

Let India's  
every purchase



power your  
portfolio.

## HSBC Consumption Fund

(Thematic - An open ended equity scheme following consumption theme)

September 2023

# Contents

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## Why Consumption Theme?

- India is at an inflection point
- India is where China was in CY06

## India can replicate China success story

- Increase in ability to spend driven by
  - Demographic dividend
  - Disposable income
  - Access to credit
- Change in behaviour / spending pattern

## Key Consumption Themes

- Penetration
- Unorganised to organised
- Premiumisation
- Digitisation / social influence

## Thematic Funds?

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- Consistency - Consumption Index performance
- Investment Universe – Themes & sectors

## Why now – Market outlook

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## The fund equation

## Investment approach of the fund

## Investment strategy

## Summary

## Annexures – HSBC MF profile, Investment process

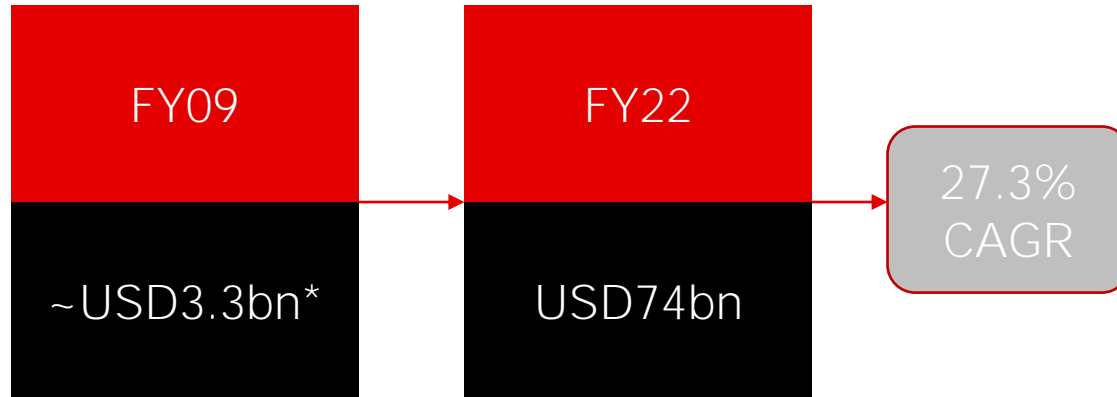
# Why

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# Consumption Theme

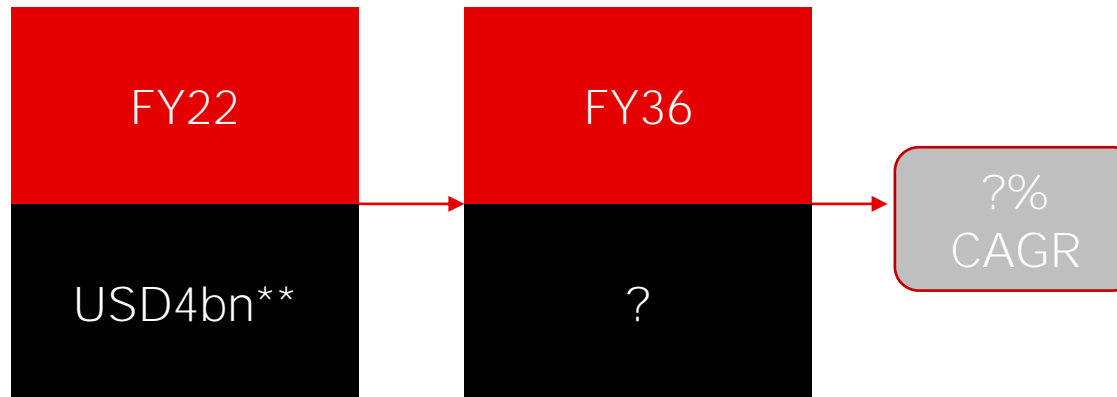
## China

Apple revenue  
post opening of  
1<sup>st</sup> store in China  
in 2009



## India

Apple opened its  
first store in India  
in 2023



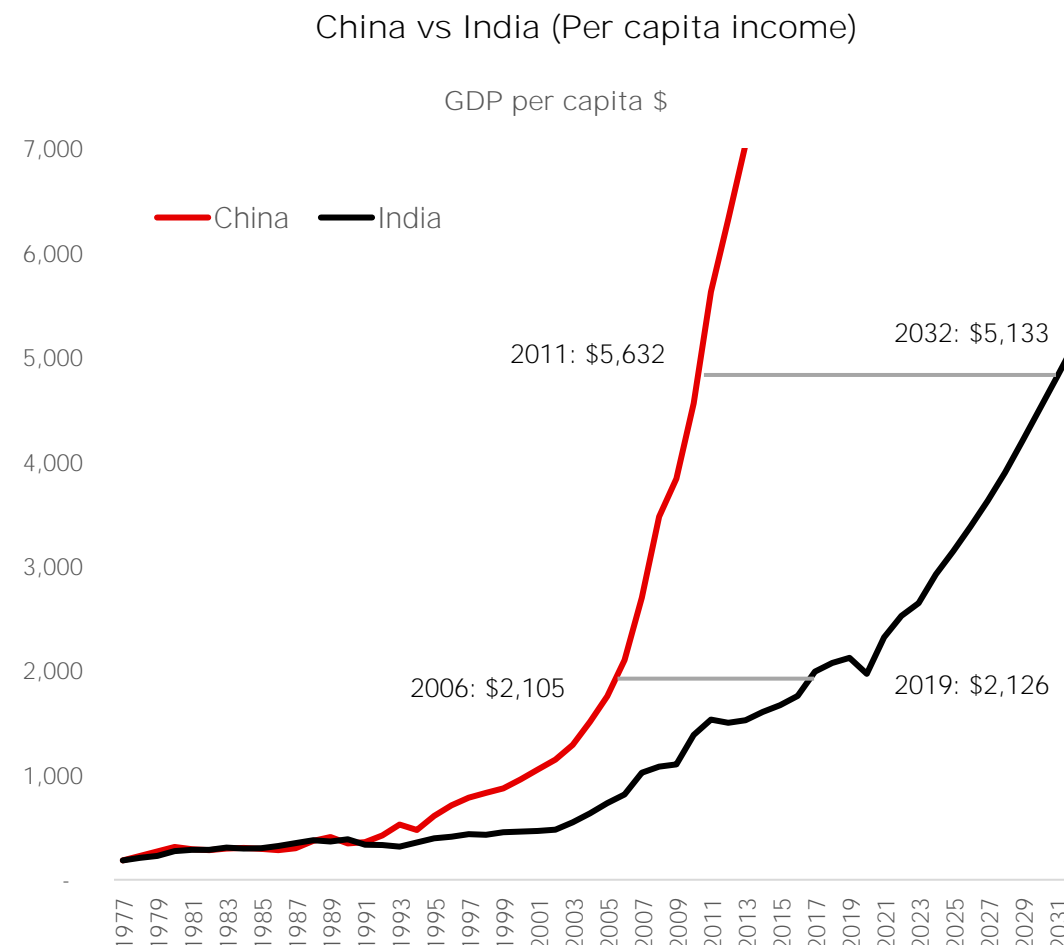
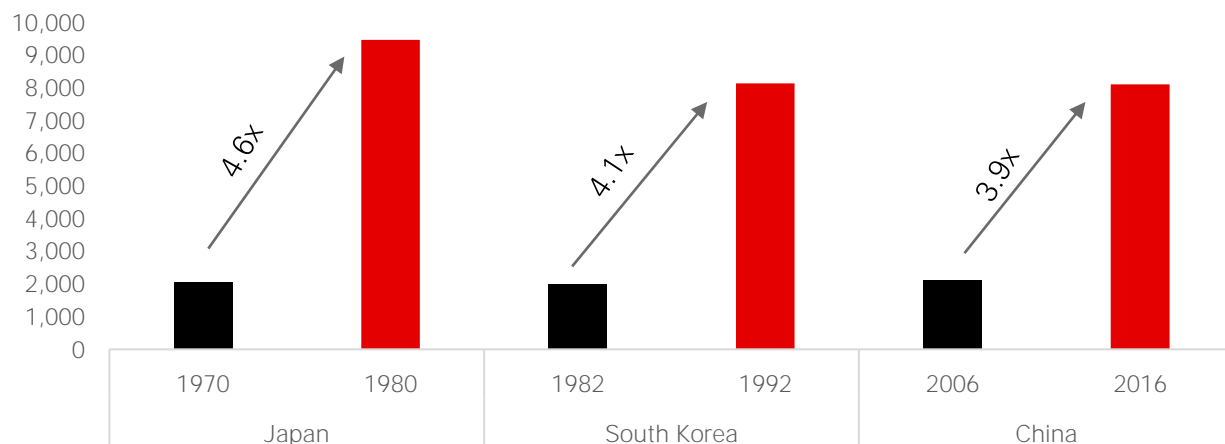
Source: Bloomberg, \* Total Asia Revenue including China is USD 3.3bn and China revenue is less than USD3.3bn, \*\*Based on media articles, Data as on 31 March 2023

# India is where China was in 2006

India crossed USD 2000 per capita income in CY19

- China per capita income crossed USD 2,000 in CY06
- China's growth in next 10 years (CY06-16) was 14.5%
- During this period
  - China Car sales grew by 5x from 5mn to 24mn (India FY23 car sales was 4mn)
  - China air passenger travel grew by 3x from 158mn to 488mn (India FY20 air passenger was 164mn)
  - Other categories like Food & Beverage grew 3.6x, Medicines & Medical appliances 3.5x and Sports Equipment 7.4x

India's per capita path likely to be similar



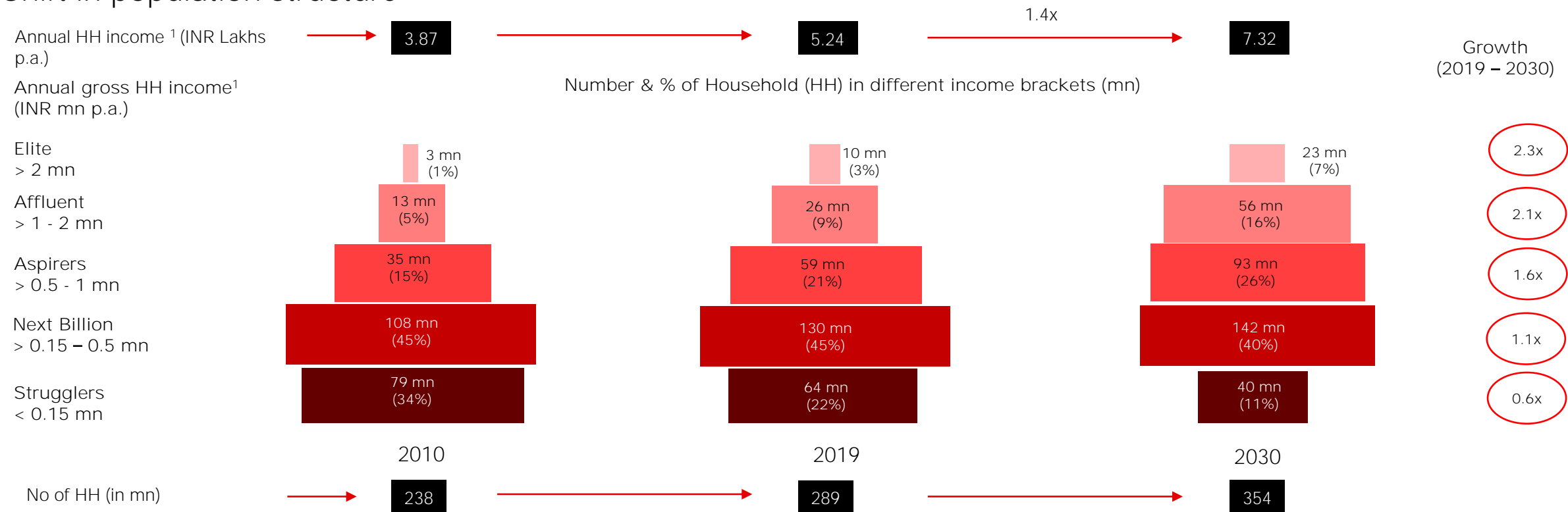
India can replicate China consumption success story in the next 10-15 years

Source: World bank, NBS of PRC, Bloomberg, Euromonitor, Latest available data updated, Data as on 31 May 2023

Why India can replicate China success story  
.....  
Increase in ability to spend

# Middle Class to redefine India's consumption story

## Shift in population structure



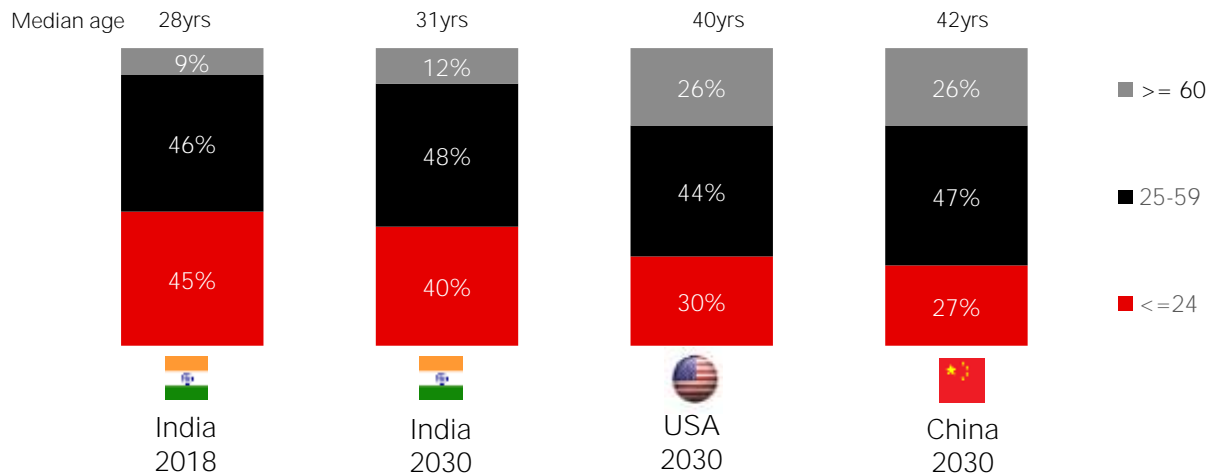
### India's current and expected future population breakup holds the key

- 34 million new households (HH) likely to enter Aspirers category while 43 Mn HH to enter Affluent & Elite category by the end of this decade
- India is clearly well positioned to reap benefits of demographic dividend

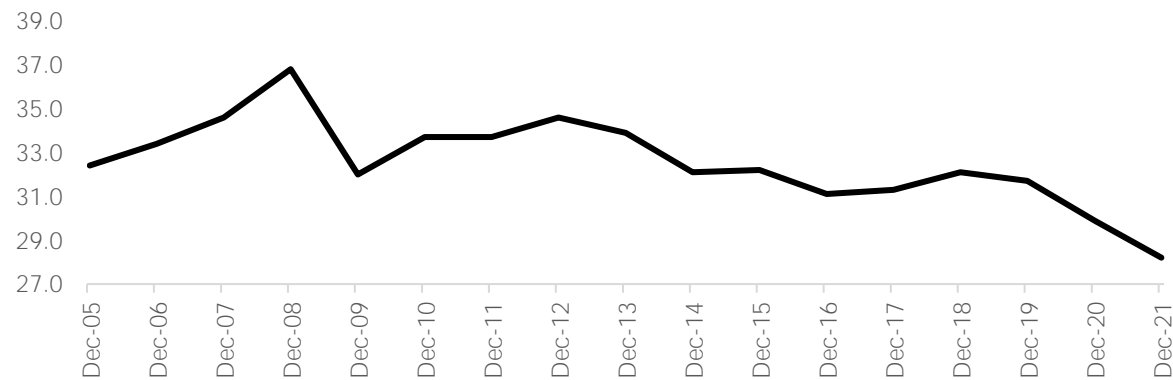
Source: BCG X Rai 2022, 1. Annual HH gross income based on 2019 prices, Bloomberg, For illustration purpose only.

