

## Product Note

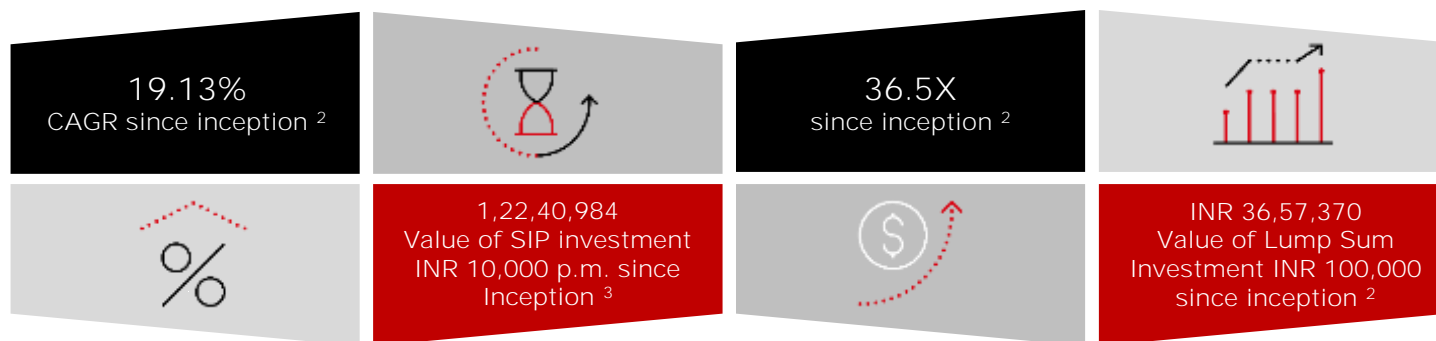
### HSBC Large Cap Fund (HLEF) (Formerly known as HSBC Large Cap Equity Fund)

Large Cap Fund – An open ended equity scheme predominantly investing in large cap stocks.

(L&T India Large Cap Fund has merged into HSBC Large Cap Equity Fund and the surviving scheme has been renamed)

July 2023

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM
Large Cap	Neelotpal Sahai and Gautam Bhupal	Nifty 100 TRI	10 Dec 2002	Rs. 1532.39 Cr



Portfolio	% of net assets
HDFC Bank Limited	9.44%
ICICI Bank Limited	7.93%
Reliance Industries Limited	7.07%
Infosys Limited	5.66%
ITC Limited	5.01%
Axis Bank Limited	3.54%
Sun Pharmaceutical Industries Limited	3.43%
Larsen & Toubro Limited	3.23%
Hindustan Unilever Limited	3.23%
State Bank of India	2.99%

Sector - Allocation	% of net assets
Banks	27.64%
IT - Software	10.91%
Diversified FMCG	8.24%
Petroleum Products	7.07%
Pharmaceuticals & Biotechnology	6.11%
Automobiles	3.78%
Finance	3.54%
Consumer Durables	3.25%
Construction	3.23%
Insurance	2.96%

Risk Ratios <sup>4</sup>	
Standard Deviation	14.41%
Beta	0.94
Sharpe Ratio <sup>5</sup>	0.94
R2	0.96

Load / Expenses	
Entry Load	NA
Exit Load - NIL (after 1 year), 1% (before 1 year) <sup>6</sup>	
Expense ratio (Other than Direct) <sup>7</sup>	2.17%
Expense ratio (Direct)	1.22%

<sup>1</sup> SEBI vide its circular no. SEBI/HO/IMD/IMD-II DF3/P/ CIR/2021/652 dated October 27, 2021, 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. Furthermore, the same is effective from 01 December 2021

<sup>2</sup> As on 30 June 2023 of Growth option. During the same period, scheme benchmark (Nifty 100 TRI) has moved by NA to Rs NA from Rs 100,000 and delivered return of NA Please refer page no. 3 for detailed performance of HSBC Large Cap Fund.

<sup>3</sup> During the same period, value of scheme benchmark (Nifty 100 TRI) is not available.

<sup>4</sup> Statistical Ratios disclosed are as per monthly returns (Annualized) for the last 3 years.

<sup>5</sup> Risk free rate: 6.90% (FIMMDA-NSE Mibor) as on June 30, 2023.

