

HSBC Asset Management

HSBC Mutual Fund

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HSBC Asset Management

A global network of local experts

Presence in
20+ locations

613 investment
professionals



79 Americas

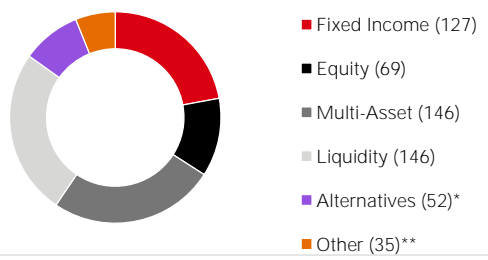
377 EMEA

157 Asia-Pacific¹

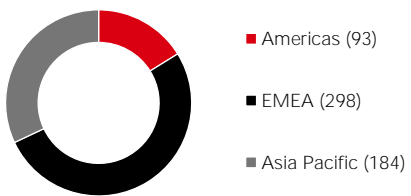
● HSBC Asset Management offices - Countries and territories where our investment teams sit are in bold

USD 574 bn under management

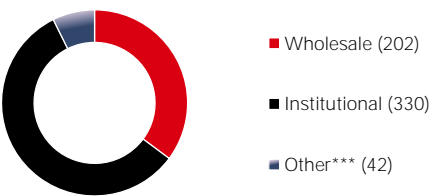
AuM by asset class (USD bn)



AuM by region (USD bn)



AuM by client type (USD bn)



1. Asia-Pacific includes employees and assets of Hang Seng Bank, in which HSBC has a majority holding.
2. HSBC Jintrust Fund Management company is a joint venture between HSBC Asset Management and Shanxi Trust Corporation Limited.
* Alternatives assets excludes USD 3.40bn from committed capital ("dry powder") as well as advisory and oversight assets.
**Other in asset class refers to the assets of Hang Seng Bank, in which HSBC has a majority holding, and of HSBC Jintrust Fund Management, a joint venture between HSBC Asset Management and Shanxi Trust Corporation Limited.

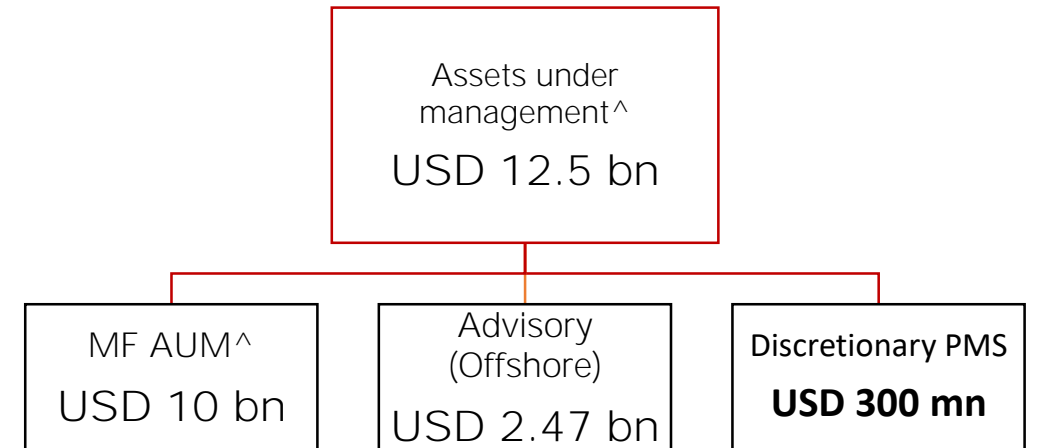
***Other in client type refers to asset distributed by Hang Seng Bank
Source: HSBC Asset Management as at 30 September 2022. Assets under management are presented on a distributed (AUD) basis. Any differences are due to rounding. The data is as per the latest available information as on 30 Sep 2022.

HSBC Mutual Fund

Expertise and experience

- HSBC Mutual Fund is a brand used by HSBC Asset Management India (part of Global HSBC Asset Management company)
- Launched first fund in 2002
- Managers/sub-advisors of Indian equity and debt assets from more than 20 years

Expertise in managing Indian equity and debt	On the ground presence combined with global oversight
International experience	Differentiated Product offerings



HSBC Mutual Fund		
	Asset class wise disclosure of AUM & AAUM (USD mn)	
Category	AUM as on last day of the Quarter	Average AUM for the Quarter
Income	2,565	2,602
Equity (Other than ELSS)	5,294	5,379
Liquid	1,698	1,903
Gilt	29	29
Equity ELSS	401	412
Fund of Funds investing overseas	55	55
Total	10,041	10,380
Fund of Funds investing Domestic	17	17

Data as of 31 December 2022, Any differences are due to rounding, HSBC Mutual Fund – HSBC MF, ^ Assets under management including Mutual Fund schemes, Advisory of HSBC Asset Management India & Discretionary PMS strategies,

Reach, experience and expertise

HSBC Asset Management

12.5
USD bn AUM*

2.3 million+
Customers

55,876
Distribution
partners

64
Locations

32
Investment
professionals

Increasing
penetration
& AUM

B-30 Markets

~44% are in B-30 Cities (Beyond Top 30
locations in terms of % AUM)

The reach, experience and expertise of HSBC MF has the potential to support distribution partners / clients effectively and help achieve significant mutual milestones.

Data as on 31 December 2022, * AUM – Mutual Fund Schemes + Discretionary PMS + Advisory, Any differences are due to rounding, Refer to SEBI format AUM slide; B-30 Cities refer to locations which are tier 2, tier 3 cities beyond the top 30 cities (T30), where mutual fund awareness and penetration is low.

Offshore Equity Mandates

- Discretionary advice since September 2020
- Total AUM advised by AMIN ~USD 1.9 bn spanning across 6 funds

Neelotpal Sahai

HGIF Indian Equity Fund
AUM – USD 977 mn

HSBC Indian Equity Mother Fund
AUM – USD 487 mn

HSBC Indien
AUM – USD 263 mn

HSBC India Infrastructure Equity Mother Fund
AUM – USD 49 mn

HSBC Mutual Funds - HSBC Indian Equity Fund
AUM – USD 11 mn

HSBC China and India Equity Freestyle Fund
AUM – USD 10 mn

Source: HSBC Mutual Fund AUM data as on 31 Dec 2022. The data is as per the latest available information as on 31 Dec 2022

Equity Capability



Equity Investments Overview

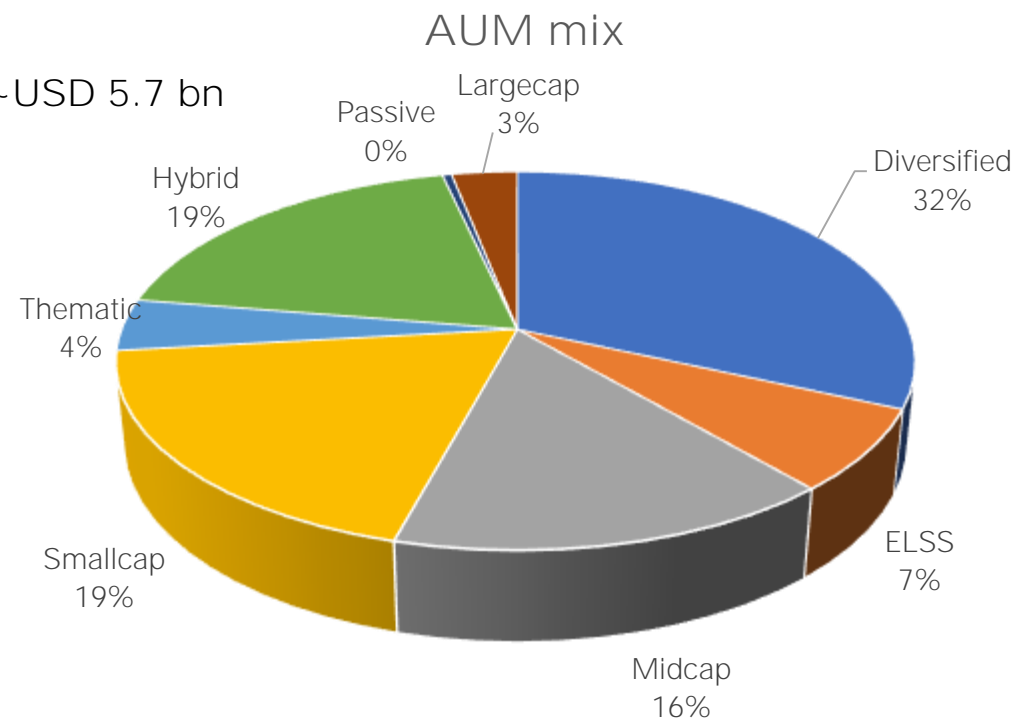
Equity, Hybrid & Index Funds

- 18 Equity Funds (including hybrid, arbitrage & passive) with AUM ~USD 5.7 bn

- Equity investment Team

- 7 Fund Managers* (including CIO Equity)
- 8 Equity Research Analysts
- 5 Equity Dealers*
- 1 Investment Coordinator