# India will have the youngest work force

## In 2030, 77% of India's population will comprise Millennials & Gen Z



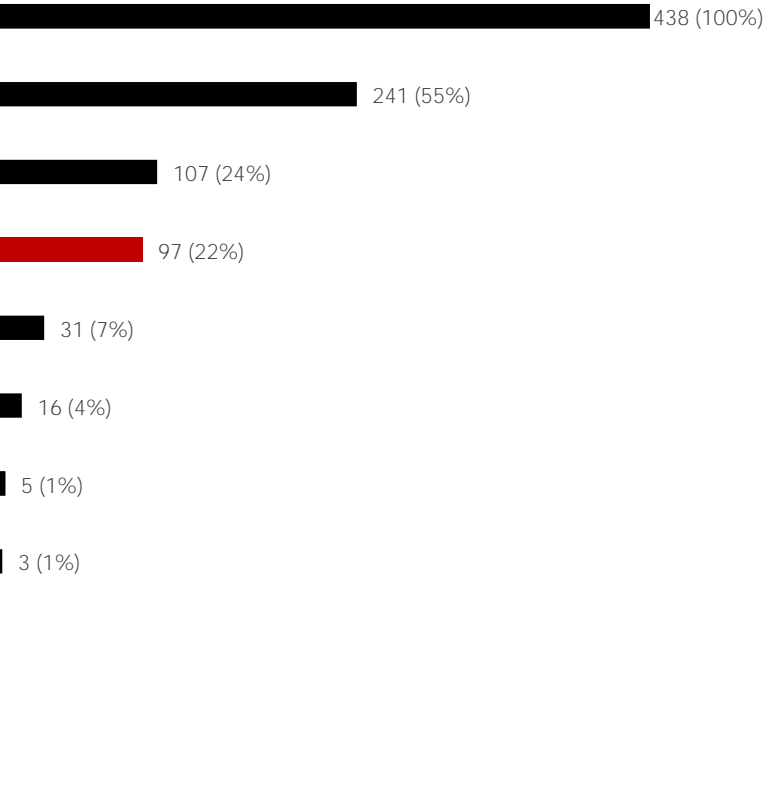
Reduced savings rate



Working population (2021) mn

5130	World
774	Africa
798	ROW
940	INDIA
443	LATAM
188	Indonesia
206	Rest of AXJ
215	US
74	Japan
482	Europe
1011	China

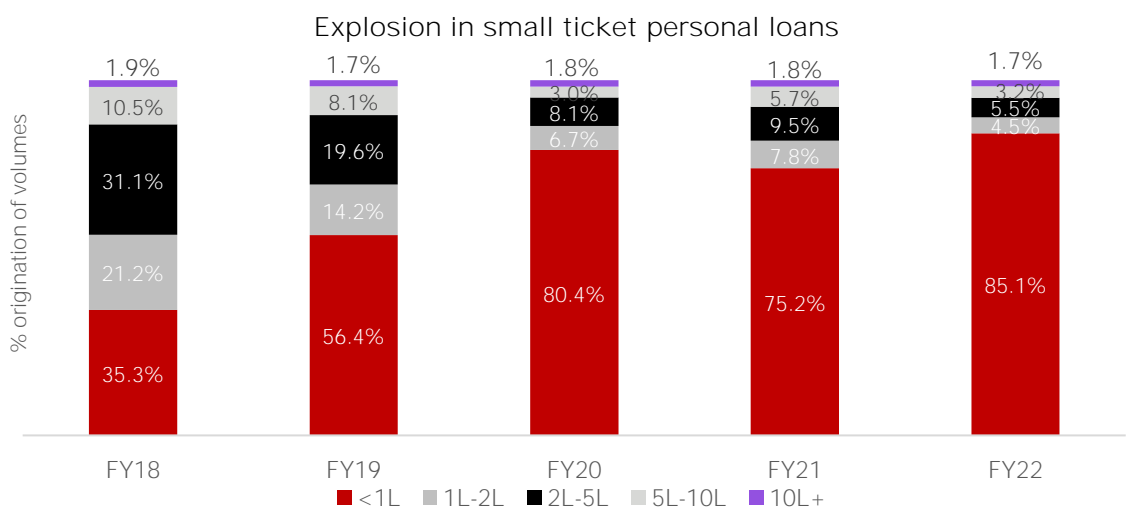
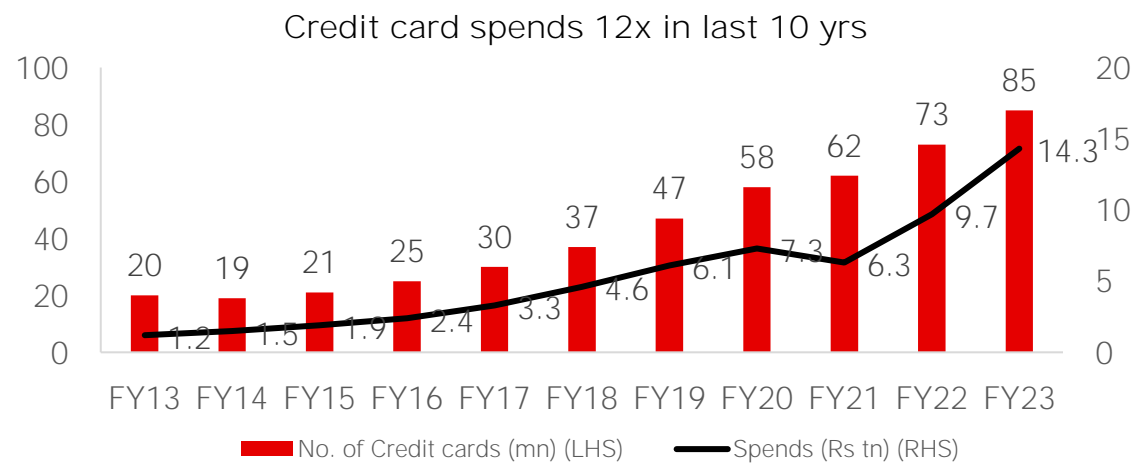
Additions to working population (2021 to 2031E) mn



India expected to add 22% of the worlds working population by 2031

Source: Bloomberg, UN Population estimates, Morgan Stanley Research, Note- Africa is the sum of 58 countries, Rest of AXJ is 10 AXJ economies ex India, Indonesia and China, For illustration purpose only, Data as on 31 March 2021





Samsung 183 L 2 Star Digital Cool Single Door Refrigerator (RR20C2412GS/NL, Gray Silver)

Visit the Samsung Store

4.2 ★★★★★ 7,204 ratings | 205 answers

Amazon's Choice for "Refrigerator"

**Deal**

**-25% ₹13,490**

MRP: ₹18,000

**5. Fx Rate**

Inclusive of all taxes

EMI starts at ₹645. No Cost EMI available EMI up to 12 months

**Offers**

**No Cost EMI**

Upto ₹1,566.96 EMI interest savings on select Credit Cards

1 offer

**Bank Offer**

Upto ₹1,750.00 discount on select Credit Cards, HDFC Bank Credit Card

6 offers

Free Delivery 10 days Replacement 1 Year Warranty Yes

Colour: Inverter Grey

**₹13,490.00** ₹18,000.00

Eligible for Free Open Box Inspection Details

Product Dimensions 66.5D x 53.6W x 122H cm

Brand Samsung

Capacity 183 litres

**No Cost EMI**

Amazon Pay Later Credit Card EMI Other EMI

View only 'No Cost EMI' options

- Amazon Pay ICICI Credit Card Processing Fee of ₹199 by Bank
- HDFC Bank Credit Card Processing Fee of ₹199 by Bank
- SBI Credit Card Processing Fee of ₹199 by Bank
- ICICI Bank Credit Card Processing Fee of ₹199 by Bank
- RBL Bank Credit Card Processing Fee of ₹199 by Bank
- American Express Credit Card Processing Fee of ₹199 by Bank
- IndusInd Bank Credit Card Processing Fee of ₹199 by Bank
- Standard Chartered Bank Credit Card
- Kotak Mahindra Bank Credit Card Processing Fee of ₹199 by Bank
- HSBC Bank Credit Card
- Bank of Baroda Credit Card Processing Fee of ₹199 by Bank

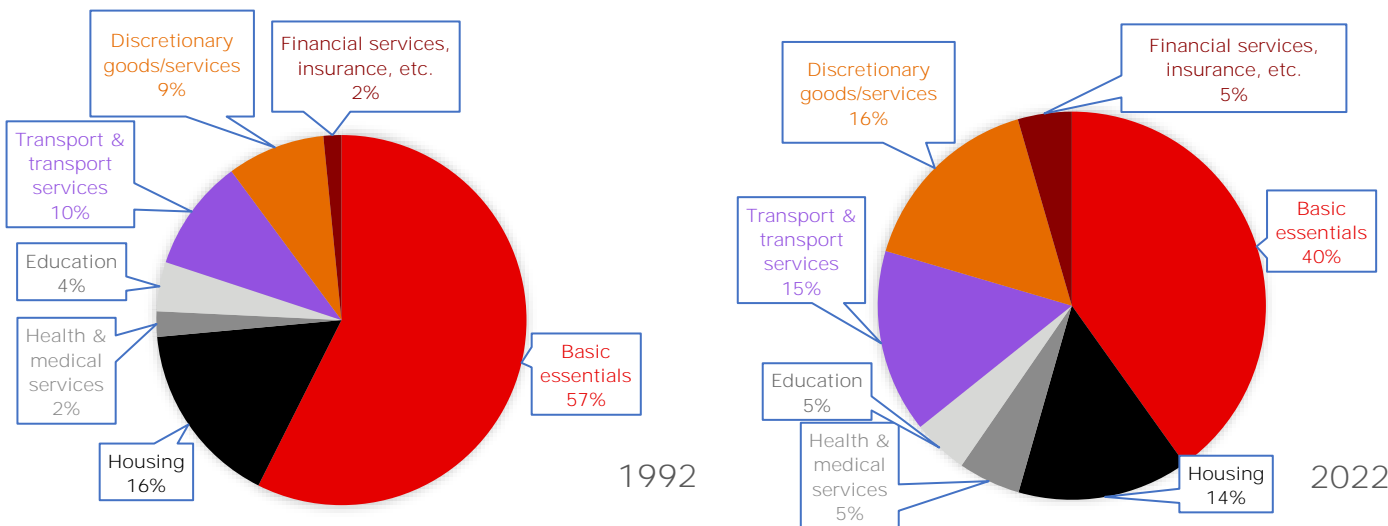
Information collateral replaces physical collateral

Source: RBI, CLSA, LHS – Left Hand Side, RHS – Right Hand Side, For illustration purpose only, Data as on 31 March 2023

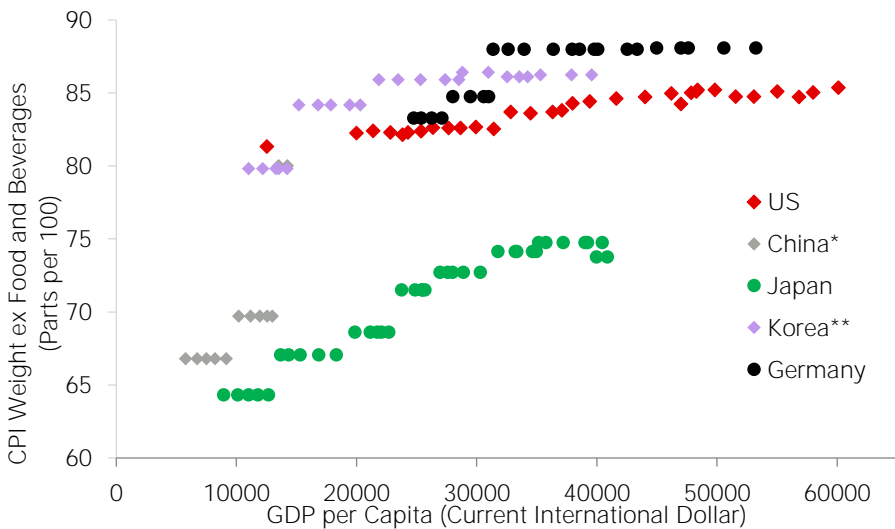
# Wallet share moving towards discretionary spends

	FY12	CAGR	FY22	CAGR	FY32e
Nominal GDP	\$1826bn	5.7%	\$3174bn	9.6%	\$7903bn
Consumption share of GDP	\$1026bn	6.3%	\$1883bn	9.2%	\$4544bn
Total Retail Market	\$461bn	5.4%	\$781bn	8.9%	\$1834bn
Grocery Retail	\$306bn	5.0%	\$499bn	6.5%	\$939bn
Non-Grocery Retail	\$155bn	6.2%	\$282bn	12.2%	\$895bn

Average household spends



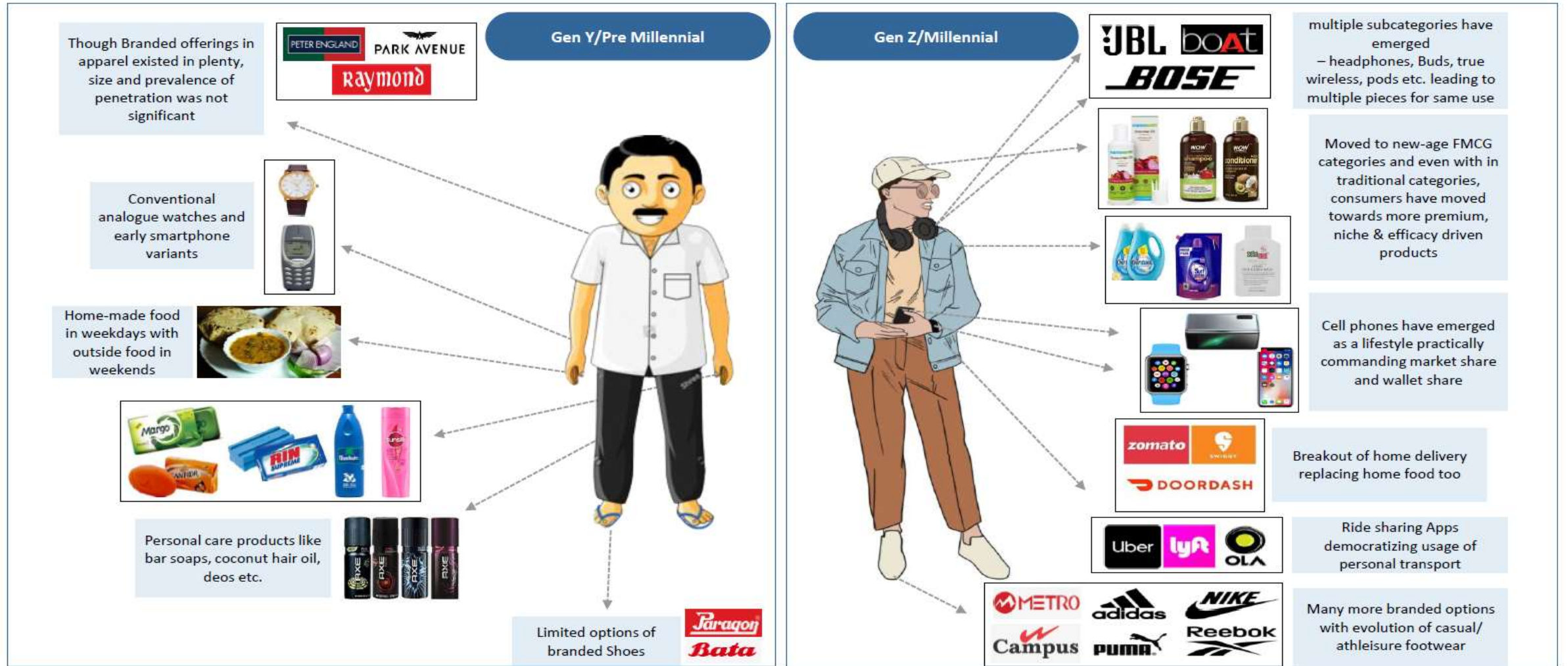
Discretionary spends trend in other countries



Source: Morgan Stanley Research, Bloomberg, Note: \*China excluding food only. \*\*Korea excluding food and non-alcoholic beverages only. For illustration purpose only.

