

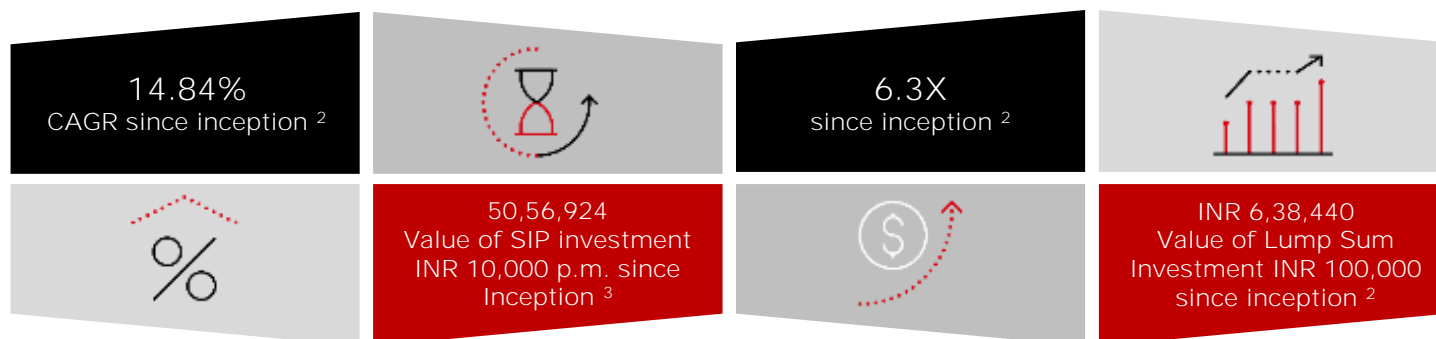
Product Note

HSBC Value Fund (HVAF) (Formerly known as L&T Value Fund)

Value Fund - An open ended equity scheme following a value investment strategy

June 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Value	Venugopal Manghat and Vihang Shankar Naik	Nifty 500 TRI	8 Jan 2010	Rs. 8213.14 Cr



Portfolio	% of net assets	Sector - Allocation	% of net assets
ICICI Bank Limited	6.51%	Banks	25.14%
NTPC Limited	4.42%	IT - Software	8.95%
State Bank of India	4.07%	Construction	6.28%
HDFC Bank Limited	3.49%	Industrial Products	4.62%
ITC Limited	3.44%	Cement & Cement Products	4.59%
The Federal Bank Limited	3.28%	Power	4.42%
Mahindra & Mahindra Limited	2.86%	Automobiles	3.76%
Jindal Stainless Limited	2.64%	Pharmaceuticals & Biotechnology	3.52%
Reliance Industries Limited	2.60%	Ferrous Metals	3.44%
Axis Bank Limited	2.59%	Diversified FMCG	3.44%

Risk Ratios ⁴		Load / Expenses	
Standard Deviation	14.71%	Entry Load	NA
Beta	0.90	Exit Load - NIL (after 1 year), 1% (before 1 year) ⁶	
Sharpe Ratio ⁵	1.50	Expense ratio (Other than Direct) ⁷	1.79%
R2	0.91	Expense ratio (Direct)	0.82%

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 31 May 2023 of Growth option. During the same period, scheme benchmark (Nifty 500 TRI) has moved by 4.1X to Rs. 4,16,140 from Rs.100,000 and delivered return of 11.23%. Please refer page no.3 for detailed performance of HSBC Value Fund.

³ During the same period, value of scheme benchmark (Nifty 500 TRI) has moved to 41,03,475

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

⁵ Risk free rate: 6.40% (FIMMDA-NSE Mibor) as on May 31, 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.

⁷ Continuing plans
• 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 31 May, 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>.

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While volatility is a big fear for most investors, disciplined value investors don't equate volatility with risk. Such investors, instead, turn to buying stocks that are trading at a discount to their intrinsic value. Even the most successful global investors of all time advocate the value investing approach to unearth good businesses at good prices.

Why HSBC Value Fund?

- To seek an exposure to value style companies
- Aim to identify undervalued stocks having the potential to deliver long term superior risk-adjusted returns
- Undervalued stocks would include stocks which the Fund Managers believe are trading at less than their assessed values
- Long term capital appreciation
- To create a corpus through generating inflation-adjusted returns to cater to long-term goals

Fund Philosophy

- Diversified equity fund with strong value bias that aims to deliver long term reasonable risk adjusted returns
- Focus on identifying valuation anomalies versus the economic potential of the business over the medium term
- Aims to minimize portfolio risk by investing in quality companies, monitoring corporate fundamentals closely
- The fund looks to invest in fundamentally strong companies that the fund manager believes are trading at less than their assessed values thus offering higher upside potential
- This approach not only helps in identifying undervalued stocks but also factor-in the risk elements while picking stocks

Investment Objective

The investment objective of the Scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity related securities, in the Indian markets with higher focus on undervalued securities. The Scheme could also additionally invest in Foreign Securities in international markets.

