HSBC Mutual Fund

Product Note

HSBC Nifty 50 Index Fund (HNIF) (Formerly known as L&T Nifty 50 Index Fund)

Index Fund - An open-ended Equity Scheme tracking NIFTY 50 Index.

August 2023

Fund Category	Fund Manager	Benchmark [1]	Inception Date	AUM
Index Fund	Praveen Ayathan	Nifty 50 TRI	15 Apr 2020	Rs. 197.10 Cr

27.77%
CAGR since inception [2]

2.2X
since inception [2]

5,14,871
Value of SIP investment INR 10,000 p.m. since Inception [3]

INR 2,24,110
Value of Lump Sum Investment INR 100,000 since inception [2]

Portfolio	% of net assets
HDFC Bank Limited	14.08%
Reliance Industries Limited	9.86%
ICICI Bank Limited	7.98%
Infosys Limited	5.53%
ITC Limited	4.70%
Tata Consultancy Services Limited	4.01%
Larsen & Toubro Limited	3.70%
Kotak Mahindra Bank Limited	3.12%
Axis Bank Limited	2.99%
State Bank of India	2.72%

Sector - Allocation	% of net assets
Banks	31.95%
IT - Software	12.89%
Petroleum Products	10.27%
Diversified FMCG	7.31%
Automobiles	5.95%
Finance	4.12%
Construction	3.70%
Pharmaceuticals & Biotechnology	3.43%
Consumer Durables	3.17%
Telecom - Services	2.55%

[1] As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, 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 effective from 01 December 2021.

[2] As on 31 July 2023 of Growth option regular plan. During the same period, scheme benchmark (Nifty 50 TRI) has moved by 2.3X to Rs 2,30,050 from Rs 100,000 and delivered return of 28.79% Please refer page no. 3 for detailed performance of HSBC Nifty 50 Index Fund.

[3] During the same period, value of scheme benchmark (Nifty Next 50 TRI) has moved to 5,21,281

Data as on 31 July 2023, Source – HSBC Mutual Fund

Why HSBC Nifty 50 Index Fund?

- The scheme will adopt a passive investment strategy
- Invests in stocks comprising the Nifty 50 index in the same proportion as in the index with the objective of achieving returns equivalent to the Total Returns Index of Nifty 50 index by minimizing the performance difference between the benchmark index and the scheme
- The Total Returns Index is an index that reflects the returns on the index from index gain/ loss plus dividend payments by the constituent stocks
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

Investment Objective

The scheme will adopt a passive investment strategy. The scheme will invest in stocks comprising the Nifty 50 index in the same proportion as in the index with the objective of achieving returns equivalent to the Total Returns Index of Nifty 50 index by minimizing the performance difference between the benchmark index and the scheme. The Total Returns Index is an index that reflects the returns on the index from index gain/ loss plus dividend payments by the constituent stocks. There is no assurance that the investment objective of the scheme will be realized.

Load / Month End Total Expenses Ratios (Annualized)[5]	
Entry Load	NA
Exit Load - NIL (after 1 year), 1% (before 1 year)[4]	
Expense ratio (Other than Direct)[6]	0.45%
Expense ratio (Direct)	0.20%

[4] 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

[5] TER Annualized TER including GST on Investment Management Fees

[6] Continuing plans

Source – HSBC Mutual Fund, Data as on 31 July 2023

Fund Manager - Praveen Ayathan (No of Schemes Managed – 3) - Managing Fund Since 15 Apr 2020 and Sonal Gupta (No of Schemes Managed - 5, 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	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Nifty 50 Index Fund - Regular	11553	15.44	18084	21.83	NA	NA	22411	27.77	15-APril-20
Scheme Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	NA	NA	23005	28.79	
Additional Benchmark (S&P BSE Sensex TRI)	11703	16.93	18329	22.38	NA	NA	22817	28.47	

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	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Nifty Next 50 Index Fund-Regular	11029	10.23	16736	18.73	NA	NA	19477	22.44	15-APril-20
Scheme Benchmark (Nifty Next 50 TRI)	11139	11.33	17283	20.01	NA	NA	20188	23.78	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	NA	NA	23005	28.79	
HSBC Arbitrage Fund-Regular	10620	6.16	11373	4.38	12731	4.95	16614	5.74	30-Jun-14
Scheme Benchmark (Nifty 50 Arbitrage Index)	10681	6.77	11496	4.76	12662	4.83	16104	5.38	
Additional Benchmark (Nifty 50 TRI)	11628	16.18	18479	22.71	18447	13.02	29009	12.43	

PTP returns – Point to Point returns. As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023 the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units. | IDCW are assumed to be reinvested and Bonus is adjusted. | 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 July 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. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.
Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated May 19, 2023 on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes.
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 Mutual Fund, data as on 31 July 2023

Past performance may or may not be sustained in the future. Refer note below.

