund

<b>Investment Objective</b>	The investment objective of the fund is to generate long-term capital growth from an actively managed portfolio of equity and equity related securities across market capitalization. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.
<b>Benchmark</b>	Benchmark Index : NIFTY 500 Multicap 50:25:25 TRI
<b>Fund Manager</b>	Venugopal Manghat (For Domestic equities) Sonal Gupta (For Overseas investments) Kapil Punjabi (For Fixed income)



Venugopal Manghat is the Chief Investment Officer (CIO) – Equity of HSBC Mutual Fund. Venugopal was previously Head – Equity Investments, L&T Investment Management Limited from May 2016 to Nov 2022 and was Co-Head –Equity Investments, L&T Investment Management Limited from Apr 2012 – Apr 2016. Prior to 2012, he was Co-Head - Equities, Tata Asset Management Limited, India from 1995 – 2012. His educational qualification is MBA Finance, B.SC (Mathematics).

## Mr. Venugopal Manghat

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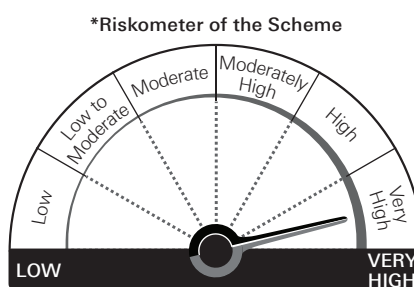
**HSBC Multi Cap Fund** (Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks)

**This product is suitable for investors who are seeking\*:**

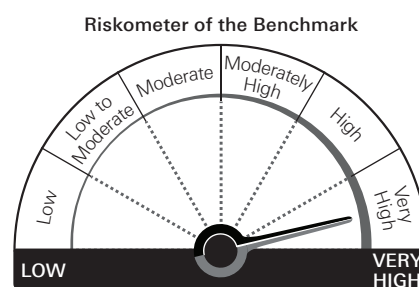
- To create wealth over long-term
- Investment predominantly in equity and equity related securities across market capitalisation

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

(Benchmark: NIFTY 500 Multicap 50:25:25 TRI)



Investors understand that their principal will be at Very High risk



Source – HSBC Mutual Fund, ICRA MFI, Refer to the SID of HSBC Multi Cap Fund for more details

### Disclaimer:

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

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