- Mix skewed towards the broad market with about 35% exposure to mid and small cap classification



*Praveen Ayathan is Head of Equity Dealing & Fund Manager for Index & Arbitrage Funds. Diversified Eq – HSBC Value Fund, HSBC Flexi Cap Fund, HSBC Focused Fund, HSBC Large & Mid Cap Fund; ELSS includes HSBC Tax Saver Equity Fund (closed for fresh subscription) and HSBC ELSS Fund; Thematic – HSBC Business Cycles Fund & HSBC Infrastructure Fund; Hybrid - HSBC Aggressive Hybrid Fund, HSBC Balanced Advantage Fund, HSBC Equity Savings Fund & HSBC Arbitrage Fund; Passive – HSBC NIFTY 50 Index Fund & HSBC NIFTY NEXT 50 Index Fund; AUM as on 31 January 2023

Equity Fund Managers Profile



Mr. Venugopal Manghat
CIO - Equities

Mr. Venugopal Manghat has an experience of 29 years in Indian equity markets. Prior to becoming CIO Equities at HSBC Asset Management, he was Head Equities at L&T Investment Management.

Before that he was Co-head of Equities at Tata Asset Management. He started his career as a research analyst on the sell side before joining Tata Asset Management. He holds a Bachelor of Mathematics degree and an MBA in Finance.



Mr. Neelotpal Sahai
Director Indian Equities and Head
Offshore Advisory

Mr. Neelotpal Sahai is currently Director Indian Equities and Head Offshore Advisory. He has been a Senior Vice President and Portfolio Manager in the Onshore India Equity team in Mumbai since 2013, when he joined HSBC and Head of Equities since September 2017. Neelotpal is responsible for managing three HSBC Mutual Fund equity funds. He is also responsible for providing Equity advice to India dedicated Offshore funds. Neelotpal has an experience of 29 years in the Industry.

Previously, Neelotpal was Director at IDFC Asset Management Company Ltd in Mumbai, responsible for equity fund management, and held a variety of positions at Motilal Oswal Securities Ltd. in Mumbai, Infosys Technologies in Bengaluru, Vickers Ballas Securities Ltd. in Mumbai, SBC Warburg in Mumbai, UTI Securities Ltd. in Mumbai and HCL HP Ltd. in Mumbai. Neelotpal holds a Bachelor's degree in Engineering from IIT BHU – Varanasi and a Post-Graduate Diploma in Business Management from IIM Kolkata, both in India.

HSBC Mutual Fund Offerings

Equity, Hybrid, Index and International Funds

Venugopal Manghat

HSBC Small Cap Fund

HSBC Infrastructure Fund

HSBC Value Fund

HSBC Multi Cap Fund

Neelotpal Sahai

HSBC Large Cap Fund

HSBC Focused Fund

HSBC Balanced Advantage Fund

Cheenu Gupta

HSBC Large & Mid Cap Fund

HSBC ELSS Fund

HSBC Aggressive Hybrid Fund

HSBC Conservative Hybrid Fund

HSBC Equity Savings Fund

Vihang Naik

HSBC Flexi Cap Fund

HSBC Midcap Fund

HSBC Business Cycles Fund

Ankur Arora

Gautam Bhupal

HSBC Managed Solutions India - Conservative

HSBC Managed Solutions India - Growth

HSBC Managed Solutions India - Moderate

HSBC Tax Saver Fund*

HSBC Asia Pacific (Ex Japan) Div Yield Fund

HSBC Brazil Fund

HSBC Global Emerging Markets Fund

HSBC Global Equity Climate Change Fund

HSBC Nifty 50 Index Fund

HSBC Nifty Next 50 Index Fund

HSBC Arbitrage Fund

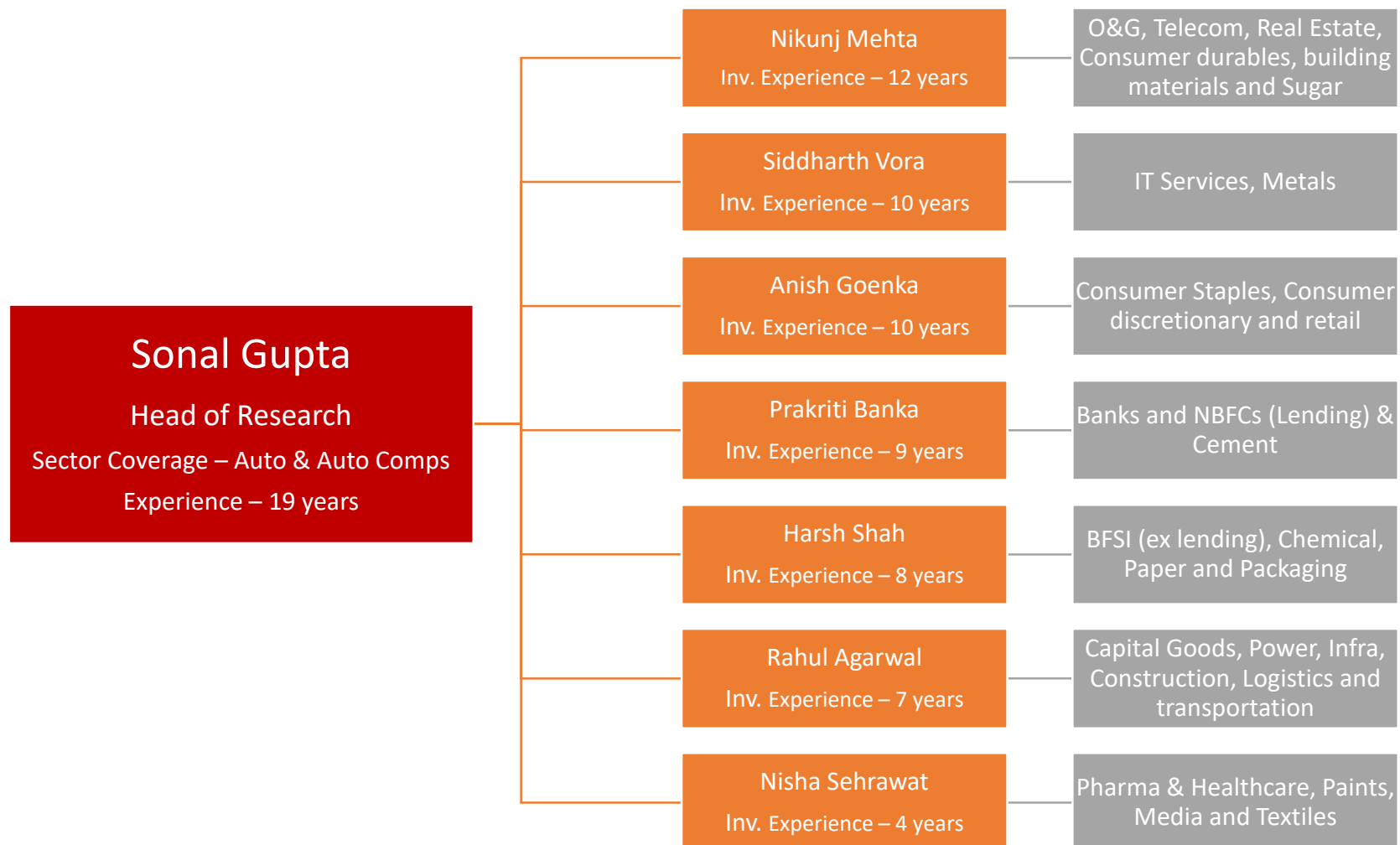
Sonal Gupta

Praveen Ayathan

* HSBC Tax Saver Fund is closed for fresh subscription. Sonal Gupta shall be dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Equity Research Team

