



Invest in the sector,  
that drives every  
other sector in India.

NFO Deck

## HSBC Financial Services Fund

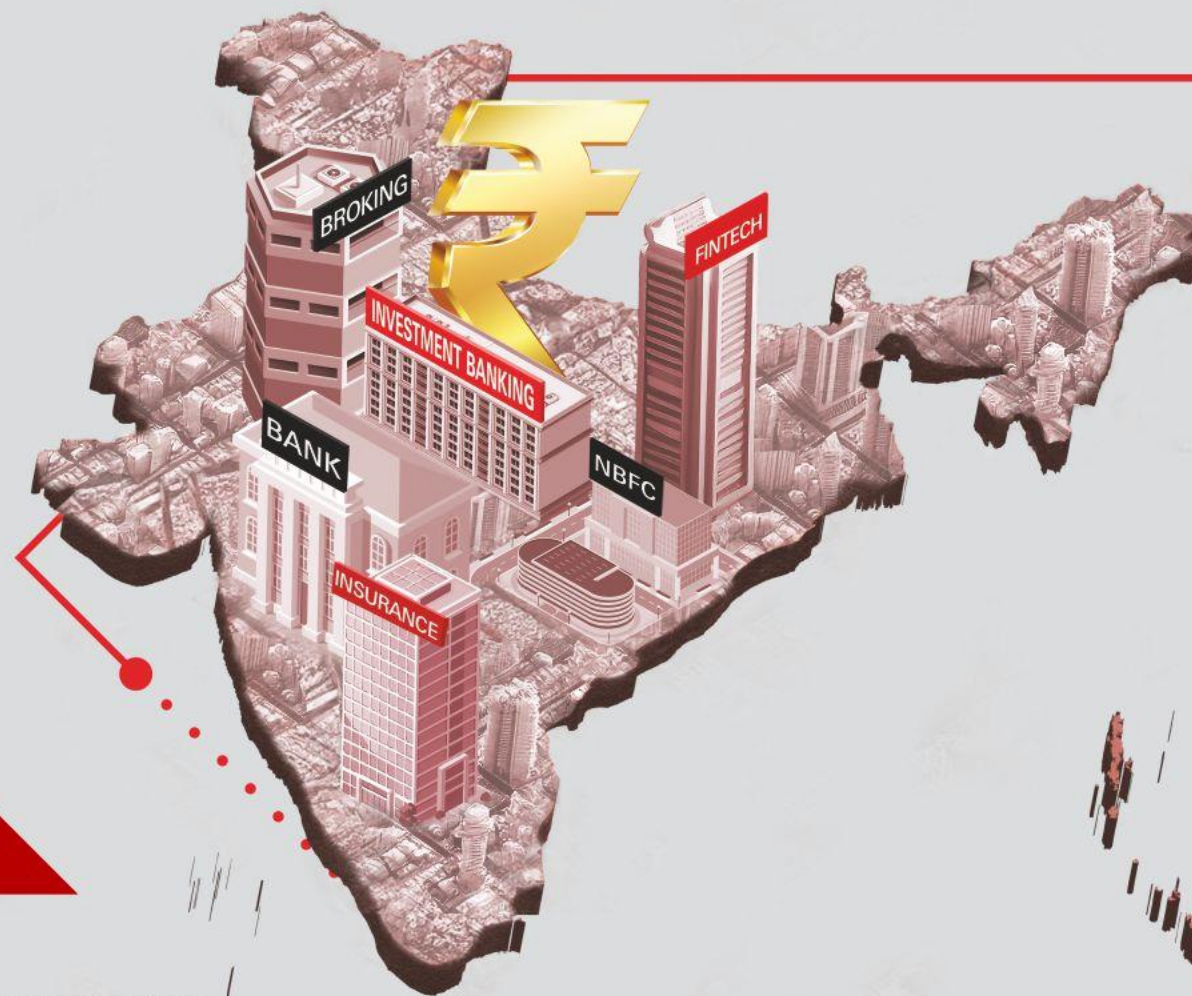
(An open-ended equity scheme investing in financial services sector)

NFO Period: 6 - 20 February 2025

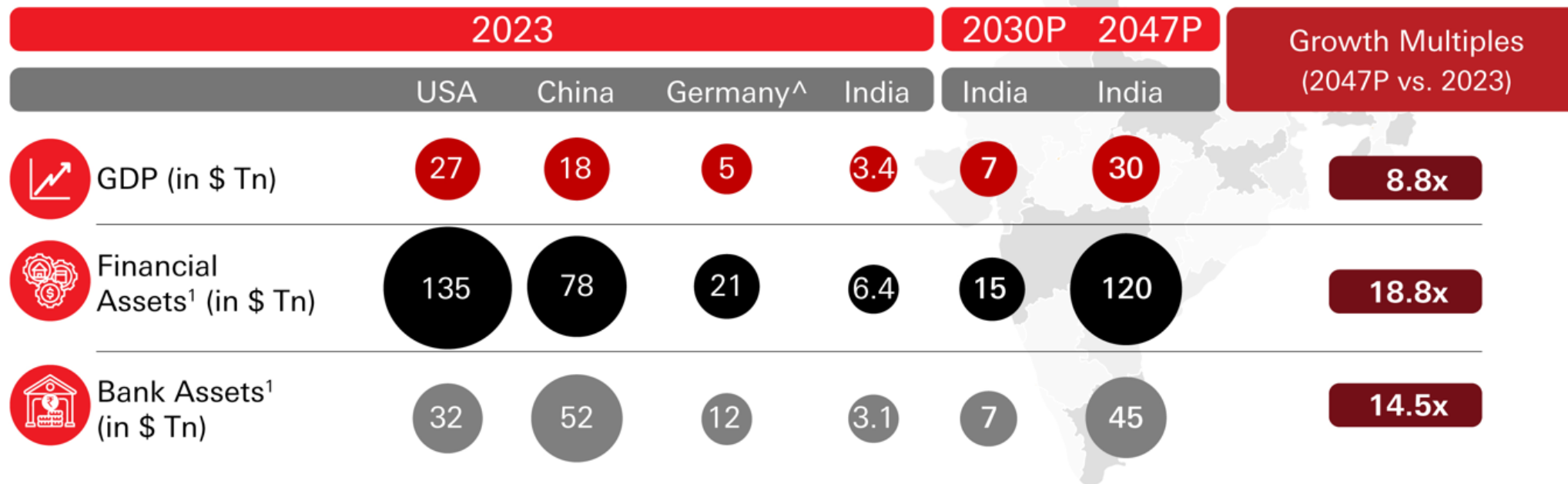
Source of map: [www.surveyofindia.gov.in](http://www.surveyofindia.gov.in)

Map of India is used for illustrative purpose only and is not a political map of India.

Note: The above information is for illustrative purposes only. The sector(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. Please refer Scheme Information Document (SID) for more details.



# Financial sector to grow 2x of GDP to achieve the Viksit Bharat ambition

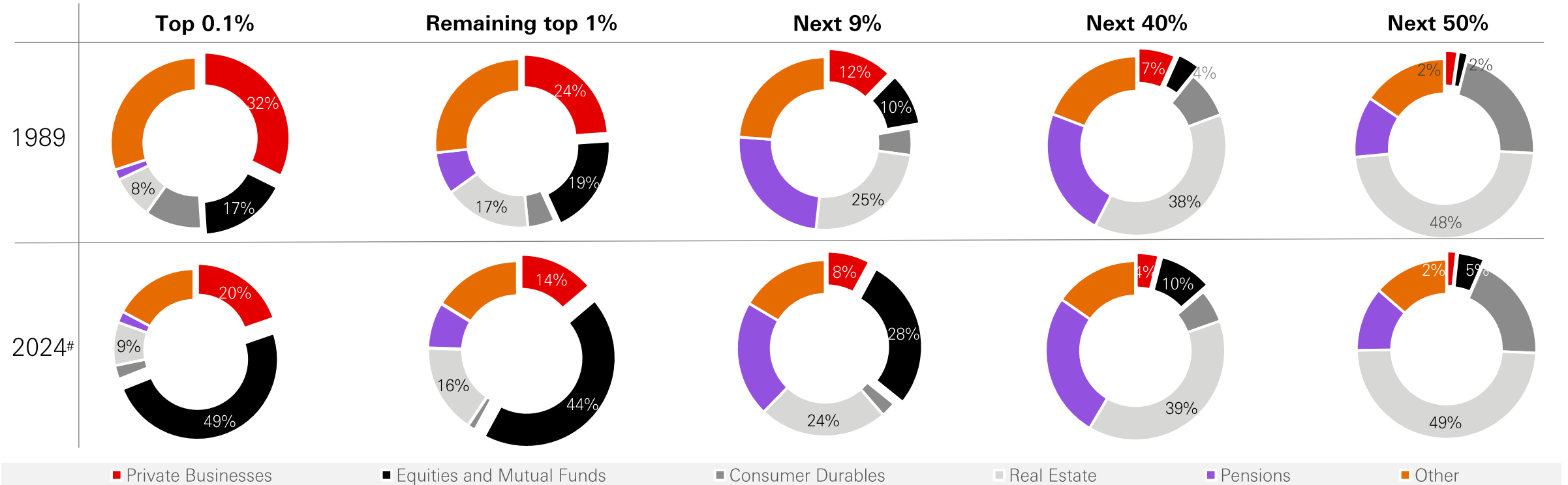


**India's banking industry will need to add \$4tn in capital in the next 2 decades to create the multiplier effect to reach the Viksit Bharat GDP target #**

Source: RBI, Financial Stability Board, World Bank, Federal Reserve, Bundesbank, BCG analysis, # FICCI-IBA-BCG report titled 'Banking for a Viksit Bharat', HSBC Mutual Fund. Note: 1. 2023 numbers for US, China and <sup>^</sup> 2022 for Germany basis respective year's Financial Stability Board report. Map of India is used for illustrative purpose only and is not a political map of India. P – Projected. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Learnings from US wealth effect over the past 3 decades

Equities remain the standout gainer, Real estate maintains steady share of Household Assets

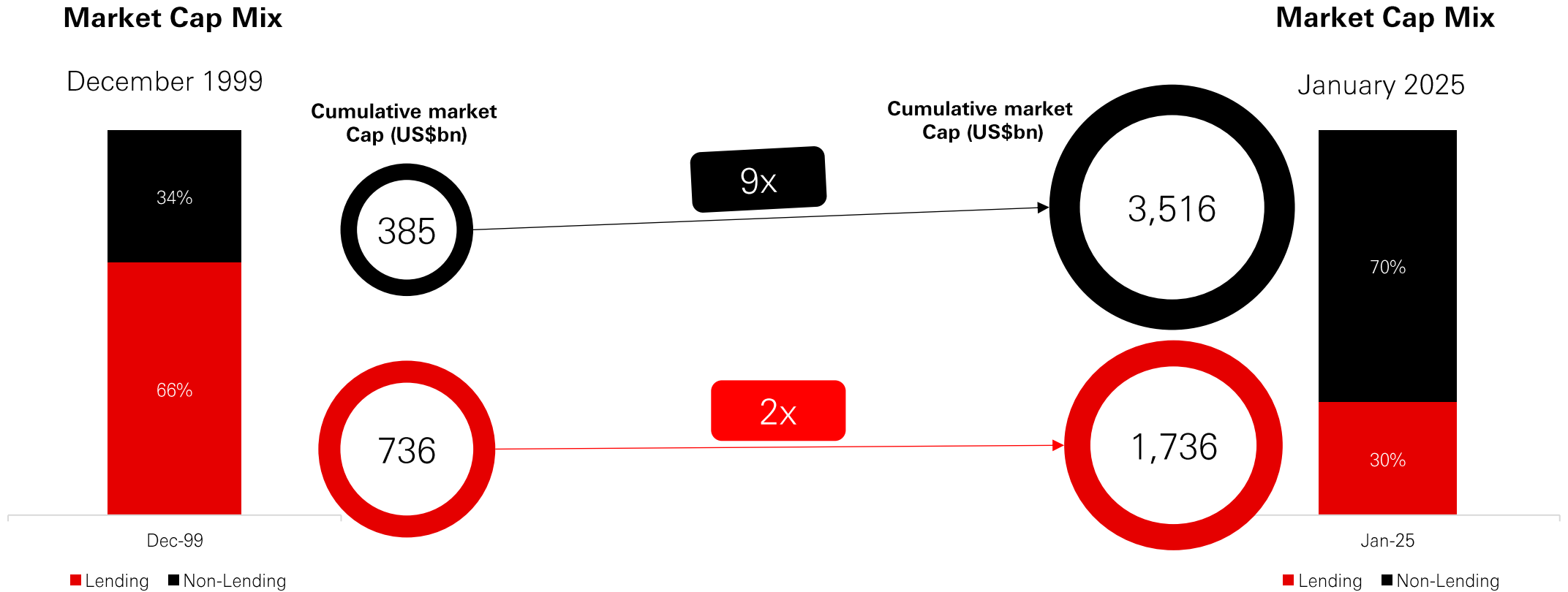


- ◆ Equities and Mutual Funds became the dominant asset class for investments for Top 10% of households
- ◆ Rest of the households also witnessed faster growth in Equities/ Mutual Fund vis-à-vis other asset classes
- ◆ Real Estate continued to be the largest asset for 90% of households across time frames

Sources: US Federal Reserve. #Data for Q3CY24. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Impact of wealth effect in USA

