

Ace what's next

on the horizon.

PMS offering
HSBC Aspire Portfolio

November 2025

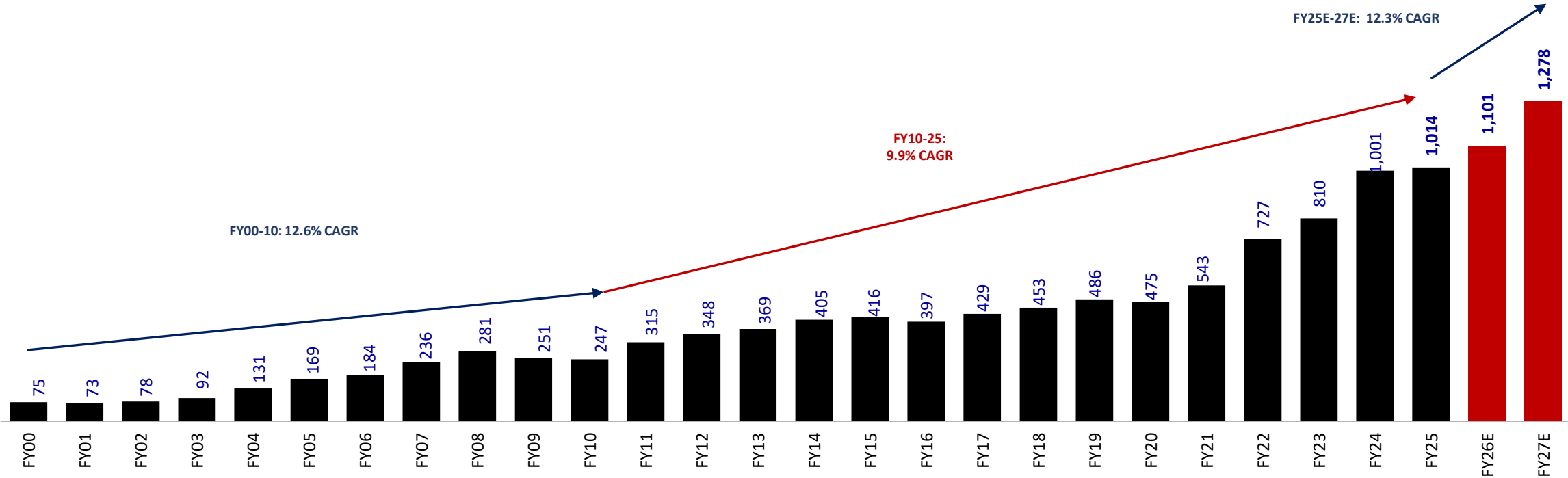
What decides the longer-term equity market outlook



These five factors play a larger role in determining direction of the market in longer run

India to witness positive future growth trajectory

Nifty Earnings

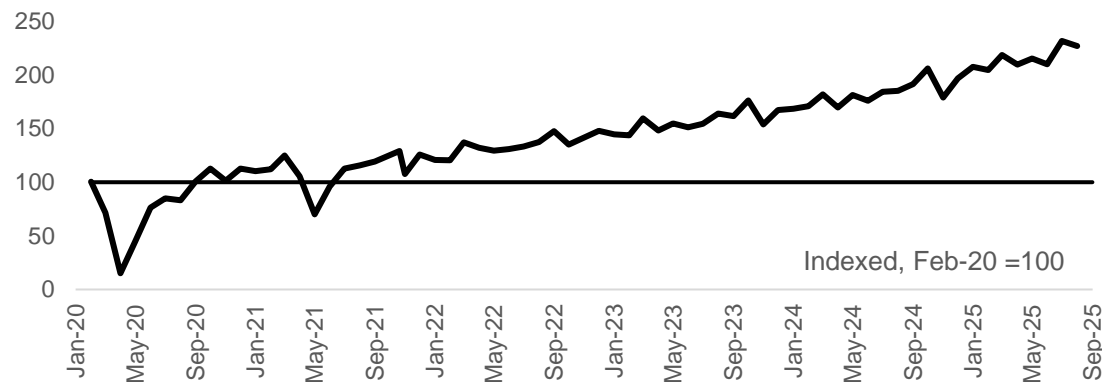


**Strong macro, corporate fundamentals and supporting liquidity
may suggest strong outlook for the Indian equities**

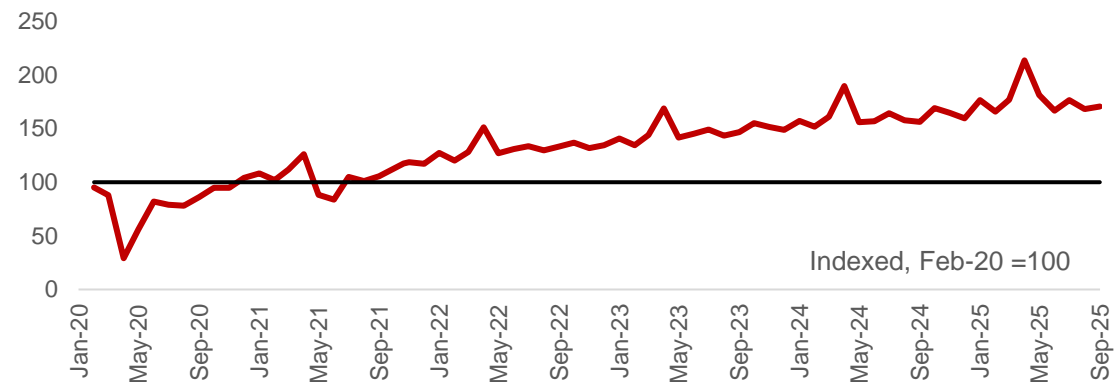
Bloomberg, Nifty Earnings Per Share (EPS) and growth, Data as at Oct 2025
Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies that may have been discussed or recommended in this report and should understand that the views regarding future prospects may or may not be realized
Past performance may or may not be sustained in future and is not a guarantee of any future returns..