- Team of 8 Analysts with wide sector coverage
- More than 50% of the team with 8+ years investments experience



Source: HSBC Mutual Fund

Stocks Coverage

450+ companies* covered across sectors & market caps

Large Cap Stocks
coverage - 95%*

Mid Cap Stocks
coverage -
95%*

Small Cap
Stocks coverage
– 75%*

Sectors - Auto & Auto comps, Pharma & Healthcare, Paints, Media, Textiles, Consumer Staples, Consumer Discretionary, Durables and bldg materials, Real Estate, O&G Sugar Telecom, Capital Goods, Power & infra, Logistics, Tech Services, Metals, Cement, Banks and lenders, Financial services, Chemical and Paper

*Large Cap: top 100 stocks on full market capitalisation basis; Mid caps - next 150 stocks based on full market capitalization; Small Cap: Stocks in Nifty 250 small cap index; 437 companies from NIFTY 500 TRI, remaining outside Nifty 500 TRI
Source: HSBC Mutual Fund

Stocks Coverage

450+ companies* covered across sectors & market caps

GICS classification - Sectors	Stocks in Coverage	Stocks in NIFTY 500 Index	% of Coverage
Financials	70	84	83%
Information Technology	28	34	82%
Materials	73	87	84%
Consumer Discretionary	72	79	91%
Energy	11	11	100%
Consumer Staples	26	33	79%
Industrials	71	79	90%
Health Care	48	49	98%
Utilities	14	17	82%
Communication Services	13	17	76%
Real Estate	11	11	100%
Total	437*	501	87%

Source: HSBC Mutual Fund; *437 companies from NIFTY 500 Index; remaining outside NIFTY 500 Index

Equity - Investment Approach

Guiding principles that drive Investment philosophy and approach

Investment mandate

- Ensures that the fund manager adheres to the investment style stated in the prospectus

Active fund management

- Focus and conviction on long-term business fundamentals
- Coupled with disciplined yet active fund management generate superior long-term performance

Research based stock selection

- Focus is on identifying stocks with
 - Strong business fundamentals,
 - Better growth prospects and
 - Undervalued relative to their intrinsic worth

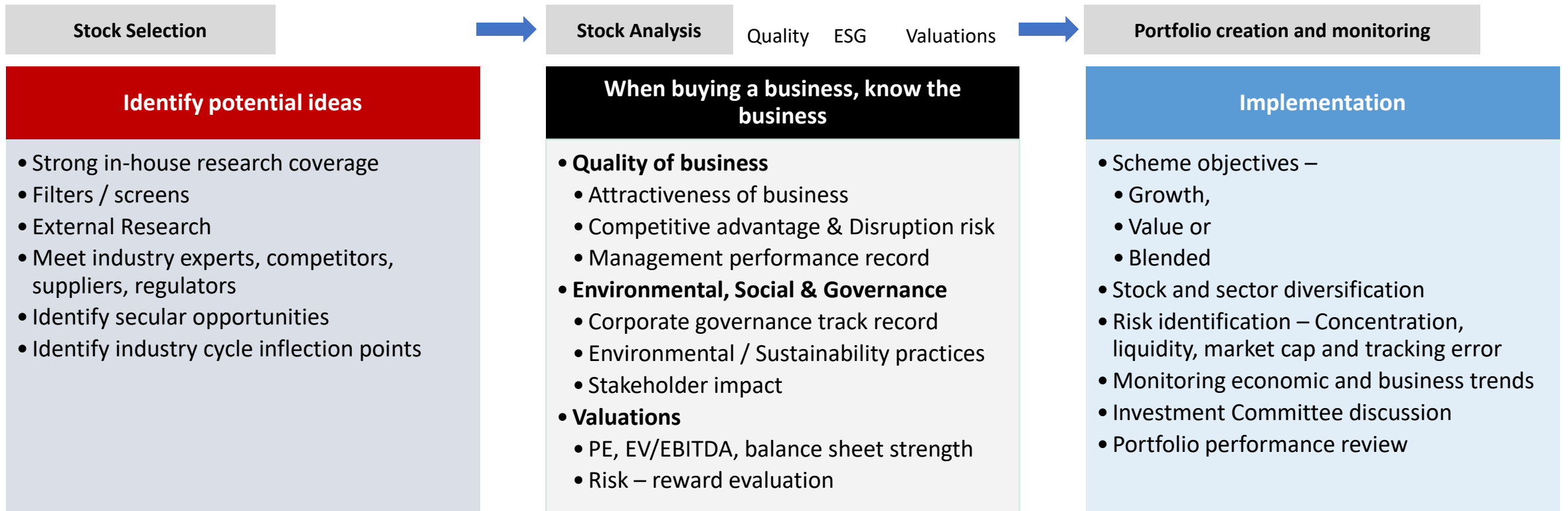
Robust risk management

- A robust framework for evaluating, monitoring and managing various risks are an integral part of the investment process

Source: HSBC Mutual Fund

Equity - Investment Process

Power of SAPM - Equity investment process comprises three stages



Source: HSBC Mutual Fund

Indian Equity

India – Moving Towards Developed Economy

75 years: key achievements

- 
 - 100x rise in GDP; currently at USD 3.5 Tn
 - 500x rise in total exports; highest ever exports of USD 660 Bn in 2021-22
- 
 - Growth rate 8.7% (FY21-22)
- 
 - 5th largest economy; jumped 6 positions since 2012
- 
 - Human capital - 2nd largest working population of 522 Mn with a median age of 29
- 
 - Building Infrastructure Of The Future - National Infrastructure Pipeline (NIP) of USD 1.4 tn

Source: New India Factbook, India at Davos 2022-23

India – Moving Towards Developed Economy

Business Reforms , Infrastructure, Technology, Sustainable Energy



Production Linked
Incentives

Financial incentives worth USD 26 Bn to promote domestic production in 14 sectors



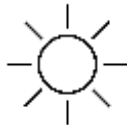
Ease of Doing Business

79 positions jump in rank over 5 years, in World Bank's Ease of Doing Business ranking; among top 5 economies for ease of starting new business; reduce numerous compliances to improve industrial ecosystem; Single Window Digital platform for investor approvals



e-Rupee

1st official digital currency of India launched



Energy Commitment

Meet 50% country's energy requirements using renewable energy sources by 2030; Net Zero emissions by 2070