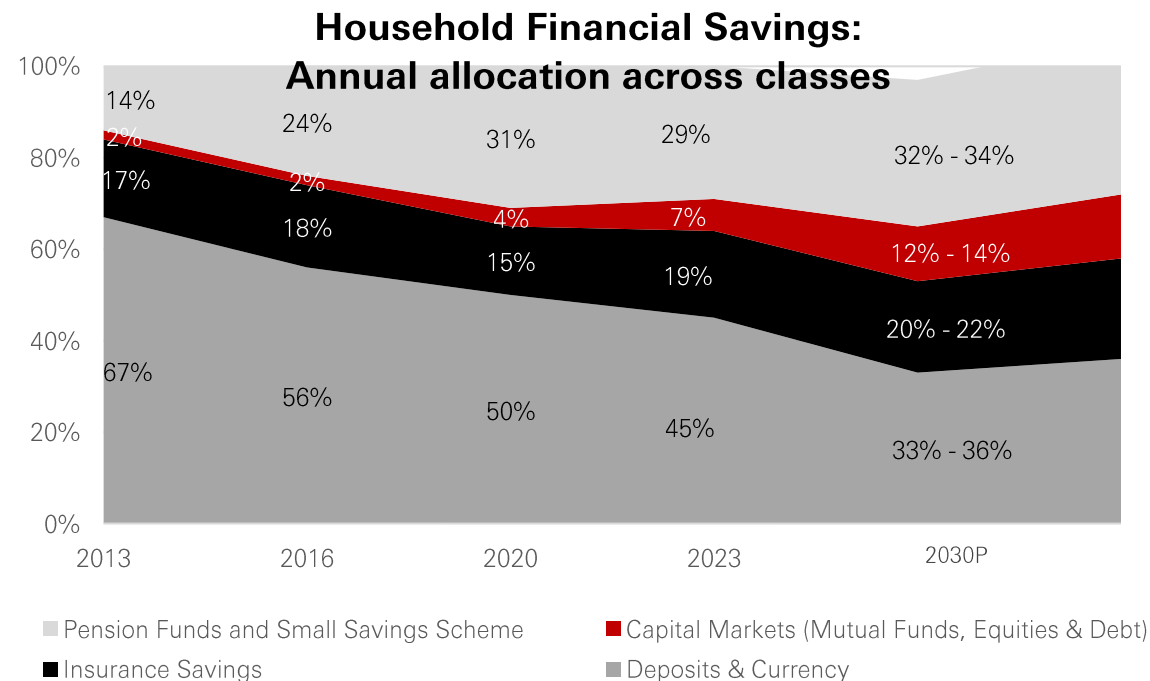
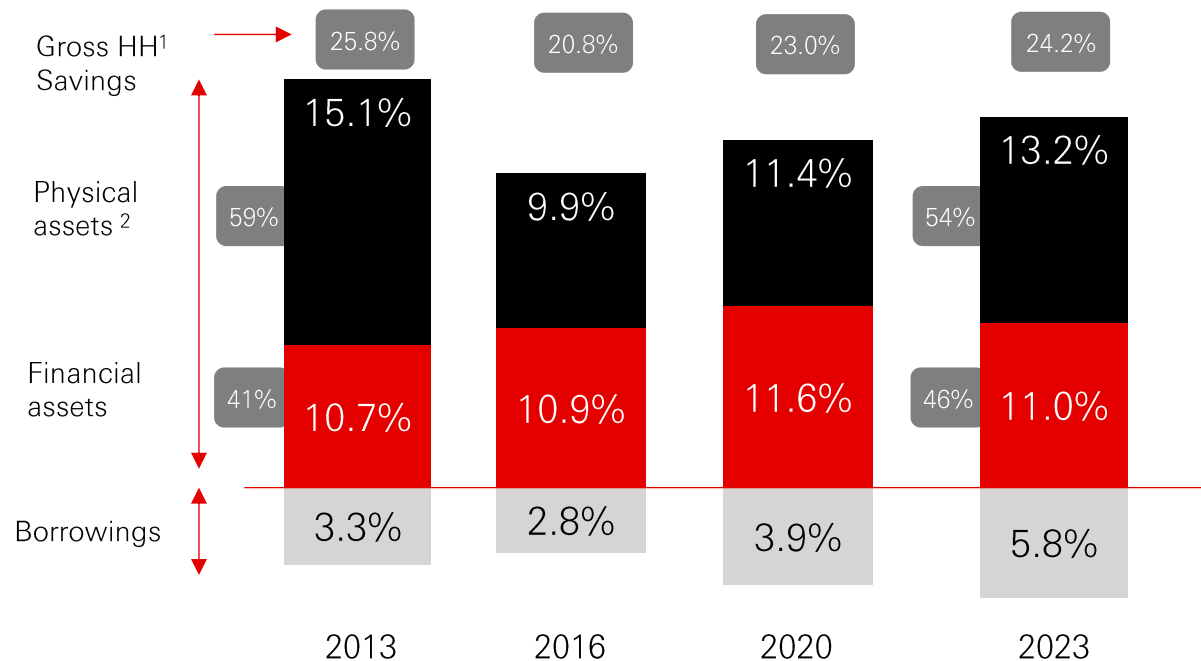
US has witnessed tectonic shift in its financial services industry landscape since over the two decades



Source: Top 15 Financial companies in S&P500 in December 1999 and January 2025, Bloomberg, HSBC Mutual Fund. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Mix of Financial assets increasing with capital markets and insurance gaining bulk share

- Indian households are incrementally channelizing their savings into productive assets. The share of financial assets within the overall mix has been increasing.
- With better data on credit patterns from bureaus and behavioral changes of Millennials and Gen Z, we see borrowings increasing starkly over the past 5 years.



Sources: RBI, MoSPI, NSE, AMFI, NPS Trsu, Tracxn, BCG analysis. Note: 1. HH – Household 2. Physical assets include savings in gold and silver ornaments. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Technology has reformed the financial landscape

## Past way of transacting

<p><b>Banking</b></p>  <p>Bank Branches</p>	<p><b>Payments</b></p>  <p>Cash, Cheque/DD</p>
<p><b>Capital Markets</b></p>  <p>Physical Shares</p>	<p><b>Insurance</b></p>  <p>Physical Inspection</p>

## Present way of transacting

<p><b>Banking</b></p>  <p>Digital Banking</p>	<p><b>Payments</b></p>  <p>UPI, Online Transfer, E-Rupee</p>
<p><b>Capital Markets</b></p>  <p>Demat</p>	<p><b>Insurance</b></p>  <p>Online Claim</p>

## How has technology helped



Convenience



Transparency



Accessibility

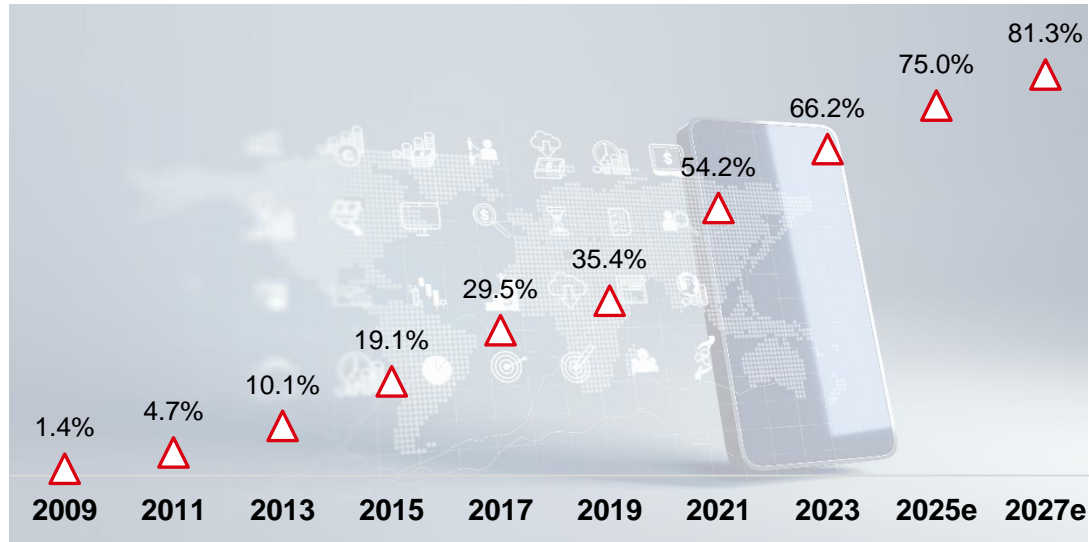


Lower costs

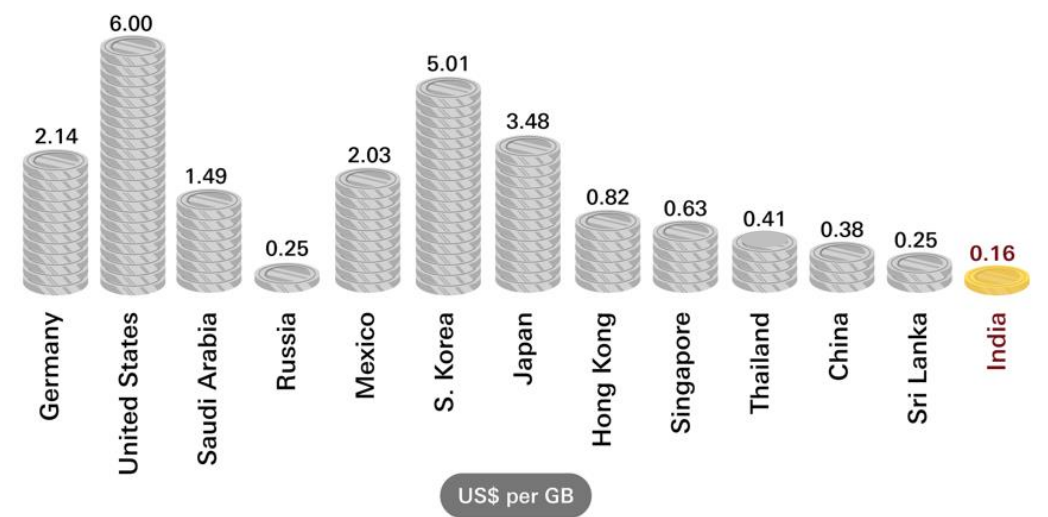
Source: HSBC Mutual Fund. The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Backbone on which the financial ecosystem revolutionized

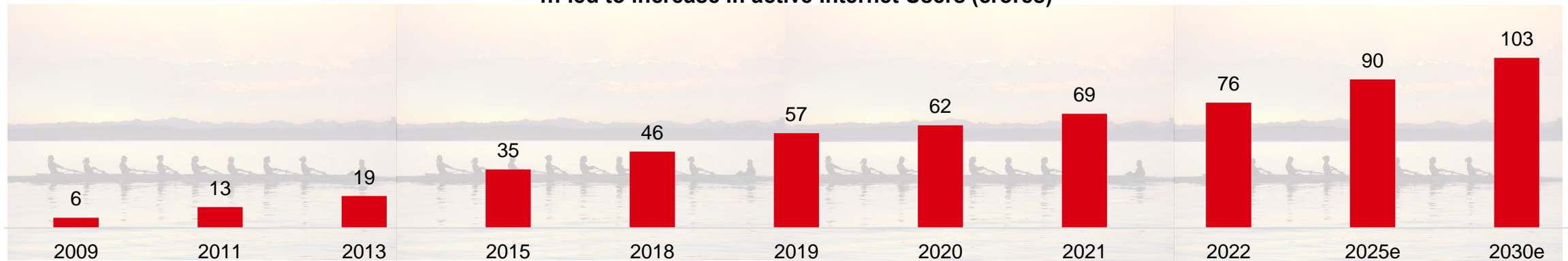
Smartphone Penetration in India...



... coupled with one of the lowest data cost globally ...



... led to increase in active Internet Users (crores)

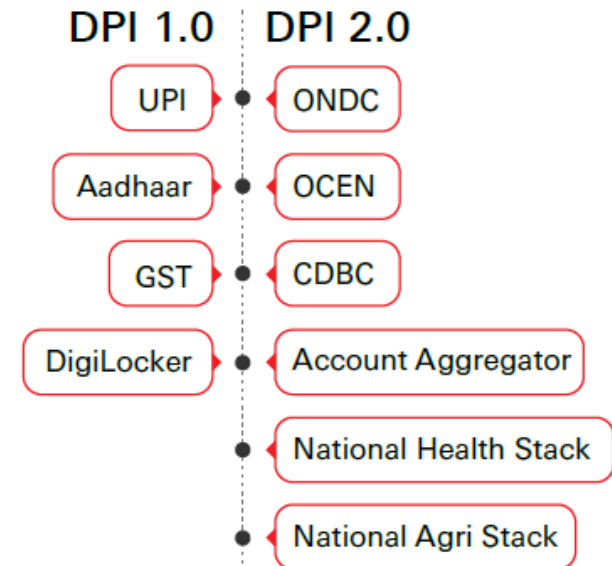
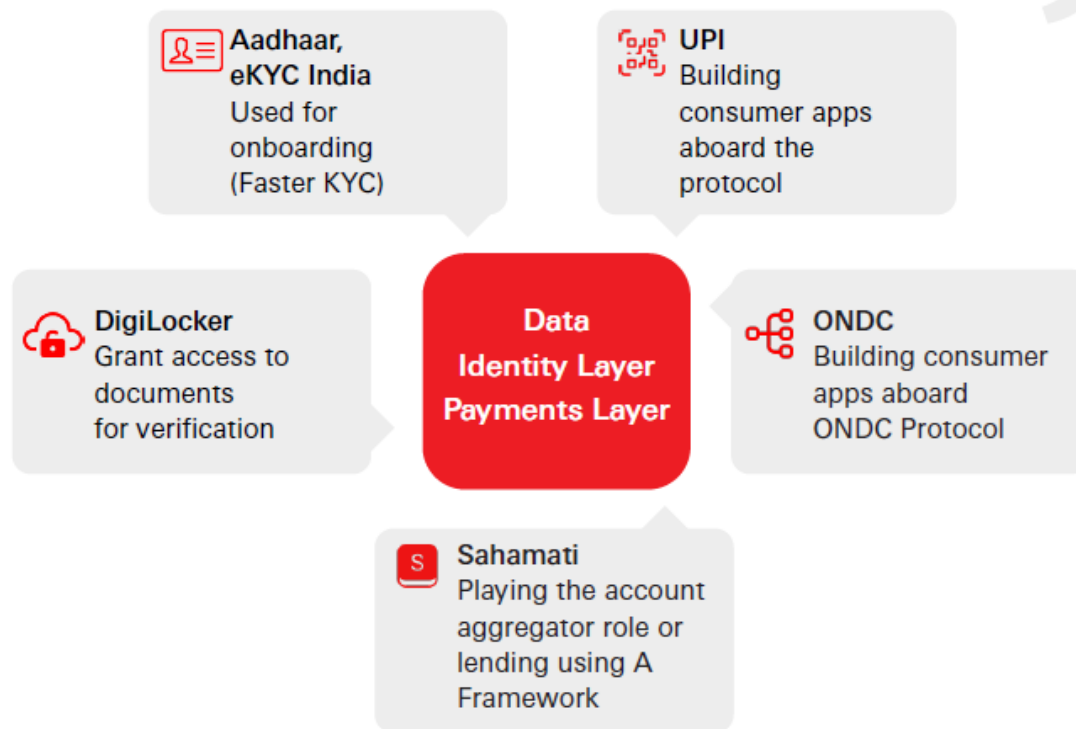


Source: TRAI, Cable.co.uk, Kantak / JM Financial & Beams Fintech Analysis Report. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns. E refers to estimated.

