

## HSBC Flexi Debt Fund (HFDF)

An open ended dynamic debt scheme investing across duration. Please refer Page no. 9 of the SID for explanation on Macaulay duration. Relatively high interest rate risk and low credit risk.<sup>1</sup>

Date: October 2022

### Fund Details



#### Fund Manager<sup>3</sup>

Ritesh Jain



#### AUM (as on 30.09.22)

54.61 Cr



#### Minimum Investment

Lumpsum	SIP	Additional Purchase
₹ 5,000	₹ 500	₹ 1,000



Average Maturity	3.58 years
Modified Duration	2.82 years
Macaulay Duration	2.94 years
Yield to Maturity <sup>2</sup>	6.97%



#### Benchmark

CRISIL Dynamic Bond Fund A-III Index<sup>4,5</sup>



#### Inception Date

05 October 2007



#### Exit Load

NIL

### Current Portfolio Strategy

- Yields at the longer end of the curve continue to remain volatile. The segment has outperformed in recent weeks as the yield curve has flattened, in line with trend seen globally and based on expectations of inclusion of Indian government bonds in global bond indices.
- The curve remains very flat from the 5 yr to 10 yr and 10 yr to 14 yr points with the spread between these segments remaining lower than 10 bps each. While 2H borrowing calendar was on expected lines, the bond supply as such remains heavy and absorption of this bond supply in remainder of FY 23 may exercise upward pressure on yields at the belly and longer end of the curve. The segment may stay volatile based on global cues. News flow on inclusion in global bond indices remains a monitorable and could influence yields in either direction depending upon the outcome.
- And hence as such, we intend to position with an underweight stance in the long bond portfolios versus the index and intend to take advantage tactically of any opportunities that may arise on the longer end of the curve depending on market conditions.

### Investment Objective:

To deliver returns in the form of interest income and capital gains, along with high liquidity, commensurate with the current view on the markets and the interest rate cycle, through active investment in debt and money market instruments. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

#### Product Note

<sup>1</sup> Pursuant to the circular issued by SEBI on 'Categorization and Rationalization of the Schemes', there has been change in the fundamental attribute(s) of the aforesaid effective from Mar 14, 2018. <sup>2</sup> YTM Based on invested Amount <sup>3</sup> The said Fund is managed by Ritesh Jain effective September 01, 2020. <sup>4</sup> 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. <sup>5</sup> Fund's benchmark has changed with effect from April 01, 2022.

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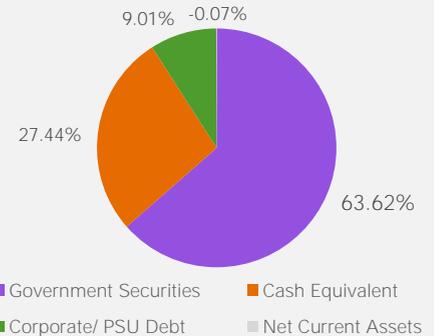
Date: October 2022

## Portfolio

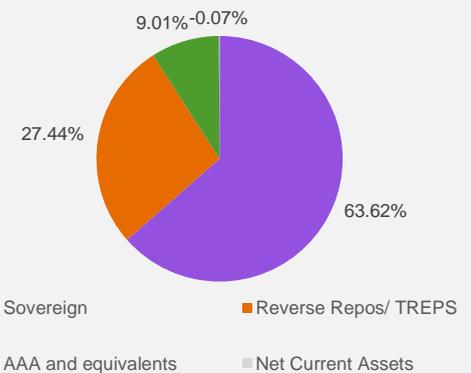
Issuer	Rating	% to Net Assets
<b>Corporate/ PSU Debt</b>		
Corporate Bonds / Debentures 9.01%		
Indian Railway Finance Corporation Limited	CRISIL AAA	9.01%
<b>Government Securities</b>		
7.38% GOI 20JUN2027	Sovereign	18.74%
5.15% GOVERNMENT OF INDIA 09NOV25 G-SEC	Sovereign	17.67%
GOI 07.72% 25MAY25	Sovereign	9.52%
5.63% GOI 12APR2026	Sovereign	8.95%
6.54% GOI 17JAN2032	Sovereign	8.74%
<b>Cash Equivalent</b> 27.37		
<b>TREPS*</b> 27.44%		
<b>Net Current Assets:</b> -0.07%		
<b>Total Net Assets as on 30-SEPTEMBER-2022</b>		<b>100.00%</b>



## Asset Allocation



## Rating Portfolio



## HSBC Flexi Debt Fund Riskometer

### HSBC Flexi Debt Fund



Investors understand that their principal will be from Low to Moderate risk

**Dynamic Bond Fund** - An open ended dynamic debt scheme investing across duration. Please refer Page no. 9 of the SID for explanation on Macaulay duration. Relatively high interest rate risk and relatively low credit risk.

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

- Regular Income over long term
- Investment in Debt / Money Market Instruments.

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

Please note that the above risk-o-meter is as per the product labelling of the Scheme available as on the date of this communication/ disclosure. As per SEBI circular dated October 5, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. 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.

### Benchmark: CRISIL Dynamic Bond Fund A-III Index



## Potential Risk Class (HSBC Flexi Debt Fund)

Credit Risk →

Interest Rate Risk ↓

Relatively Low (Class A)

Moderate (Class B)

Relatively High (Class C)

Relatively Low (Class I)

Moderate (Class II)

Relatively High (Class III)

A-III

Potential Risk Class ("PRC") matrix indicates the maximum interest rate risk (measured by Macaulay Duration of the scheme) and maximum credit risk (measured by Credit Risk Value of the scheme) the fund manager can take in the scheme. PRC matrix classification is done in accordance with and subject to the methodology/guidelines prescribed by SEBI to help investors take informed decision based on the maximum interest rate risk and maximum credit risk the fund manager can take in the scheme, as depicted in the PRC matrix.

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Date: September 2022

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