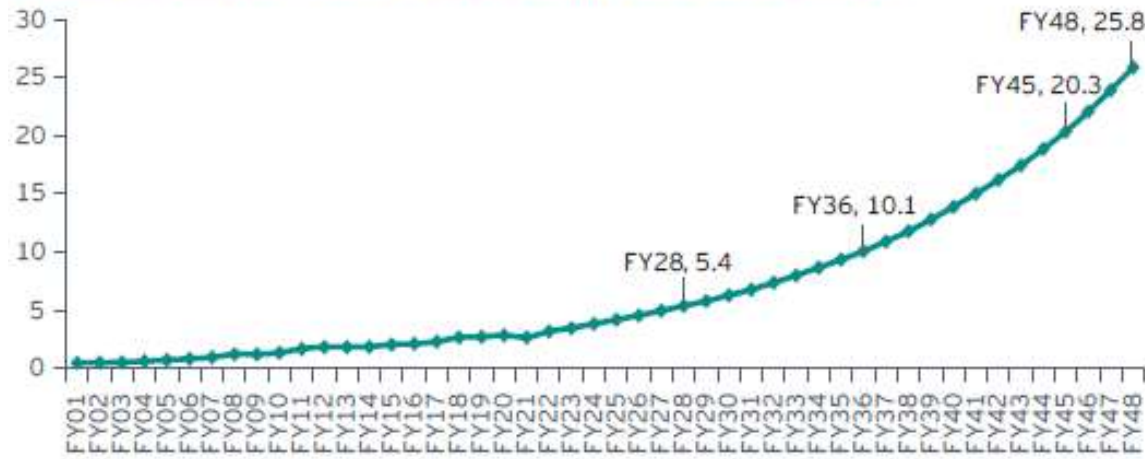
Technology-led Startups
across Sectors

Fintech, Edtech, Agritech, 10x increase in total investments

Source: New India Factbook, India at Davos 2022-23; EY India@100 report

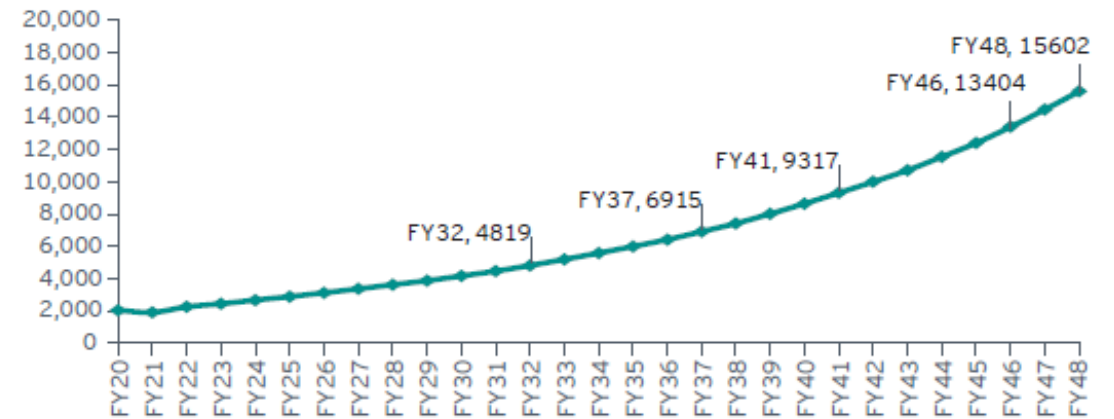
India @100 Trailblazing Global Growth

India's Amrit Kaal - Crossing critical thresholds
Projected size of the Indian economy (in US\$ trillion)



Source (basic data): EY estimates

From developing to developed
Profile of India's per capita GDP (in US\$)



Source (basic data): EY estimates

The data is as per the latest available information as on 31 Jan 2023

IMF's medium-long term projections for India & OECD

Sprinting ahead: India will grow far faster than peers in the medium-term (Growth, % y-o-y)

	2022	2023	2024	2025	2026	2027
US	1.6	1.0	1.2	1.8	2.1	1.9
Germany	1.5	-0.3	1.5	2.2	1.8	1.3
Japan	1.7	1.6	1.3	0.9	0.5	0.4
India*	6.8	6.1	6.8	6.8	6.5	6.2
China	3.2	4.4	4.5	4.6	4.6	4.6
World	3.2	2.7	3.2	3.4	3.3	3.2
AES	2.4	1.1	1.6	1.9	1.9	1.7
EMDEs	3.7	3.7	4.3	4.3	4.3	4.3
Euro area	3.1	0.5	1.8	1.9	1.7	1.5

Source: IMF World Economic Outlook, October 2022; *data pertains to fiscal year

The heavyweights: how the top 5 economies will grow according to the OECD (Five yearly average growth rates in % terms)

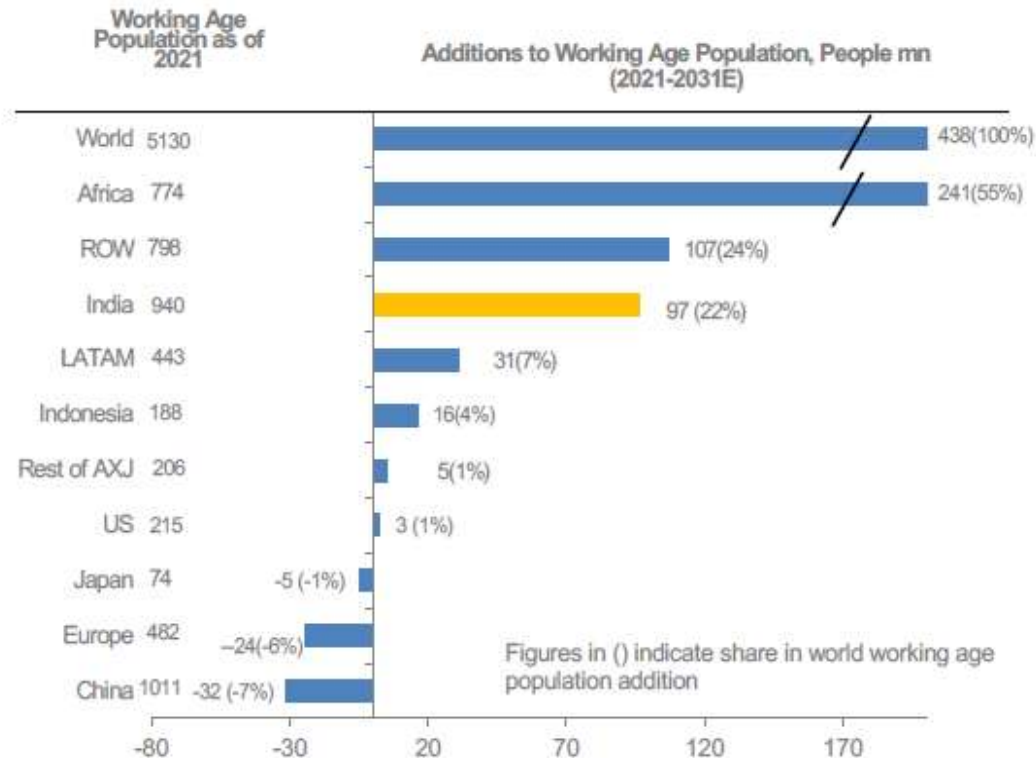
	China	Germany	Japan	US	India	World
2022 to 2025	4.9	2.0	1.1	2.2	8.2	3.7
2026 to 2030	3.7	0.7	0.6	1.6	5.9	2.7
2031 to 2035	2.9	0.7	0.5	1.5	4.7	2.3
2036 to 2040	2.1	0.8	0.4	1.4	3.8	1.9
2041 to 2045	1.6	0.9	0.3	1.4	3.1	1.7
2046 to 2050	1.3	0.9	0.2	1.3	2.7	1.5
2051 to 2055	1.3	0.9	0.4	1.3	2.4	1.5
2056 to 2060	1.2	1.0	0.5	1.3	2.3	1.5

Source (basic data): OECD; Note: For India, data is on fiscal year bases. 2022 implies FY23 and so on.

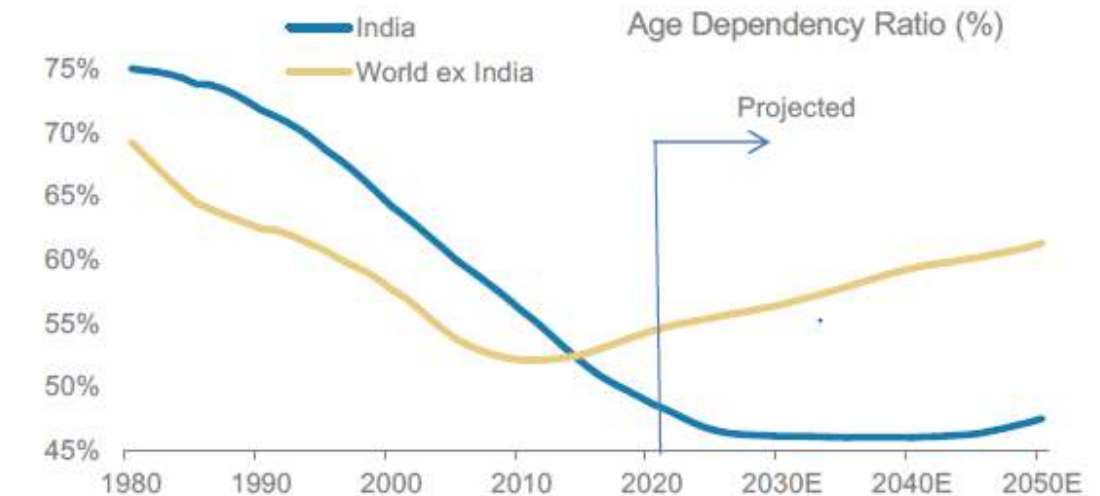
Source: IMF World Economic Outlook, GDP growth