# Government initiatives have accelerated the pace of growth in the sector

“It took us 6 years to get to our first 60k customers, each of whom had to sign and courier 40+ pages of forms and wait for days. We got to 1 crore customers in the next 6 years, entirely eliminating paper in the process. This was enabled by eKYC, digital signatures (esigns) and digital documents (DigiLocker)”

– Founder & CEO at leading online brokerage firm



Transformed India's financial landscape, driving innovation and inclusion.

The next wave of innovation across sectors will be driven by this initiative.

Sources: Beams Internal analysis, HSBC Mutual Fund.. The above information is for illustrative purposes only. UPI - Unified Payments Interface, ONDC - Open Network for Digital Commerce, OCEN - Open Credit Enablement Network, CDBC - Central bank digital currency, DPI – Digital Public Infrastructure. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.



# Clear shift in behavior of Millennials and Gen Zs



## Baby Boomers

India Wars,  
Food Shortages,  
Cold War



## Gen X

Volatility  
& High Inflation,  
Queueing up for  
Monthly Provisions



## Millennial

Episodic Inflation,  
Faster Economic  
Growth



## Gen Z

Faster Economic  
Growth, Growing  
Cultural Dominance

### Risk Averse Behavior

- Real-estate/Gold/Bank Deposits
- Borrowings was considered a taboo.
- Real-estate + Gold + Cash
- Minimal Equity Exposure

### Returns Focused Behavior

- Some Equity Exposure
- Open to renting Real-estate
- Borrowing for long-term asset creation
- More Equity Exposure
- Aims to buy Real-estate
- Borrowings important for wealth creation

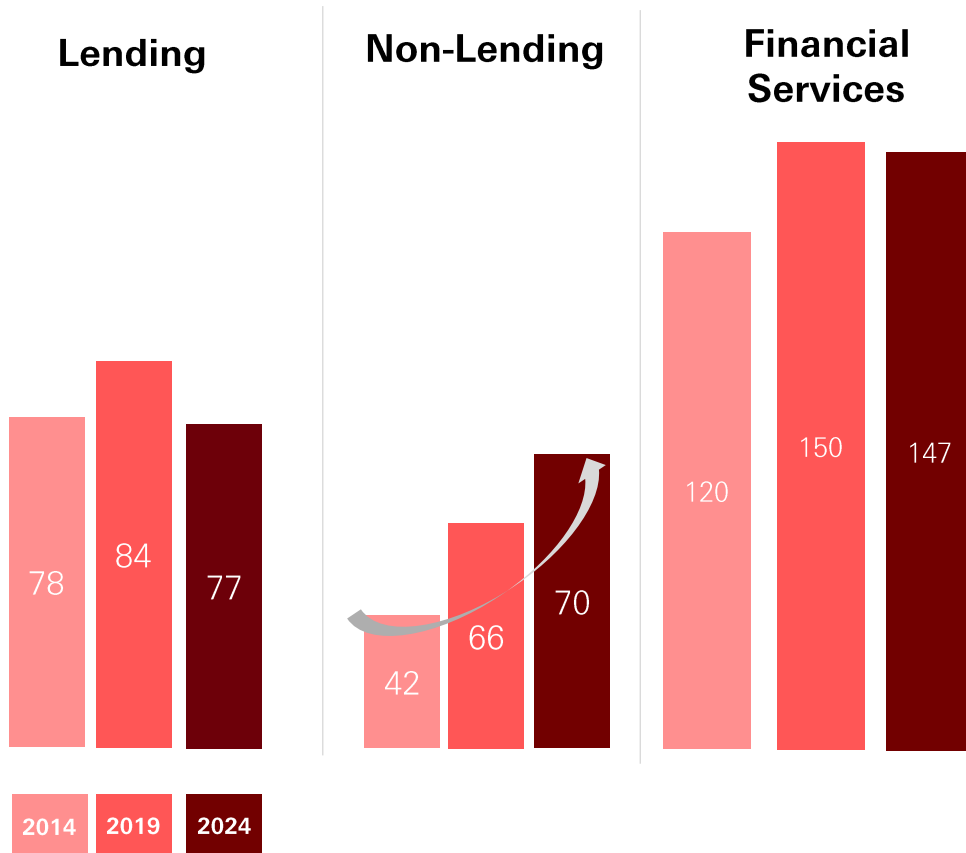
**Change in behavior – Now seeking higher returns!**

Sources: Bernstein analysis, HSBC Mutual Fund. The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

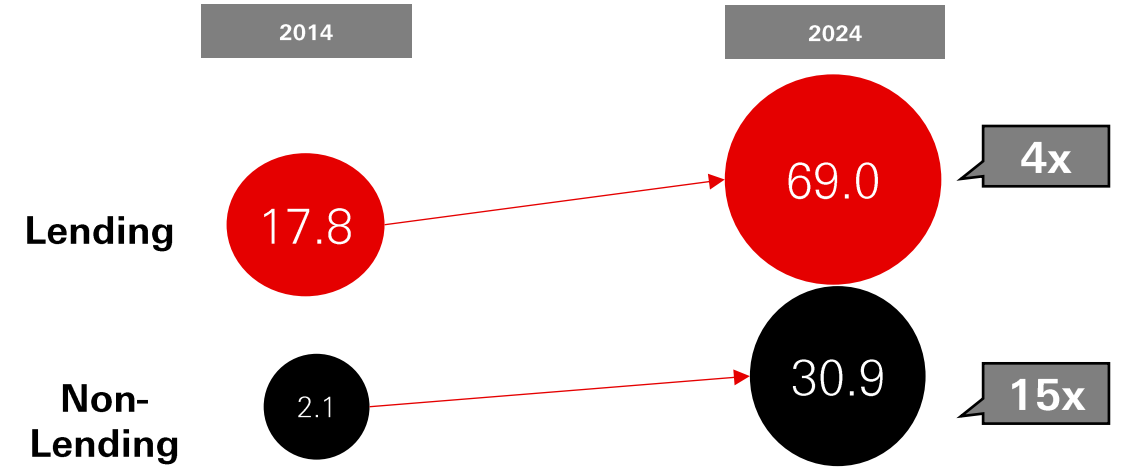
# Depth and breadth of non-lending universe will continue to expand

Non-Lending has almost one-third weight in Financial Services vs almost one-tenth earlier

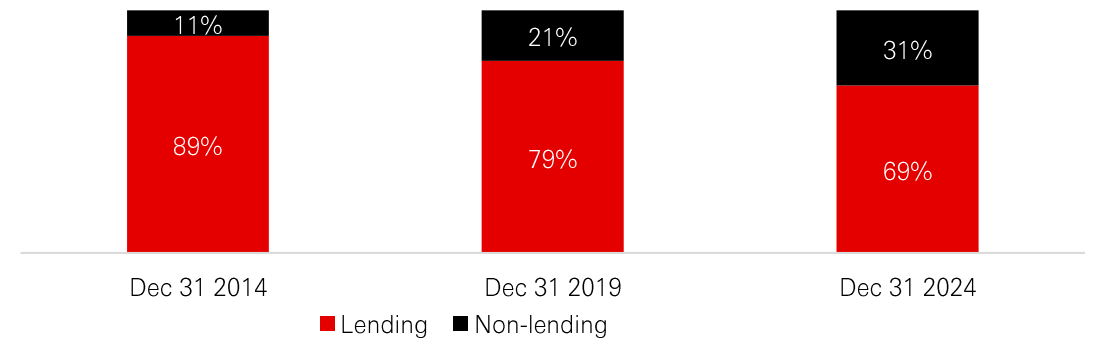
## Financial Services: Number of Companies



## Market Capitalisation (₹ Lakh Cr)

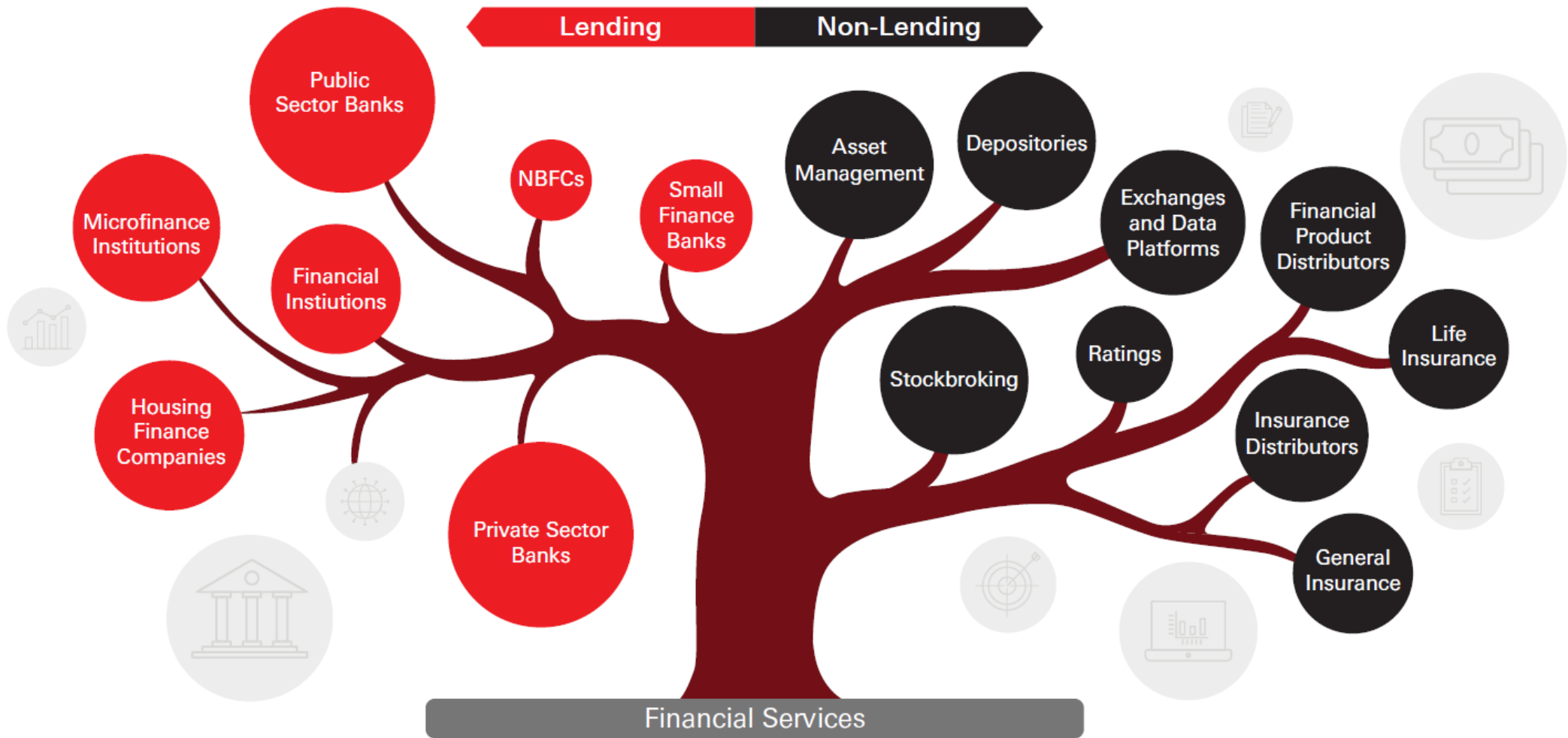


## Market cap mix



Source: Bloomberg, HSBC Mutual Fund. Universe for above analysis is Top 1000 listed NSE companies by market cap during 3 different time periods – 31 December 2014, 31 December 2019 and 31 December 2024. The data represented above is only for Financial Services sector companies within these Top 1000 and change in number of companies and market cap over past 10 years. We have then divided Financial Services companies into Lending/ Non-lending based on their business attributes. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Financial services sector offers diverse collection of growing themes