Why India can replicate China success story  
.....  
Change in behaviour / spending pattern

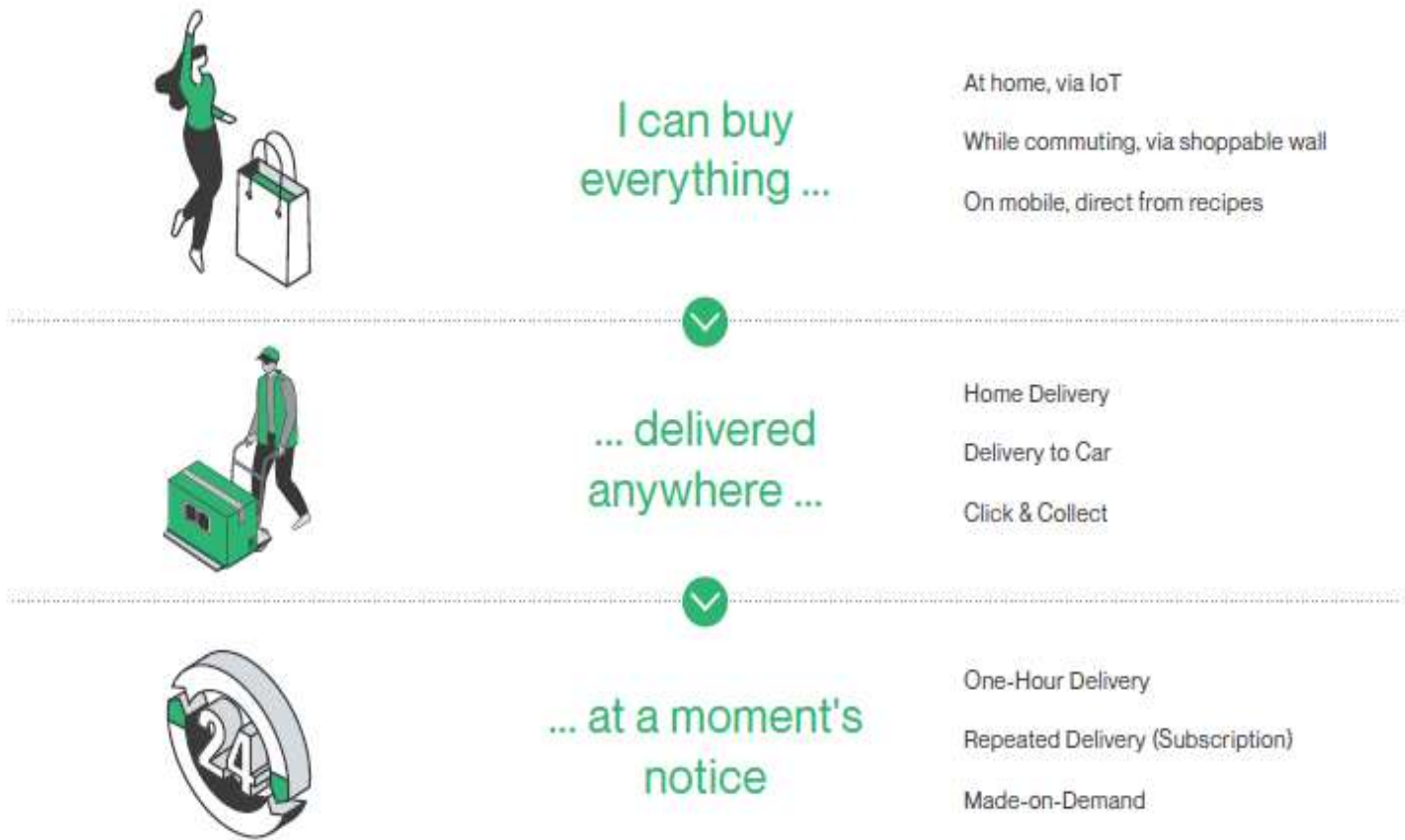
# Changing Spending Patterns



New age consumer is upgrading their lifestyle







Source – Avendus Spark, Stock/brand specific information mentioned above is for illustrative purpose only. The same should not be considered as investment advice.

# Behaviour moving towards everything, anywhere, anytime





## Emergence of new spending categories

	Categories existed even a decade back	Category Expansion	Newer Disruption Categories
	Headphones & Earphones	Wireless Bluetooth, Sports	Truly Wireless, Earbuds, Bone Conducting
	Cable TV/In-house Entertainment	Android TV, Satellite TV	OTT Apps
	Accessories	Cell Phone Chargers, Wireless Charging	Power Bank
	Non-Home Food Consumption	Personal Takeaway	Home consumption replaced by outside food by aggregators
	Watches	Smart Watches	Health bands, fitness trackers
	Public Transportation	Taxi services	Motor Vehicle Aggregators

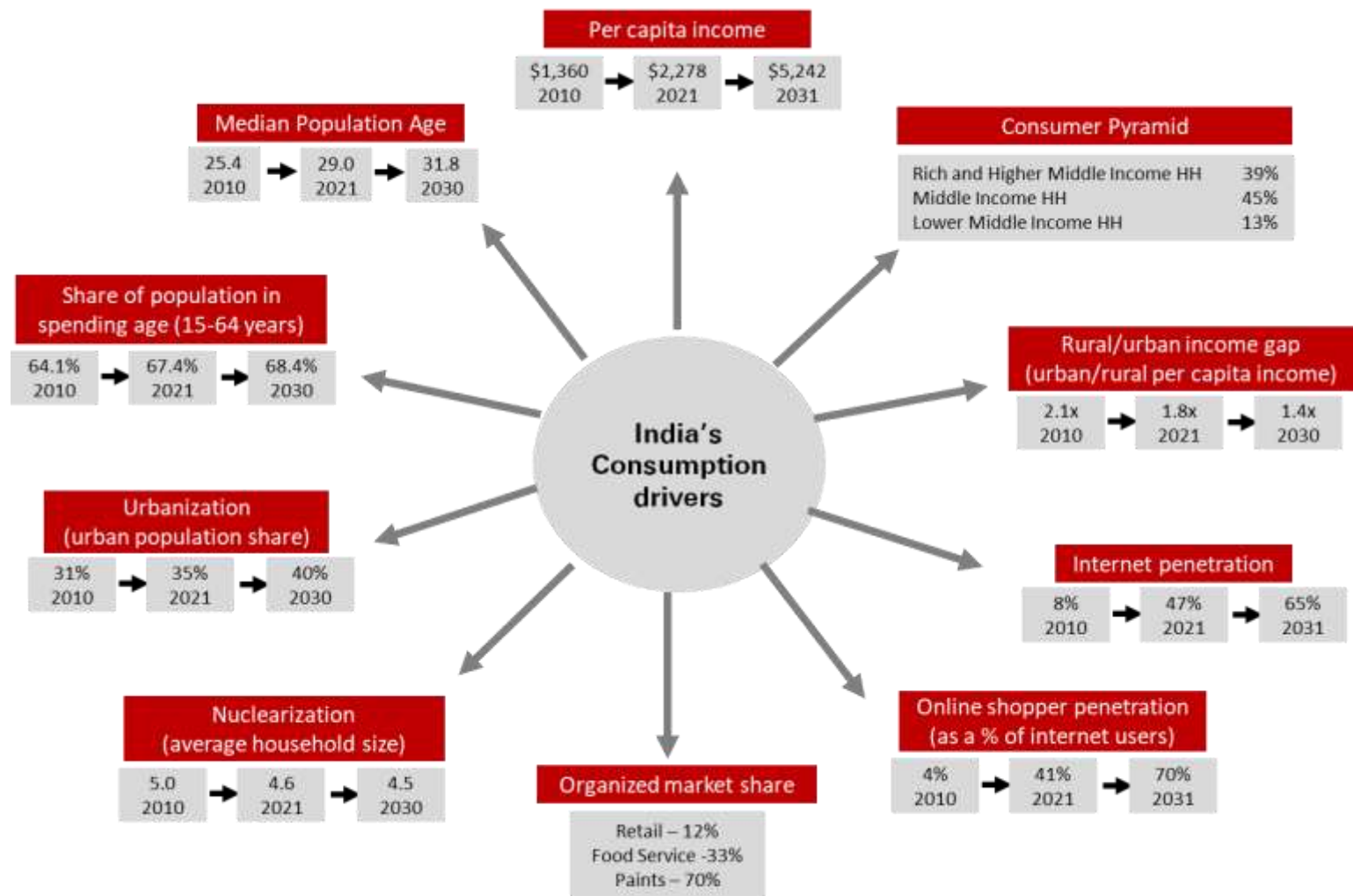
Multiple non existing and niche segment of spends have emerged

The above information provided is available in public domain & same should not be considered as an investment advice. Past Performance may or may not be sustained in future.  
Source: Spark capital research, Bloomberg, For illustration purpose only.

# Key Consumption Themes

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# Drivers of future Spend

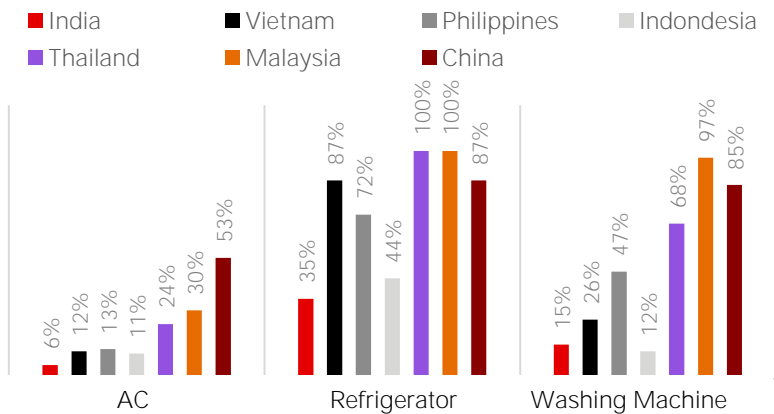


Source: Bloomberg, Morgan Stanley, BCG Rai 2022, Data as at Dec 2022, For illustration purpose only.

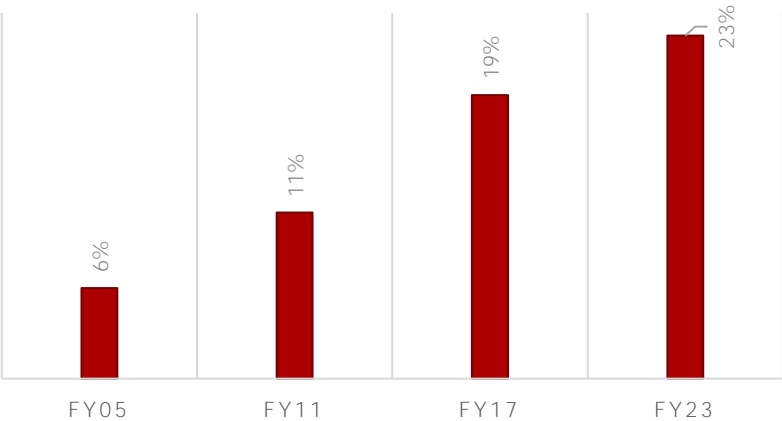


# Significant opportunity on penetration

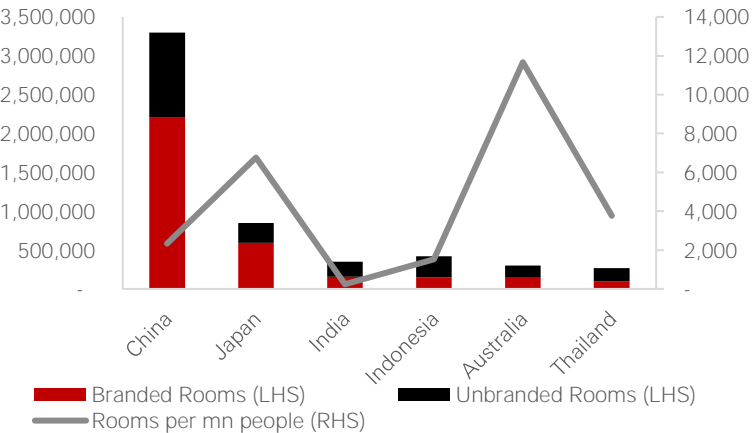
Country wise penetration of select consumption products



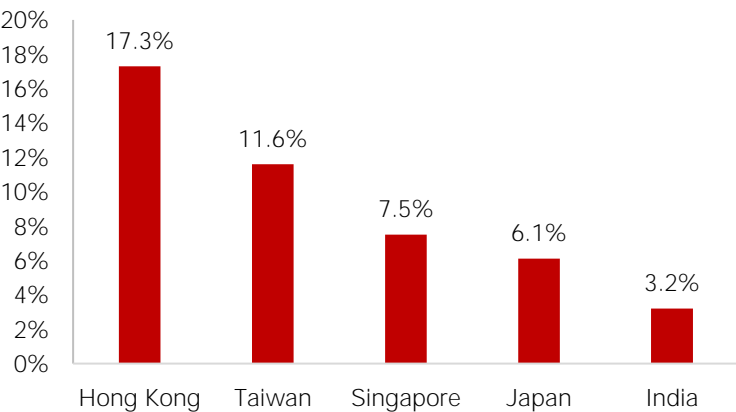
Passenger Vehicles penetration^



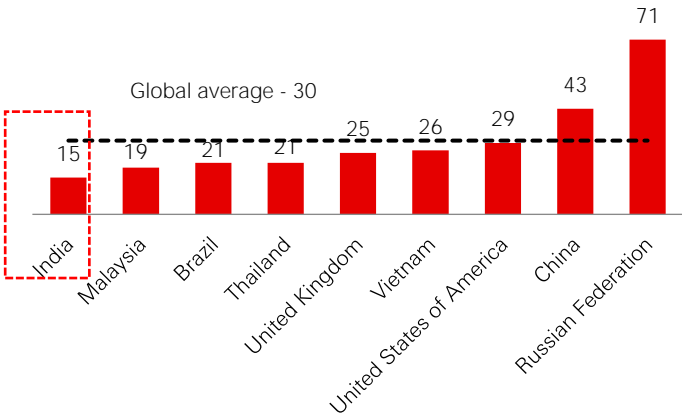
India hotel rooms – starkly lower vs peer countries ^^



