

## Product Note

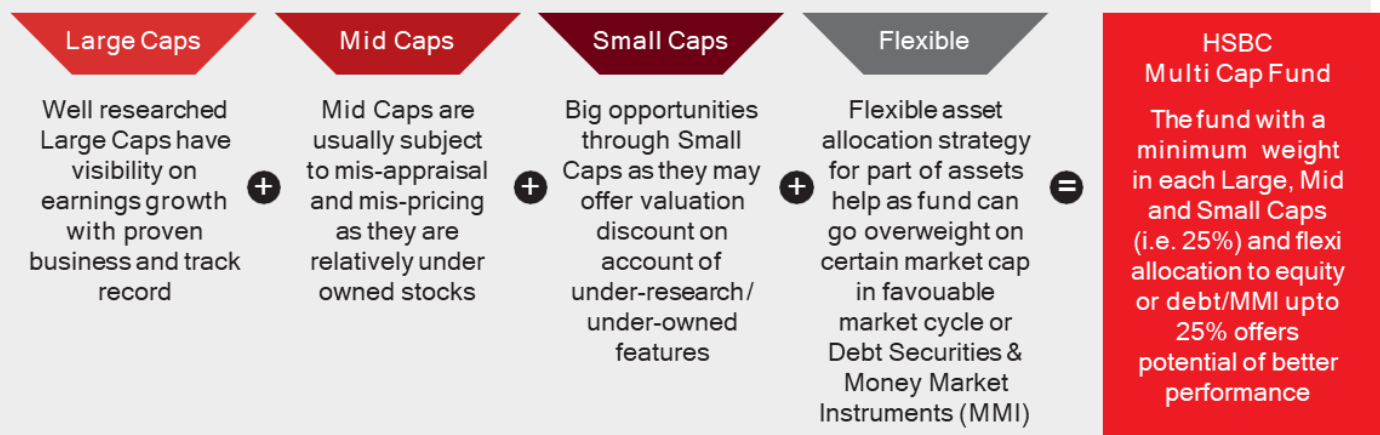
### HSBC Multi Cap Fund (HMCF)

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

January 2023

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM
Multi Cap Fund	Venugopal Manghat and Kapil Punjabi	NIFTY 500 Multicap 50:25:25 TRI	9 Aug 2004	Rs. 1205.78 Cr

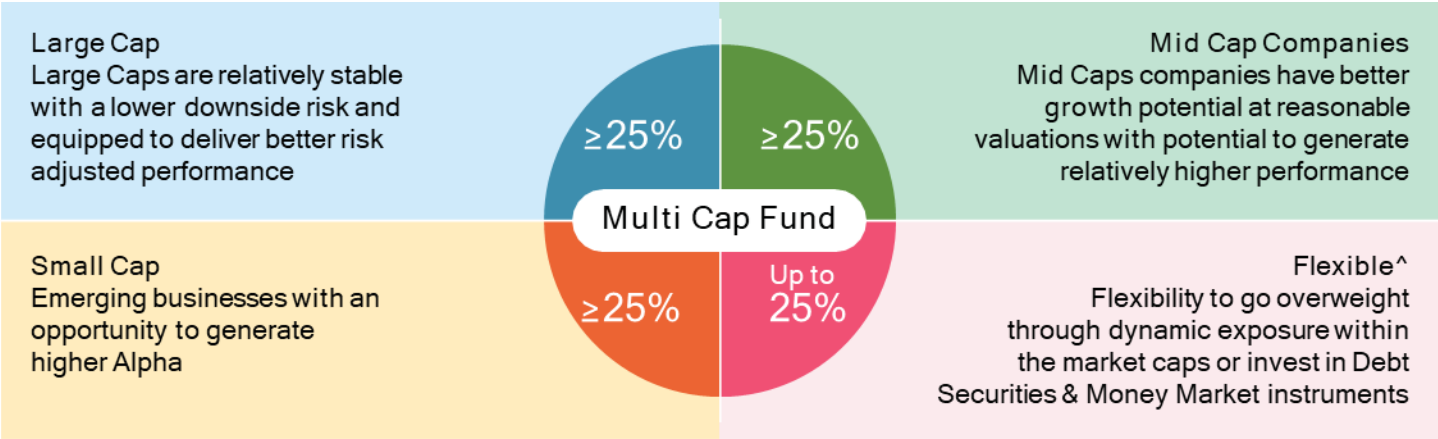
## Access benefits in multiple market cycles through one fund