<sup>6</sup> 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

<sup>7</sup> Continuing plans

Data as on 30 June 2023 unless otherwise given

## Why HSBC Large Cap Fund?

- To seek an exposure to true large cap companies which are relatively more stable than mid and small cap companies
- A top down and bottom up approach will be used to invest in equity and equity related instruments
- True to label fund – The fund will stay true to its objective in keeping with the mandate reposed by the investor whilst investing in the fund
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

## Fund Philosophy

- Prefer dominant and scalable businesses available at reasonable valuations.
- 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 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.

## Portfolio sectoral positioning as on 28th February 2023:

- Positive view on: Healthcare, Real Estate
- Neutral: Consumer Staples, Utilities, Energy, Communication Services, Information Technology and Financials.
- Underweight stance: Materials, Consumer Discretionary, and Industrials

## Sector Attribution (3 months):

- Both Allocation and Stock Selection had a favorable impact as against benchmark.
- Being UW in Utilities and OW in Real Estate were the key positive Allocation contributors.
- Stock selection in Materials and Industrials were the key positive contributors and stock selection in Financials was the key detractor

## Investment Objective

To generate long-term capital growth from an actively managed portfolio of equity and equity related securities of predominantly large cap companies. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

HSBC Large Cap Equity Fund (HLEF) | Product Note  
[ July 2023 ]

Fund Managers - Neelotpal Sahai (No of Schemes Managed – 4) - Managing Fund Since 27 May 2013 and Gautam Bhupal (No of Schemes Managed – 8) - Managing Fund Since June 01, 2023 and  
Sonal Gupta (No of Schemes Managed - 4, for investment in foreign securities)

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Large Cap Fund – Regular <sup>a</sup>	12374	23.74	17870	21.35	17244	11.50	365737	19.13	10-Dec-02
Scheme Benchmark (Nifty 100 TRI)	12111	21.11	18855	23.54	18418	12.98	NA	NA	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	238088	16.66	

Performance of other funds managed by the Fund Manager									Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Large and Mid Cap Fund-Regular	12970	29.70	19298	24.50	NA	NA	17263	13.67	28-Mar-19
Scheme Benchmark (NIFTY Large Midcap 250 TRI)	12772	27.72	21528	29.12	NA	NA	19309	16.70	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	NA	NA	17460	13.98	
HSBC Business Cycles Fund-Regular	13149	31.49	21228	28.52	17642	12.01	27057	11.88	20-Aug-14
Scheme Benchmark (Nifty 50 TRI)	12390	23.90	20030	26.06	18963	13.64	28685	12.62	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	27110	11.91	
HSBC Balanced Advantage Fund-Regular	11260	12.60	13214	9.74	14294	7.40	33361	10.20	07-Feb-11
Scheme Benchmark (Nifty 50 Hybrid composite debt 50:50 Index)	11566	15.66	15099	14.72	17162	11.39	34409	10.48	
Additional Benchmark (S&P BSE Sensex TRI)	12367	23.67	19263	24.43	19404	14.16	42530	12.38	

Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		Since Inception		
	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Focused Fund-Regular	11950	19.50	16396	18.32	22-Jul-20
Scheme Benchmark (Nifty 500 TRI)	12390	23.90	18736	23.81	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	17847	21.78	

Name of Scheme	Fund Manager	No. of funds managed and Co-managed
HSBC Large Cap Fund	Neelotpal Sahai- Since May 27, 2013 Gautam Bhupal- Since June 01, 2023	Neelotpal Sahai-4 Gautam Bhupal-8
HSBC Large & Mid Cap Fund	Cheenu Gupta- Since Nov 26, 2022 Neelotpal Sahai- Since Mar 28, 2019	Cheenu Gupta-8 Neelotpal Sahai-4
HSBC Business Cycles Fund	Gautam Bhupal- Since June 01, 2023 Venugopal Manghat- Since Aug 20 2014	Gautam Bhupal-8 Venugopal Manghat-5
HSBC Balanced Advantage Fund	Neelotpal Sahai (Equity)- Since Nov 26, 2022 Ritesh Jain (Fixed Income)- Since Nov 26, 2022	Neelotpal Sahai-4 Ritesh Jain-5
HSBC Focused Fund	Neelotpal Sahai- Since Nov 26, 2022 Cheenu Gupta- Since June 01, 2023	Neelotpal Sahai-4 Cheenu Gupta-8