India's Changing Demographics

- India expected to add 22% of the World's working age population by 2031



- India's age dependency to be lower than the World's average



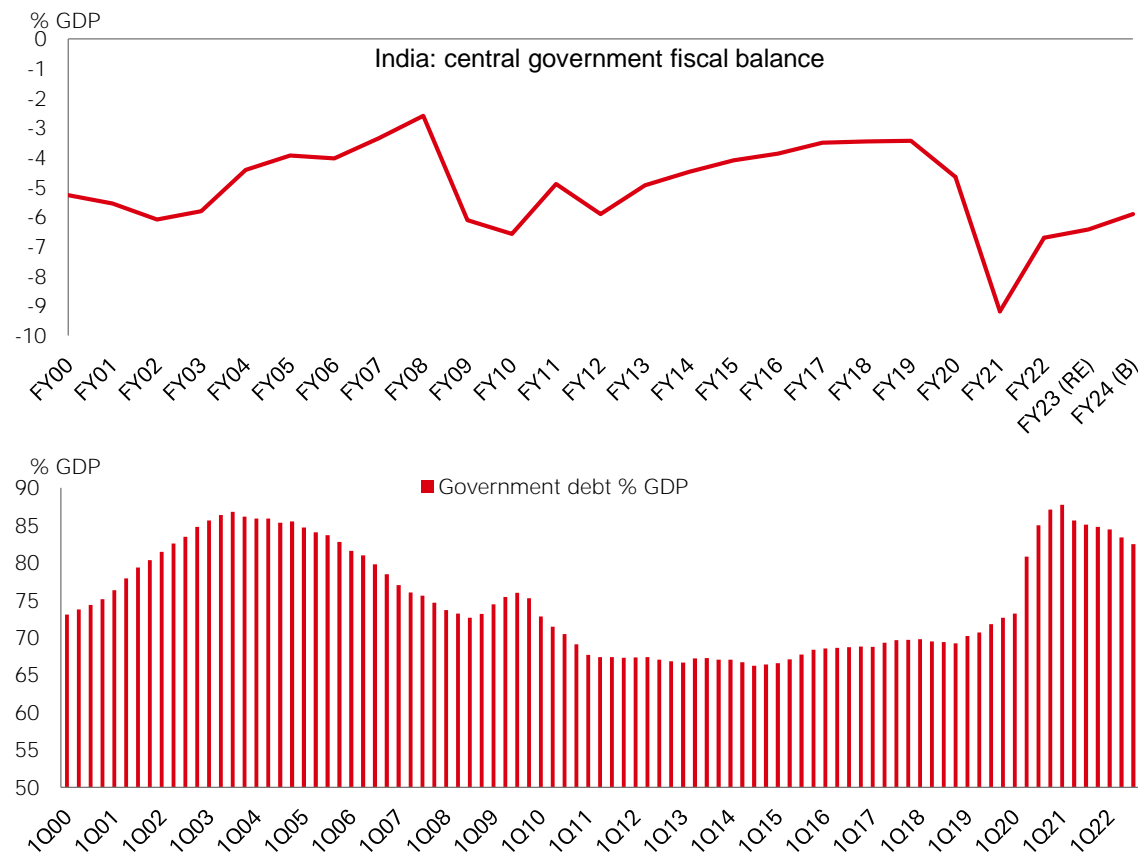
Source: UN, Haver Analytics, Morgan Stanley Research. E = UN estimates

Source: UN Population Database estimates, Morgan Stanley Research. * Africa is the sum of 58 countries, ^ Rest of AXJ is 10 AXJ economies ex India, Indonesia and China

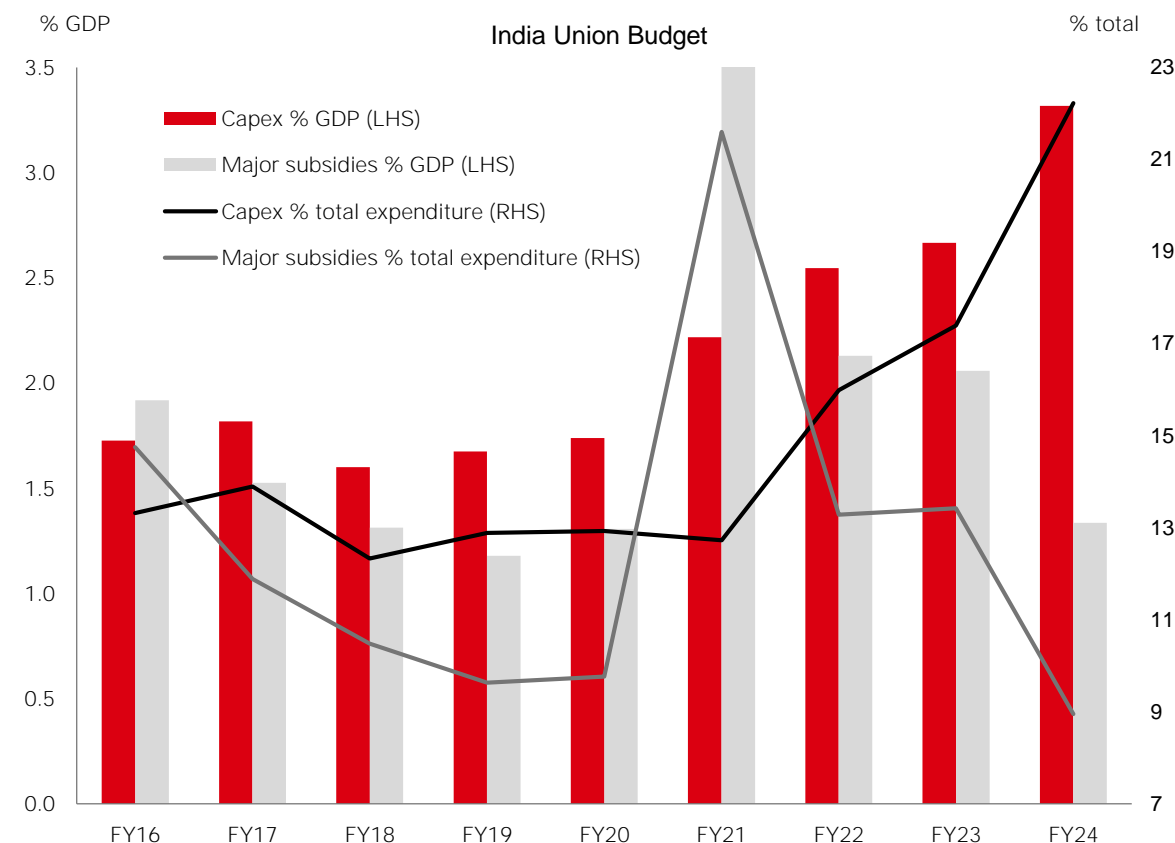
Striking a balance between fiscal consolidation & growth²²

High government debt remains a risk and policy constraint

Fiscal consolidation following sharp Covid-induced deterioration



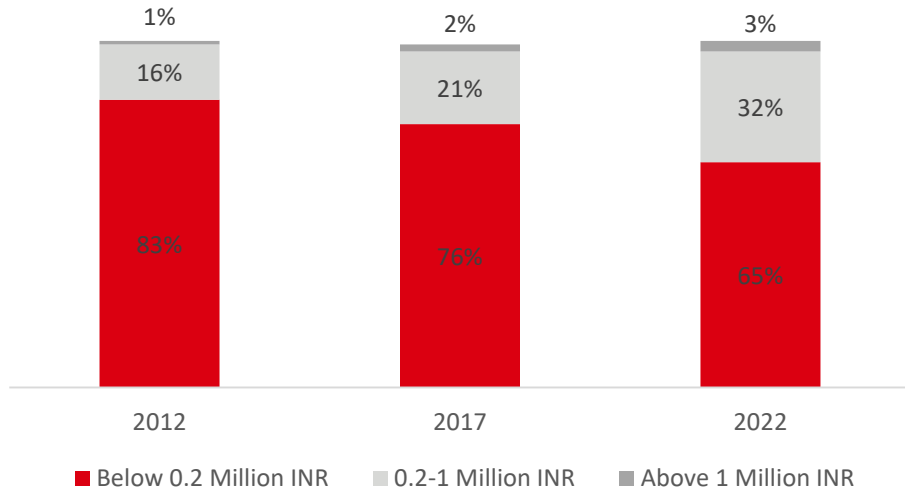
Improving quality of government expenditure with capex push