India economic activities continue to remain buoyant

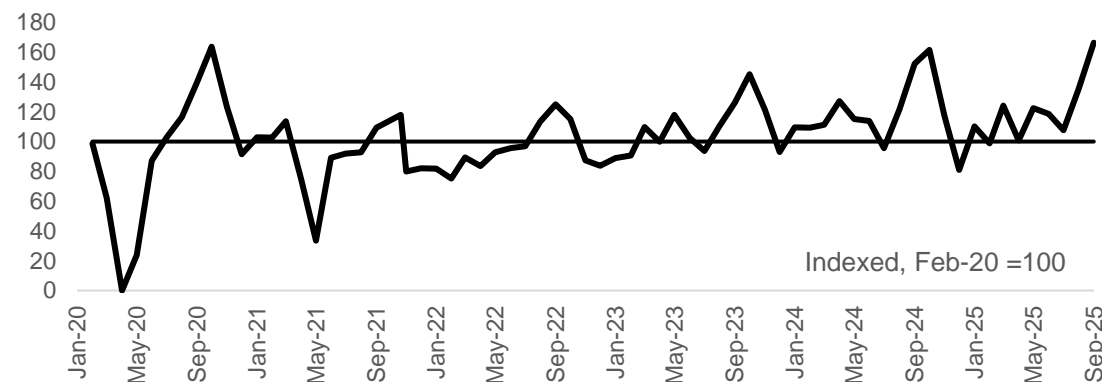
E-way bills



GST collections



TW Sales



PV sales

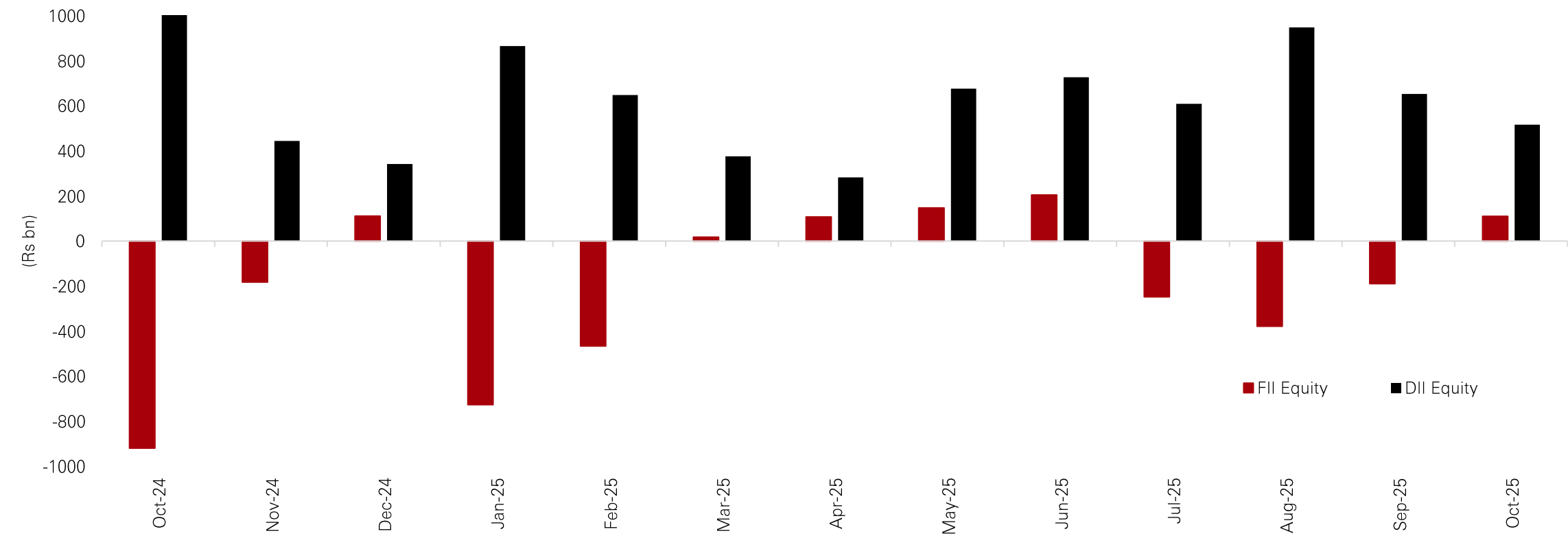


Positive economic data with an active domestic consumption could drive markets

Source: Elara Capital, Bloomberg, All data rebased to 100, Latest available data as at Sep 2025
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Liquidity improving with improving corporate fundamentals

DII-FII flows Net investments (Rs bn)