SIP Performance - HSBC Large Cap Equity Fund - Reg					Inception Date: 10-Dec-02
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	2460000	
Market Value as on June 30, 2023 (₹)	131,792	441,045	849,870	12,240,984	
Scheme Returns (%)	18.85	13.68	13.92	13.77	
Nifty 100 TRI - Scheme Benchmark (₹)	130,269	447,194	877,904	NA	
Nifty 100 TRI - Scheme Benchmark Returns (%)	16.36	14.65	15.24	NA	
Nifty 50 TRI - Additional Benchmark (₹)	131,535	454,311	894,567	12,584,495	
Nifty 50 TRI - Additional Benchmark Returns (%)	18.43	15.75	16.00	13.99	

<sup>a</sup> HSBC Large Cap Fund: The launch date of the Nifty 100 TRI is Jan 01, 2003 whereas the inception date of the scheme is Dec 10, 2002. The corresponding benchmark returns since inception of the scheme not available.

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 Asset Management India, data as at 30 June 2023


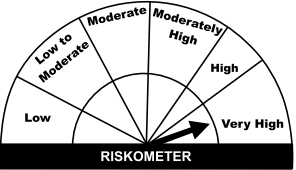
Since Inception returns are provided from the date of allotment of units. PTP returns – Point to Point returns.



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.

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 June 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.

Pursuant to the transfer of schemes of L&T Mutual Fund to HSBC Mutual Fund, which was effective from the close of business hours of November 25, 2022, the performance of the Scheme (which is the surviving scheme out of the merger of schemes with similar features) provided above is computed as per the provisions of SEBI Circular No- SEBI/HO/IMD/DF3/CIR/P/2018/69 dated April 12, 2018 using the weighted average performance of both transferor and transferee schemes. The details of the transferor and transferee schemes please refer to our notice dated October 14, 2022 available on [www.assetmanagement.hsbc.co.in](http://www.assetmanagement.hsbc.co.in).

## Product Label

Scheme name and Type of scheme	Riskometer of the Scheme	Riskometer of the benchmark
<p><b>This product is suitable for investors who are seeking*:</b></p> <p><b>HSBC Large Cap Fund (Erstwhile HSBC Large Cap Equity Fund) - Large Cap Fund</b> – An open ended equity scheme predominantly investing in large cap stocks.</p> <ul style="list-style-type: none"> <li>To create wealth over long term.</li> <li>Investment in predominantly large cap equity and equity related securities. (Benchmark : NIFTY 100 TRI Index)</li> </ul> <p><b>HSBC Large and Mid Cap Fund (Erstwhile HSBC Large &amp; Mid Cap Equity Fund) - Large and Mid Cap Fund</b> – An open ended equity scheme investing in both large cap and mid cap stocks.</p> <ul style="list-style-type: none"> <li>Long term wealth creation and income</li> <li>Investment predominantly in equity and equity related securities of Large and Mid cap companies (Benchmark : NIFTY Large Midcap 250 TRI)</li> </ul> <p><b>HSBC Business Cycles Fund (Erstwhile L&amp;T Business Cycles Fund) - Thematic Fund</b> - An open ended equity scheme following business cycles based investing theme.</p> <ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investment predominantly in equity and equity-related securities, including equity derivatives in Indian markets with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy. (Benchmark : NIFTY 500 TRI Index)</li> </ul> <p><b>HSBC Focused Fund (Erstwhile HSBC Focused Equity Fund) - Focused Fund</b> – An open ended equity scheme investing in maximum 30 stocks across market caps (i.e. Multi-Cap).</p> <ul style="list-style-type: none"> <li>Long term wealth creation</li> <li>Investment in equity and equity related securities across market capitalization in maximum 30 stocks. (Benchmark : NIFTY 500 TRI Index)</li> </ul>	 <p>Investors understand that their principal will be at Very High risk</p>	

HSBC Balanced Advantage Fund (Erstwhile L&T Balanced Advantage Fund)		
 <p>Investors understand that their principal will be at High risk</p>	<p><b>HSBC Balanced Advantage Fund</b> – An open ended dynamic asset allocation fund.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>Long term capital appreciation and generation of reasonable returns</li> <li>Investment in equity and equity related instruments, derivatives and debt and money market instruments</li> </ul>	<p><b>Benchmark Index: NIFTY 50 Composite Hybrid Debt 50:50 Index</b></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 30 June 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 Asset Management India, data as at 30 June 2023

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