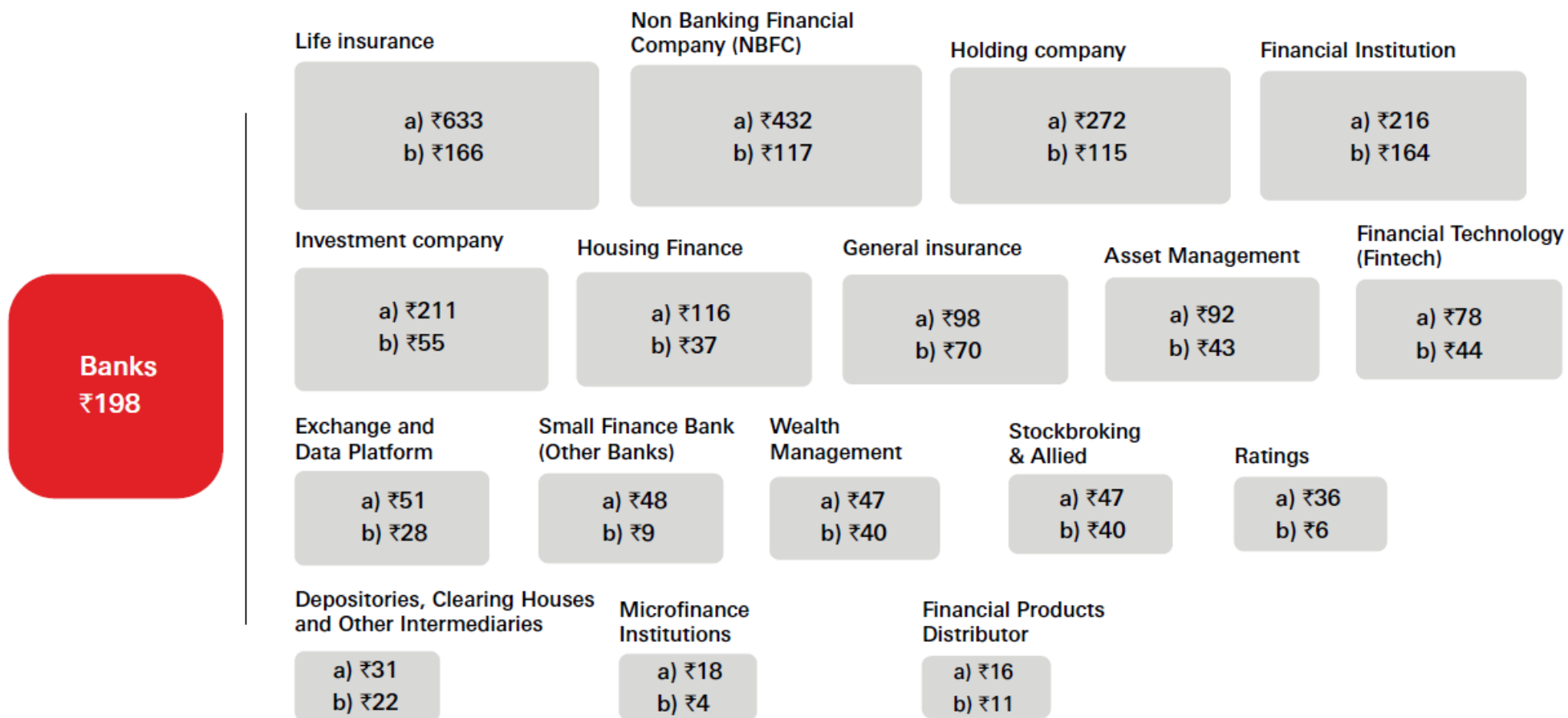


Sources: HSBC Mutual Fund. The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Thousands steps taken, Miles to go ...

Average market cap  
for top 25 banks (₹'000 Crore)

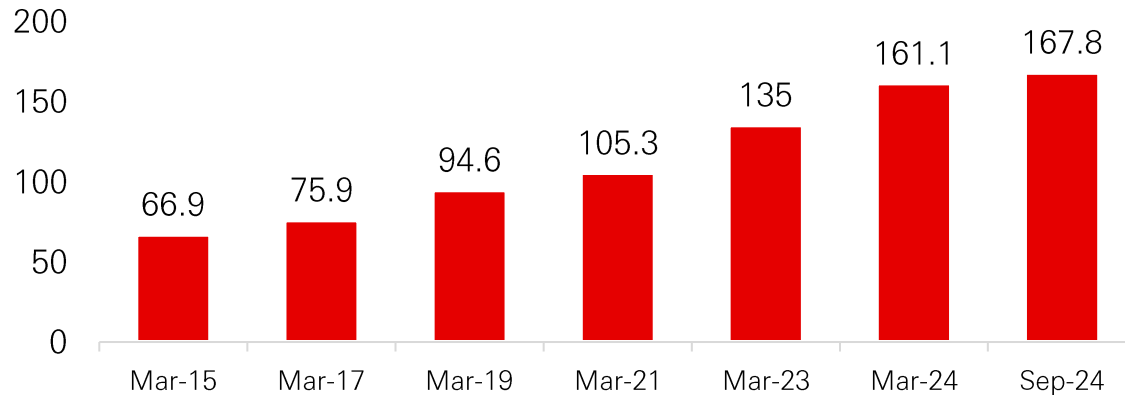
Top 2 companies by average market cap# (₹'000 Crore)



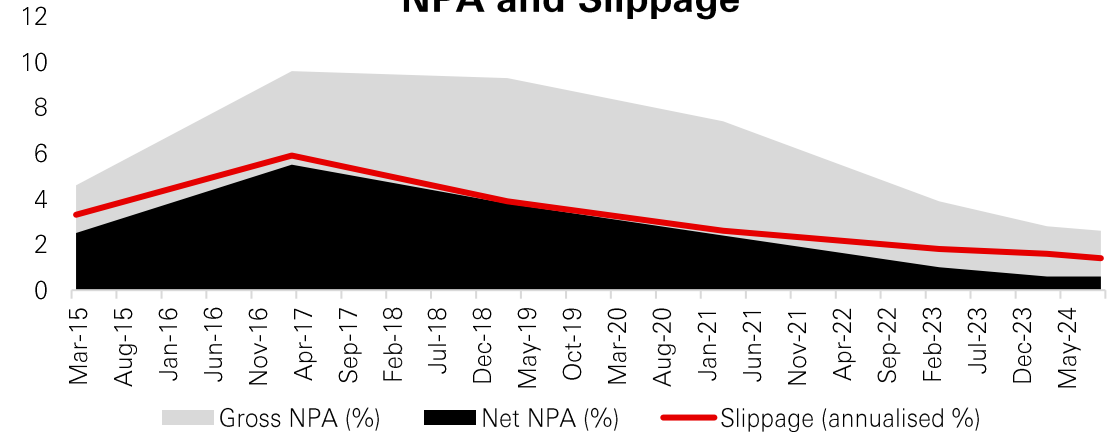
Source: Ace Equity, # AMFI average market capitalisation (June – December 2024), HSBC Mutual Fund. Note: Sectors are based on Basic Industry classification as per AMFI. a) and b) indicates Top 2 market cap companies in the respective industries. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Health of Banks is strong post restructuring

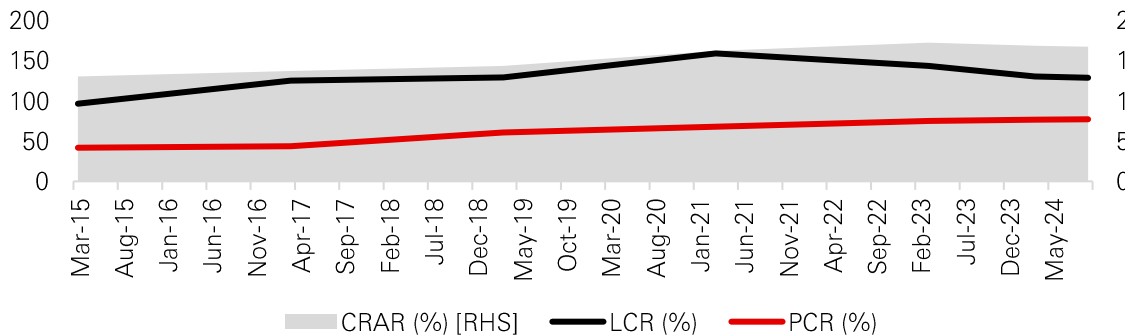
### Gross Advances (₹ Lakh Crore)



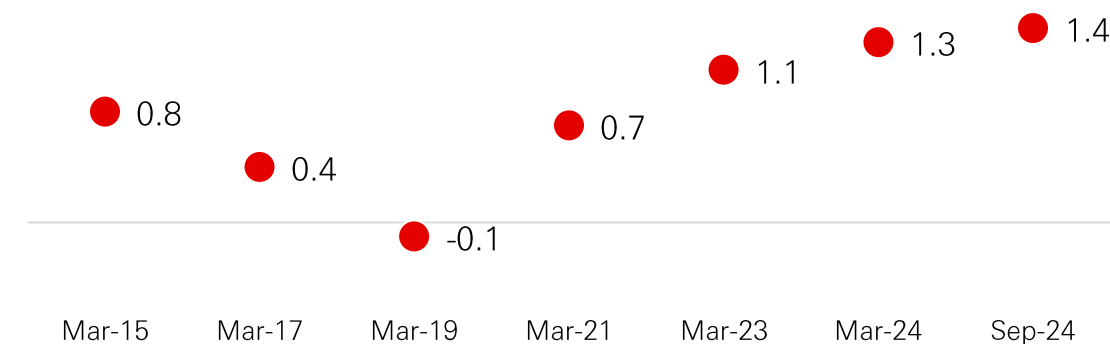
### NPA and Slippage



### Ratios: CRAR | LCR | PCR



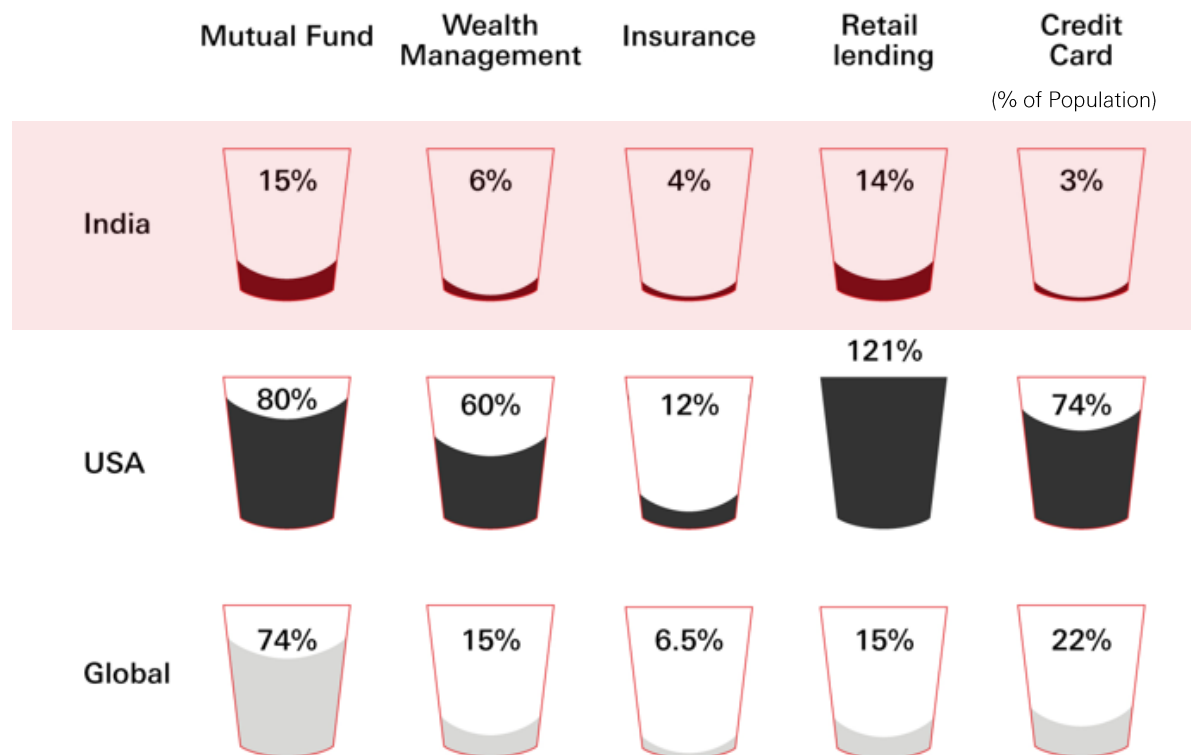
### RoA %



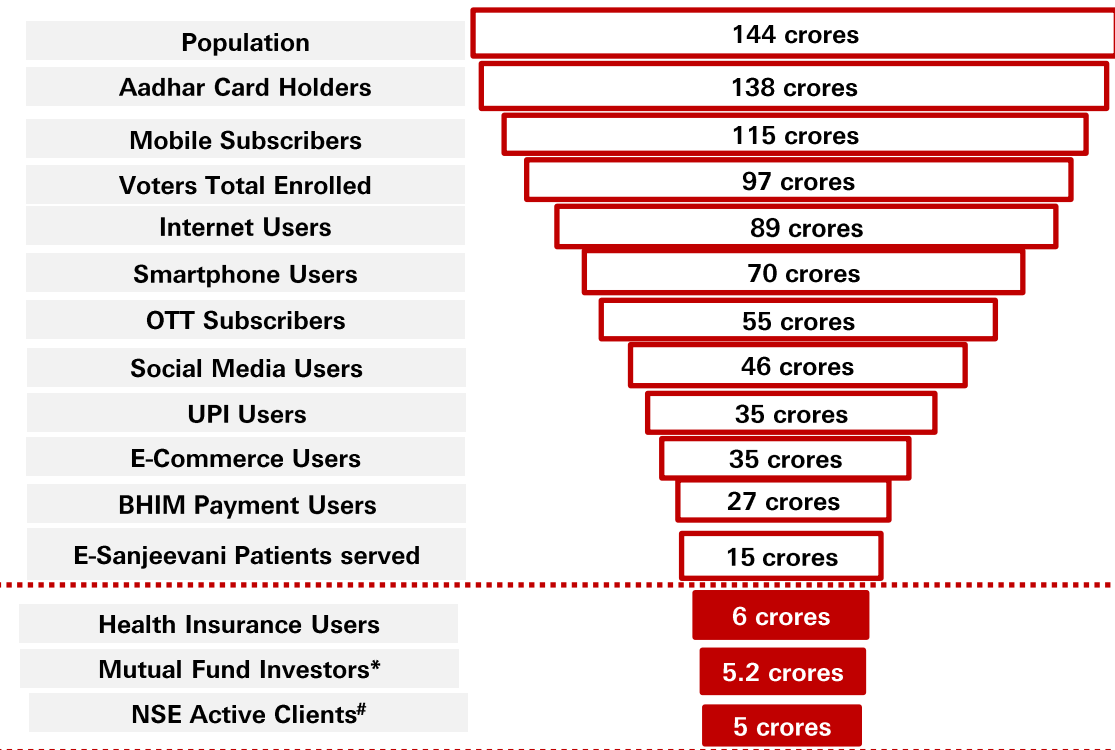
Sources: RBI Financial Stability Report - December 2024. The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Financial services products still have low penetration in India

