

Product Note

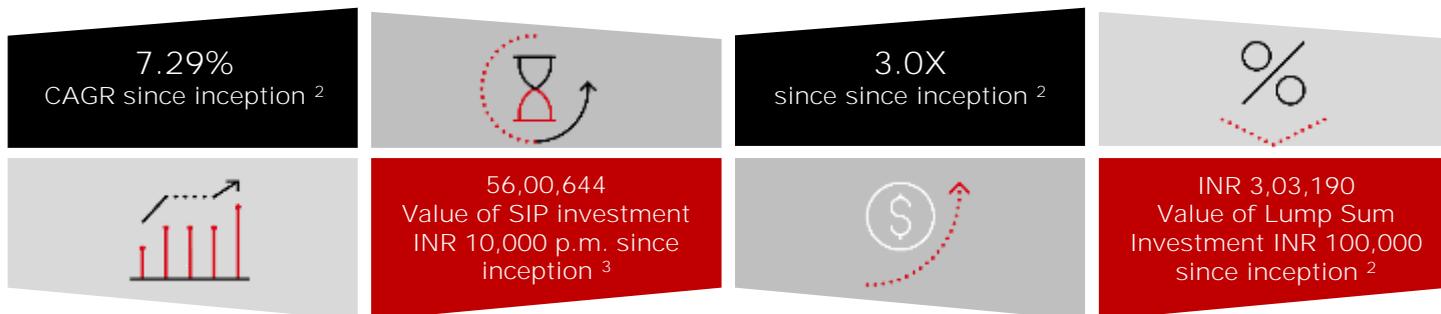
HSBC Infrastructure Fund (HINF) (Formerly known as L&T Infrastructure Fund)

Thematic Fund - An open ended equity scheme following Infrastructure theme

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

July 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Thematic Fund	Venugopal Manghat and Gautam Bhupal	NIFTY Infrastructure TRI	27 Sep 2007	Rs. 1717.66 Cr



Portfolio	% of net assets	Sector - Allocation	% of net assets
Larsen & Toubro Limited	9.47%	Industrial Products	21.98%
NTPC Limited	5.93%	Construction	17.76%
Bharat Electronics Limited	5.74%	Electrical Equipment	10.24%
UltraTech Cement Limited	3.76%	Cement & Cement Products	8.96%
ABB India Limited	3.59%	Aerospace & Defense	6.03%
Reliance Industries Limited	3.51%	Power	5.93%
Carborundum Universal Limited	3.33%	Industrial Manufacturing	4.01%
Bharti Airtel Limited	3.33%	Realty	3.82%
Finolex Cables Limited	3.06%	Transport Services	3.77%
HG Infra Engineering Limited	2.78%	Petroleum Products	3.51%

Risk Ratios ⁴	
Standard Deviation	15.50%
Beta	0.88
Sharpe Ratio ⁵	1.57
R2	0.75

Load / Expenses	
Entry Load	NA
Exit Load - NIL (after 1 year), 1% (before 1 year) ⁶	
Expense ratio (Other than Direct) ⁷	2.13%
Expense ratio (Direct)	1.09%

Product Note

¹ 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

² As on 30 June 2023 of Growth option. During the same period, scheme benchmark (NIFTY Infrastructure TRI) has moved by 1.5x to Rs. 1,55,430 from Rs 100,000 and delivered return of 2.84% Please refer page no. 3 for detailed performance of HSBC Infrastructure Fund.

³ During the same period, value of scheme benchmark (NIFTY Infrastructure TRI) has moved to 3,846,409

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

⁵ Risk free rate: 6.90% (FIMMDA-NSE MIBOR) as on 30 June, 2023.

⁶ 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

⁷ Continuing plans

Data as on 30 June, 2023 unless otherwise given

The fund has undergone merger/consolidation along with changes to its fundamental attributes as per the notice published on 15 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

INDIA is one of the fastest growing economies in the world. The role of infrastructure is paramount and foundation stone for any economy to drive forward. Thus, the government has reiterated its focus on infrastructure sector in Union Budget 2022 and proposed a robust infrastructure spending in fiscal 2022-23 which is expected to positively influence the prospects of the companies in the core infrastructure and allied sectors.

HSBC Infrastructure Fund that endeavours to invest in companies that could gain from the government's policies on infrastructure growth and economic reforms that could directly feed off its growth.

Why HSBC Infrastructure Fund?