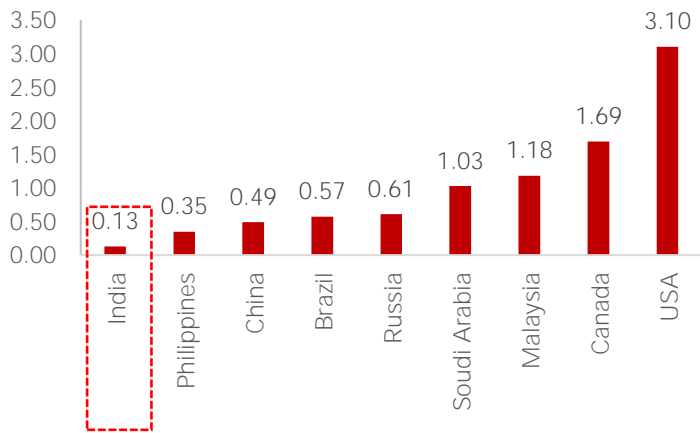
India Life Insurance premiums as % of GDP (CY21)



India hospital bed density vs other countries\*



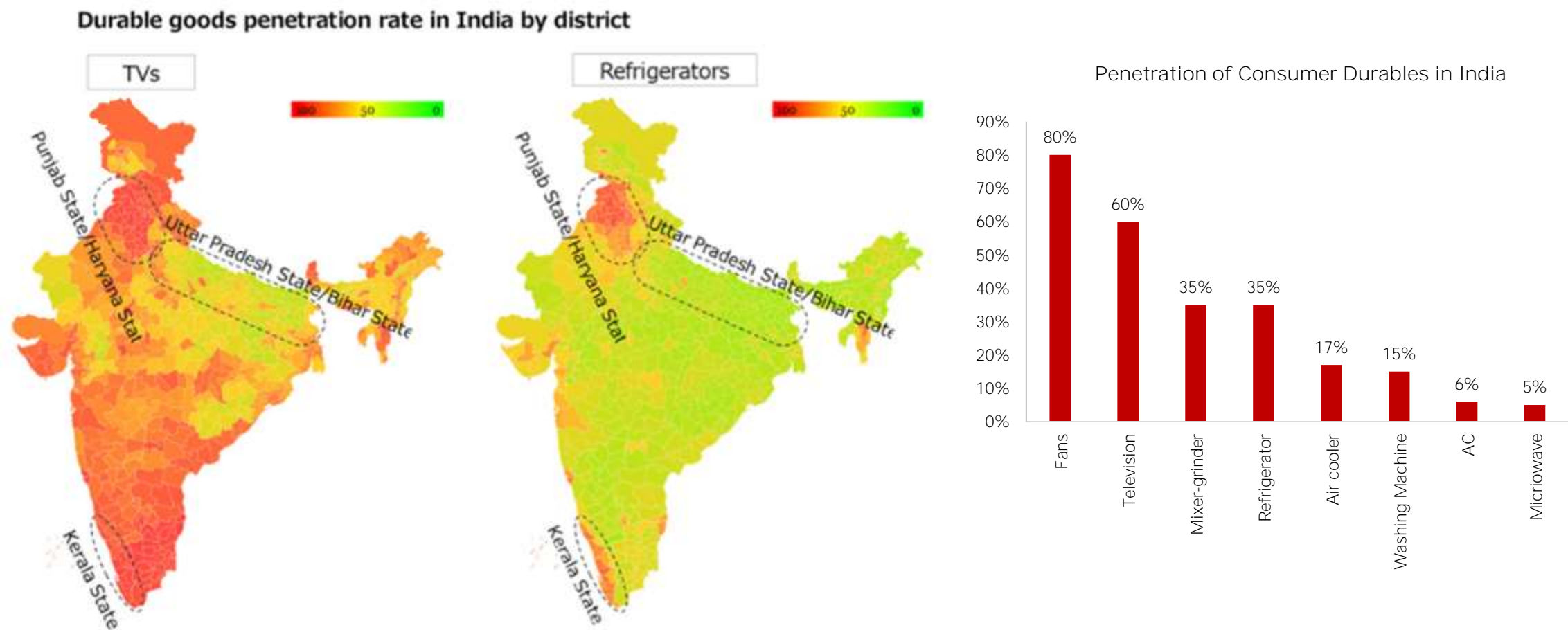
Airline seat per capita in various markets (FY20)



Multiple categories give a long runway for growth

Source: Kantar, CLSA, Credit Suisse, MOFSL, Bharat FIH DRHP, JLL research, Kotak ^^ India branded rooms per mn people CY21, ^% of people that own Passenger vehicles per 1000 person in India, \* Hospital beds per 10,000 population FY22

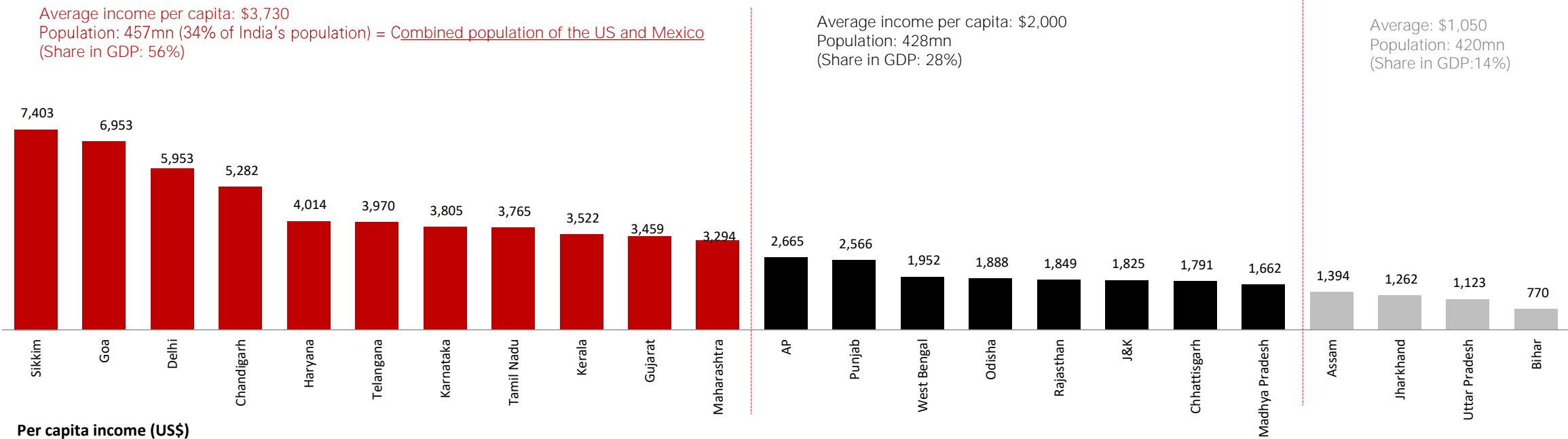
# Significant divergence of penetration between states



Source: Compiled by MGSSI based on data from the Ministry of Health and Family Welfare using "India MAP", MOFSL, Data as at Dec 2022, For illustration purpose only

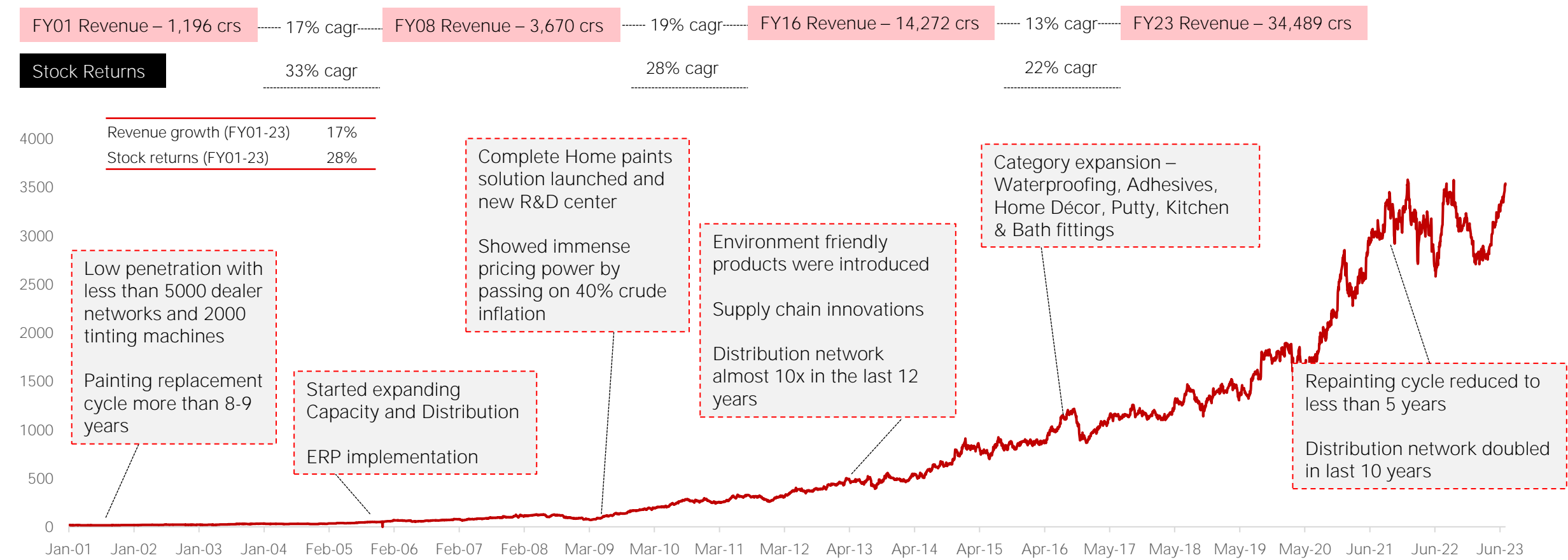
# Many India's in India

11 large Indian states with 457mn population have already crossed the \$3,000 per capita income mark  
8 other states have reached the \$2,000 per capita income mark



Goa / Chandigarh spends very differently than UP / Bihar

# Asian Paints – Penetration illustration

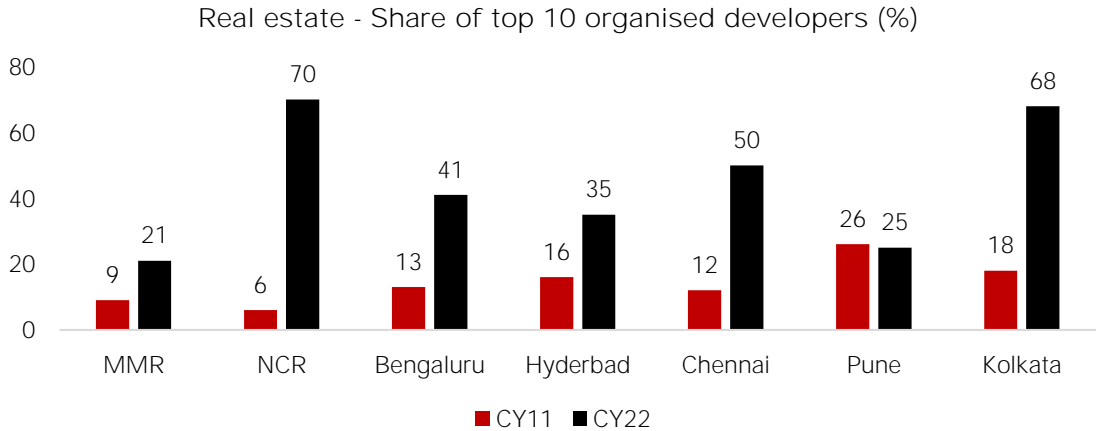
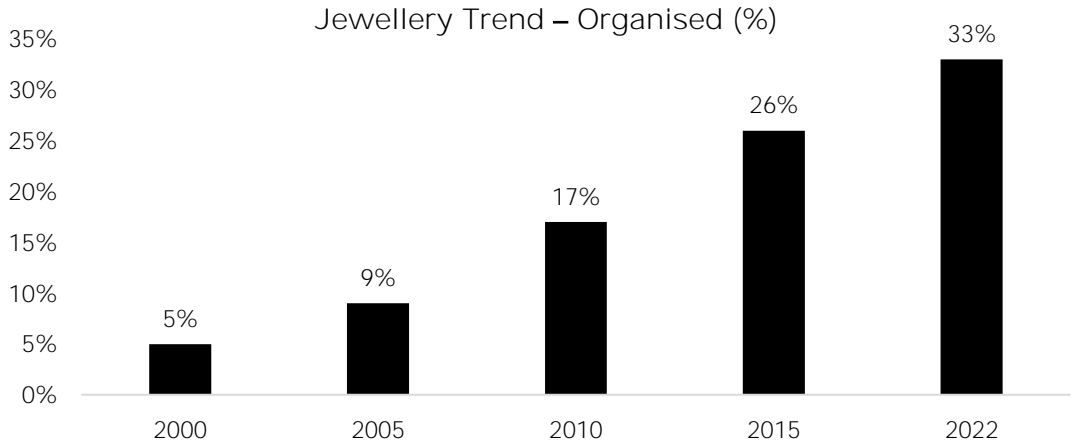
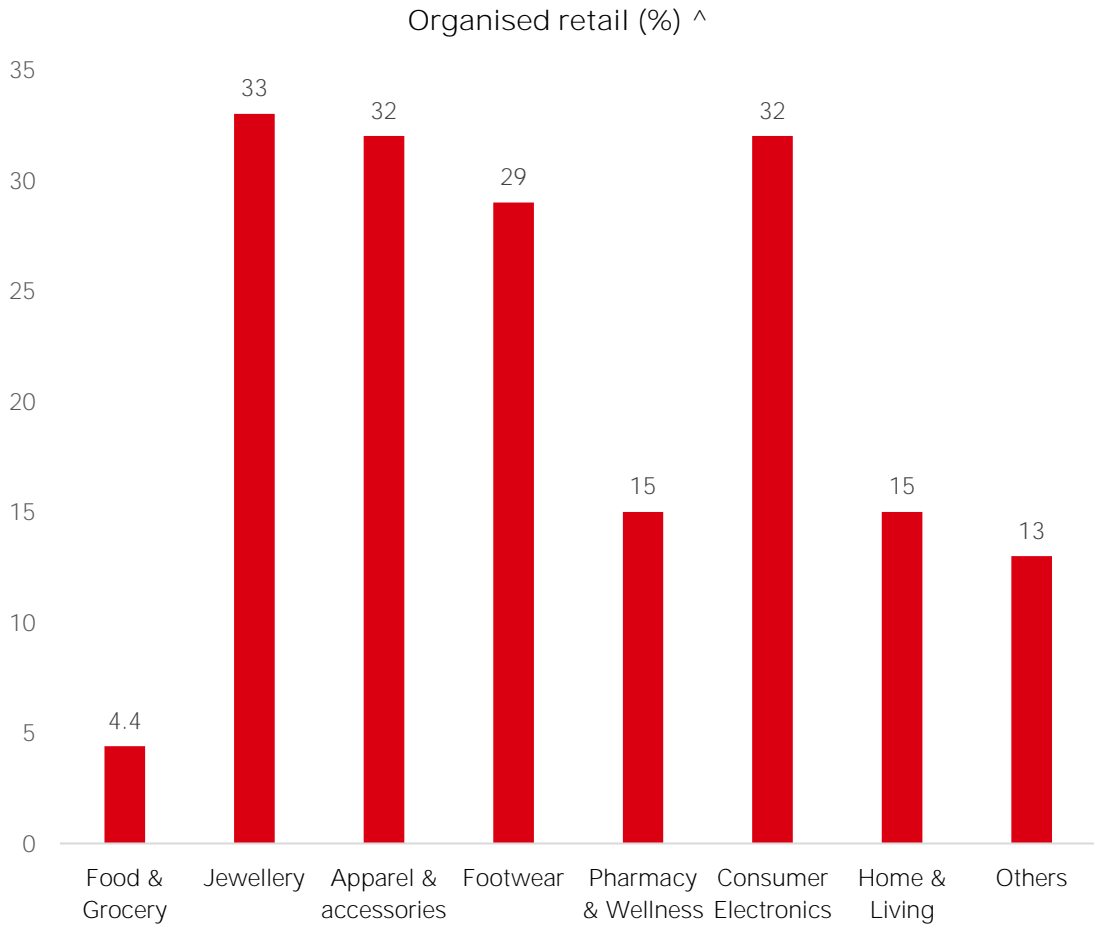


Underpenetrated themes like Auto, Durables, Hospitality, Airlines & Insurance give a long runway for growth

Source: Company data, Bloomberg. Data as on 30 June 2023

The above company/stock is mentioned for illustration purpose only. The above data/information represents historic performance of the company and for illustration purpose only. The scheme may or may not have future positions in this stock. The above graphs/ analysis should not be construed as an investment advice or research report or recommendation to buy or sell any stock mentioned above. The returns provided above have been rounded off and hence there may be minor differences between point-to-point returns vis-a-vis returns indicated above. Past performance may or may not sustain and doesn't guarantee the future performance.