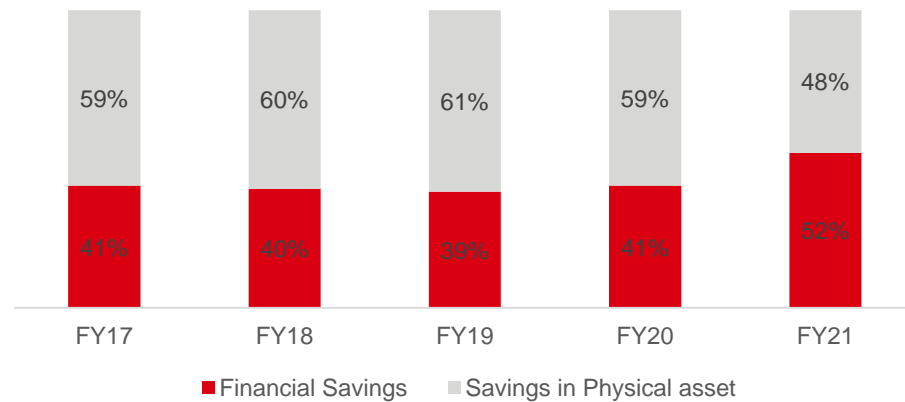
Past performance is not a reliable indicator of future performance. Source: Bloomberg, CEIC, HSBC Mutual Fund, January 2023. Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Mutual Fund accepts no liability for any failure to meet such forecast, projection or target.

Key indicators: Indicate a positive picture

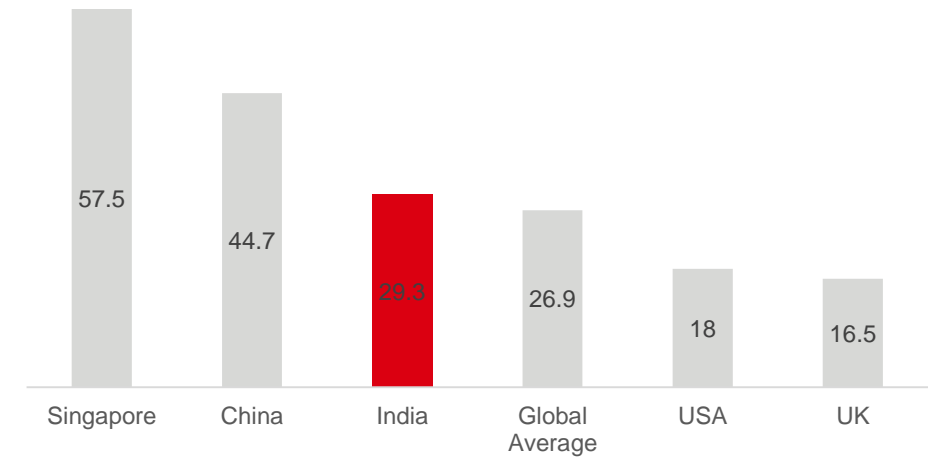
Increasing Middle-class



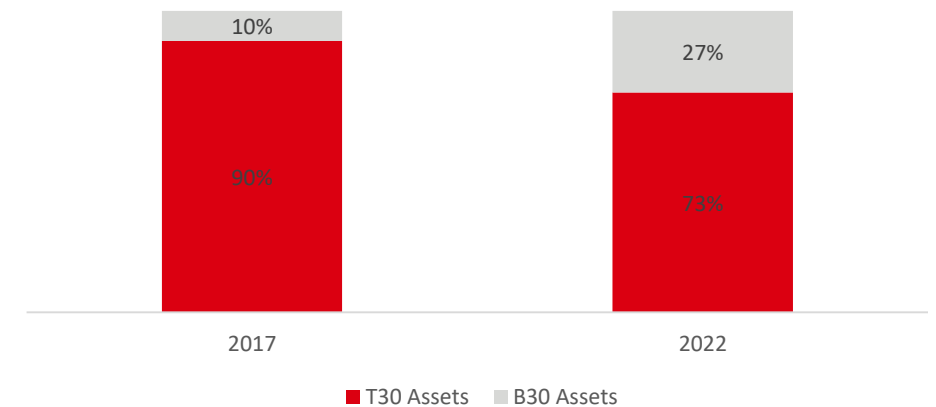
Savings moving to financial assets



Higher Savings Rate



MF's broadening their reach

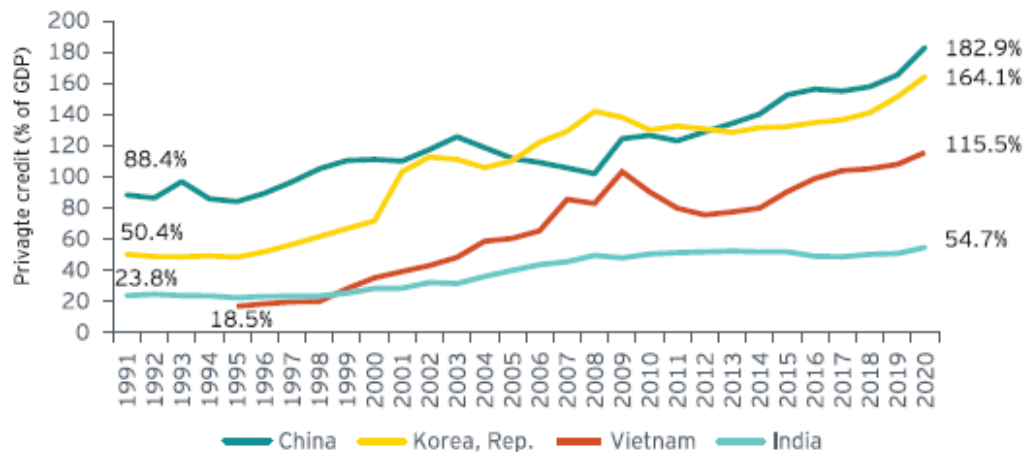


Source: Crisil, 0.2 Mn INR=2,418 USD, 1 Mn INR=12,090 USD, The data is as per the latest available information as on 31 Jan 2023