## Penetration as a % of GDP



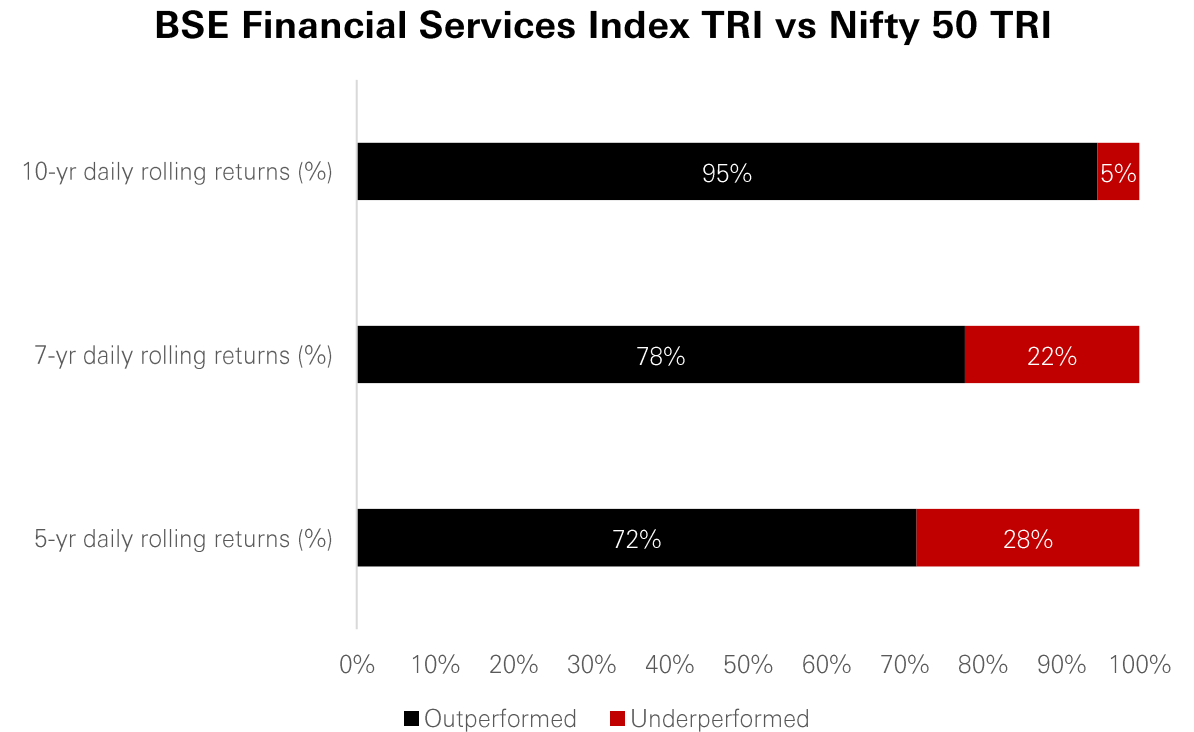
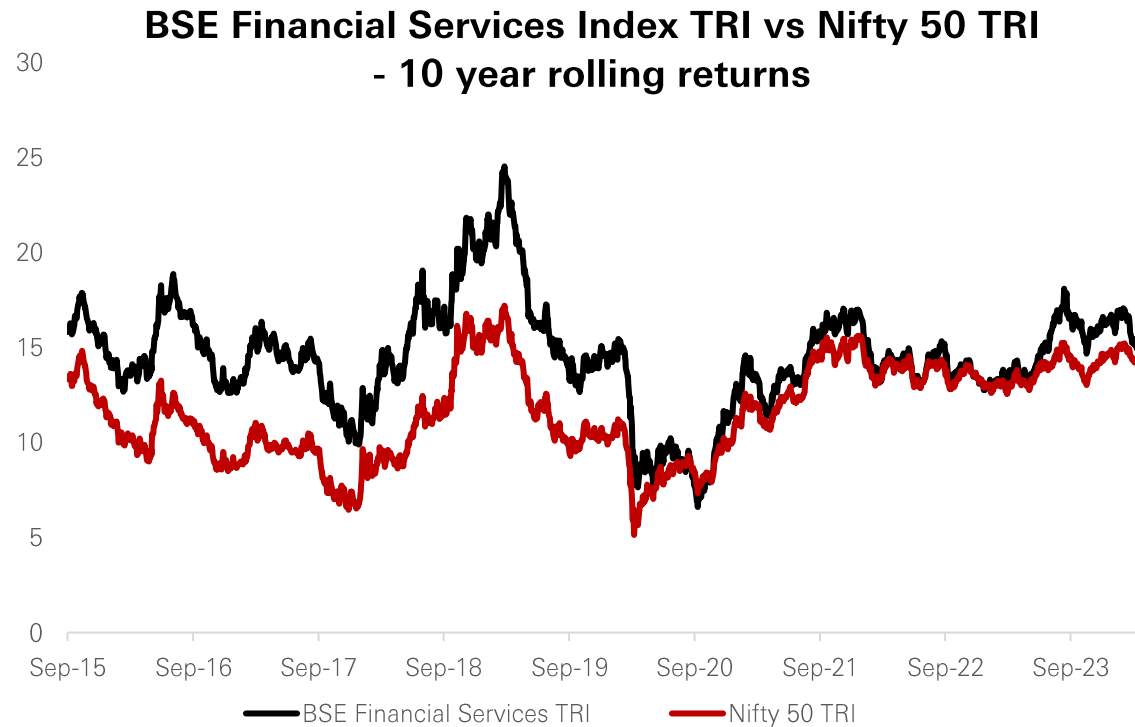
## India stack



Source: Beams Fintech Internal analysis, RBI report, AMFI, NSE, SEBI, HSBC Mutual Fund. # Data as at December 2024, \* Data as at November 2024 as latest available. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Financial Services has consistently outperformed across periods

BSE Financial Services TR Index has outperformed 95% of the times to the broader Nifty 50 TR Index

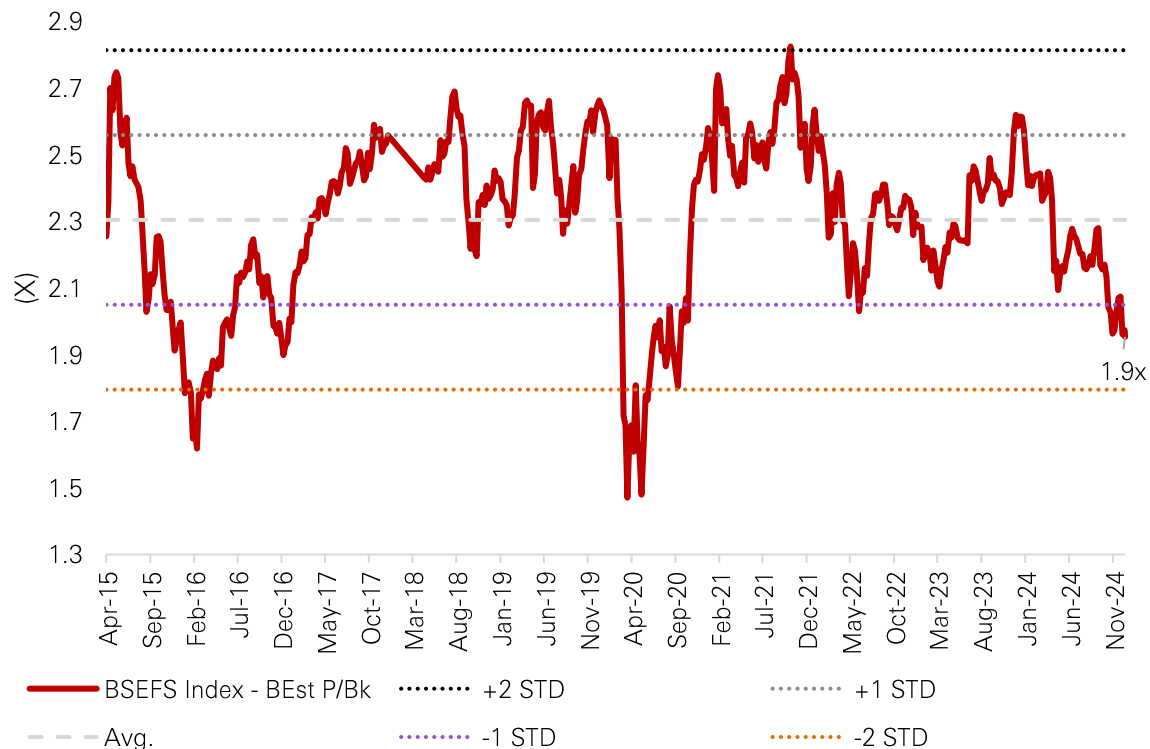


**Investing for the long-term can deliver returns for Financial Services sector**

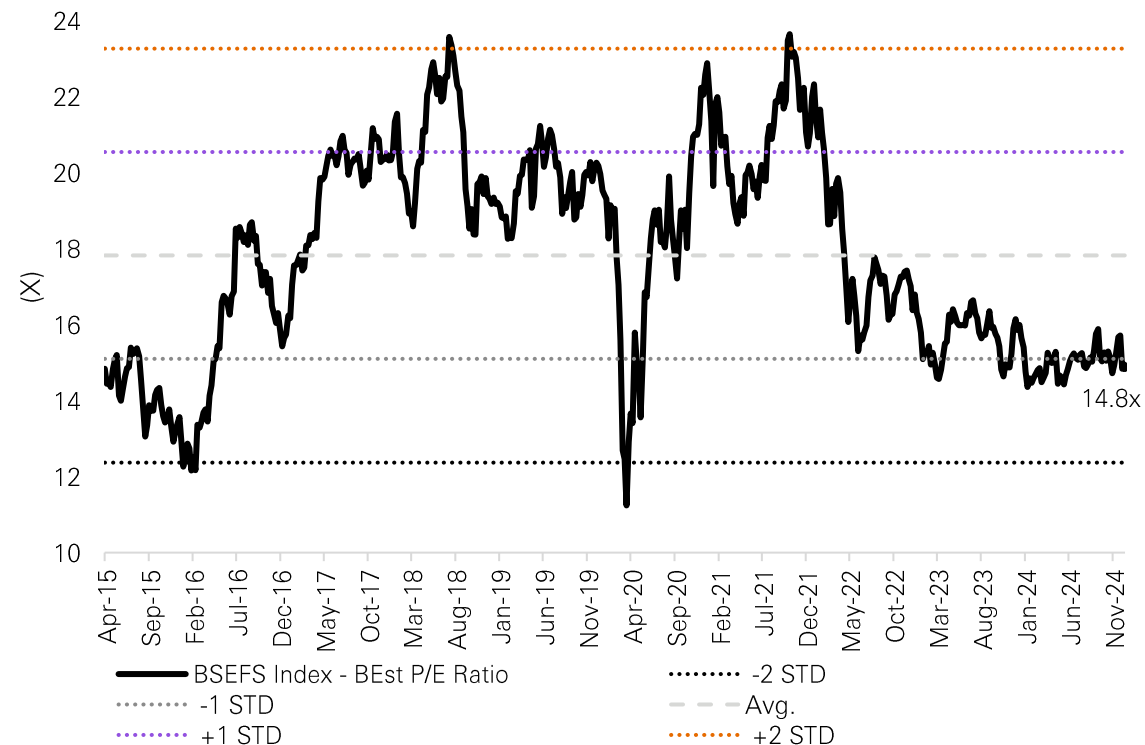
Source: MFI Explorer, HSBC Mutual Fund. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Financial services valuations are attractive

## BSE Financial Services (P/B)



## BSE Financial Services (P/E)



**Financial Services Index is trading at 1SD below averages, both on P/E and P/B basis, offering attractive risk-reward**

Source: Bloomberg, Data as at Dec 2024. Note: P/E and P/B is calculated on the basis of Standalone/ Parent Financial Statements. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.