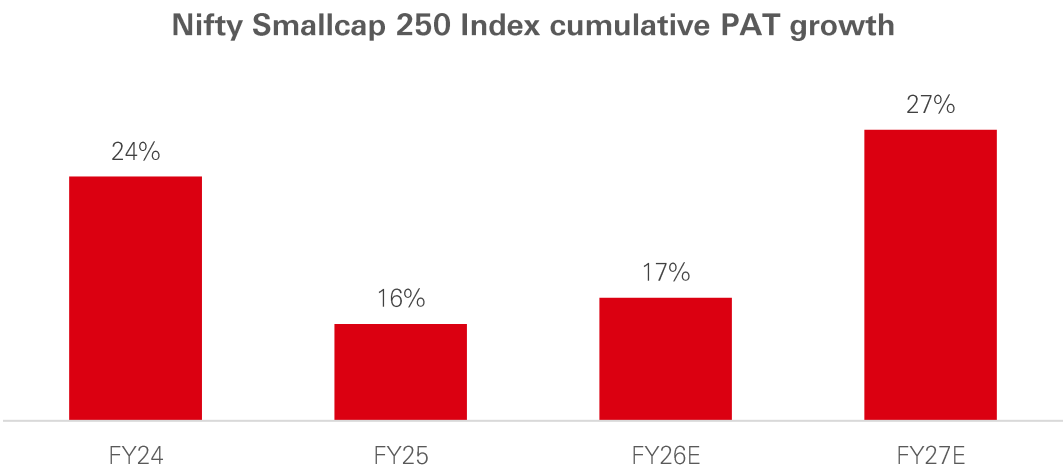
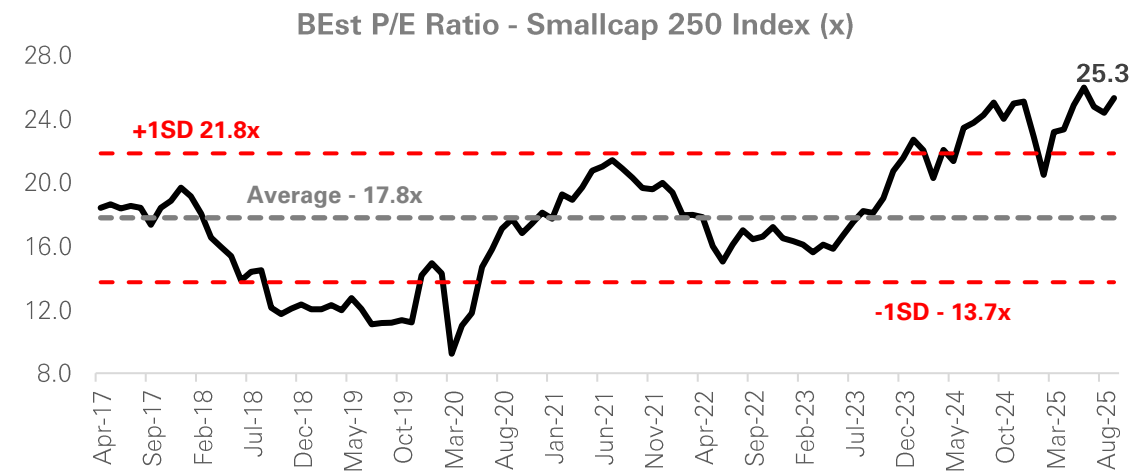
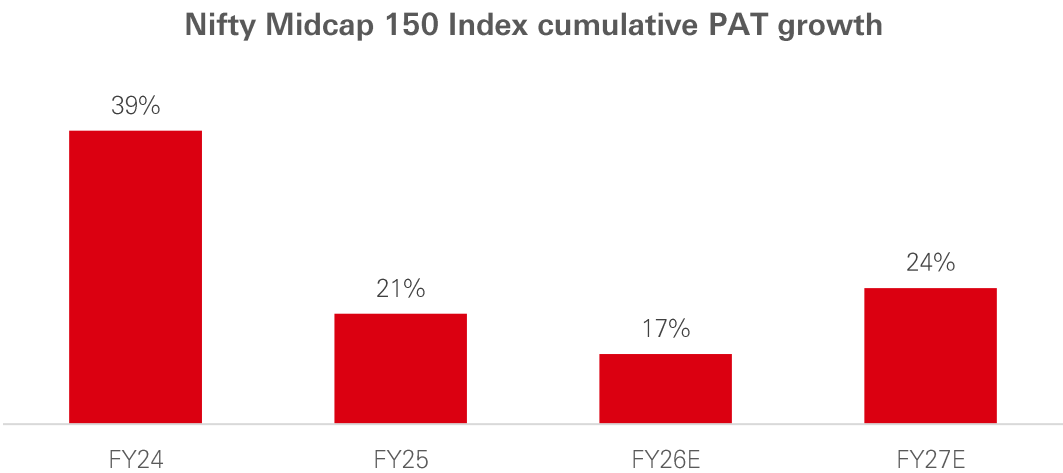
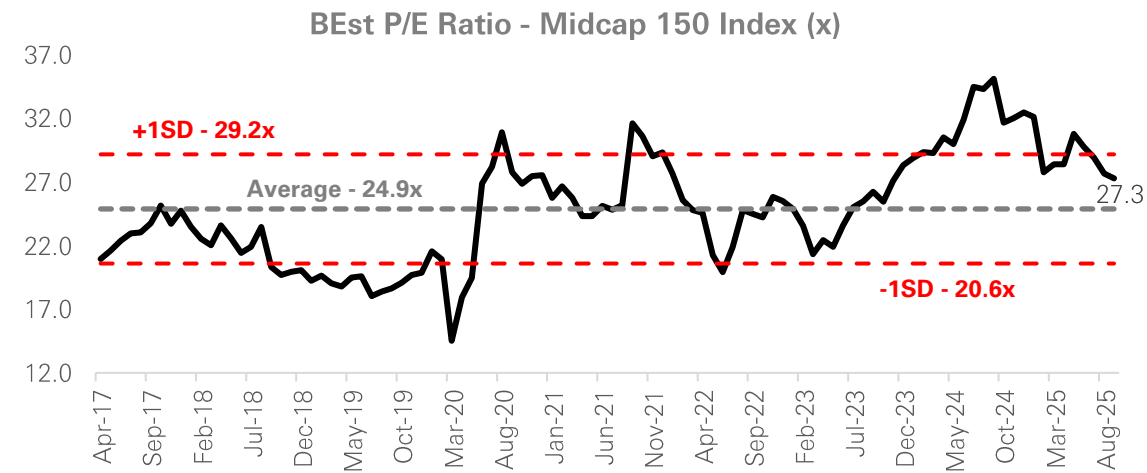


Markets are supported well by consistent MF inflows

Source: CRISIL, NSDL, NSE, MOSL, Capitaline, Note: Corporate profit compiled from Capitaline for available listed + unlisted companies; Latest available data as at Oct '25
Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Mid cap valuations corrected from peak