Filling the Credit Gap to Fuel Growth

Private debt to GDP ratio is low in India

Domestic credit to private sector as % to GDP



Source: World Bank

Gross NPAs

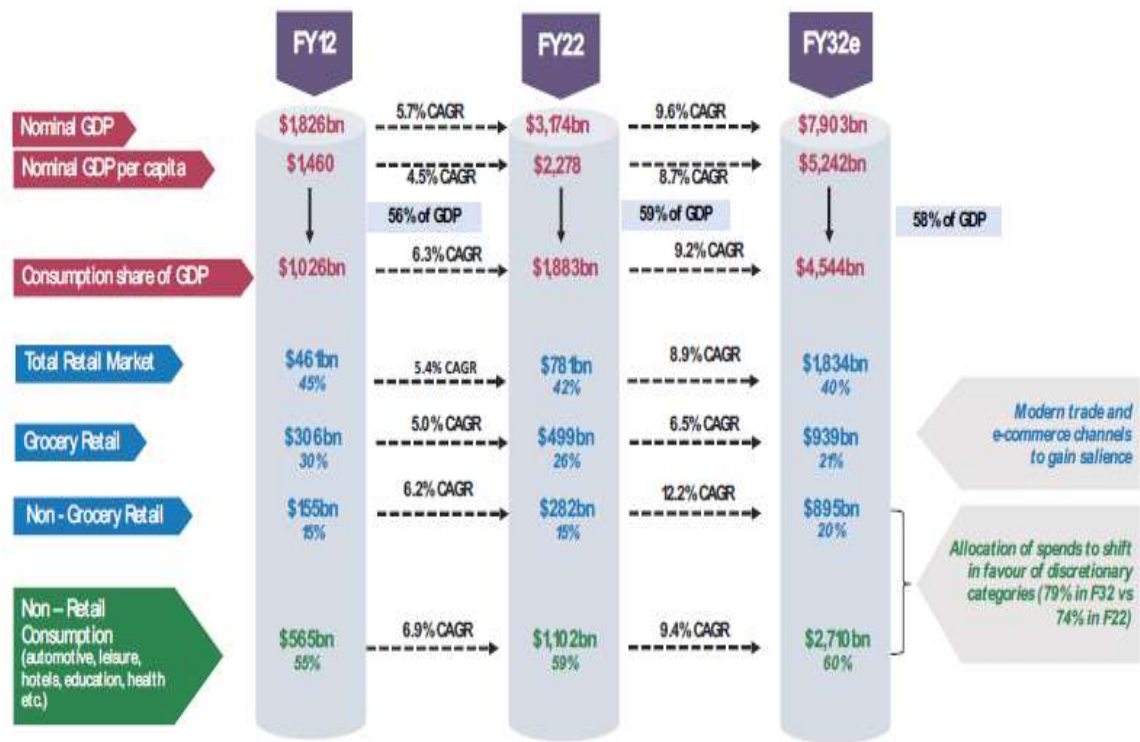


Source: RBI

Source – World Bank, RBI, The data is as per the latest available information as on 31 Jan 2023

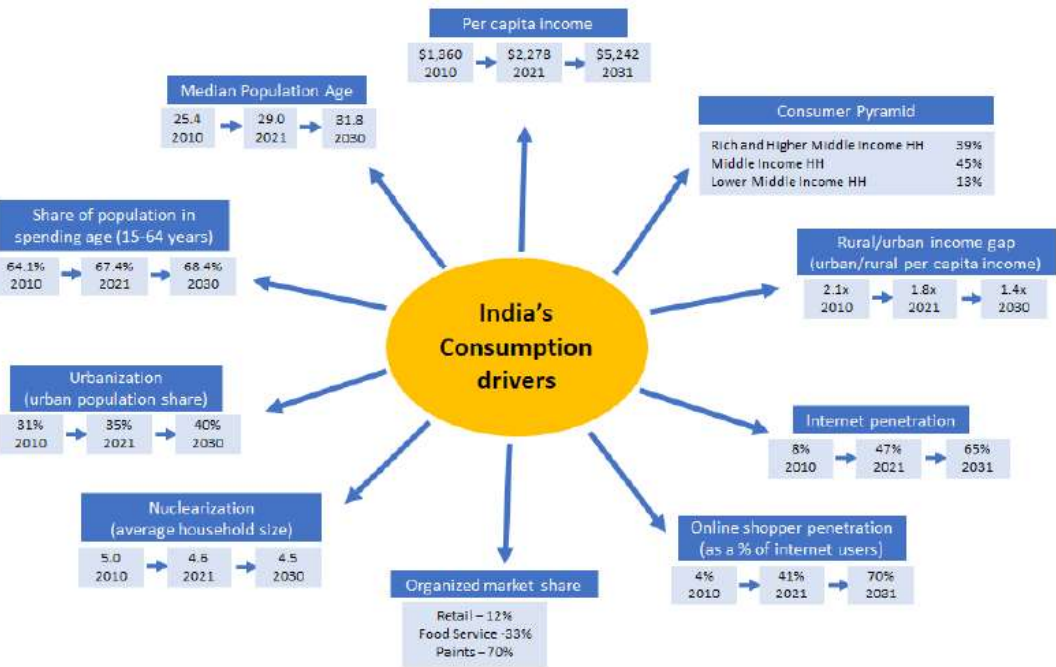
Discretionary Spending Boom is on the horizon

Discretionary spending



Source: Morgan Stanley Research estimates

India's Consumption Drivers



Source: Euromonitor, RedSeer, World Bank, Morgan Stanley Research estimates

The data is as per the latest available information as on 31 Jan 2023

Clear focus on infrastructure and manufacturing development

Sticking to consolidation roadmap with reduction in fiscal deficit by 50 bps to 5.9% in FY24

- Focus on productive spends: This year's budget is a continuation of the structural path of productive asset creation envisaged in the previous budget. The adjusted capex spend is expected to grow at 22% in FY24 over FY23 RE, which was only a growth of 22% (YoY) over FY21.
- Realistic and low on populism: Revenue growth estimates inline with expected nominal GDP growth of 10.5% looks realistic. Government has resisted the urge of turning populist ahead of the 2024 National Elections. However, revenue expenditure growth of only 1% (YoY) due to reduction in subsidies may be hard to stick to.
- Emphasis on manufacturing and clean energy: Government has allocated Rs 350 bn to support clean energy and battery initiatives inline with its long term Net Zero objective. Focus remains on localization of advanced manufacturing and newer areas through Production Linked Incentive (PLI) schemes for various sectors.
- Leveraging existing schemes: There increased allocation to already well executed schemes which could further bolster the action plan (PM Awas Yojana, Jal Shakti scheme etc.) while subsidy program allocations have been cut as the economy has now fully recovered from the pandemic.
- Limited change in tax rates: Government is looking to move, more people to the more simplified 'New tax regime' and has tried to increased its relative attractiveness with some reduction in tax outgo. It has also removed tax exempt status for certain large premium insurance schemes.
- Misses: No measures taken to get India included in global bond markets indices. No boost to housing sector with increased tax deduction to offset higher interest rates.

Source: Indian Union Budget Document, Bloomberg, February 2023.

Any views expressed were held at the time of preparation is based on the information available in the public and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Mutual Fund accepts no liability for any failure to meet such forecast, projection or target. Past performance is not a reliable indicator of future performance.

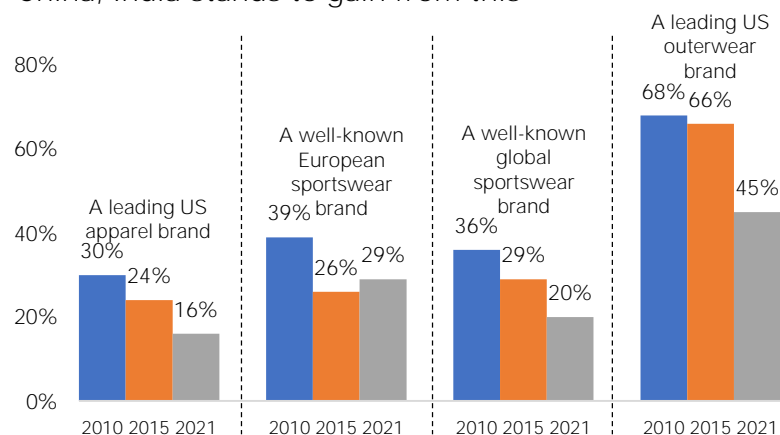
Make in India

Increasing adoption of China + 1 strategy as India grows its domestic capability

Products in focus	Components	Factors influencing “made in India”
Textiles	Garments / apparel	Tax incentives and focus on scale
Auto	Small cars, 2W, engine and transmission components	Higher import duties, lower taxes
Air Conditioners	Compressor, condensers, PCBs	Import disincentives
Mobile Phones	Assembly of mobile phones	Production-linked incentives
Defence Equipment	Various products	Import has been banned
Pharmaceuticals	Active pharmaceutical ingredients, intermediates	Production-linked incentives
IT	SaaS	Digitisation, cyber security, ban on some foreign apps

Source: Goldman Sachs Research, as of September 2020

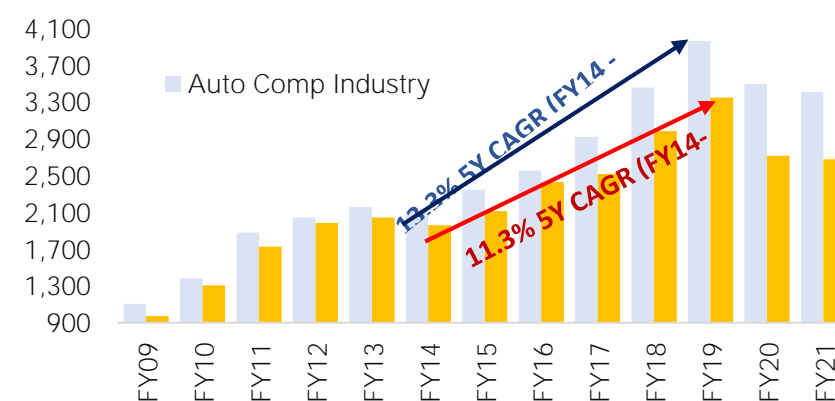
Serious drop in textile brands’ procurement from China, India stands to gain from this