# Visible shift from unorganised to organised players



Organised retail has significant growth opportunities ahead

# Titan industries – Unorganised to organised illustration

FY01 Revenue – 708 crs

23% cagr

FY08 Revenue – 2,997 crs

22% cagr

FY15 Revenue – 11,913 crs

17% cagr

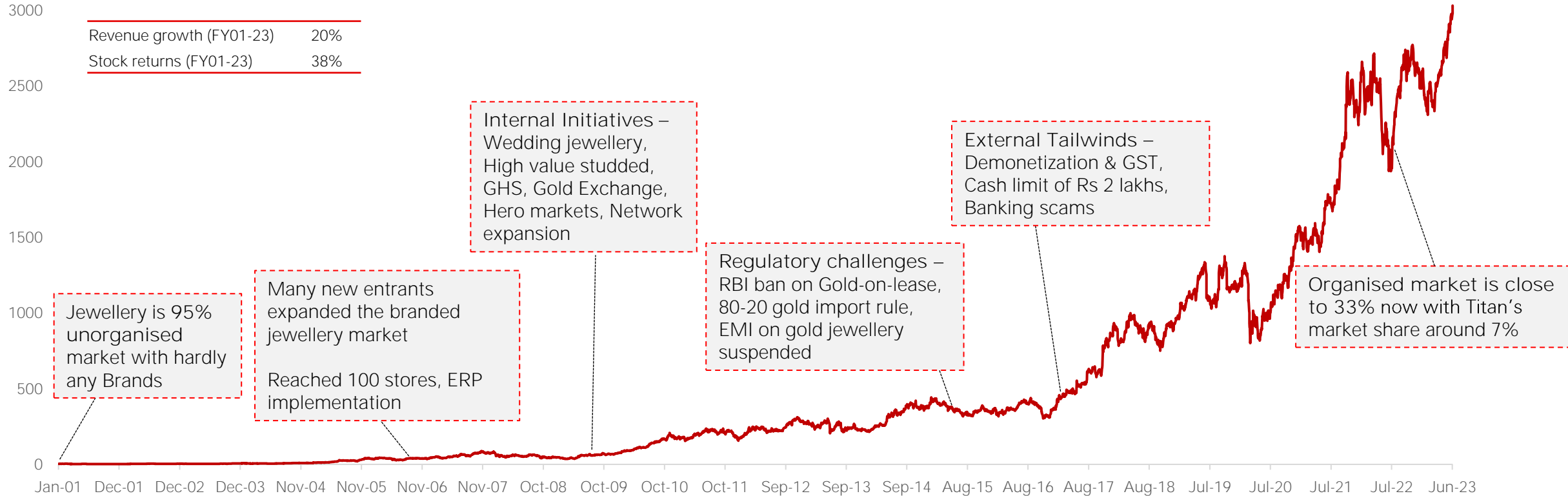
FY23 Revenue – 40,575 crs

Stock Returns

59% cagr

33% cagr

30% cagr



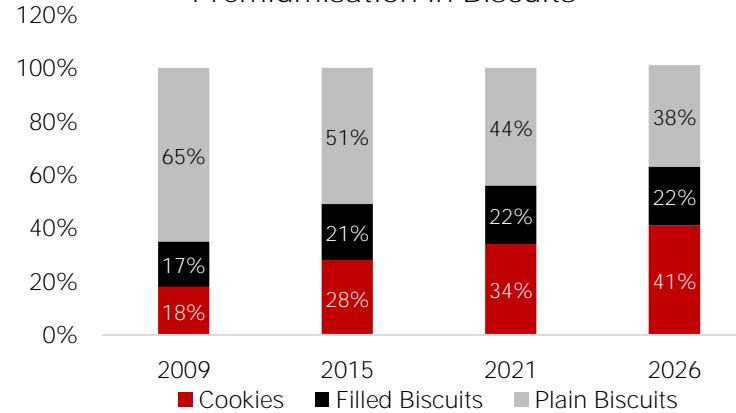
Organised Jewelers have 33% market share now vs 6% in 2007

Source: Company data, Bloomberg. Data as on 30 June 2023

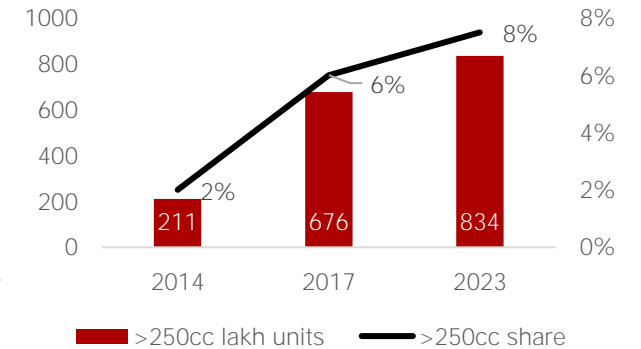
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- Regulatory / Technology / Preference changes driving premiumization (leading to significant price Jump)
  - Lighting – CFL to LED
  - Fan – AC motor to BLDC motor
  - Refrigerator – Direct Cool to Frost Free
  - AC – Window to Split, Fixed Speed to Invertor
  - Soaps – Bars to Liquid Body Wash
  - Detergent – Powder to Liquid detergent
  - Mobile – Feature to Smart Phone, 2G to 4G to 5G
  - Travel – Train to Aeroplane
  - Cars – Manual to Automatic, Infotainment system

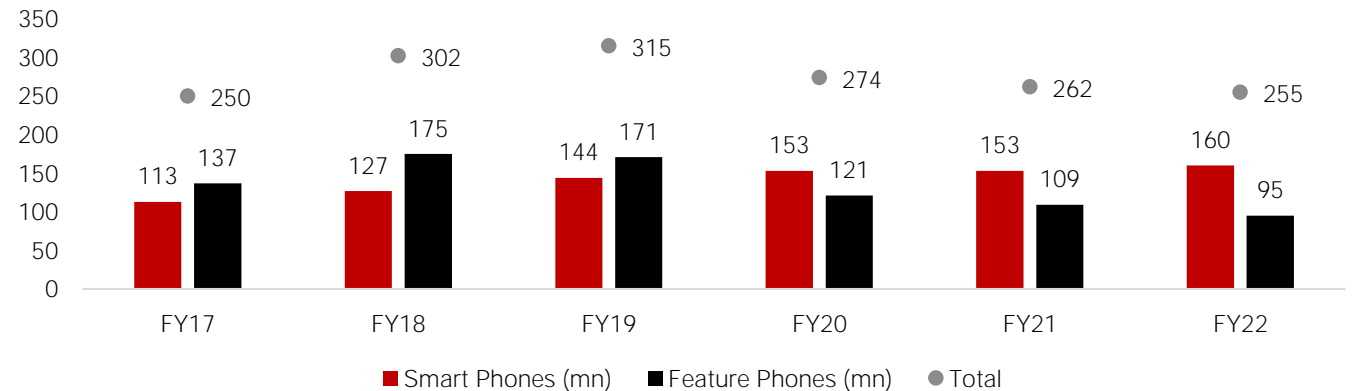
Premiumisation in Biscuits



Rising share of premium motorcycles

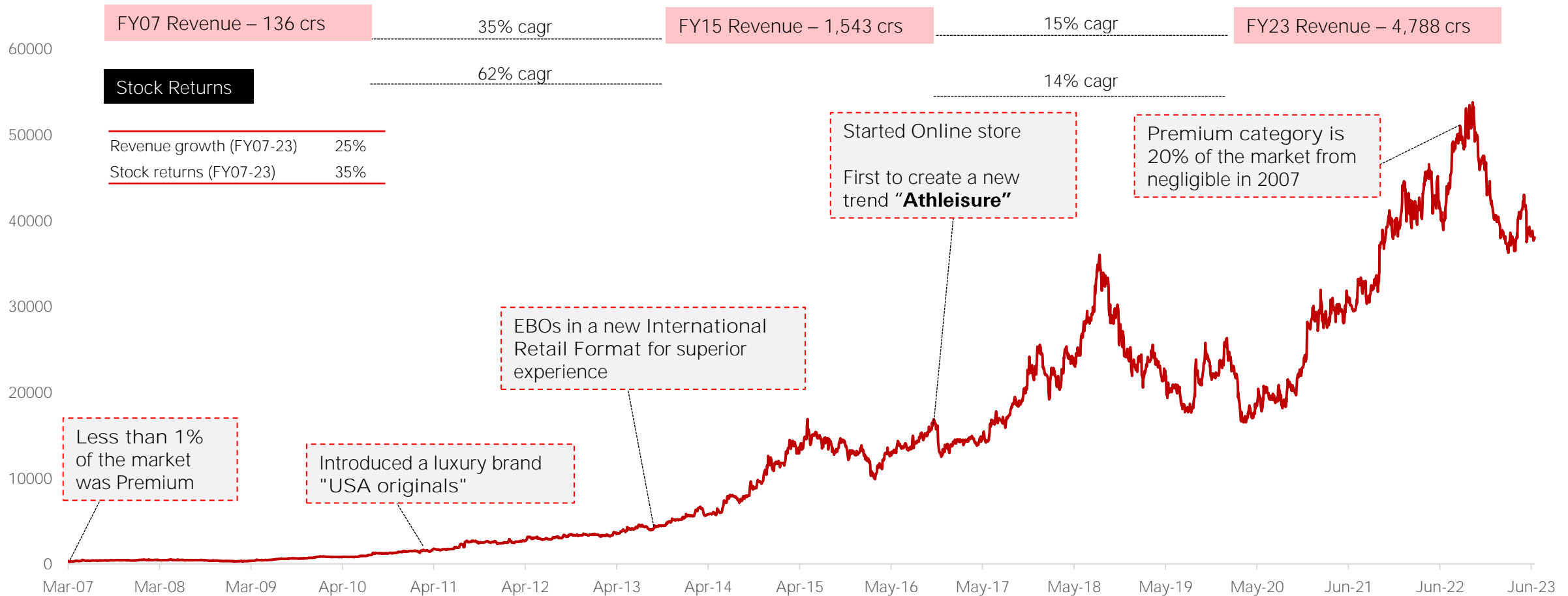


India mobile phone market (in mn units, FY17-22)



Source: Bloomberg, Goldman, Axis Capital, Company data

# Page industries – Premiumisation illustration



Source: Company data, Bloomberg. Data as on 30 June 2023

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# Digital payments are everywhere now

## India in 1 tweet

UPI, payments and the adoption of tech in small town India



In a small town like Muzaffarnagar, people pay ₹7 for a glass of milk via UPI; why are you going on and on about Bangalore?

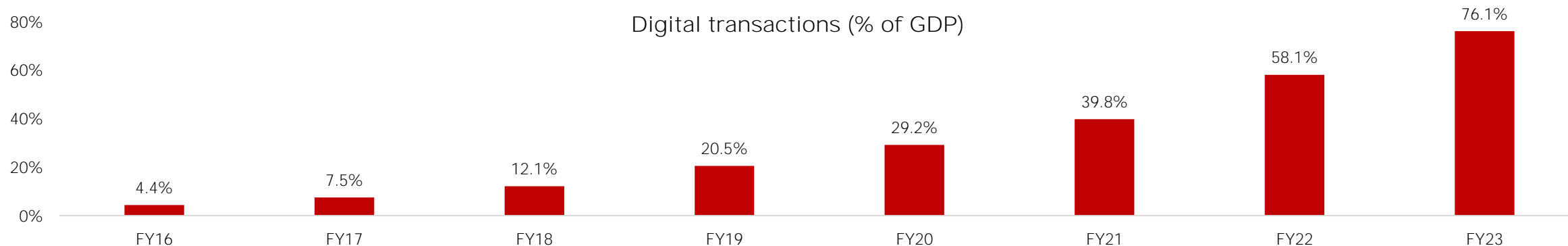
In Gujarat, we pay ₹2 via UPI for a matchbox

No Wi-Fi required  
No electricity required  
No POS machine required

#MeraDeshBadalRahaHai courtesy @narendramodi  
@PMOIndia @NPCI\_BHIM @NPCI\_NPCI @UPI\_NPCI