Small cap valuations relative to growth reasonable

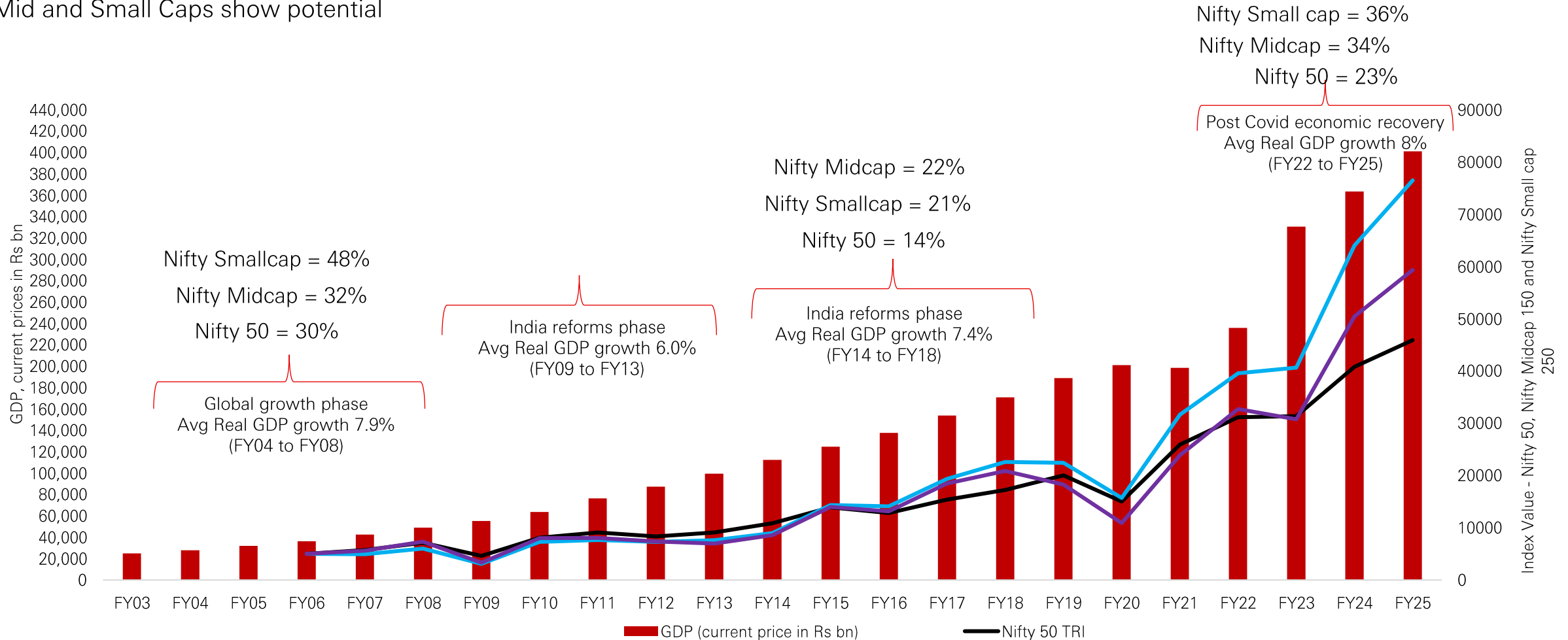


Source: Bloomberg. Latest available data as at October 2025, Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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When economic cycle gathers pace

Mid and Small Caps show potential

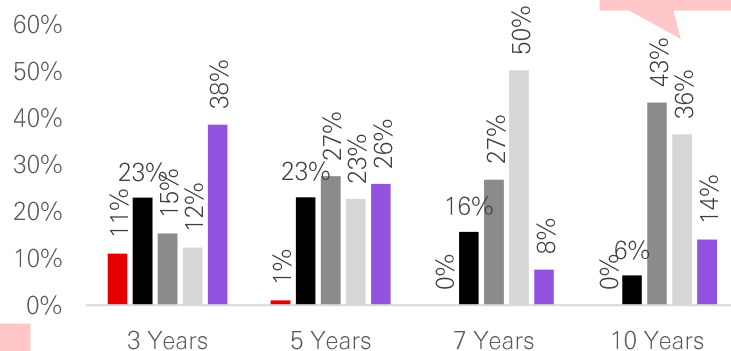


Source – Economic Survey of India, UBS, Data as at Sep 2025, All TRI Indices value rebased to 5000, Nifty Midcap 100, Nifty Smallcap 100, Nifty50 index CAGR for (1) 31 Mar '04 to 31 Mar '08, (2) 31 Mar '08 to 31 Mar '13, (3) 31 Mar '13 to 31 Mar '18 and (4) 31 Mar '20 to 30 Sep '25. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Strategy/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Why Mid and Small Cap stocks?

Long term high growth

**Return distribution
Nifty Midcap 150 TRI Index**

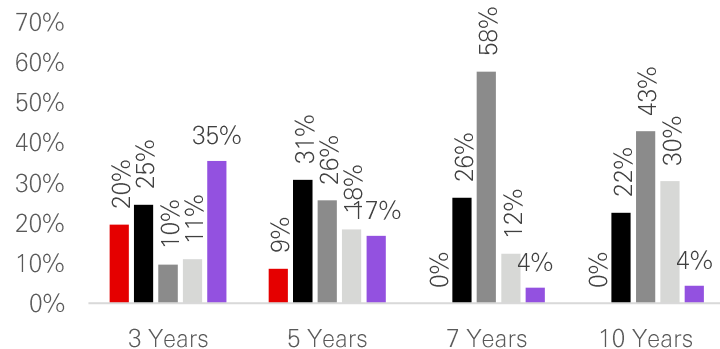


CAGR
Returns
Range

■ < 0% ■ 0% to 10% ■ 10% to 15% ■ 15% to 20% ■ > 20%

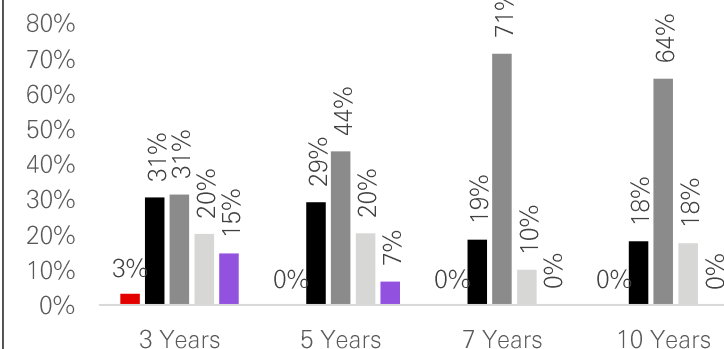
36%
instances
of 15-20%
returns

**Return distribution
Nifty Small cap 250 TRI index**



■ < 0% ■ 0% to 10% ■ 10% to 15% ■ 15% to 20% ■ > 20%

**Return distribution
Nifty 50 TRI Index**



■ < 0% ■ 0% to 10% ■ 10% to 15% ■ 15% to 20% ■ > 20%

Stocks from relatively new sectors are getting listed and many of these are mid and small caps

Market share shift from unorganized to the organized sector is beneficial to well run companies of this size

India gaining traction as a manufacturing source would mean opportunities for a lot of ancillary sectors which would be smaller in size

Historically, Mid and Small Caps have delivered reasonable performance over medium to long term

Small and Mid Cap stocks are good-options to hold emerging business leaders. More Mid-Small cap businesses are dependent on domestic factors

Mid Caps and Small Cap stocks offer potential of delivering reasonable alpha over medium to long term