Name of Scheme	Fund Manager	No. of funds managed and Co-managed
HSBC Nifty 50 Index Fund	Praveen Ayathan- Since Apr 15, 2020	Praveen Ayathan-3
HSBC Nifty Next 50 Index Fund	Praveen Ayathan- Since Apr 15, 2020	Praveen Ayathan-3
HSBC Arbitrage Fund	Praveen Ayathan (Equity) - Since Jun 30, 2014 Mahesh Chhabria (Fixed Income) - Since July 15, 2023	Praveen Ayathan-3 Mahesh Chhabria-10

SIP Performance HSBC Nifty 50 Index Fund - Regular					Inception Date: 16-Apr-20
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	NA	390000	
Market Value as on July 31, 2023 (₹)	132,598	453,707	NA	514,871	
Scheme Returns (%)	20.13	15.65	NA	17.39	
Nifty 50 TRI - Scheme Benchmark (₹)	133,069	458,661	NA	521,281	
Nifty 50 TRI - Scheme Benchmark Returns (%)	20.90	16.41	NA	18.20	
S&P BSE Sensex TRI - Additional Benchmark (₹)	133,142	459,260	NA	521,457	
S&P BSE Sensex TRI - Additional Benchmark Returns (%)	21.02	16.50	NA	18.22	

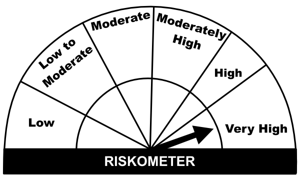
For SIP returns, monthly investment of Rs.10,000 invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis.
As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023 the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.
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 July 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. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open-ended schemes.

Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated May 19, 2023 on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes

Past performance may or may not be sustained in the future. Source: HSBC Mutual Fund, data as on 31 July 2023

Product Label

HSBC Nifty 50 Index Fund (Erstwhile L&T Nifty 50 Index)



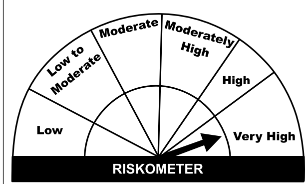
Investors understand that their principal will be at Very High risk

Index Fund - An open-ended Equity Scheme tracking Nifty 50 Index

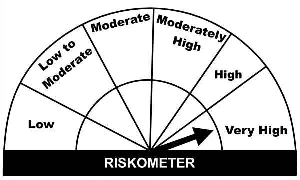
This product is suitable for investors who are seeking*:

- Long term wealth creation
- Investment in equity securities covered by the NIFTY 50

Benchmark : NIFTY 50 Index TRI



HSBC Nifty Next 50 Index Fund (Erstwhile L&T Nifty Next 50 Index)



Investors understand that their principal will be at Very High risk

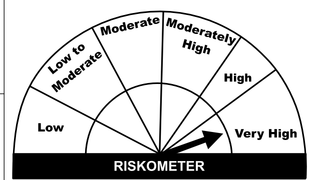
Index Fund - An open-ended Equity Scheme tracking Nifty Next 50 Index

This product is suitable for investors who are seeking*:

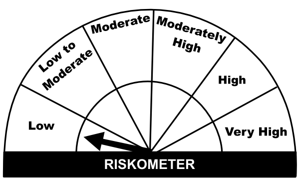
- Long term capital appreciation
- Investment in equity securities covered by the NIFTY NEXT 50

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

Benchmark Index: NIFTY Next 50 Index TRI



HSBC Arbitrage Fund (Erstwhile L&T Arbitrage Opportunities Fund)



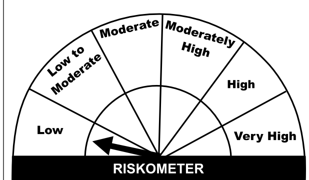
Investors understand that their principal will be at Low risk

Arbitrage Fund – An open ended scheme investing in arbitrage opportunities.

This product is suitable for investors who are seeking*:

- Generation of reasonable returns over short to medium term
- Investment predominantly in arbitrage opportunities in the cash and derivatives segments of the equity markets; and debt and money market instrument.

Benchmark Index: Nifty 50 Arbitrage Index



* 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 July 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 Mutual Fund, data as on 31 July 2023

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