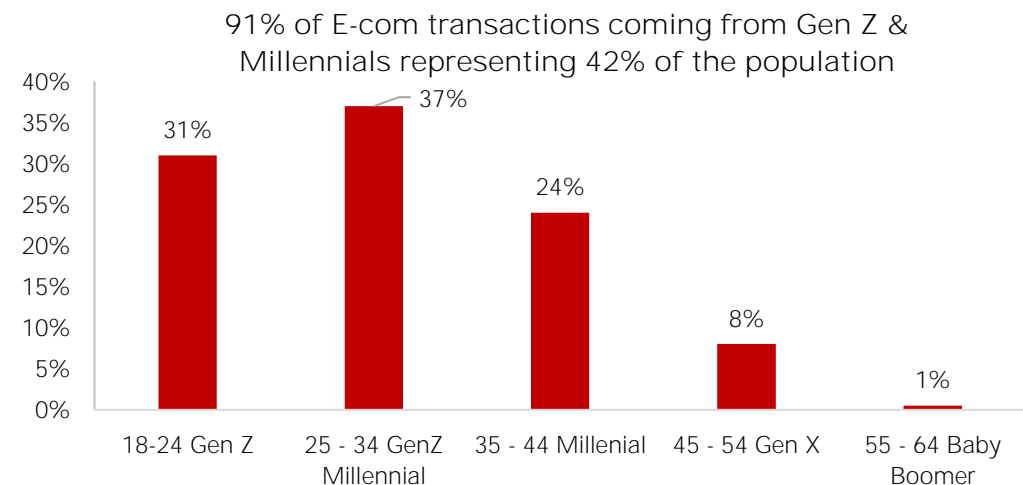
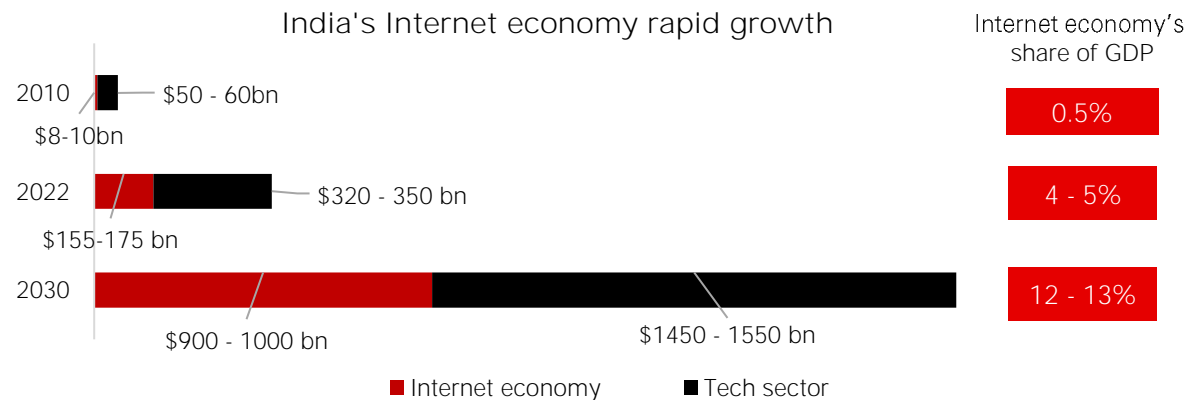
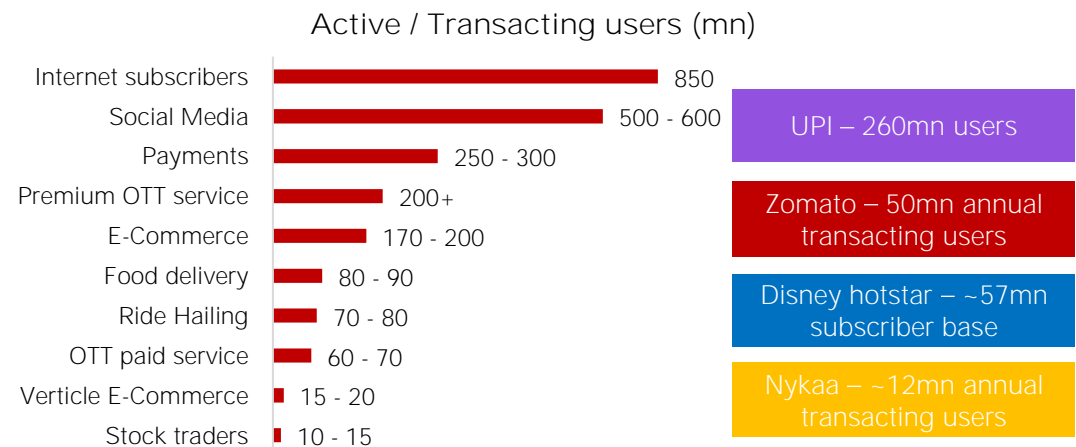
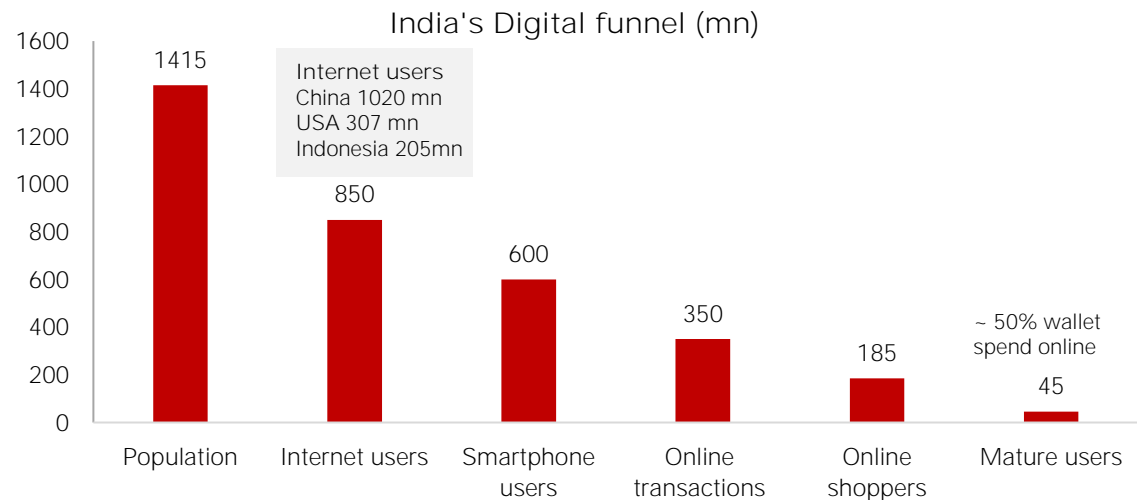


2:45 PM · Nov 3, 2021 · Twitter for iPhone



**In 6 years, India became the world's highest digital payments volume generator**

# Digitization



Internet economy is set to become a USD 1 trillion market

Source: Bloomberg, Indus valley Annual report 2023, Nykaa Corporate presentation, Data as on 30 June 2023

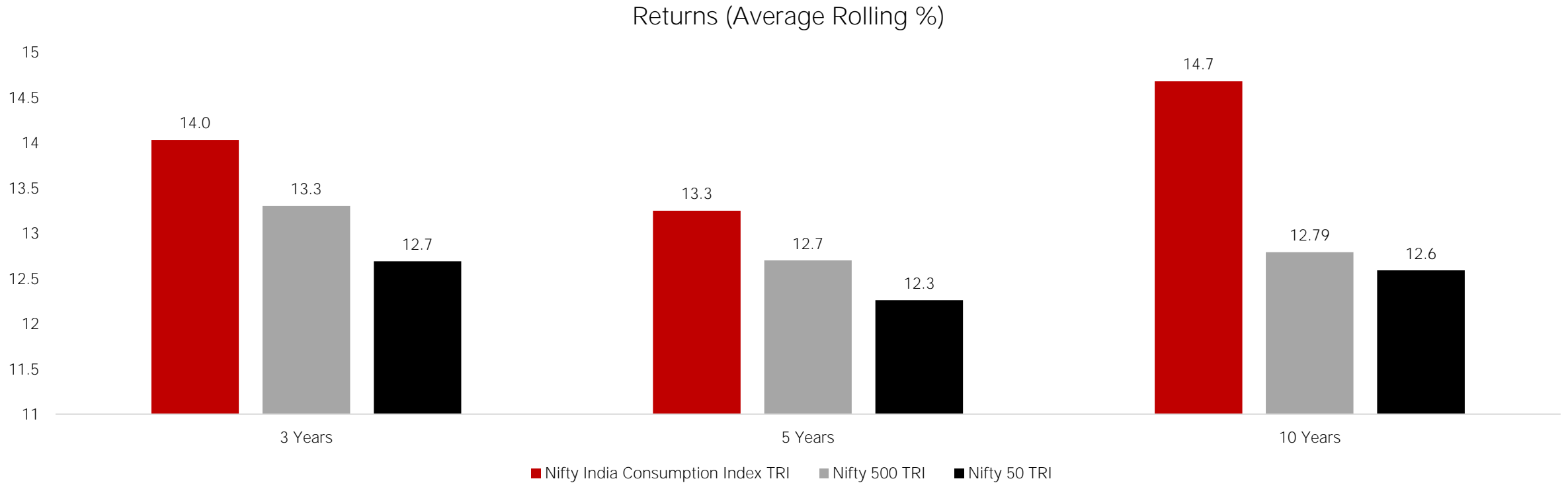
# Thematic Funds

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## Consumption

## Bringing performance consistency with Consumption funds

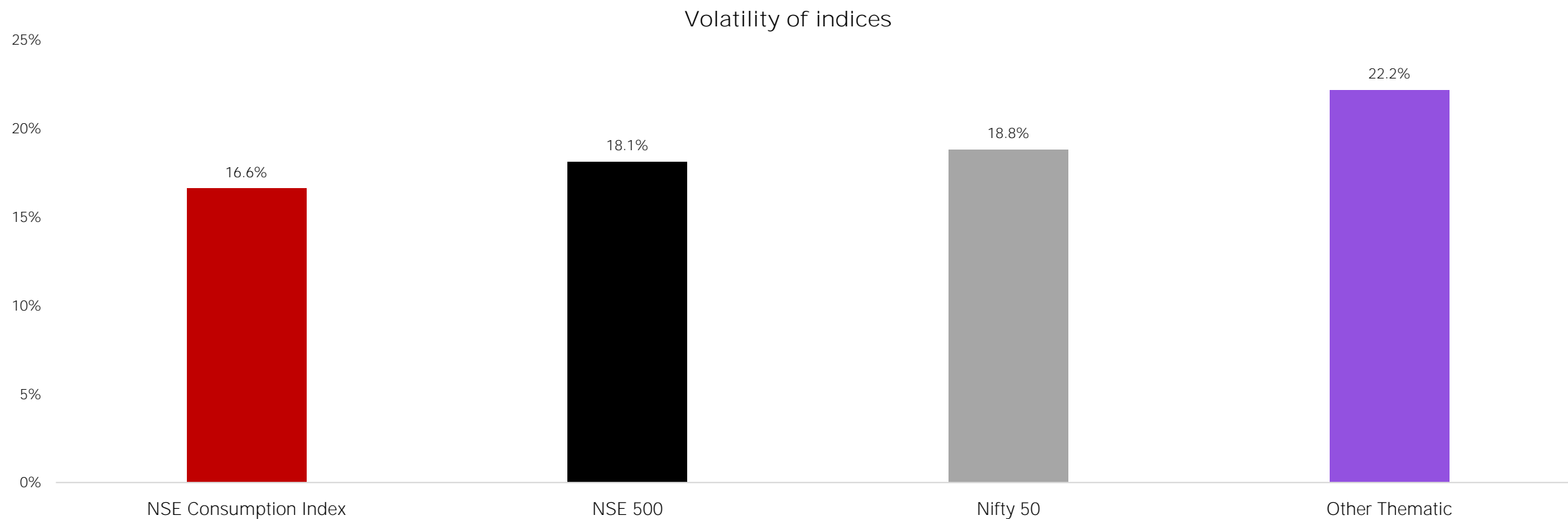
Always keep winners on your side



Consumption strategy has potential to perform consistently across investment horizons

Source: MFI ICRA, NSE, Daily rolling returns for respective periods using index values since Jun '13 till Jun '23, Data as on 30 June 2023, Compounded Annual Growth Rates (CAGR), Past performance may or may not be sustained in the future.

## Consumption Index's volatility is lowest among other thematic indices as well as lower than Nifty 500



Consumption funds have potential to deliver better risk adjusted performance

Source: Bloomberg,, Volatility = Standard Deviation, Data since 1 Jan '09 till 30 June '23, \* Average of other thematic indices, Other Thematic Indices list - NSE Nifty India Consumption Index TR, NSE Nifty Infrastructure Index TR, NSE Nifty Pharma Index TR, NSE Nifty Financial Services Index TR, Nifty IT TR Index, Nifty Housing TR index, NSE Nifty Media Index TR, NSE Nifty Commodities Index TR, NSE Nifty Services Sector Index TR, Nifty Transportation & Logistics TR index, NSE Nifty Private Bank Total Return Index, NSE Nifty CPSE Total Return Index, Nifty Transportation & Logistics TR index. Past performance may or may not be sustained in the future.

# Consumption Index is in Quartile 1/2 for eight out of thirteen years

Rank	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Jun'23
1							Nifty India Consumption Index		Nifty India Consumption Index				
2	Nifty India Consumption Index				Nifty India Consumption Index								
3													Nifty India Consumption Index
4		Nifty India Consumption Index											
5			Nifty India Consumption Index									Nifty India Consumption Index	
6													
7								Nifty India Consumption Index					
8				Nifty India Consumption Index							Nifty India Consumption Index		
9													
10													
11						Nifty India Consumption Index							
12										Nifty India Consumption Index			
13													

Source: HSBC Mutual Fund, Data period – Each Financial Year between 31 Mar 2011 to 30 Jun 2023, . Past performance may or may not be sustained in the future.

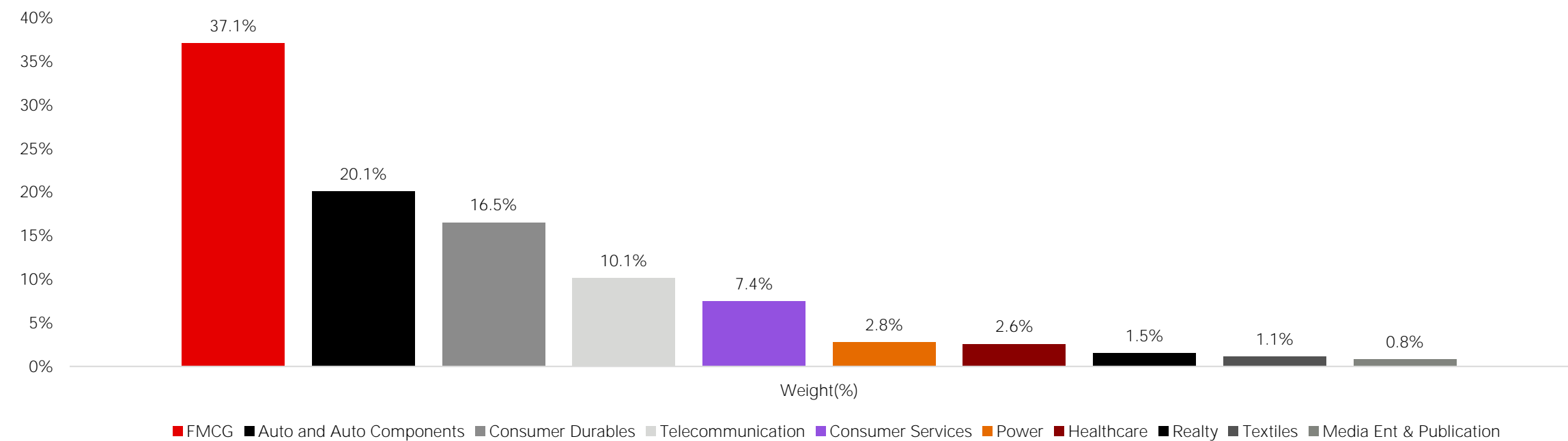
## Consumption theme is a sizeable part of portfolio universe