## Opportunity across sizes - LEAP

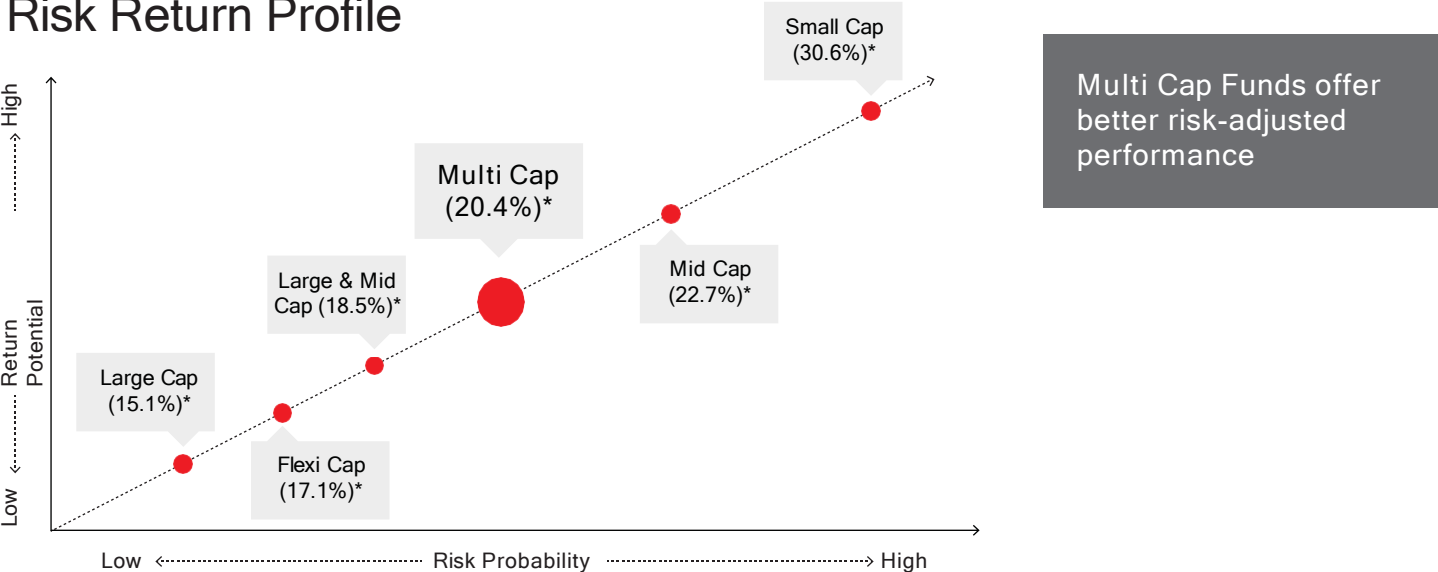
Large Cap - <b>L</b> eader Top 100 companies	Mid Cap - <b>E</b> merging <b>A</b> spirants 101st to 250th companies	Small Cap - <b>P</b> earls 251st company and beyond
Well established businesses	Potential Large Caps	Niche and emerging businesses
Matured players with long track record	Proven track record with higher growth prospects	High potential for growth
High liquidity	Comparatively higher volatile versus Large Caps	Relatively more volatile and less liquidity
Stable and less volatile	Potential valuation multiple re-rating candidates	Higher research arbitrage

Source: HSBC Mutual Fund



Large Cap (25%) + Mid Cap (25%) + Small Cap (25%) + Flexible<sup>^</sup> (25%) = Multi Cap advantage

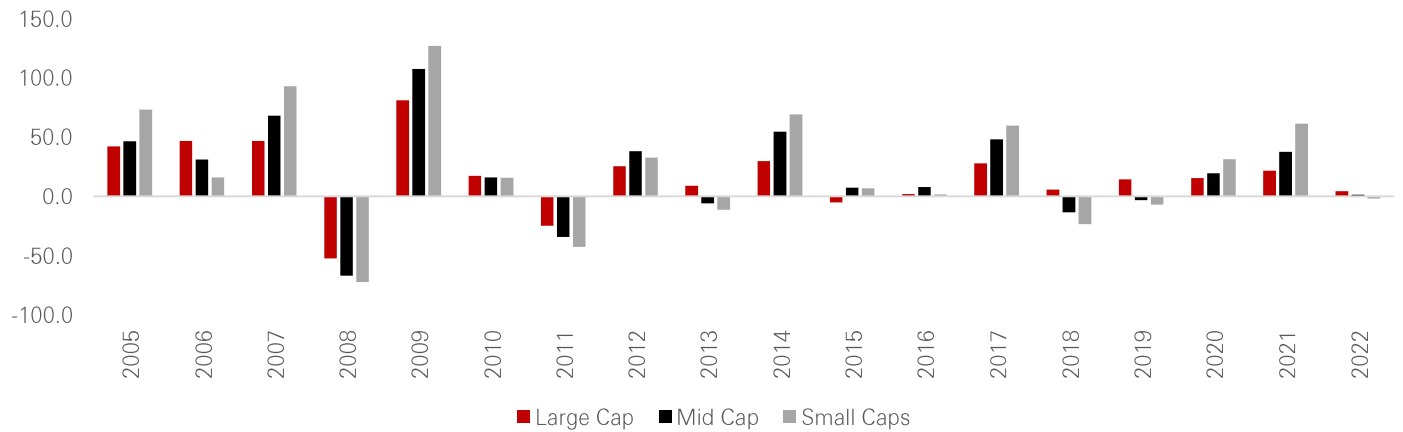
Risk Return Profile



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 .  
 For illustration purpose only. Actual scenario may vary.  
 Source: HSBC Mutual Fund, ICRA MFI, \* Category average return for 3 year CAGR as on 31 Dec 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.  
**Past performance may or may not be sustained in the future.**

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

Performance across Market Caps



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, 2019 and 2022

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

### 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

Product Label

HSBC HSBC Multi Cap Fund		
<p><b>Multi Cap Fund</b> – An open ended equity scheme investing across large cap, mid cap, small cap stocks.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"><li>• To create wealth over long-term</li><li>• Investment predominantly in equity and equity related securities across market capitalization (Benchmark: NIFTY 500 Multicap 50:25:25 TRI)</li></ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Very High risk</p>	<p>Benchmark Index: NIFTY 500 Multicap 50:25:25 TRI</p>  <p>RISKOMETER</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 Dec 2022, 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 Dec 2022

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