Source: ICRA MFI, Data as at Dec 2024,
Return distribution based on a daily rolling returns of various holding periods. Period considered Calendar Year End: 1 January 2005 – 31 Dec 2024.
Mid Cap stocks are represented by Nifty Midcap 150 TRI index. Small Cap stocks are represented by Nifty Smallcap 250 TRI index. Large Cap stocks are represented by Nifty 50 TRI index.
Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Why Mid and Small Cap stocks with flavor of Large Cap stocks

Potential alpha generators

Mid Cap stock features



Historically above average performance



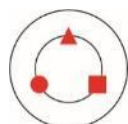
Earnings acceleration and superior growth trajectory



Under-researched,
Under- owned



Leaders in smaller sectors



Niche players in traditional sectors

Small Cap stock features

Multi-baggers of tomorrow

High earnings growth potential

Under-researched and under-owned

Opportunities to spot pricing anomalies

Diversity and alpha potential, Large under owned universe of around ~700 stocks in small cap space

Large Cap stock features

Low volatility

Relatively stable earnings growth

Well-researched

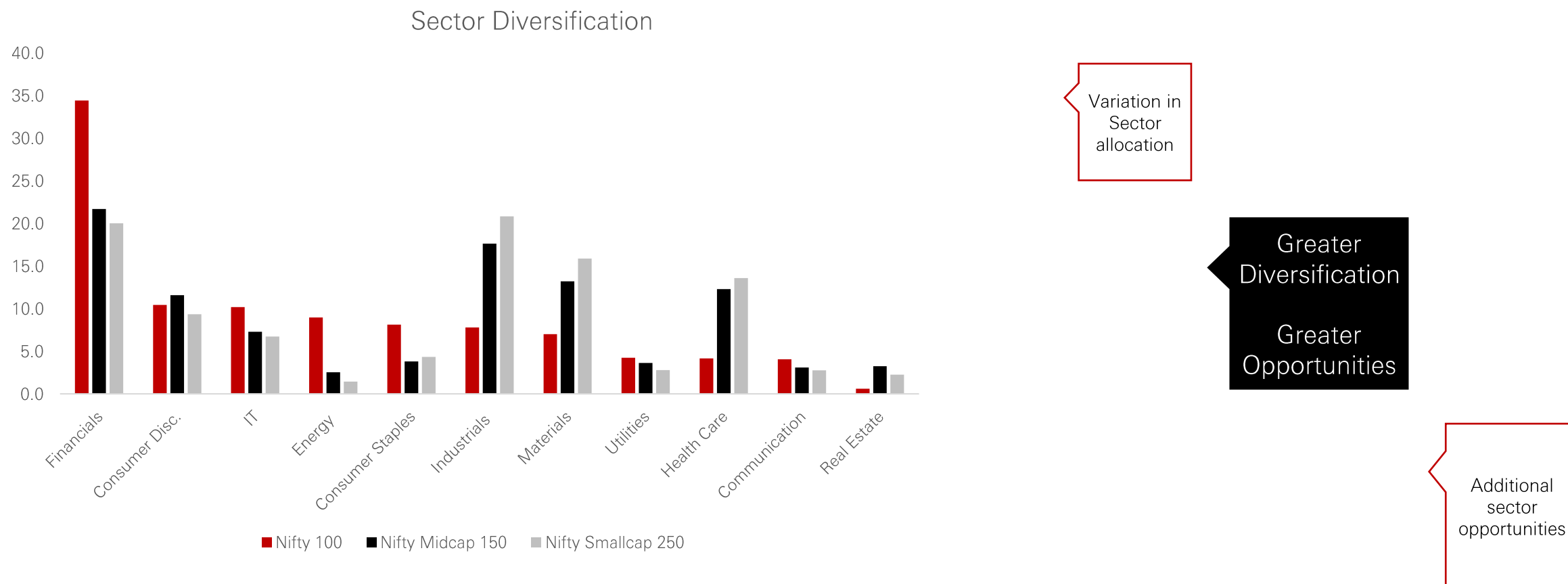
Well-owned

Reasonable valuations

Mid and Small Cap stocks offer potential of delivering growth and alpha in the long term

An essential diversification – Nifty 100 vs Nifty Midcap150 vs Nifty Smallcap 250

10



Mid and Small cap stock indices aim to offer more diversified universe for investment

Source: Bloomberg, NSE, Data as at Financial Year End Mar 2025, The above data is provided for illustration purpose only.

The portfolio may or may not have positions in these stocks/sector.
The above statements analysis should not be construed as an investment advice or a research report or a recommendation to buy or sell any security covered under the respective sector/s. Industry Leadership in terms of market share/ Sales/ Profitability considered.

