

HSBC Midcap Fund – May '23 Update

We have maintained our differentiated positioning vs competition & benchmark. This is visible in our top holdings and sector allocation.

Our bias towards strong franchises had helped us during Sep'22 – Mar' 23 when the fund had generated positive alpha vs index. This same bias has hurt us in April & May'23 as the market rally over last 2 months was led by high beta stocks which had higher exposure in the index vs our portfolio.

We believe that this rally in beaten down stocks is nearing its end and over the long term, stronger franchises at a reasonable price should do well.

We have highlighted some of the changes in the portfolio since our last update.

Changes in Portfolio

1) No. of stocks:



2) Top Holdings:

November '22		April '23	
Emami Ltd	3.3%	Ratnamani Metals and Tubes Lt	3.2%
Ratnamani Metals & Tubes Ltd	2.9%	Abbott India Ltd	2.6%
Sundaram Finance Ltd	2.5%	Bosch Ltd	2.5%
Blue Dart Express Ltd	2.4%	Sundaram Finance Ltd	2.5%
Indian Hotels Co Ltd	2.4%	Indian Bank	2.4%
Ipsa Laboratories Ltd	2.4%	Emami Ltd	2.3%
Abbott India Ltd	2.4%	CRISIL Ltd	2.2%
Cummins India Ltd	2.3%	Indian Hotels	2.0%
Bosch Ltd	2.2%	Cummins India Ltd	2.0%
Indian Bank	2.2%	NTPC Ltd	1.9%
Cholamandalam Investment And	2.1%	The Ramco Cements Ltd	1.9%
Bayer Cropscience Ltd	2.0%	3M India Ltd	1.8%
Multi Commodity Exch India	2.0%	IPCA Laboratories Ltd	1.7%
Godfrey Phillips India Ltd	1.9%	Bayer Cropscience Ltd	1.7%
3M India Ltd	1.8%	Multi Commodity Exchange of	1.7%
Cril Ltd	1.8%	Blue Dart Express Ltd	1.7%
Ramco Cements Ltd/The	1.8%	Sundram Fasteners Ltd	1.7%
Indian Railway Finance Corp	1.7%	TVS Motor Company Ltd	1.6%
Trent Ltd	1.7%	Cholamandalam Investment ar	1.6%
Mphasis Ltd	1.6%	APL Apollo Tubes Ltd	1.6%


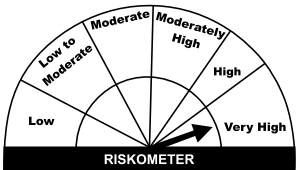
Note: Stocks highlighted are exits and entry in the top 20 holdings

3) Top Sector Exposure:

November '22		April '23	
Pharmaceuticals	9.3%	Pharmaceuticals	11.3%
Finance	8.5%	Industrial Products	10.9%
Industrial Products	8.0%	Finance	7.8%
Consumer Non Durables	7.2%	Auto Components	6.4%
Banks	6.3%	Banks	5.3%
Auto Ancillaries	5.8%	IT - Software	4.2%
Ferrous Metals	5.3%	Cement & Cement Products	4.2%
Software	4.4%	Fertilizers & Agrochemicals	3.3%
Consumer Durables	3.7%	Healthcare Services	3.3%
Healthcare Services	3.1%	Capital Markets	3.0%
Chemicals	3.0%	Consumer Durables	2.9%
Cement & Cement Products	2.7%	Power	2.7%
Auto	2.7%	Chemicals & Petrochemicals	2.6%
Capital Markets	2.5%	Personal Products	2.3%
Pesticides	2.3%	Automobiles	2.1%

Investment Objective

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

Scheme name and Type of scheme	Riskometer of the Scheme	Riskometer of the benchmark
<p>This product is suitable for investors who are seeking*:</p> <p>HSBC Midcap Fund (Erstwhile L&T Midcap Fund) - Midcap Fund – An open ended equity scheme predominantly investing in mid cap stocks.</p> <ul style="list-style-type: none"> • Long term wealth creation • Investment in equity and equity related securities of mid cap companies. <p>(Benchmark : S&P BSE 150 MidCap TRI Index)</p>	 <p>Investors understand that their principal will be at Very High risk</p>	

Riskometer is as on 30 Apr 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

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