- To create wealth over a long-term from the infrastructure growth in India
- A top down and bottom up approach will be used to invest in equity and equity related instruments
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Philosophy

- HIF is a thematic fund which primarily invest in Infrastructure companies.
- It's a flexi-cap strategy with a flexibility to invest across the market capitalization spectrum.
- Fund mostly follows bottom-up approach for stock selection.

Key portfolio themes

- We believe that the macro recovery cycle is still underway and has some way to go before turning. In line with that we are invested into the cyclical part of the economy. We believe the earnings growth delivered by these companies will be strong in the medium term partially aided by the economic tailwinds.
- Persistently high Inflation has impacted the margins of corporate India. However, the demand scenario so far has not deteriorated. With commodity prices starting to come down, margins are also showing signs of an uptick. Remain constructive on the businesses that are participating in the current growth trends.
- Inflationary pressures seem to be moderating with correction in crude and global commodity prices and the likelihood of further interest rates increase has reduced. We remain positively biased towards domestic cyclicals, supported by the more robust medium term growth outlook.
- Our positioning in the portfolio is:
- Positive on Capital Goods, Real Estate, EPC, Cement and Logistics sectors.
- EPC companies are expected to benefit from increased traction in Roads, Building Construction, Water, Power transmission and distribution capex as well as Railway capex.
- Pickup in infra capex should drive the demand for some of the capital good companies.
- Improved demand in housing and infra segment along with expected improvement in pricing power due to increased utilization level should be positive for Cement companies.
- Real Estate earnings momentum will be driven by demand factors and industry consolidation benefiting the larger listed players.
- With reform measures like GST and E-way Bills, Logistics sector should be beneficiary of increased supply chain outsourcing.
- Negative on Energy and Utilities, two sectors with high regulatory interference, low sustainable profitability and with plenty of capital misallocation history.
- **Portfolio sectoral positioning:**
 - Overweight: Industrials, Materials and Real Estate
 - Underweight: Energy, Communication Services, Utilities, Consumer Discretionary and Healthcare
- **Sector Attribution (1 year):**
 - O/W in Industrials and U/W in Energy contributed positively to the performance.
 - U/W in Utilities contributed negatively to the performance.

HSBC Infrastructure Fund (HINF) | Product Note
[July 2023]

Fund Manager - Venugopal Manghat (No of Schemes Managed – 5) - Managing Fund Since 17 Dec 2019 and Gautam Bhupal (No of Schemes Managed – 8) - Managing Fund Over 18 Years 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	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Infrastructure Fund-Regular ^a	14109	41.09	24372	34.58	18704	13.33	30319	7.29	27-Sep-07
Scheme Benchmark (NIFTY Infrastructure TRI)	12524	25.24	19704	25.37	19941	14.79	15543	2.84	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	46236	10.20	

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 Small Cap Fund-Regular ^a	13386	33.86	29382	43.23	21237	16.24	51481	19.64	12-May-14
Scheme Benchmark (NIFTY Small Cap 250 TRI)	13148	31.48	26608	38.57	19167	13.88	39526	16.23	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	30685	13.05	
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 ELSS Fund-Regular	12862	28.62	18691	23.18	16262	10.20	88570	13.40	27-Feb-06
Scheme Benchmark (Nifty 500 TRI)	12390	23.90	20030	26.06	18963	13.64	75816	12.39	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	77281	12.51	
HSBC Value Fund-Regular	13182	31.82	21813	29.69	19134	13.84	66925	15.14	08-Jan-10
Scheme Benchmark (Nifty 500 TRI)	12390	23.90	20030	26.06	18963	13.64	43425	11.51	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	43095	11.44	
HSBC Flexi Cap Fund-Regular	12568	25.68	18617	23.02	16605	10.66	173762	15.89	24-Feb-04
Scheme Benchmark (Nifty 500 TRI)	12390	23.90	20030	26.06	18963	13.64	144154	14.78	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	135149	14.40	
HSBC Tax Saver Equity Fund-Regular	12057	20.57	18666	23.13	16832	10.96	60082	11.49	05-Jan-07
Scheme Benchmark (Nifty 500 TRI)	12390	23.90	20030	26.06	18963	13.64	59809	11.45	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	58715	11.33	
HSBC Managed Solutions India – Conservative – Regular	10767	7.67	12077	6.49	13229	5.75	18423	6.89	30-Apr-14
Scheme Benchmark (CRISIL Composite Bond Fund-Regular Index,S&P BSE 200 TRI)	11129	11.29	12619	8.06	15309	8.88	22582	9.29	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	32141	13.57	
Additional Benchmark (CRISIL 10 Year Gilt Index)	10928	9.28	10959	3.10	13872	6.76	18734	7.08	30-Apr-14
HSBC Managed Solutions India – Growth	12275	22.75	17895	21.41	16914	11.07	29392	12.47	
Scheme Benchmark (CRISIL Composite Bond Fund-Regular Index,S&P BSE 200 TRI)	12165	21.65	18544	22.86	18617	13.22	32731	13.80	
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	32141	13.57	30-Apr-14
Additional Benchmark (CRISIL 10 Year Gilt Index)	10928	9.28	10959	3.10	13872	6.76	18734	7.08	
HSBC Managed Solutions India – Moderate	11935	19.35	16442	18.03	16130	10.02	26588	11.25	
Scheme Benchmark (CRISIL Hybrid 35+65 – Aggressive Index)	11806	18.06	16486	18.13	17851	12.27	30015	12.73	30-Apr-14
Additional Benchmark (Nifty 50 TRI)	12291	22.91	19315	24.54	19018	13.70	32141	13.57	
Additional Benchmark (CRISIL 10 Year Gilt Index)	10928	9.28	10959	3.10	13872	6.76	18734	7.08	