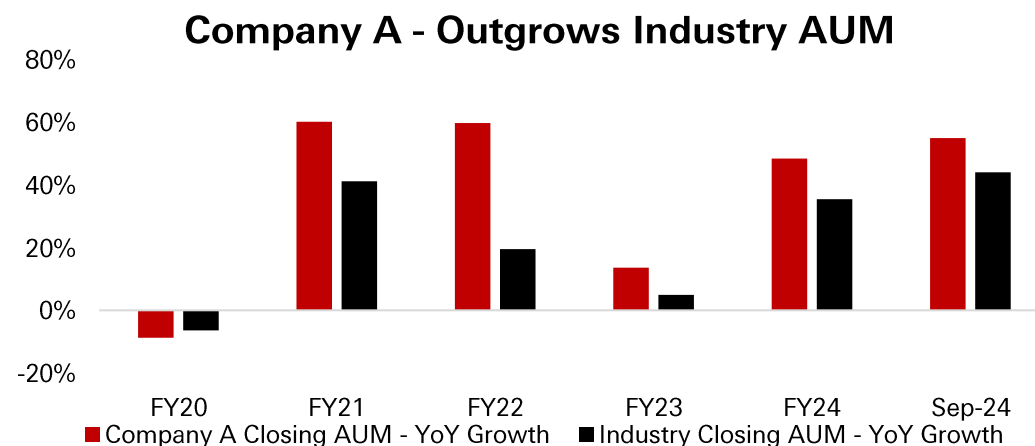
# Case Studies

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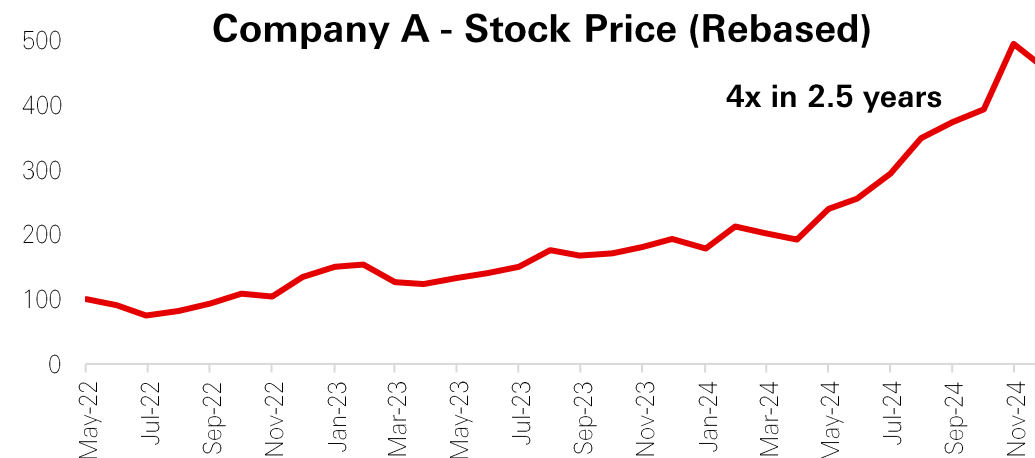
## Financial Services

# #1) Financial Products Distributor to reap the benefit from Financialisation of Savings

	CY14	CY24	CAGR
Industry AUM (₹ Lakh Crore)	10.5	68.1	21%
Industry Equity AUM (₹ Lakh Crore)	3.4	39.7	28%
Equity Mix	33%	58%	



	FY24E		FY30E		FY35E
<b>Nominal GDP</b>	~\$3.5 Tn	10% ↑	~\$6.3 Tn	9% ↑	~\$9.7 Tn
<b>Household (HH) Savings</b>	~\$0.65 Tn	9% ↑	~\$1.1 Tn	8% ↑	~\$1.65 Tn
<b>Gross Savings in Financial Assets</b>	~\$380 Bn	11% ↑	~\$700 Bn	9% ↑	~\$1050 Bn
<b>Annual HH Savings in Mutual Funds</b>	~\$30 Bn (5% HH Savings)	15% ↑	~\$70 Bn (6% HH Savings)	13% ↑	~\$130 Bn (8% HH Savings)

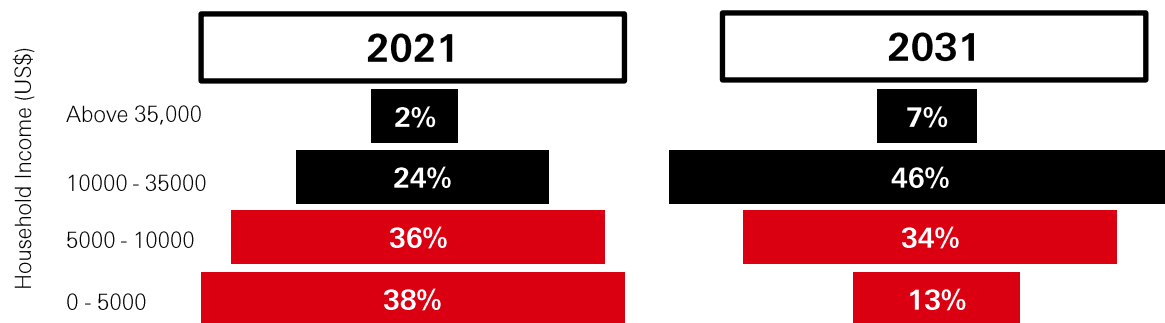


Sources: AMFI, SEBI, Ace Equity, Bernstein Research, Data as on January 06, 2025. The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns. E - Estimates

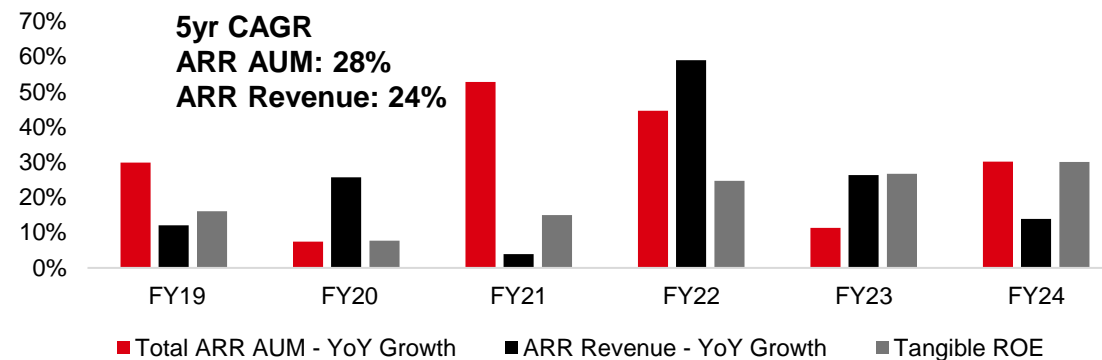
## #2) UHNI can benefit from professional wealth managers

Anticipated shift in India's income pyramid

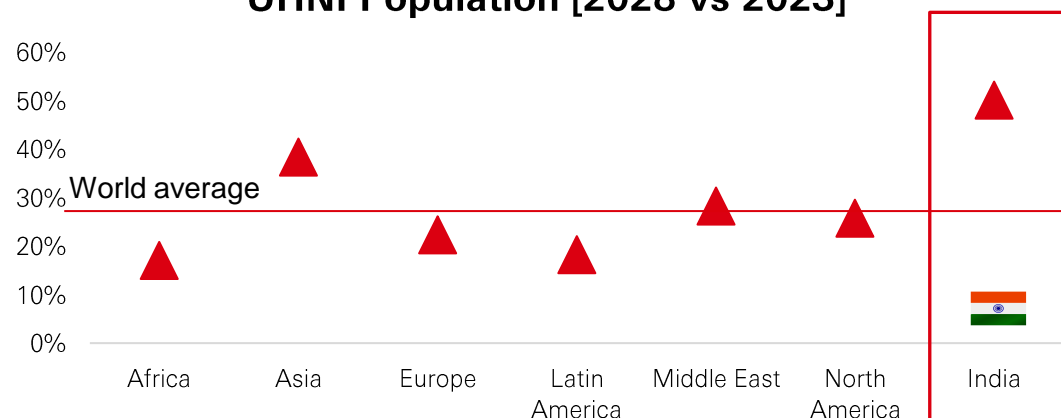
### Share of households by income distribution



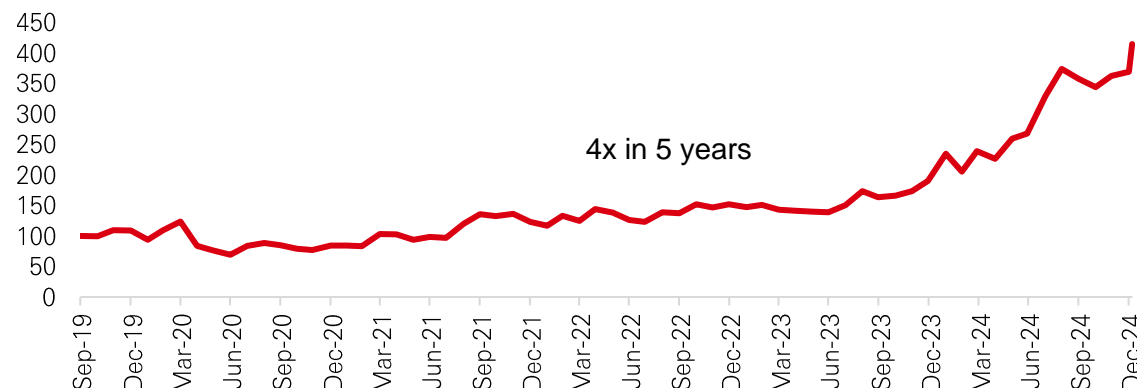
### Company B - Leading Wealth Manager in India



### UHNI Population [2028 vs 2023]



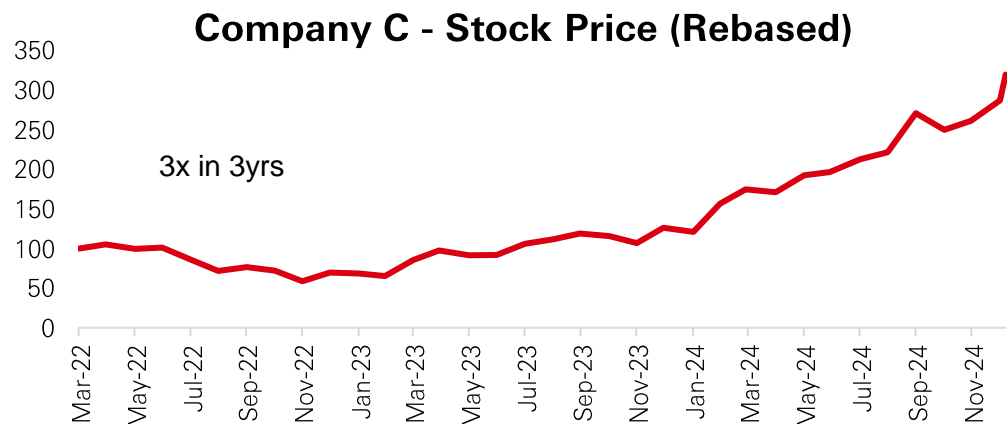
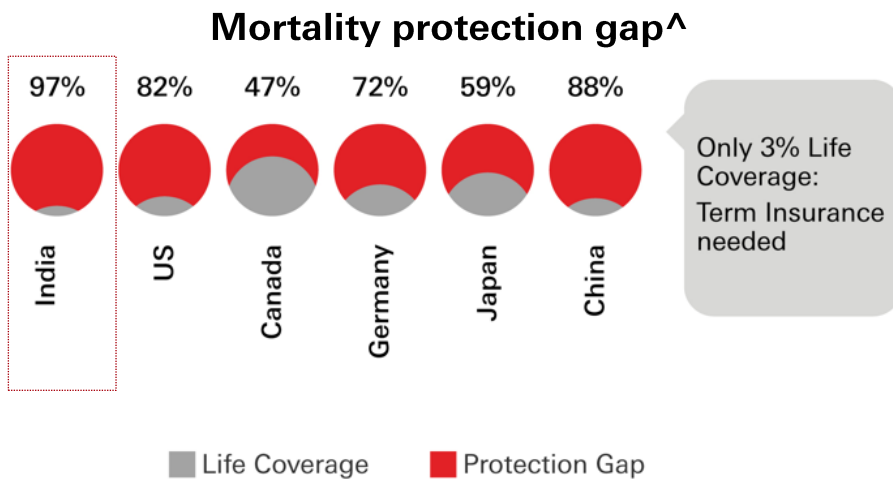
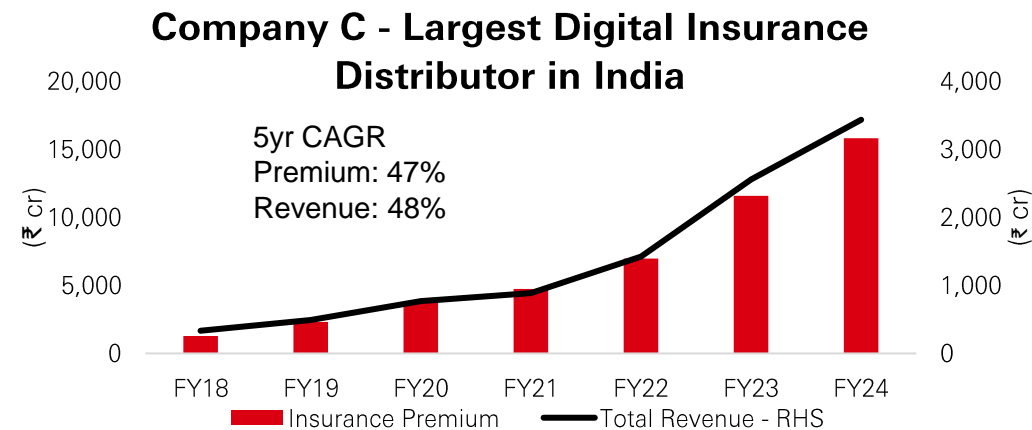
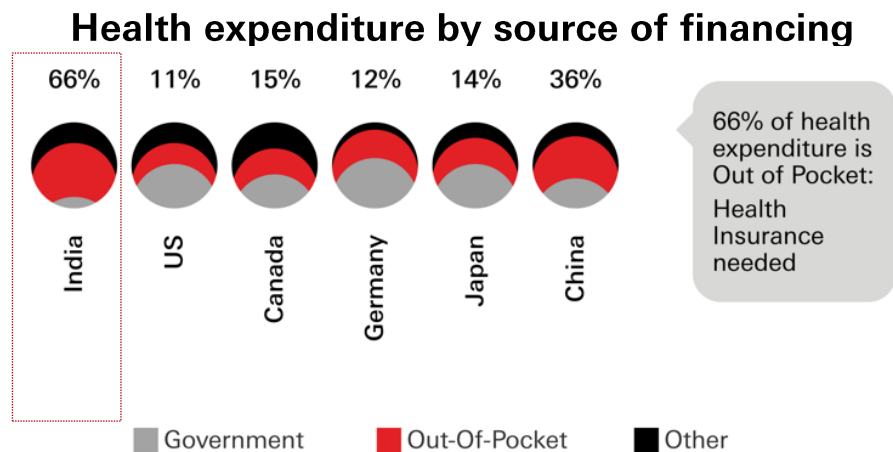
### Company B - Stock Price (Rebased)



Sources: Knight Frank Wealth Report 2024, Oxford Economics, December 2023, Ace Equity, Data as on January 06 2025. UHNI – Ultra High Net-worth Individuals. The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# #3) Insurance under-penetration remains key theme for sector's growth