NSE 500	Number of Companies	Market Cap (Rs crores)
Automobile and Auto Components	30	17,74,416
Capital Goods	10	2,89,780
Consumer Durables	28	10,74,001
Consumer Services	26	8,20,497
Fast Moving Consumer Goods	30	24,03,403
Financial Services	47	55,55,381
Healthcare	44	13,84,891
Media, Entertainment & Publication	6	65,751
Oil, Gas & Consumable Fuels	5	19,44,403
Realty	13	3,60,349
Telecommunication	6	6,51,443
Textiles	10	1,33,705
Others	2	2,32,394
<b>Total</b>	<b>257</b>	<b>1,66,90,415</b>
Large Cap	61	1,30,23,940
Mid Cap	78	25,19,395
Small Cap	118	11,47,080
<b>Total</b>	<b>257</b>	<b>1,66,90,415</b>

Note: 257 companies out of NSE 500 belong to the consumption or consumption related theme, Source: Bloomberg, Data as on 31 May 2023

# Benchmark universe

Consumption Index - Sector composition



Source: NSE, NSE Disclaimer: All information contained herewith is provided for reference purpose only. NSE Indices Limited (formerly known as India Index Services & Products Limited-IISL) ensures accuracy and reliability of the above information to the best of its endeavors. However, NSE Indices Limited makes no warranty or representation as to the accuracy, completeness or reliability of any of the information contained herein and disclaim any and all liability whatsoever to any person for any damage or loss of any nature arising from or as a result of reliance on any of the information provided herein. The information contained in this document is not intended to provide any professional advice. The Fund may or may not have positions in these stocks. The above statements analysis should not be construed as an investment advice or a research report or a recommendation to buy or sell any security covered under the respective sector/s Industry Leadership in terms of market share/ Sales/ Profitability considered. Data as on 30 Jun 2023



# Why now?

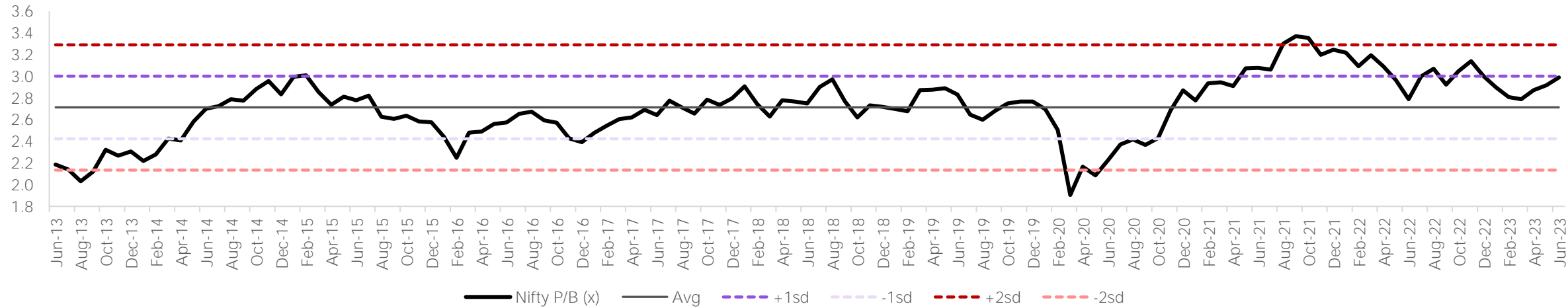
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# Market valuations

Nifty currently trades at PE(x) of 18.6x



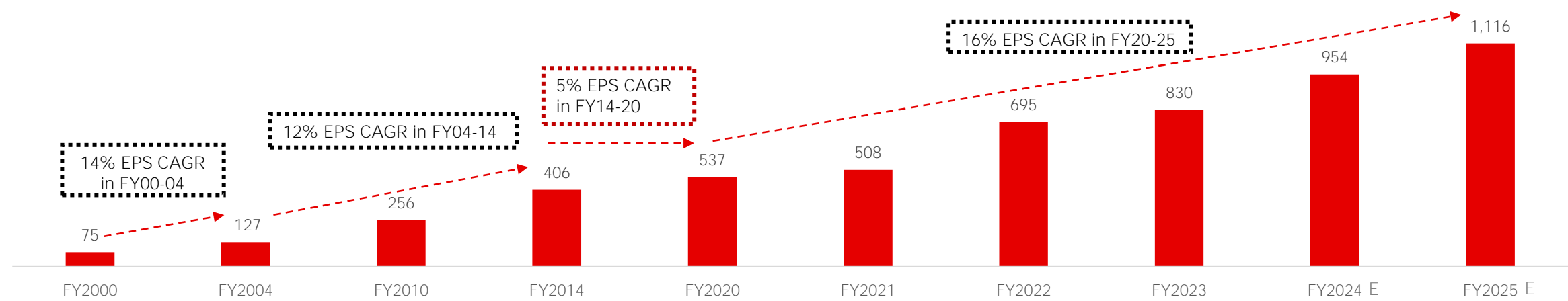
Nifty-PB currently trades at 3x



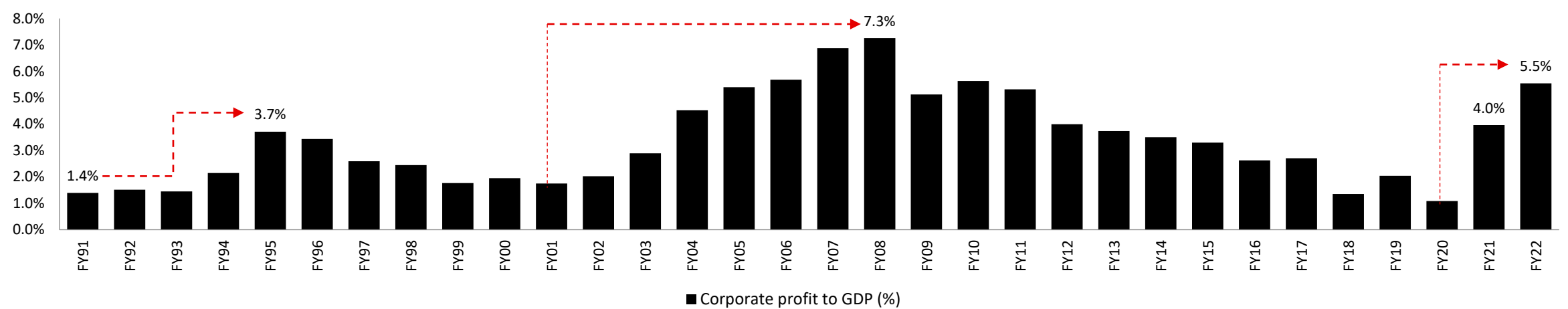
Source: MOSL, Bloomberg

# Strong earnings expectations

Nifty EPS is expected to more than double between FY20-FY25



## Corporate earnings cycle is at the cusp of a turnaround

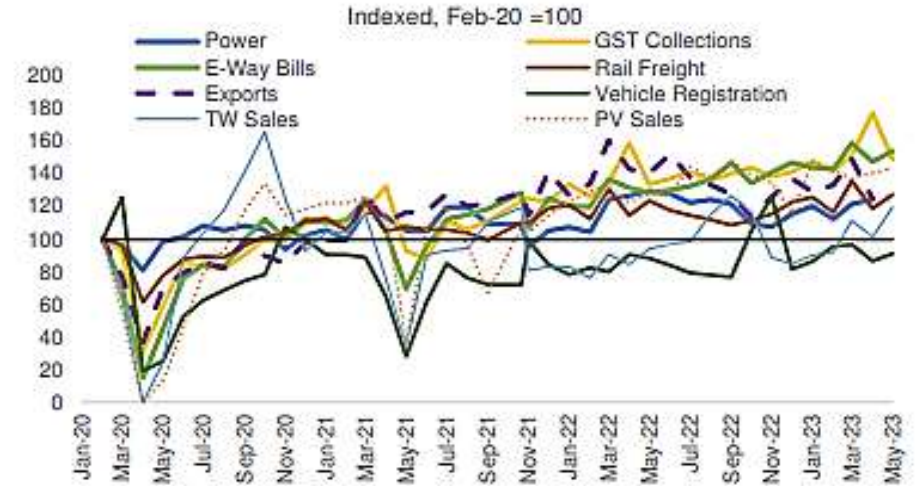


Source: CMIE, Avendus Spark and Bloomberg, E: Estimates

# High-frequency data suggest economy in expansion phase

- Several indicators – such as GST Collections, E-way bills, Power consumption, Retail loan growth, PMI services, Air passengers flown, Auto sales – have shown an improving trend, indicating a pickup in discretionary consumption
- Rural demand, which has been range-bound, is now indicating early signs of a pickup
- MNC Sentiment at multi-year high as number of MNCs like Amazon, Cisco, Microsoft, Mondelez are expected to start / expand operation in India
- Commodity prices and inflation have cooled off, better margins for corporates
- RBI and Fed have paused rate hike cycle. India interest rate is still below historical average.

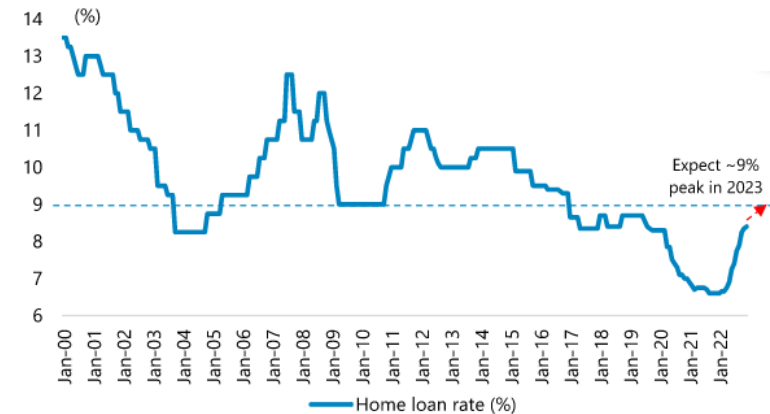
High Frequency Indicators signaling smart recovery



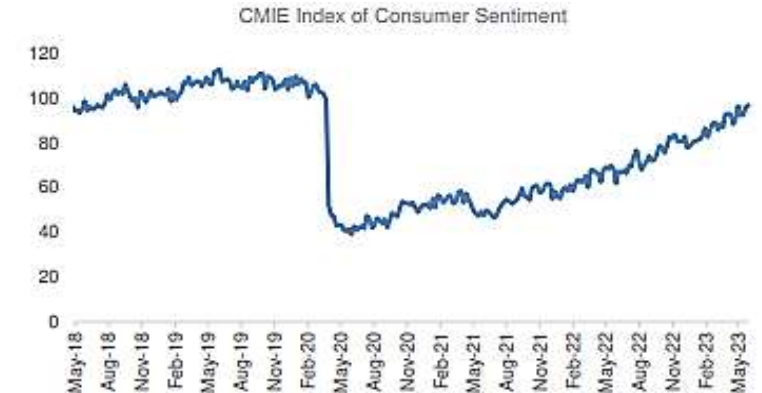
Real Rural wages turned positive



Despite recent spike, interest rates below long-term avg



Improving Consumer Sentiment



Source: Morgan Stanley, Bloomberg, Consumption Expenditure (Annual Growth %), Data as on 31 May 2023

# Grow consistently with consumption

## HSBC Consumption Fund

Thematic Fund - An open ended equity scheme following consumption theme

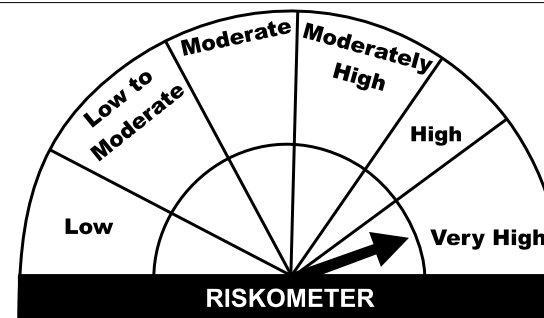
Product Label

HSBC Consumption Fund  
(An open ended equity scheme following consumption theme)

This product is suitable for investors who are seeking\*:

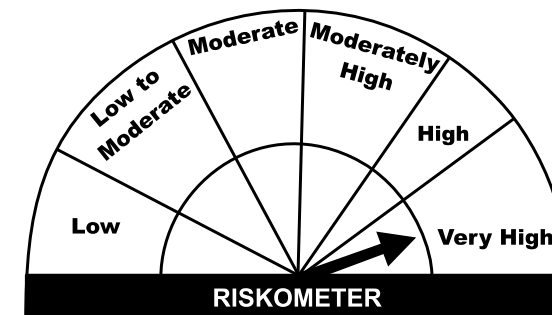
- To create wealth over long-term
- Investment predominantly in equity and equity related securities of companies engaged in or expected to benefit from Consumption and consumption related activities

Scheme Risk-o-meter



Investors understand that their principal will be at Very High risk

Benchmark Risk-o-meter  
Benchmark Index :  
NIFTY India Consumption Index TRI

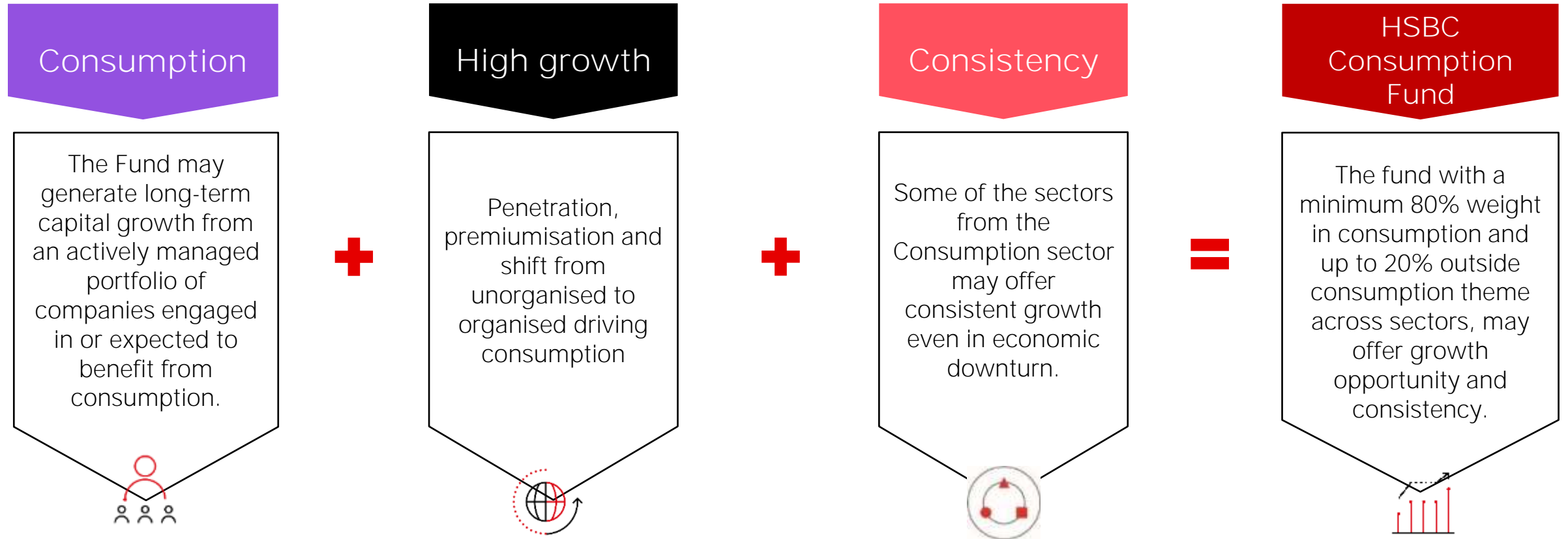


\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Product labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