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

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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 Infrastructure Fund	Venugopal Manghat- Since Dec 17, 2019 Gautam Bhupal-Since June 01, 2023	Venugopal Manghat-5 Gautam Bhupal-8
HSBC Small Cap Fund	Venugopal Manghat- Since Dec 17, 2019 Vihang Shankar Naik- Since Dec 17, 2019	Venugopal Manghat-5 Vihang Shankar Naik-4
HSBC Business Cycles Fund	Gautam Bhupal-Since June 01, 2023 Venugopal Manghat- Since Aug 20 2014	Gautam Bhupal-8 Venugopal Manghat-5
HSBC ELSS Fund	Cheenu Gupta- Since Jul 02, 2021 Gautam Bhupal- Since Nov 26,2022	Cheenu Gupta-8 Gautam Bhupal-6
HSBC Value Fund	Venugopal Manghat- Since Nov 24,2012 Vihang Shankar Naik- Since Dec 17,2019	Venugopal Manghat-5 Vihang Shankar Naik-4
HSBC Flexi Cap Fund	Vihang Shankar Naik- Since Nov, 26 2022 Venugopal Manghat- Since Nov, 26 2022	Vihang Shankar Naik-4 Venugopal Manghat-5
HSBC Tax Saver Fund	Gautam Bhupal- Since July 23, 2019 Cheenu Gupta- Since Nov 26, 2022	Gautam Bhupal-8 Cheenu Gupta-8
HSBC Managed Solutions India - Conservative	Gautam Bhupal- since October 21, 2015	Gautam Bhupal-8
HSBC Managed Solutions India - Growth	Gautam Bhupal- since October 21, 2015	Gautam Bhupal-8
HSBC Managed Solutions India - Moderate	Gautam Bhupal- since October 21, 2015	Gautam Bhupal-8

⁸ HSBC Infrastructure Fund: The launch date of the S&P BSE India Infrastructure Index (INR) is May 19, 2014 whereas the inception date of the scheme is September 27, 2007.

The corresponding benchmark returns since inception of the scheme is not available.

⁹ HSBC Small Cap Fund: The launch date of the S&P BSE 250 Small Cap Index (INR) is November 30, 2017 whereas the inception date of the scheme is May 12, 2014. The corresponding benchmark returns since inception of the scheme is not available.

SIP Performance - HSBC Infrastructure Fund - Reg					Inception Date: 27-Sep-07
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1880000	
Market Value as on June 30, 2023 (₹)	143,493	545,085	1,038,638	5,600,644	
Scheme Returns (%)	38.49	28.97	22.14	12.79	
NIFTY Infrastructure TRI - Scheme Benchmark (₹)	134,780	478,591	956,289	3,846,409	
NIFTY Infrastructure TRI - Scheme Benchmark Returns (%)	23.78	19.45	18.74	8.57	
Nifty 50 TRI - Additional Benchmark (₹)	131,535	454,311	894,567	5,630,430	
Nifty 50 TRI - Additional Benchmark Returns (%)	18.43	15.75	16.00	12.85	

Investment Objective

To generate long term capital appreciation from an actively managed portfolio of equity and equity related securities by investing predominantly in equity and equity related securities of companies engaged in or expected to benefit from growth and development of Infrastructure in India. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

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

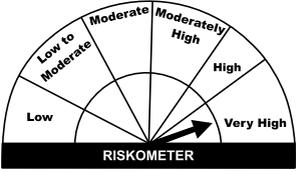
For SIP returns, monthly investment of Rs.10,000 invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis.