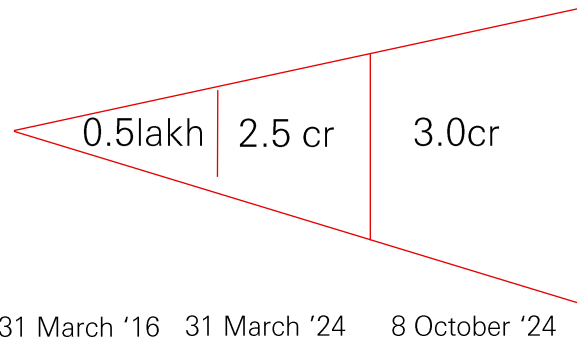
India continues to have one of the widest protection gap



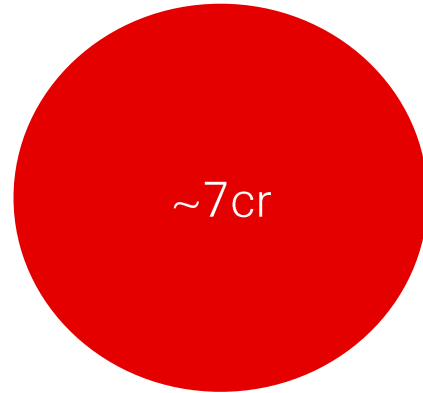
Sources: Swiss Re Report on Health Protection Gap, OECD, Mortality Protection Gap Figures are as of 2023, Swiss Re Report on Sigma Restoring Resilience, Ace Equity, ^ (Protection required minus life coverage, Data as on January 06 2025). The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# #4) Formalisation of MSME offers untapped opportunities

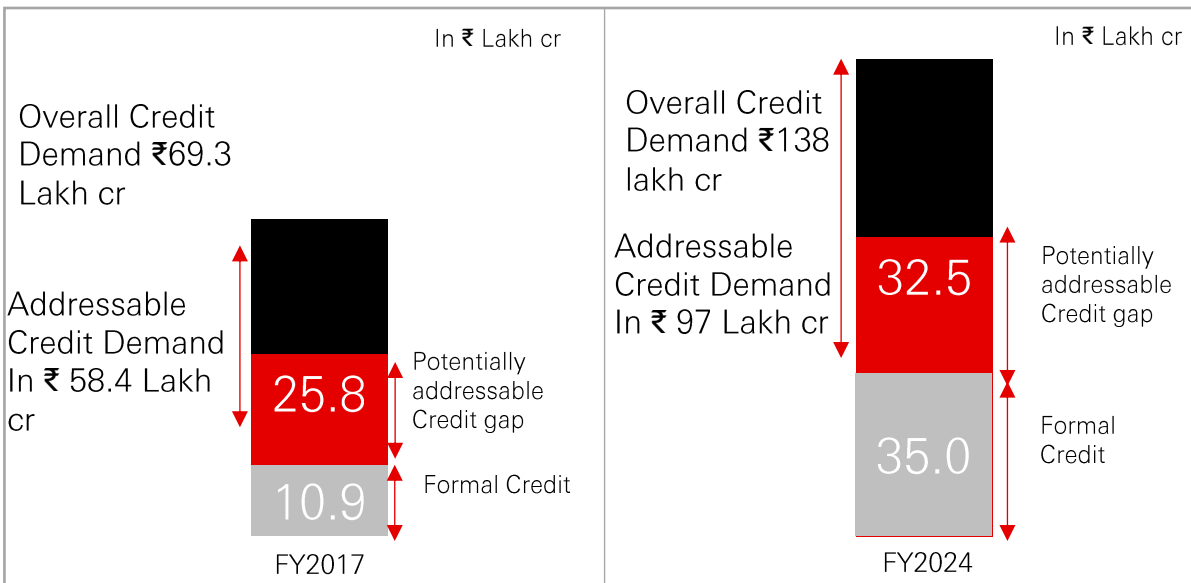
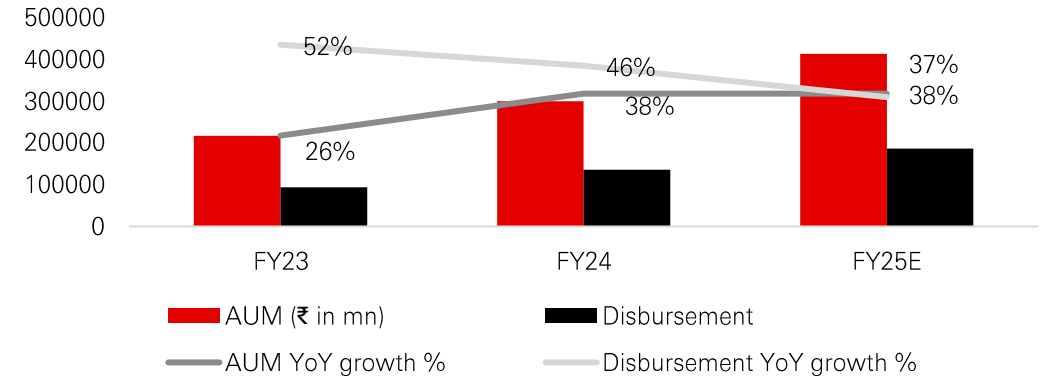
## UDYAM registration



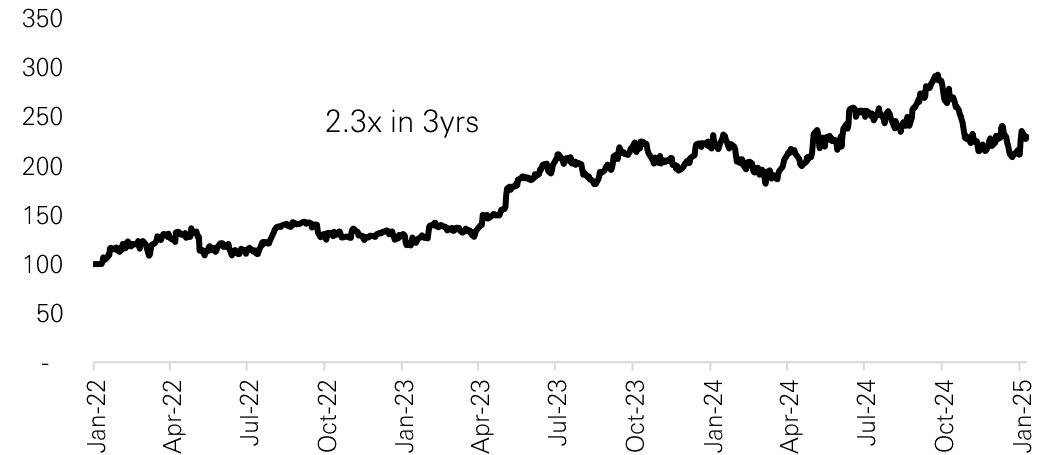
## Estimated MSMEs in India



## Company D - Secured SME/MSME Book (₹ Mn)



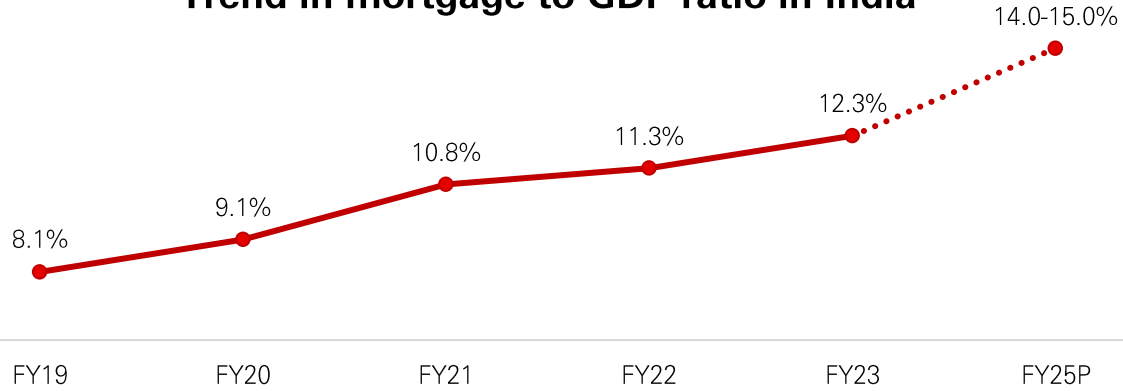
## Company D - Stock Price (Rebased)



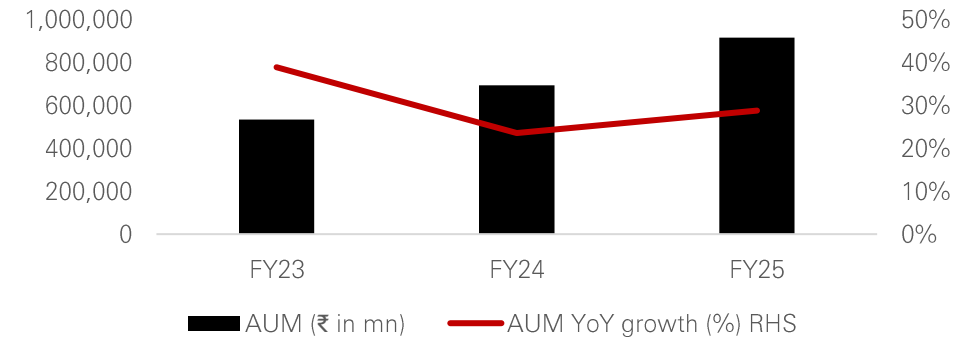
Source: MSME Ministry, IFC report on Financing India's MSMEs, CRISIL MI&A estimates, Company data, HSBC Mutual Fund. UDYAM – Udyog Aadhar Memorandum. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# #5) Housing finance segment should continue to witness strong growth

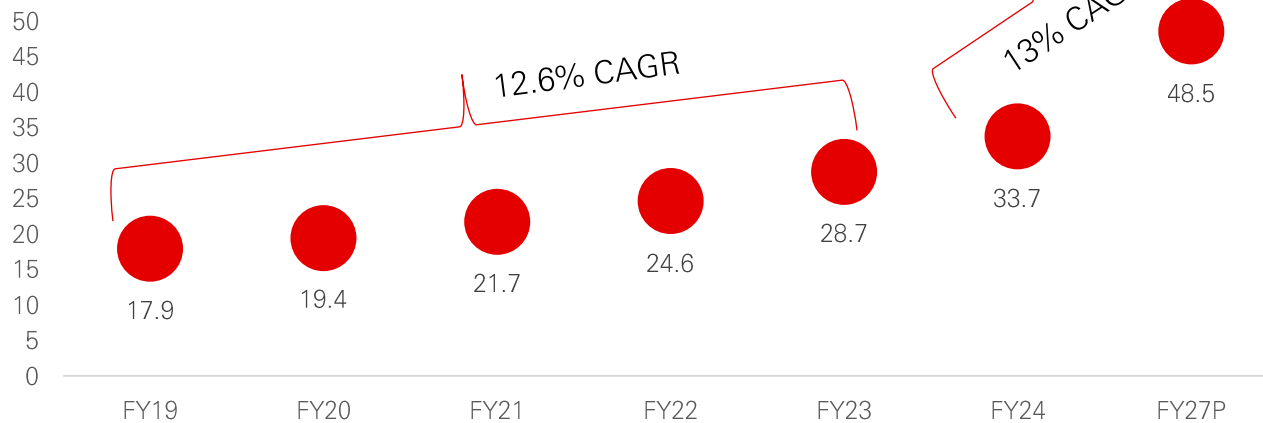
### Trend in mortgage-to-GDP ratio in India



