

HSBC Asset Management

HSBC EVOLVE Portfolio

Grow with Micro themes under Macro trends

PMS Product Note

November 2026

Investment Approach: HSBC Evolve Portfolio

Investment Objective

The aim of the Portfolio is long term wealth creation from an actively managed portfolio of equity and equity related securities optimizing opportunities across the market capitalization spectrum without any sector bias. However, there can be no assurance or guarantee that the investment objective of the 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.
- Derivative instruments as may be permitted by SEBI / RBI.
- Units of overnight funds /liquid 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.

Basis of selection of types of securities

- The investment approach seeks to invest in companies across the entire market capitalization spectrum without any sector bias. The portfolio manager intends to do the same by buying equities of these companies and hence, equity and equity related securities are chosen for investment. The portfolio manager will focus on companies which have potential to deliver high growth.

Allocation of portfolio across types of securities

The investment approach has the mandate to invest in Equity and Equity related instruments of Large, Mid and Small cap companies without any sector bias.

Benchmark index for comparison of performance

- Regulatory Benchmark/ Strategy Benchmark: BSE 500 TRI

Investors should note that pursuant to Clause 2.3 of SEBI Master Circular for Portfolio Managers dated July 16, 2025, an option to invest directly. i.e. without intermediation of persons engaged in distribution services, is available to the investors.

Investment approach & Red Ocean Blue Ocean* (ROBO) Analogy

RED OCEAN STRATEGY

- Compete in existing market space
- Beat the competition
- Exploit existing demand
- Make the value-cost trade-off
- Align the whole system of a firm's activities with its strategic choice of differentiation or low cost

Ex: Indigo, Bharti Airtel, Maruti

BLUE OCEAN STRATEGY

- Create uncontested market space
- Make the competition irrelevant
- Create and capture new demand
- Break the value-cost trade-off
- Align the whole system of a firm's activities in pursuit of differentiation and low cost

Ex: Eternal, PB Fintech, Trent

Structural tailwinds

These could be companies which are potential beneficiaries of central or state government reforms or investments. e.g. the Government of India has announced many reforms around GST which benefit consumption, Production Linked Incentive (PLI) to boost domestic manufacturing in electronics etc. These can lead earnings acceleration in these sectors in the medium term.

Pain To Gain

These stocks could be cyclical plays, which faced temporary headwinds due to regulations, slow-down in business cycle etc. In such cases, both or either valuation and earnings may have taken a hit and could provide attractive investment opportunities as the cycle turns favourable.

Top 10 Holdings

Name	Weight%
ICICI BANK LTD	4.79
BHARTI AIRTEL LTD	4.00
MULTI COMMODITY EXCH INDIA	3.95
STATE BANK OF INDIA	3.73
SHRIRAM FINANCE LTD	3.60
SAI LIFE SCIENCES LTD	3.50
COFORGE LIMITED	3.12
APOLLO HOSPITALS ENTERPRISE	3.05
ETERNAL LTD	3.01
AU SMALL FINANCE BANK LTD	2.93

Performance#	1 Month	3 Months	6 Months	1 Year	Since inception (09/09/25)
Portfolio	-3.63 %	-5.49 %	3.85 %	-1.52 %	-0.59 %
BSE 500 TRI ^	-0.87 %	-6.49 %	-2.95 %	-7.15 %	-3.26 %

Source – HSBC Asset Management India, Bloomberg, Data as on 30 October.

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 sustain and doesn't guarantee the future performance. For illustrative purposes only.

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Investment Approach: HSBC Evolve Portfolio

Rationale for selection of benchmark:

- This Investment approach is designed to offer broad based exposure across market capitalization and sectors in the Indian listed equity universe. BSE 500 TRI is suitably aligned with this investment approach.

Indicative tenure or investment horizon

- Medium to Long Term (3-5 years+)

Risk associated with investment approach

- The portfolio may perform differently from the broader stock markets/benchmark, in view of the limited number of stocks invested in by the fund manager. At times, Portfolios of individual clients may be concentrated in certain companies / industries. The performance of the Portfolios would depend on the performance of such companies / industries / sectors of the economy.
- Deployment of monies under the investment strategy will be oriented towards equity and equity related securities of companies belonging to various market capitalization which include large, mid and small cap. Stocks of mid and small cap 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.
- Also, in case the portfolio becomes more skewed towards the mid-small caps, this may increase volatility of the portfolio.

Sector Allocation

Sector Name	% of Net Assets
Financials	34.64
Consumer Discretionary	13.92
Industrials	13.68
Health Care	11.14
Information Technology	7.16
Materials	6.51
Real Estate	4.39
Communication Services	4.00

Market Capitalisation

Large Cap:	43.16%
Mid Cap:	28.91%
Small Cap:	23.37%

Avg. Weighted Market Capitalisation Rs. 2,36,053 Cr

Median Market Capitalisation Rs. 81,312 Cr

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.

*W. Chan Kim and Renée Mauborgne, both INSEAD professors and leading thinkers in strategic management, introduced the Blue Ocean Strategy framework in their 2005 book, "Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant."

 # Past performance may or may not be sustained in future and is not a guarantee of any future returns.

The performance related information provided herein is not verified by SEBI.

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