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.

Past performance may or may not be sustained in the future. Source: HSBC Asset Management India, data as at 30 June 2023

Product Label

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 Infrastructure Fund - Thematic Fund (Erstwhile L&T Infrastructure Fund) – An open-ended Equity Scheme following Infrastructure theme.</p> <ul style="list-style-type: none"> To create wealth over long term Investment in equity and equity related securities, primarily in themes that play an important role in India's economic development. (Benchmark : S&P BSE India Infrastructure TRI Index) <p>HSBC Small Cap Fund (Erstwhile L&T Emerging Businesses Fund) - Small Cap Fund – An open ended equity scheme predominantly investing in small cap stocks</p> <ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity-related securities, including equity derivatives in Indian markets with key theme focus being emerging companies (small cap stocks); and foreign securities (Benchmark : S&P BSE 250 Small Cap Index TRI Index) <p>HSBC Business Cycles Fund (Erstwhile L&T Business Cycles Fund) - Thematic Fund - An open ended equity scheme following business cycles based investing theme.</p> <ul style="list-style-type: none"> Long term capital appreciation 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) <p>HSBC ELSS Fund (Erstwhile L&T Tax Advantage Fund) - Equity Linked Savings Scheme - An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit</p> <ul style="list-style-type: none"> Long term capital growth Investment predominantly in equity and equity-related securities. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Value Fund (Erstwhile L&T India Value Fund) - Value Fund - An open ended equity scheme following a value investment strategy.</p> <ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity-related securities in Indian markets and foreign securities with higher focus on undervalued securities. (Benchmark : NIFTY 500 TRI Index) <p>HSBC Flexi Cap Fund - Flexi Cap Fund – An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.</p> <ul style="list-style-type: none"> To create wealth over long term Investment in equity and equity related securities across market capitalizations. (Benchmark : NIFTY 500 TRI Index) 	 <p>Investors understand that their principal will be at Very High risk</p>	

HSBC Managed Solutions India - Conservative		
 <p>Investors understand that their principal will be at Moderately High risk</p>	<p>Fund of Funds (Domestic) - An Open Ended Fund of Funds Scheme investing in a basket of equity, debt, Gold and other Exchange Traded Funds.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> To provide income over the long-term. Investing predominantly in units of debt mutual funds as well as in a basket of equity mutual funds, gold & other exchange traded funds and money market instruments. 	<p>Benchmark: S&P BSE 200 TRI Index</p>  <p>Benchmark: CRISIL Composite Bond Fund Index</p>

HSBC Managed Solutions India - Growth



Investors understand that their principal will be at Very High risk

Fund of Funds (Overseas/Domestic) - An Open Ended Fund of Funds Scheme investing in a basket of equity, debt, Gold and other Exchange Traded Funds.

This product is suitable for Investors who are seeking*:

- To create wealth over long term
- Investing predominantly in units of equity mutual funds as well as in a basket of debt mutual funds, gold & exchange traded funds, offshore mutual funds and money market instruments.

Benchmark Index :
S&P BSE 200 Index



Benchmark Index : CRISIL
Composite Bond Fund Index



HSBC Managed Solutions India - Moderate



Investors understand that their principal will be at High risk

Fund of Funds (Overseas/Domestic) - An Open Ended Fund of Funds Scheme Investing in a basket of equity, debt, Gold and other Exchange Traded Funds.

This product is suitable for Investors who are seeking*:

- To create wealth and provide income over the long-term;
- Investments in a basket of debt mutual funds, equity mutual funds, gold & exchange traded funds, offshore mutual funds and money market instruments;

Benchmark Index : CRISIL Hybrid
35+65 - Aggressive 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 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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HSBC Mutual Fund, 9-11th Floor, NESCO - IT Park Bldg. 3, Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063. Maharashtra.
GST - 27AABCH0007N1ZS, Email: investor.line@mutualfunds.hsbc.co.in | Website: www.assetmanagement.hsbc.co/in

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