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Presenting,

Aspirational themes from Mid and Small Cap universe

HSBC Aspire Portfolio

Portfolio Management Services

HSBC Asset Management (India) Private Limited

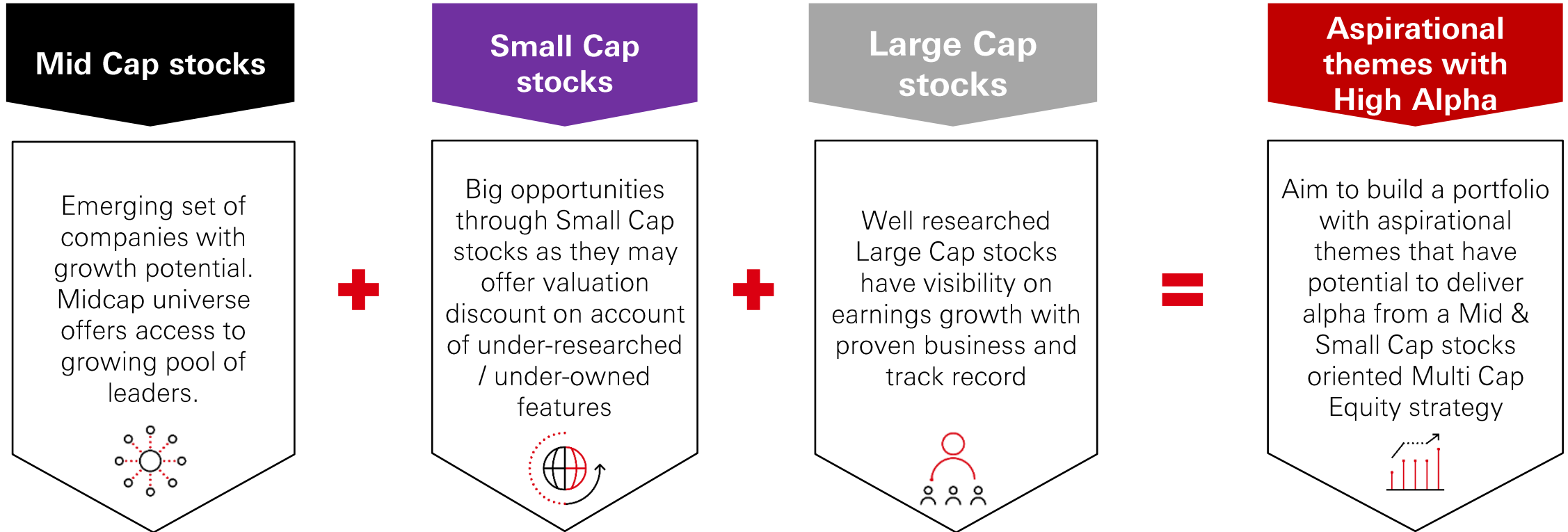
**High
conviction
ideas**

**Emerging
segments**

**Concentrated
portfolio of
Mid and Small
Cap universe**

Emerging themes from Mid and Small Caps to lead in the next decade

HSBC Aspire Portfolio (HASP)



Aspirational themes from Mid and Small Cap stocks with flavor of quality Large Cap stocks

Portfolio holdings (top 10) and sector allocation

HSBC Aspire Portfolio

Top 10 Holdings

Name	Weight%
MAX FINANCIAL SERVICES LTD	5.90
FORTIS HEALTHCARE LTD	4.51
ECLERX SERVICES LTD	4.37
ERIS LIFESCIENCES LTD	4.10
BANK OF BARODA	3.79
AADHAR HOUSING FINANCE LTD	3.75
GODREJ PROPERTIES LTD	3.72
MANAPPURAM FINANCE LTD	3.67
HINDUSTAN AERONAUTICS LTD	3.66
HERO MOTOCORP LTD	3.44

Performance#	1 Month	3 Months	6 Months	1 Year	2 Years	Since inception (21/09/23)
Portfolio (HSAP)	3.26 %	2.45 %	13.11 %	-1.58 %	13.65 %	13.17 %
BSE 500 TRI ^	4.27 %	3.72 %	8.33 %	5.32 %	19.63 %	16.37 %

Sector Allocation

Sector Name	% of Net Assets
Financials	26.20
Materials	16.49
Industrials	13.02
Consumer Discretionary	11.79
Health Care	8.61
Information Technology	5.76
Real Estate	3.72
Utilities	2.66
Consumer Staples	2.50
Communication Services	2.18

Market Capitalisation

Small Cap :	43.08%
Mid Cap:	33.86%
Large Cap:	15.99%

^ Regulatory benchmark, The above information is for general information purpose only and it should not be considered as investment research, investment recommendation or advice to any reader of this content to buy or sell investments. The portfolio may or may not have any future position in these stocks. Data as on 31 Oct 2025. To view the portfolio's performance relative to other Portfolio Managers, you may click here ([APMI \(apmiindia.org\)](#)). Large Cap:1st 100 company in terms of full market capitalization. Mid Cap: 101st to 250th company in terms of full market capitalization. Small Cap: 251st company onwards in terms of full market capitalisation.

Portfolio Disclaimer. The portfolio attributes of the investment approach mentioned above are based on all clients' portfolios existing as on the date stated above, excluding any temporary cash investments, and does not represent the model portfolio being offered to the clients, including prospective clients, and hence it is possible that these stocks may not be part of the portfolios constructed for new clients. The above information are for illustrative purpose only and it should not be considered as investment recommendation or advice or opinion from the Portfolio Manager on the above mentioned stocks/sectors. In no event shall the Portfolio Manager, its directors or employees or its affiliates have any liability for any financial impact to the recipient on account of use of the above information. For illustrative purposes only, The information above is provided by and represents the opinions of HSBC Asset Management India and is subject to change without notice

Past performance may or may not be sustained in future and is not a guarantee of any future returns.
Past performance may or may not be sustained in future. Time weighted - Daily valuation method is used for rate of return calculation. Returns up to 1 year are absolute & over 1 year are Compounded Annualized. The performance disclosed above is based on all clients' portfolios under the investment approach, existing as on the performance calculation date, using Time Weighted Rate of Return (TWRR) of each client. All cash holdings and investments in liquid funds are also considered for calculation of performance and the performance data is net of all fees and all expenses (including taxes). Since inception date stated above is the date on which the first client investment was made under the investment approach. Please note that the actual performance for a client portfolio may vary due to factors such as expenses charged, timing of additional flows and redemption, individual client investment restrictions, if any, etc. These factors may have an impact on client's portfolio performance and hence may vary significantly from the performance disclosed above. Neither the Portfolio Manager, nor its directors or employees shall in any way liable for any variation noticed in the returns of individual client portfolios. The performance related information provided herein is not verified by SEBI.

Portfolio positioning

HSBC Aspire Portfolio (HASP) -



Many sectors/segments of the market represented by Mid & Small Cap category only

- e.g. Textile / Hospitality industry / Hospitals / auto ancillary / agrochemicals & agri inputs / real estate / consumer durables/media/building material & home improvement/fashion, retail, new age technology, etc.
- As India's economy is expected to grow from 3 trillion to 5 trillion to 10 trillion economy in the coming decade, many of these sectors may grow disproportionately and selection of quality stocks from these sectors can offer immense opportunity in Aspire portfolio.

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Differentiation from the market

HSBC Aspire Portfolio (HASP)

Strong lineage

- Aspire Portfolio is from the HSBC Asset Management that has:
 - Competent investment management team
 - Consistent Track record
 - Sound investment process & philosophy

Portfolio positioning

- Focus on alpha generation from selection of quality Mid / Small Cap stocks with non-consensus approach and in-house research

Opportunistic

- Flexibility in investing into new themes, special situation plays.