Source: Gokaldas Exports Limited, JM Financial, as of May 2022

Auto parts growing faster than OEMs, thanks to policy support over domestic manufacturing

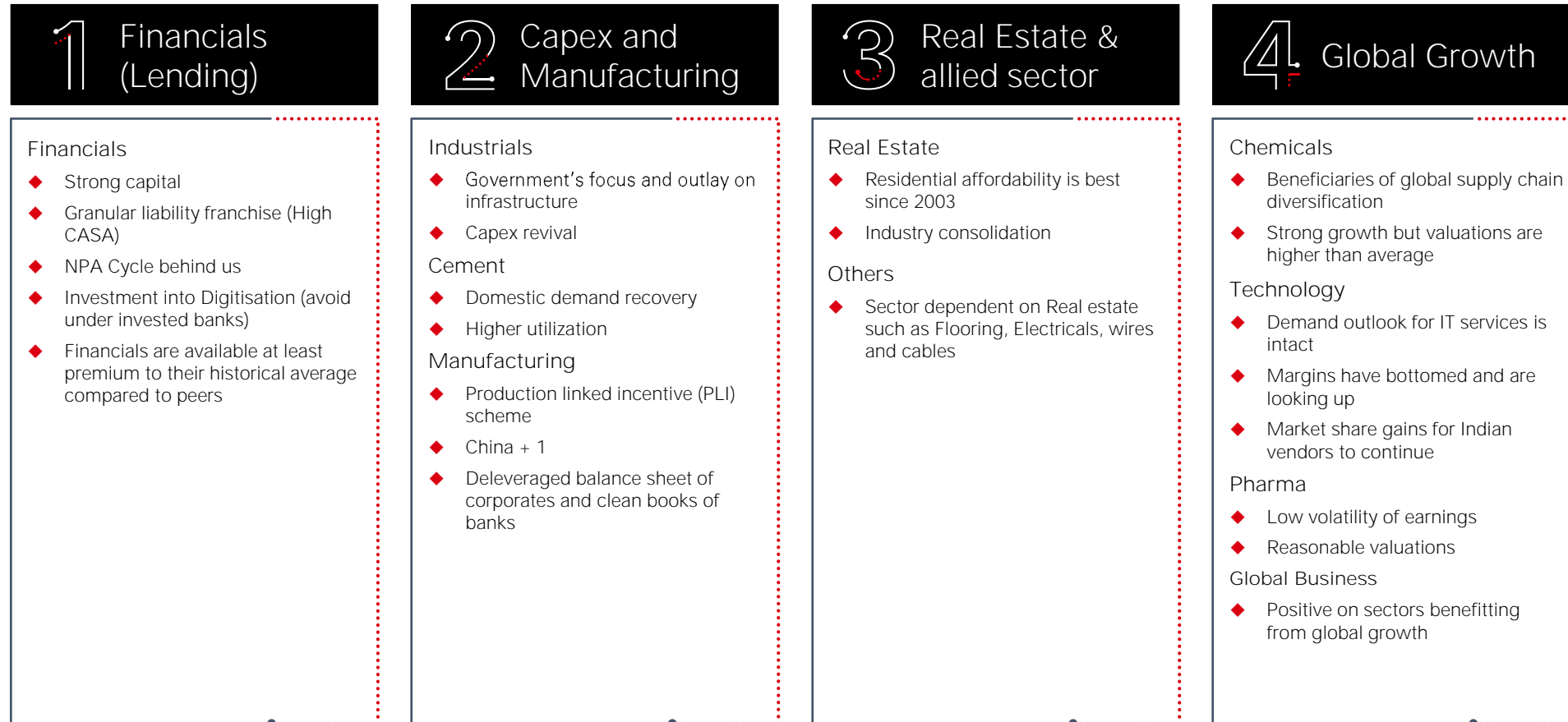
Annual turnover (Rs bn)



Source: Company data, ACMA, Credit Suisse, as of May 2022

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Four portfolio pillars holding the fort taller

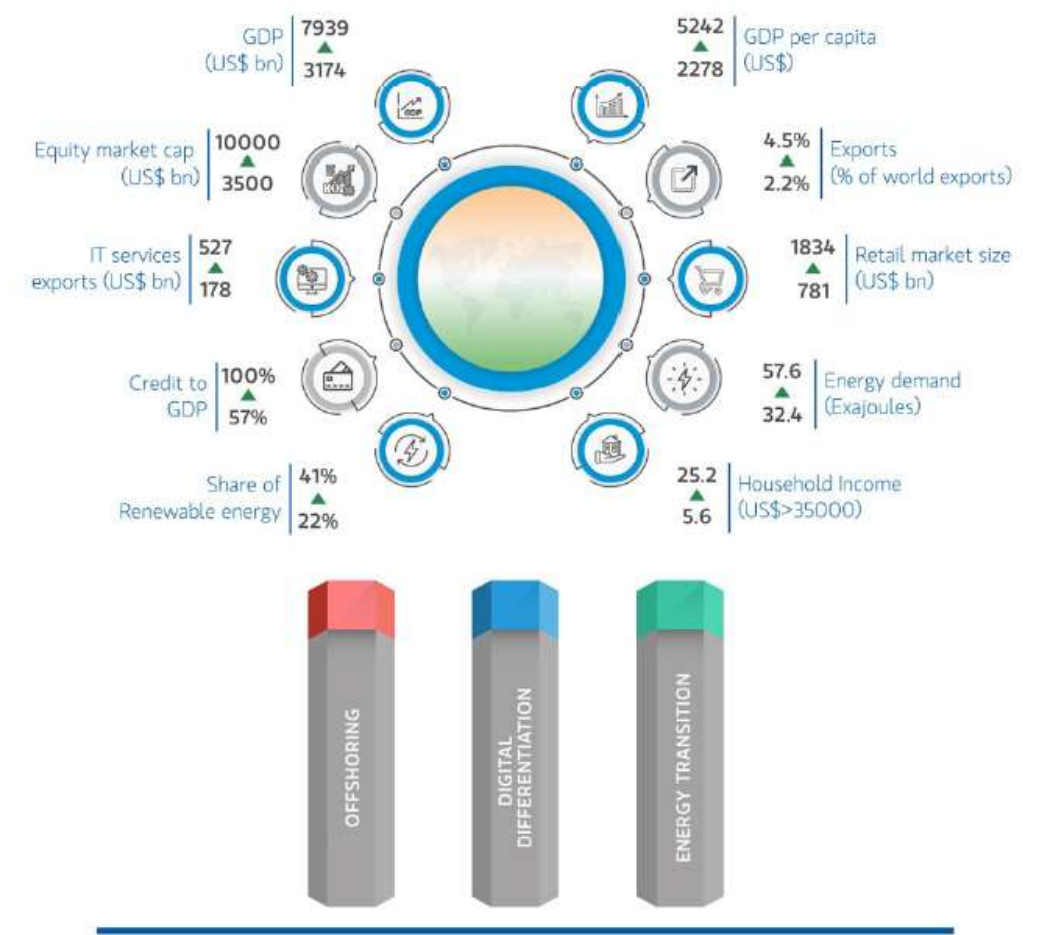


Prefer Financials followed by capex and manufacturing, real estate and global growth

Source: HSBC Mutual Fund, Data as at January 2023, Any forecast, projection or target when provided is indicative only and is not guaranteed in anyway. HSBC Mutual Fund accepts no liability for any failure to meet such forecast, projection or target. The above information is for illustrative 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. Past performance may or may not sustain and doesn't guarantee the future performance. The Fund may or may not have any future position in these stocks.

In conclusion

THE NEW INDIA WILL DRIVE A FIFTH OF GLOBAL GROWTH THROUGH THE END OF THIS DECADE



The data is as per the latest available information as on 31 Jan 2023

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

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