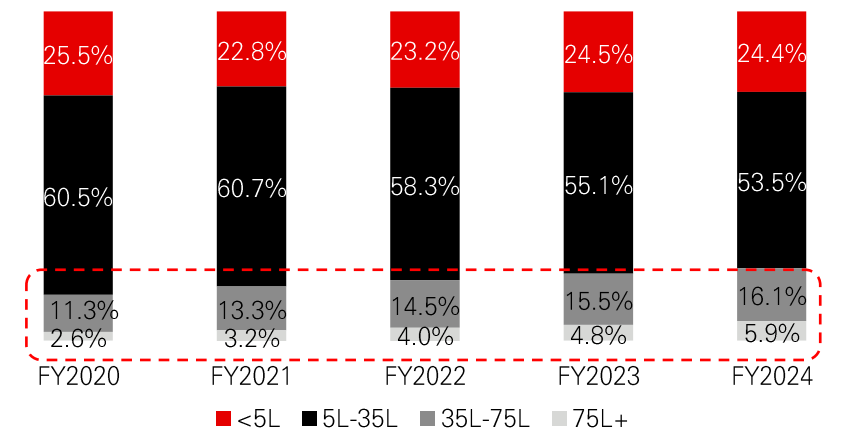
### Company E - home loan AUM



### Housing finance loan book (₹ Lakh Crore)



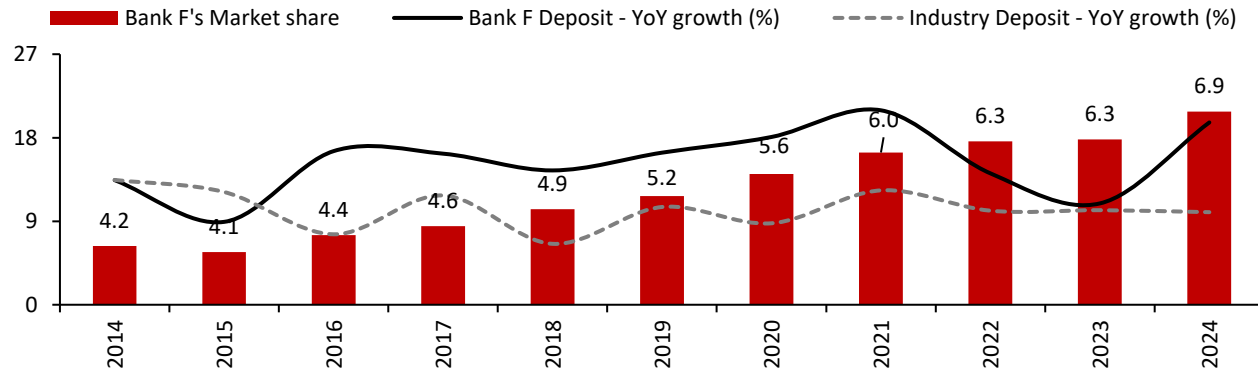
### Originations Volume by Ticket Size



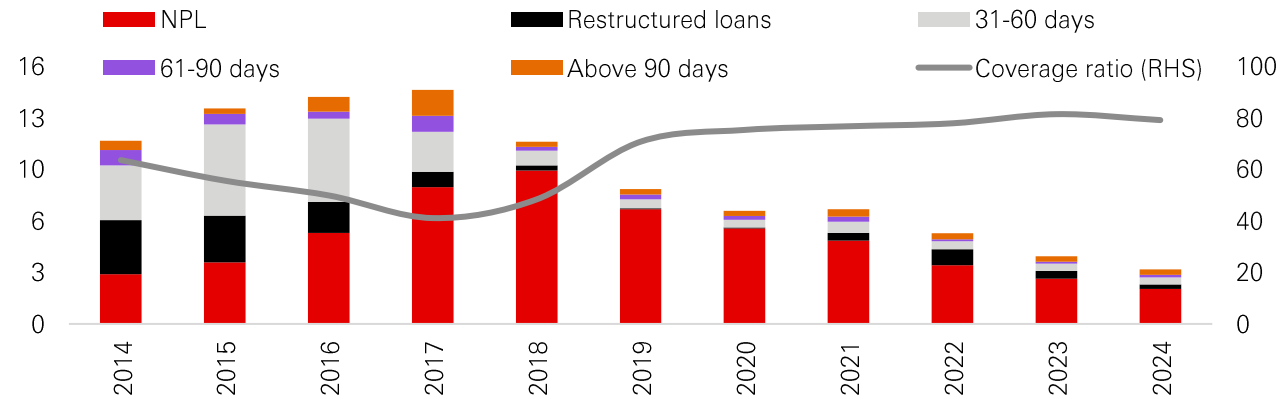
Note - P - Projected. Data for mortgage to GDP for India includes both Housing loans outstanding over constant GDP for India, Source - NHB, World Bank, CRIF Highmark, CRISIL MI&A estimates, Company data, HSBC Mutual Fund. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns. RHS – Right Hand Side

# #6) Liability franchise to assume significance in banks going forward

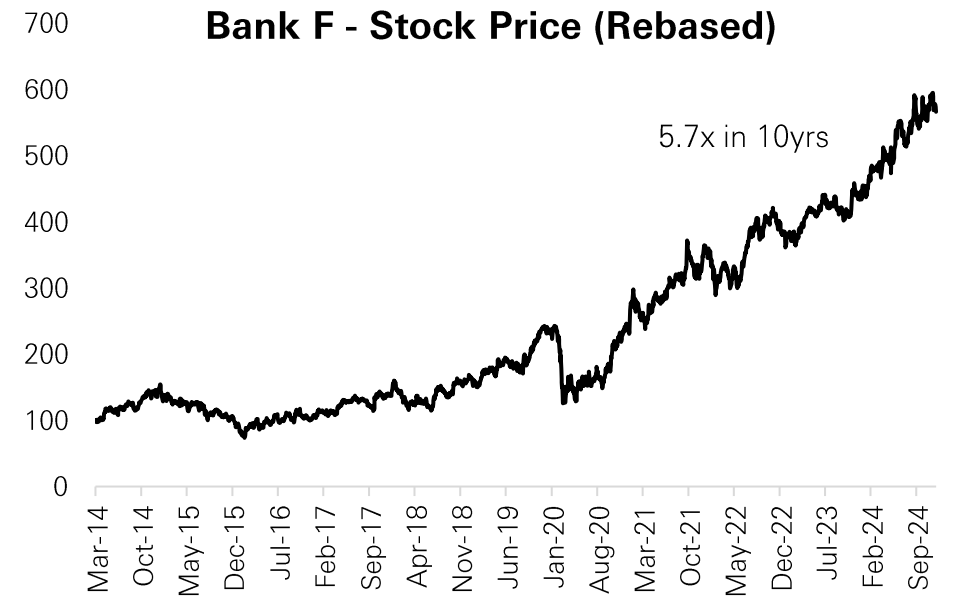
## Trend in overall deposits for Bank F, March fiscal year-ends



## Stressed loans in overall book, March fiscal year-ends (%)



## Bank F - Stock Price (Rebased)



Source: RBI, Company data, Kotak Institutional Equities, Ace Equity, HSBC Mutual Fund. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Introducing HSBC Financial Services Fund

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# HSBC Financial Services Fund – Coming together of two powers



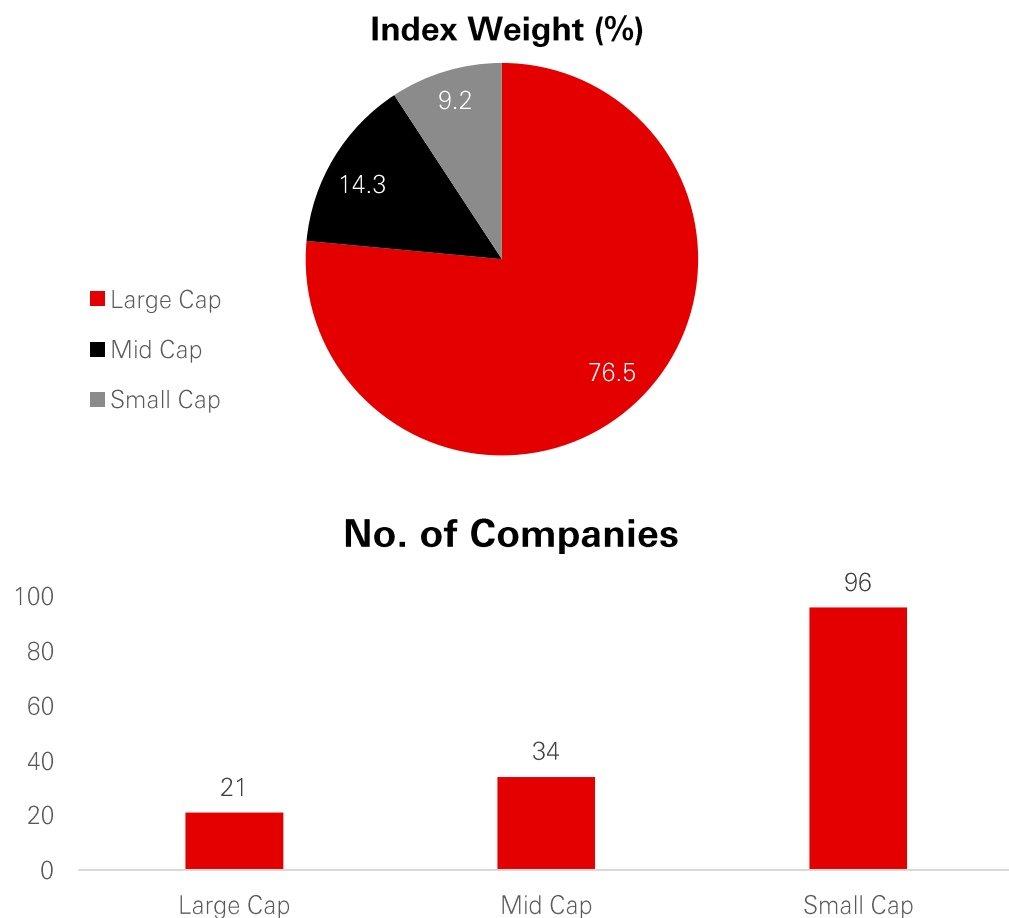
Source: HSBC Mutual Fund, For illustration purposes only. High RoE ideally indicates good quality companies which require minimum capital to grow their business. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns. ROE – Return on Equity

# Our portfolio construction approach



Source: HSBC Mutual Fund. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Benchmark composition – BSE Financial Services Index



Nature of Business	Index Weight (%)	No. of Companies
<b>Lending</b>	<b>81.6</b>	<b>84</b>
Large Cap	68.9	14
Mid Cap	8.2	21
Small Cap	4.5	49
<b>Non-lending</b>	<b>18.4</b>	<b>67</b>
Large Cap	7.6	7
Mid Cap	6.0	13
Small Cap	4.7	47
<b>Grand Total</b>	<b>100</b>	<b>151</b>

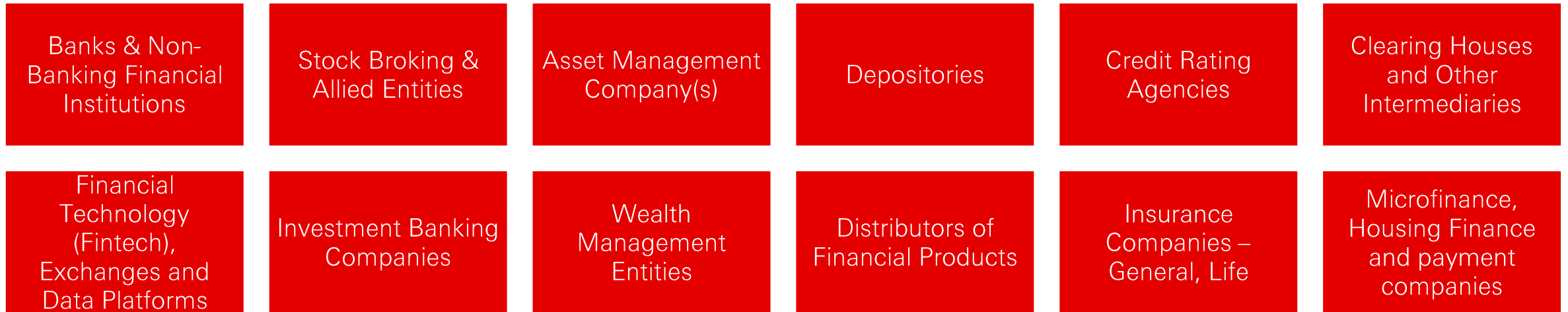
Sources: HSBC Mutual Fund analysis, BSE Financial Services Index constituents as of 31 December 2024. The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

# Investment Approach

HSBC Financial Services Fund (An open-ended equity scheme investing in financial services sector)

The aim of the scheme is to generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity related securities of companies engaged in financial services businesses.

## Financial Services Sector companies may include:



Companies engaged in the Financial Services sector from Sector list provided by AMFI / SEBI in Industry Classification data or other financial services as identified by Fund Manager, etc.

Source: HSBC Mutual Fund, Note - Please refer Scheme Information Document (SID) for more details on Investment Approach and other details.

# HSBC Financial Services Fund

(An open-ended equity scheme investing in financial services sector)

## Investment Objective



- The investment objective of the scheme is to generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity related securities of companies engaged in financial services businesses. There is no assurance that the investment objective of the scheme will be achieved.

## Benchmark (Tier 1)

- As per AMFI Tier 1 Benchmark i.e. Benchmark Index : BSE Financial Services Index - Total Return Index (TRI)

## Fund Manager

- Gautam Bhupal

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter
<p><b>HSBC Financial Services Fund</b> (An open-ended equity scheme investing in financial services sector)</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>To create wealth over long term</li> <li>Investment predominantly in equity and equity related securities of companies engaged in financial services businesses</li> </ul>	 <p>The risk of the scheme is Very High Risk</p>	<p><b>As per AMFI Tier I Benchmark i.e. Benchmark Index: BSE Financial Services Index TRI</b></p>  <p>The risk of the benchmark is Very High Risk</p>

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

The product labelling assigned during the New Fund Offer (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.

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

# Investment Allocation

HSBC Financial Services Fund (An open-ended equity scheme investing in financial services sector)

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

Instruments	Indicative Allocation (% of total assets)	
	Minimum	Maximum
Equities & Equity related securities of companies engaged in financial services businesses	80%	100%
Other equity and equity related securities	0%	20%
Debt Securities & Money Market instruments (including Cash & cash equivalents, units of Liquid and Overnight mutual funds)	0%	20%
Units of REITs and InvITs	0%	10%

Source: HSBC Mutual Fund, **Note - Please refer Scheme Information Document (SID) for more details on Asset Allocation.**

# Investment Process which aims to deliver Long Term Alpha

Power of SAPM - Equity investment process comprises three stages



**S**

Selection of Ideas



**A**

Analysis of Companies



**PM**

Portfolio creation and Monitoring

Stock Selection

## Identify potential ideas

- ◆ Strong in-house research coverage
- ◆ Filters / screens
- ◆ External Research
- ◆ Meet industry experts, competitors, suppliers, regulators
- ◆ Identify secular opportunities
- ◆ Identify industry cycle inflection points



Stock Analysis

Quality ESG Valuations

## When buying a business, know the business

- ◆ Quality of business
  - Attractiveness of business
  - Competitive advantage & Disruption risk
  - Management performance record
- ◆ Environmental, Social & Governance
  - Corporate governance track record
  - Environmental / Sustainability practices
  - Stakeholder impact
- ◆ Valuations
  - PE, EV/EBITDA, balance sheet strength
  - Risk – reward evaluation



Portfolio creation and monitoring

## Implementation

- ◆ Scheme objectives –
  - Growth,
  - Value or
  - Blended
- ◆ Stock and sector diversification
- ◆ Risk identification – Concentration, liquidity, market cap and tracking error
- ◆ Monitoring economic and business trends
- ◆ Investment Committee discussion
- ◆ Portfolio performance review

Source: HSBC Mutual Fund, The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s)..

# Disclaimer

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## **Past performance may or may not be sustained in the future and is not indicative of future results.**

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

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