Investment discipline

- Clear focus on “what not to buy”

Source – HSBC Asset Management India. Note - The above sector mentioned for illustration purpose only. The above data/information represents historic performance of the sector and for illustration purpose only. The above graphs/ analysis should not be construed as an investment advice or research report or recommendation to buy or sell any sector mentioned above. Past performance may or may not sustain and doesn't guarantee the future performance. For illustrative purposes only. The information above is provided by and represents the opinions of HSBC Asset Management India and is subject to change without notice.

How we manage the volatility?

Diversification

Diversification of portfolio comprising 25-30 stocks across different sectors (single stock exposure max 8% at time of investment)

Tactical asset allocation strategy

Though Aspire strategy is midcap/small cap oriented portfolio, tactical allocation to large cap will help to reduce volatility of the portfolio

Risk conscious approach

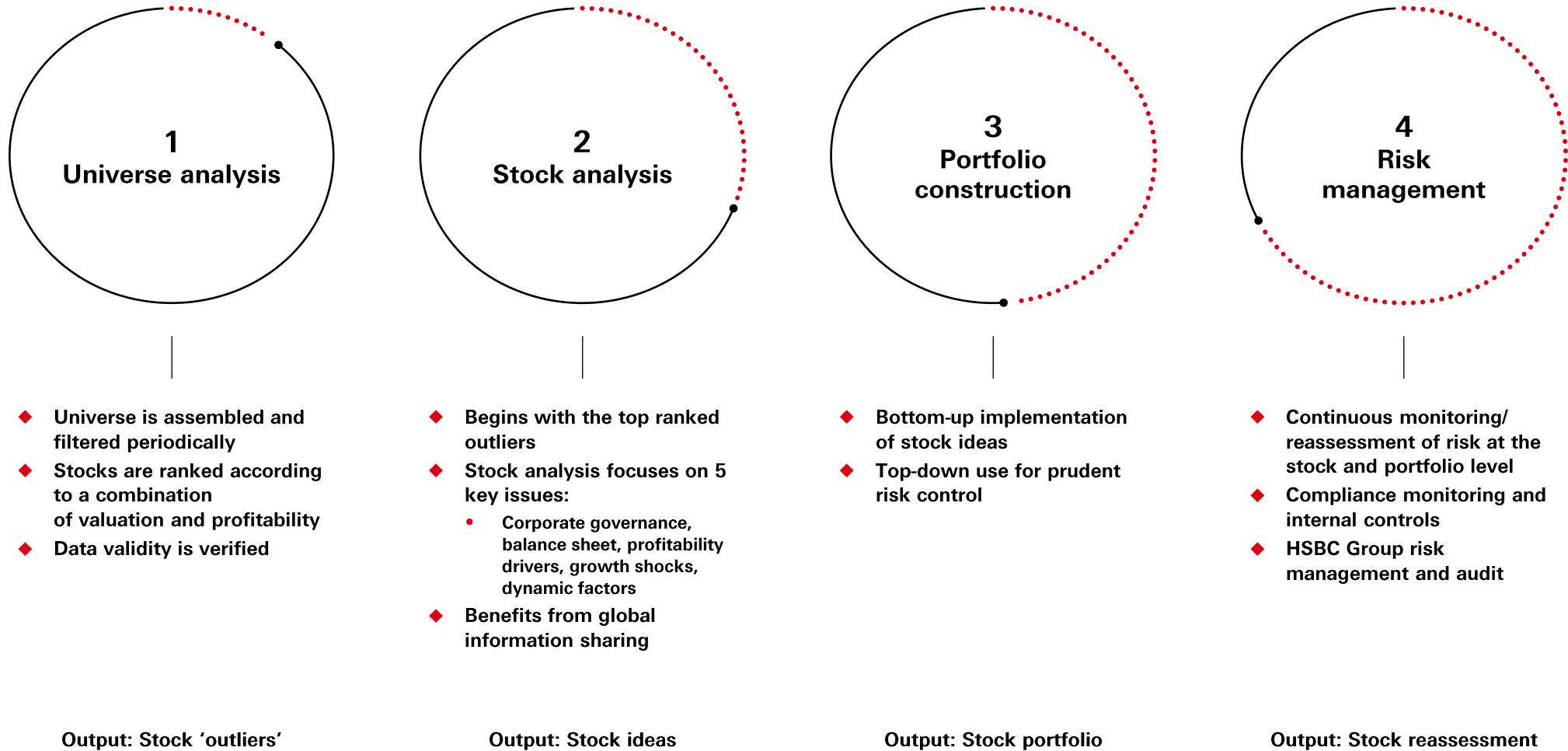
Selection of companies, management quality, earnings & balance sheet risk, valuation, sector/company specific issues, discipline of what not to buy (in periods of market euphoria, following herd can lead into adding overhyped and subsequently overpriced investments).

Drawdown policy

Maximum drawdown policy & review/re-evaluate each stock as a part of risk mitigation plan

Investment process overview - valuation framework

HSBC Aspire Portfolio (HASP)



Investment Approach: HSBC Aspire Portfolio (HASP)

Investment Objective

- HSBC Aspire Portfolio aims to generate long-term capital growth from an actively managed portfolio of equity and equity related securities predominately from the mid and small cap companies. However, the approach would also have the flexibility to invest in companies across the entire market capitalization spectrum. There can be no assurance or guarantee the objective of the investment approach would be achieved

Description of types of securities

- Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares
- Derivatives instruments as may be permitted by SEBI / RBI
- Units of liquid funds/overnight funds of HSBC Mutual Fund
- Cash and Cash equivalents
- Any other instruments as may be permitted by RBI / SEBI / such other Regulatory authorities from time to time

Benchmark

- BSE 500 TRI Index

Rationale for selection of benchmark:

- Regulatory Benchmark/ Strategy Benchmark: Benchmark prescribed by Association of Portfolio Managers in India (APMI) as mandated by SEBI to evaluate relative performance of the portfolio. This is decided by APMI as per market-cap based methodology for equity strategy.