Fund Managers - Venugopal Manghat (No of Schemes Managed – 5) - Managing Fund Since 24 Nov 2012 and Vihang Shankar Naik (No of Schemes Managed – 4) - Managing Fund Since 17 Dec 2019 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 Value Fund-Regular	11881	18.81	22533	31.04	17492	11.83	63844	14.84	08-Jan-10
Scheme Benchmark (Nifty 500 TRI)	11274	12.74	20806	27.61	17904	12.35	41614	11.23	
Additional Benchmark (Nifty 50 TRI)	11294	12.94	20037	26.02	18344	12.89	41555	11.22	

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 Infrastructure Fund-Regular ⁸	12773	27.73	25040	35.72	16521	10.56	28690	6.95	27-Sep-07
Scheme Benchmark (NIFTY Infrastructure TRI)	11286	12.86	19975	25.89	17772	12.18	14784	2.52	
Additional Benchmark (Nifty 50 TRI)	11294	12.94	20037	26.02	18344	12.89	44584	10.00	
HSBC Flexi Cap Fund-Regular	11496	14.96	19245	24.34	15405	9.02	165955	15.69	24-Feb-04
Scheme Benchmark (Nifty 500 TRI)	11274	12.74	20806	27.61	17904	12.35	138143	14.59	
Additional Benchmark (Nifty 50 TRI)	11294	12.94	20037	26.02	18344	12.89	130323	14.25	
HSBC Business Cycles Fund-Regular	12037	20.37	22476	30.93	15965	9.80	26200	11.59	20-Aug-14
Scheme Benchmark (Nifty 500 TRI)	11274	12.74	20806	27.61	17904	12.35	27488	12.20	
Additional Benchmark (Nifty 50 TRI)	11294	12.94	20037	26.02	18344	12.89	26142	11.56	
HSBC Small Cap Fund-Regular ⁹	12165	21.65	31077	45.83	18762	13.40	48596	19.07	12-May-14
Scheme Benchmark (NIFTY Small Cap 250 TRI)	11539	15.39	28748	42.10	16579	10.63	37149	15.59	
Additional Benchmark (Nifty 50 TRI)	11294	12.94	20037	26.02	18344	12.89	29589	12.72	
HSBC Mid Cap Fund-Regular ¹⁰	11253	12.53	19475	24.83	15158	8.67	215586	17.72	09-Aug-04
Scheme Benchmark (NIFTY Midcap 150 TRI)	11981	19.81	25613	36.74	19766	14.59	NA	NA	
Additional Benchmark (Nifty 50 TRI)	11294	12.94	20037	26.02	18344	12.89	143121	15.19	

Name of Scheme	Fund Manager	No. of funds managed and Co-managed
HSBC Value Fund	Venugopal Manghat- Since Nov 24,2012 Vihang Shankar Naik- Since Dec 17,2019	Venugopal Manghat-5 Vihang Shankar Naik-4
HSBC Infrastructure Fund	Venugopal Manghat- Since Dec 17, 2019 Gautam Bhupal-Since Nov 26, 2022	Venugopal Manghat-5 Gautam Bhupal-8
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 Business Cycles Fund	Ankur Arora- Since Nov 26 2022 Venugopal Manghat- Since Aug 20 2014	Ankur Arora-3 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 Small Cap Fund	Venugopal Manghat- Since Dec 17, 2019 Vihang Shankar Naik- Since Dec 17, 2019	Venugopal Manghat-5 Vihang Shankar Naik-4
HSBC Midcap Fund	Vihang Shankar Naik- Since June 28 2016 Cheenu Gupta- Since Nov 26 2022	Vihang Shankar Naik-4 Cheenu Gupta-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.

¹⁰ HSBC Mid Cap Fund: The launch date of the S&P BSE 150 Mid Cap TRI is November 30, 2017 whereas the inception date of the scheme is August 09, 2004. The corresponding benchmark returns since inception of the scheme is not available.

Note - Sonal Gupta shall be dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

SIP Performance HSBC Value Fund - Reg					Inception Date: 08-Jan-10
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	600000	1600000	
Market Value as on May 31, 2023 (₹)	131,224	473,720	923,249	5,056,924	
Scheme Returns (%)	17.88	18.70	17.29	15.96	
Nifty 500 TRI - Scheme Benchmark (₹)	127,912	450,848	883,433	4,103,475	
Nifty 500 TRI - Scheme Benchmark Returns (%)	12.51	15.20	15.49	13.18	
Nifty 50 TRI - Additional Benchmark (₹)	128,149	447,595	871,003	3,979,619	
Nifty 50 TRI - Additional Benchmark Returns (%)	12.89	14.70	14.91	12.77	

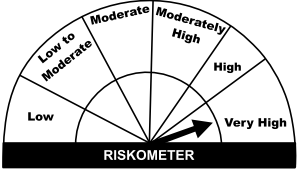
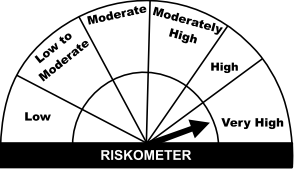
Since Inception returns are provided from the date of allotment of units. PTP returns – Point to Point returns.

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 May 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.

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 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 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 : NIFTY Small Cap 250 TRI) <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 : NIFTY Infrastructure TRI) <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>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 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. (Benchmark : NIFTY Midcap 150 TRI) 	 <p>Investors understand that their principal will be at Very High risk</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 April 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 April 2023

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