# One fund three benefits

## HSBC Consumption Fund

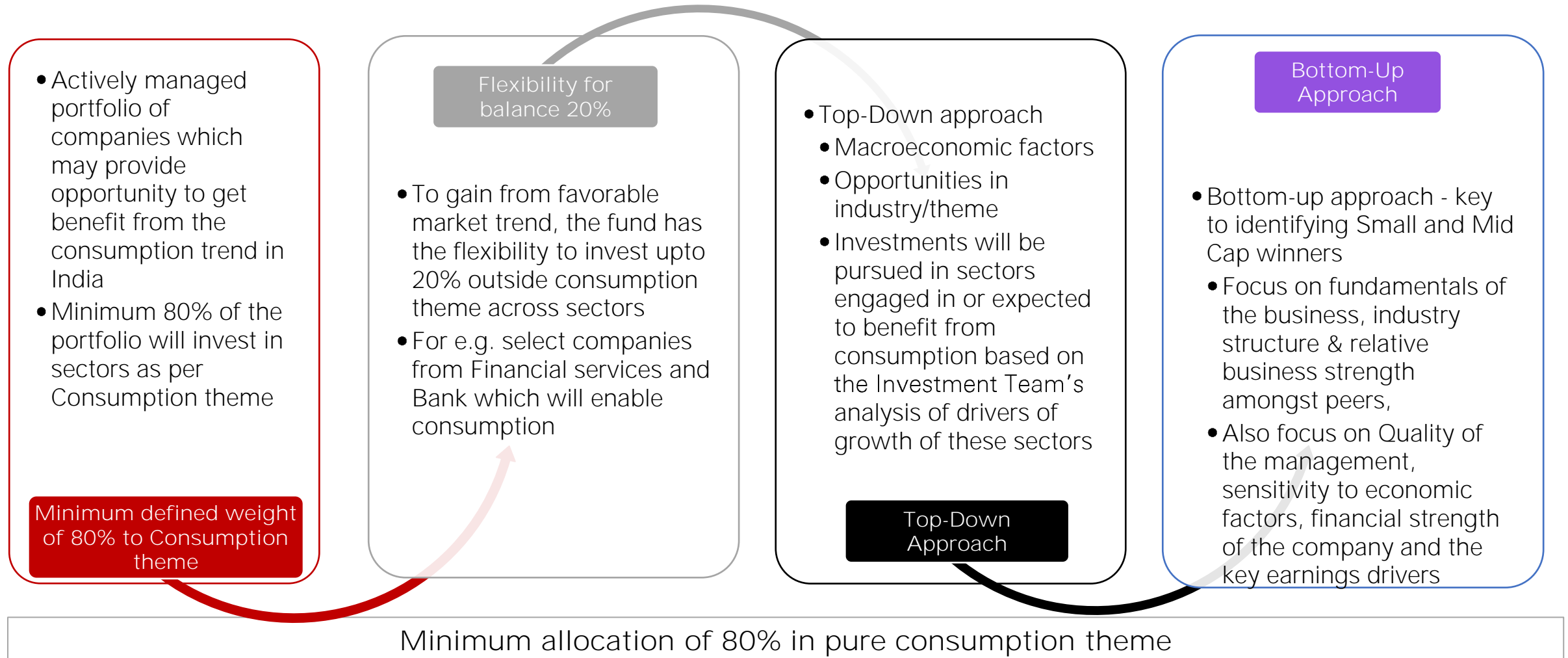


Access multiple advantages with HSBC Consumption Fund

Source – HSBC Mutual Fund, For illustration purpose only.

# Investment Strategy

## HSBC Consumption Fund



Source: HSBC Mutual Fund

Note : Please refer to Scheme Information Document(SID) for more detail on Asset Allocation of the scheme

## Focus themes

- Unorganised to organised shift
- Penetration
- Premiumisation
- Urbanisation

### Opportunity across sizes - LEAP

Large Cap – <b>L</b> eader Top 100 companies	<ul style="list-style-type: none"><li>• Well established businesses</li><li>• Mature players with long track record</li><li>• Higher liquidity</li><li>• Stable earnings growth and less volatile</li></ul>
Mid Cap – <b>E</b> merging <b>A</b> spirants 101st to 250th companies	<ul style="list-style-type: none"><li>• Potential Large Caps</li><li>• Proven track record with higher growth prospects</li><li>• Comparatively higher volatility versus Large Caps</li><li>• Potential valuation multiple re-rating candidates</li></ul>
Small Cap - <b>P</b> earls 251st company and beyond	<ul style="list-style-type: none"><li>• Niche and emerging businesses</li><li>• High potential for growth</li><li>• Relatively more volatile and less liquidity</li><li>• Higher research arbitrage</li></ul>



# Investment Allocation

## HSBC Consumption Fund

The Fund Manager may invest in sector/industries which satisfy the consumption theme. The Fund Manager may also invest in other sectors as may be added in Nifty India Consumption Index from time to time.

Under normal circumstances, it is anticipated that the asset allocation of the Scheme will be as follows:

Instruments	Indicative Allocation (% of net assets)		Risk Profile
	Minimum	Maximum	
Equities & Equity related securities of companies engaged in or expected to benefit from consumption and consumption related activities#	80%	100%	Very High
Equity and equity related securities of companies engaged in or expected to benefit from other than consumption and consumption related activities	0%	20%	Very High
Debt Securities & Money Market instruments (including Cash & cash equivalents, units of Liquid and Overnight mutual funds)	0%	20%	Low to Medium
Units of REITs and InvITs	0%	10%	Very High

An actively managed portfolio of companies engaged in or expected to benefit from consumption

Source: HSBC Mutual Fund

Note - Please refer Scheme Information Document (SID) for more details on Asset Allocation

# The Scheme will seek to invest in the sectors / industries falling under consumption and consumption related activities

## Summary: Advantage Consumption Fund

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### HSBC Consumption Fund



The Fund may generate long-term capital growth from an actively managed portfolio of companies engaged in or expected to benefit from consumption.



Mid and Small Cap stocks across consumption and consumption enablers expected to offer growth opportunity.



Some of the sectors from the Consumption sectors have potential to offer consistent growth even in economic downturn.



The fund with a minimum 80% weight in consumption and up to 20% outside consumption theme across sectors, offers high growth and consistency.

Source: HSBC Mutual Fund

# HSBC Consumption Fund

Thematic - An open ended equity scheme following consumption theme

## Investment Objective

- The investment objective of the Fund is to generate long-term capital growth from an actively managed portfolio of equity and equity related securities of companies engaged in or expected to benefit from consumption and consumption related activities. However, there can be no assurance or guarantee that the investment objective of the scheme will be achieved.

## Benchmark (Tier 1)

- Nifty India Consumption Index TRI

## Investment strategy

- A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in sectors engaged in or expected to benefit from consumption and consumption related activities based on the Investment Team's analysis of drivers of growth of these sectors. Selective stock picking will be done from these sectors. The fund manager in selecting scrips will focus on fundamentals of the business, industry structure & relative business strength amongst peers, quality of the management, sensitivity to economic factors, financial strength of the company and the key earnings drivers. Valuation methods such as relative valuation, fundamental valuation, etc. will also be used for identifying the investment opportunities.

## Fund Manager

- Gautam Bhupal
- Sonal Gupta (For Overseas investments)

## Load

- If units redeemed or switched out upto 10% of the units purchased or switched in within 1 year from the date of allotment – Nil
- If units redeemed or switched out 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

Source – HSBC Mutual Fund, Refer to the Scheme Information Document (SID) of HSBC Consumption Fund for more details,

# Annexure

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# HSBC Asset Management

## Investment professionals working across key locations

Presence in  
20+ locations

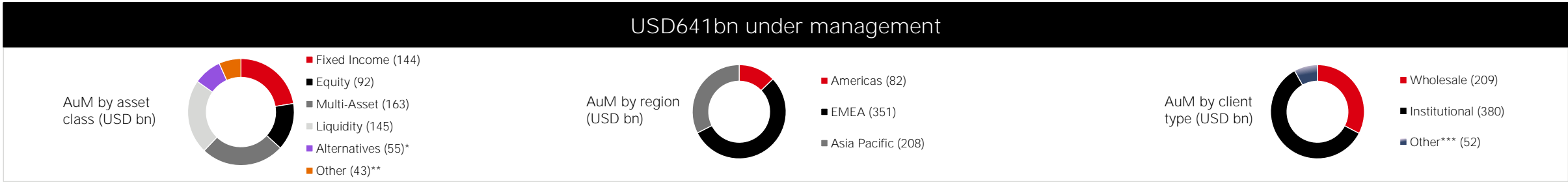
645 investment  
professionals



78 Americas

382 EMEA

185 Asia-Pacific<sup>1</sup>



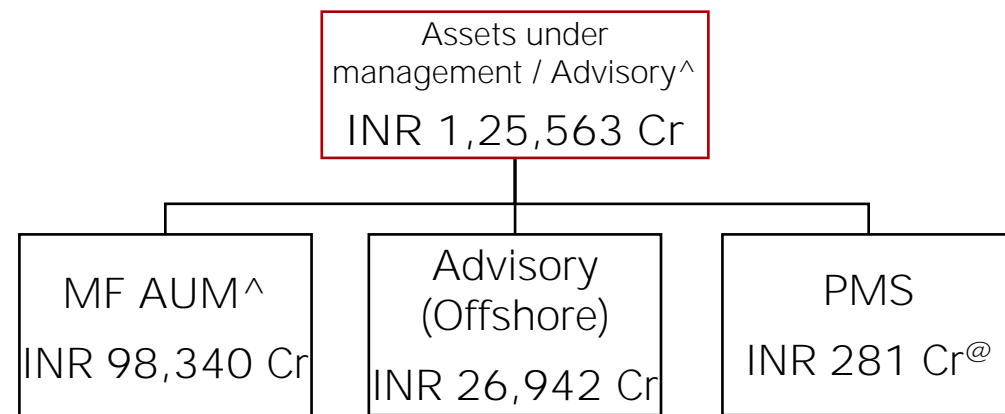
1. Asia-Pacific includes employees and assets of Hang Seng Bank, in which HSBC has a majority holding.  
2. HSBC Jintrust Fund Management company is a joint venture between HSBC Asset Management and Shanxi Trust Corporation Limited.  
\* Alternatives assets excludes USD 5.50bn from committed capital ("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 31 March 2023. Assets under management are presented on a distributed (AUD) basis. Any differences are due to rounding.

## 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



Asset class wise disclosure of AUM & AAUM Rs. in Lakhs		
Category	AUM as on the last day of the Quarter	Average AUM for the Quarter
Income	2,158,381	2,201,663
Equity (other than ELSS)	5,083,986	4,913,982
Liquid	2,193,039	2,225,619
Gilt	21,934	22,070
Equity ELSS	349,055	345,511
Fund of Funds investing overseas	27,654	29,526
Total	9,834,050	9,738,372
Fund of Funds investing Domestic	12,600	12,880

Disclosure of percentage of AUM by geography	
GEOGRAPHICAL SPREAD	% of Total AUM as on the last day of the Quarter
Top 5 Cities	79%
Next 10 Cities	13%
Next 20 Cities	5%
Next 75 Cities	3%
Others	0%
Total	100%

Source – HSBC Asset Management, \* HSBC Asset Management (India) Pvt Ltd.

Any differences are due to rounding, @ Data as on 31 July 2023^ All Other data as on 31 August 2023 Assets under management and Advisory of HSBC Asset Management India, HSBC Mutual Fund – HSBC MF

## Reach, experience and expertise

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### HSBC Mutual Fund

1,25,563  
INR crore AUM /  
Advisory\*

23,18,993<sup>^</sup>  
Customers

57,013<sup>^</sup>  
Distribution  
partners

65<sup>^</sup>  
Locations

31  
Investment  
professionals

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

# Equity - Investment Philosophy

Guiding principles that drive investment philosophy and approach

## Investment mandate

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

## Active fund management

- Focus and conviction on long-term business fundamentals
- Disciplined yet active fund management can 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

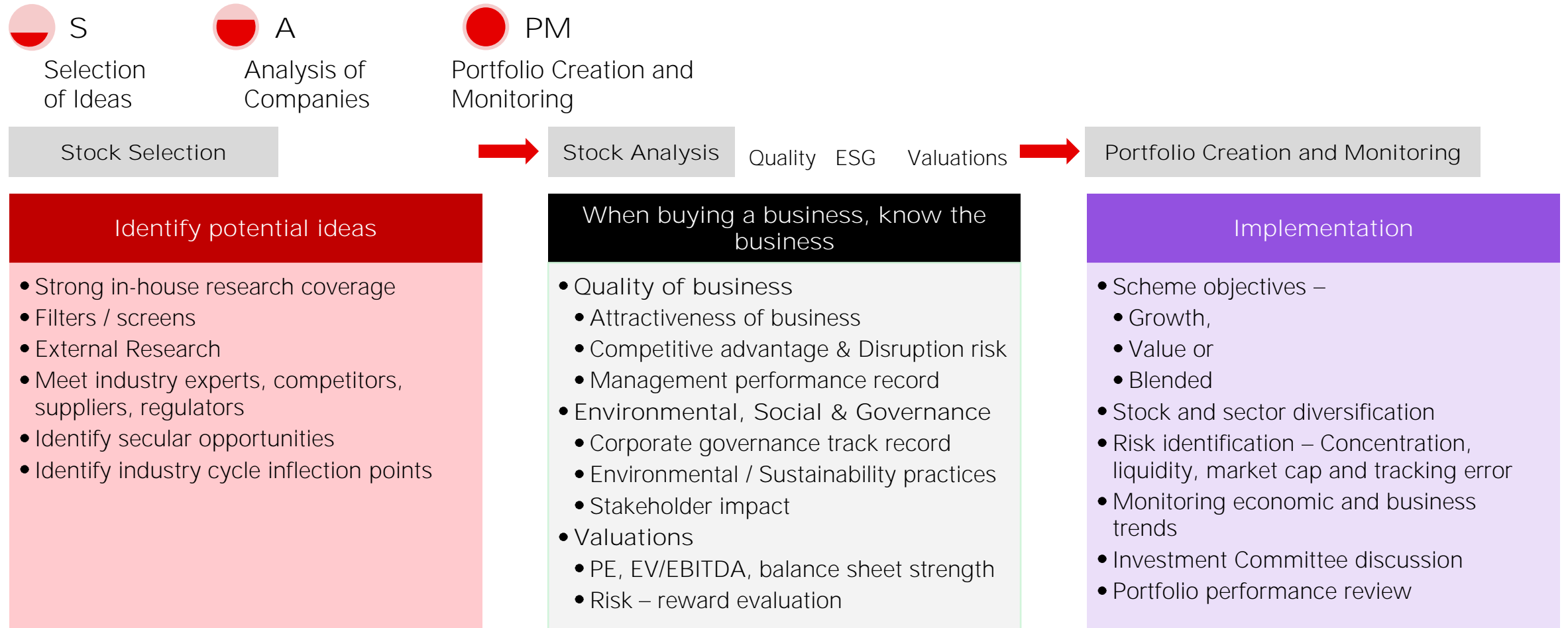
- A robust framework for evaluating, monitoring and managing various risks are an integral part of the investment process

Source: HSBC Mutual Fund



# Equity - Investment Process

Power of SAPM - Equity investment process comprises three stages



Source: HSBC Mutual Fund

# Disclaimer

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