Source - HSBC Asset Management India

Investment Approach: HSBC Aspire Portfolio (HASP)

Indicative tenure or investment horizon

- Medium to Long Term (5 years+)

Risk associated with investment approach

- Deployment of monies under the investment approach will be oriented towards equity and equity related securities of companies belonging to mid cap and small cap. Stocks of these companies usually have lower trading volumes on the exchanges, which may result into higher impact costs and longer execution time compared to large cap stocks. These companies tend to be less researched compared to large cap stocks and this may result into longer waiting period for the stock to reach their potential intrinsic value. A lot of smaller companies can be highly volatile and hence tend to have large up and down movements which may result in periods where the investor may see drawdowns. Further, small cap companies have higher opportunities of growth but these come with higher amount of risk as well and therefore, are suitable only for those investors who have higher risk appetite. It is likely that the portfolio may also experience period of volatile performance and liquidity challenges in view of its exposure towards mid and small cap companies. These companies will also be affected by the broader macro-economic environment such as interest rate changes, liquidity, cross border fund flows, statutory/ regulatory changes etc.
- Since the portfolio is expected to be concentrated with exposure to select themes/sectors, it may perform differently from the broader stock markets/benchmark, but may still be impacted by broad market movements. It is likely that the portfolio may also experience period of volatile performance and liquidity challenges in view of the limited number of stocks invested in by the fund manager.

Source - HSBC Asset Management India

HSBC Aspire Portfolio (HASP)



Investment Objective - The investment objective of the Portfolio is to generate long-term capital growth from an actively managed portfolio of equity and equity related securities predominantly from the Mid and Small Cap segment. However, the strategy would also have the flexibility to invest in companies across the entire market capitalization spectrum. However, there can be no assurance or guarantee that the investment objective of the strategy would be achieved.

Investment-approach	HSBC Aspire Portfolio	Portfolio Manager	Sheetalkumar Shah
Benchmark	BSE 500 TRI Index		

Source - HSBC Asset Management India,

HSBC Asset Management India

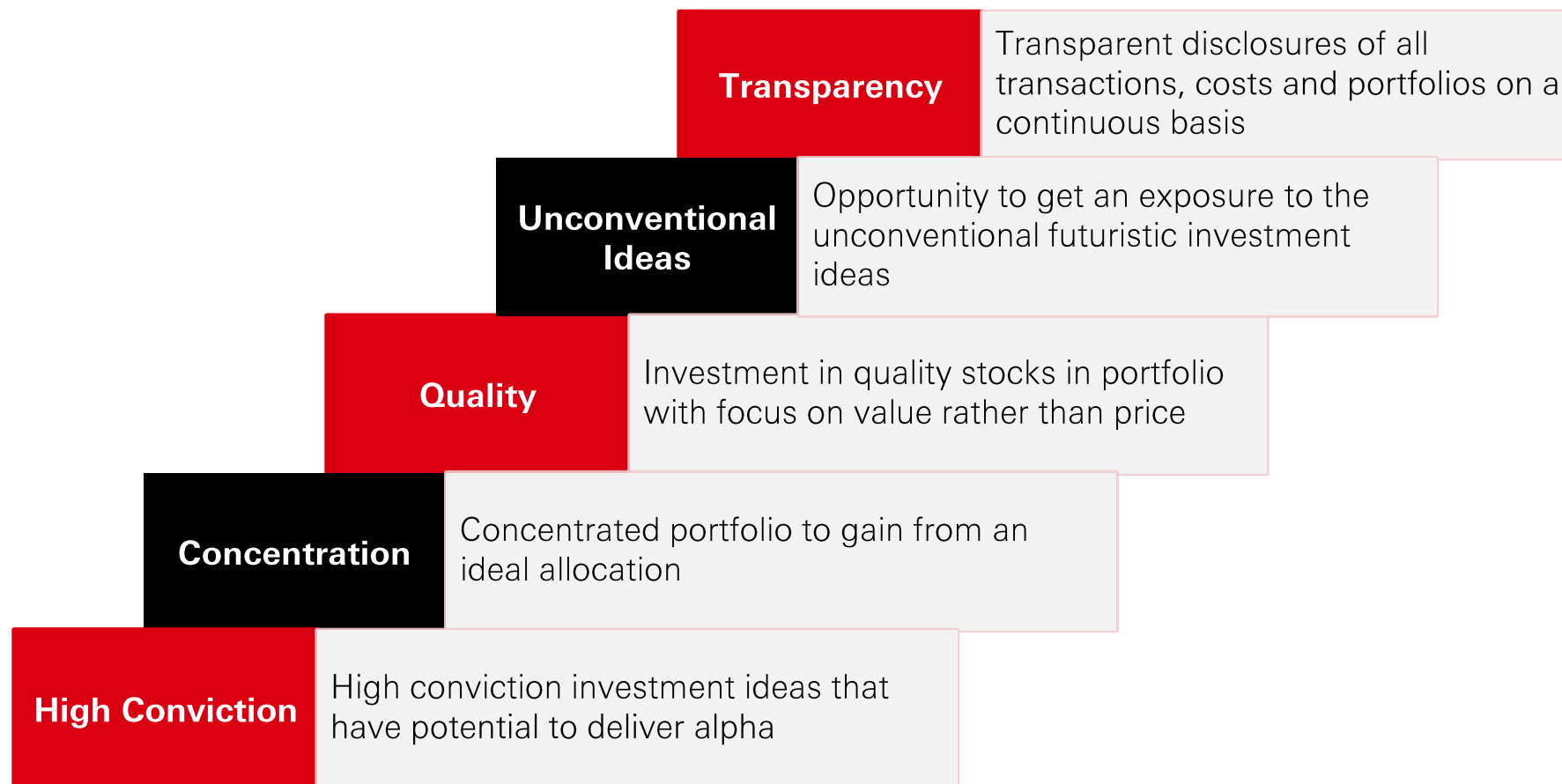
Investment expertise



Sheetalkumar Shah,
SVP & Fund Manager - PMS

Sheetalkumar has a total experience of over 28 years in the Indian stock markets. Prior to joining HSBC, he was Head of PMS at IDBI Capital Markets. He has spent over 12 years at Kotak PMS, managing equity portfolios across market capitalisation. Prior to that, he worked with GIC Asset Management Co Ltd as a Fund Manager for 7 years. By virtue of his long experience, Sheetalkumar has strong relationships with a wide gamut of Indian capital market participants and corporates. Sheetalkumar is an MBA (Finance) from Department of Management Studies, Pune University (PUMBA) and an Engineer (Electronics & Telecommunications) from Government Engineering College, Pune.

Why opt for Portfolio Management Services (PMS)?



High conviction and concentrated portfolio endeavor to support high alpha generation

Disclaimer

HSBC Asset Management India*

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