

## Product Note

### HSBC Low Duration Fund (HLDF) (Erstwhile L&T Low Duration Fund)

Low Duration Fund - An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months (for details on Macaulay's Duration please refer to no. 9). A relatively low interest rate risk and moderate credit risk.

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

June 2023

Fund Category	Fund Manager	Benchmark <sup>1, 2</sup>	Inception Date	AUM
Low Duration	Shriram Ramanathan and Mahesh Chhabria	NIFTY Low Duration Debt Index B-I	04 Dec 2010	Rs. 443.15 Cr

Quantitative Data	
Average Maturity	14.11 Months
Modified Duration	9.58 Months
Macaulay Duration	10.28 Months
Yield to Maturity	7.42%

Minimum Investment		
Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Exit Load / Entry Load		
NA / NIL		

### Why HSBC Low Duration Fund?

- Appropriately positioned to provide a higher carry over the traditional money market category funds while maintaining adequate liquidity
- Rigorous credit selection process to spot mispriced credit opportunities.
- Given the portfolio quality, ample liquidity and carry over other funds, the fund is well positioned in the current market environment.

### Fund Strategy

- Focus on generating returns through a yield-oriented and accrual based strategy
- Strong portfolio quality with a diversified mix of assets and adequate liquidity
- The fund has been positioned as an 85:15 rating mix strategy between AAA and non-AAA names.
- Moderate portfolio duration, while providing yield pickup.

<sup>1</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>2</sup> Fund's benchmark has changed with effect from April 01, 2022. Fund strategy as at Jan '23. Data as on 31 May 2023

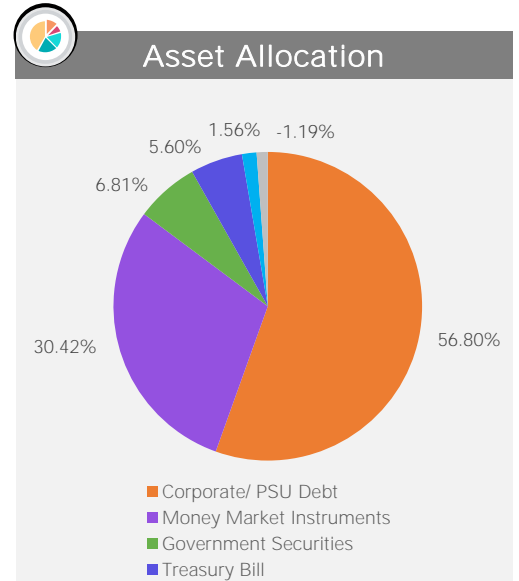
The fund has undergone merger/consolidation along with changes to its fundamental attributes as per the notice published on 15 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

## Portfolio

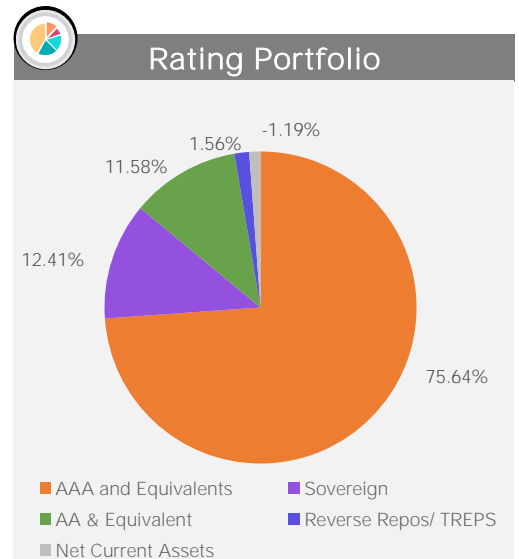
Issuer	Rating	% to Net Assets
<b>Corporate Bonds / Debentures</b>		<b>56.80%</b>
Bajaj Housing Finance Limited	CRISIL AAA	5.99%
Small Industries Development Bank of India	CARE AAA	5.96%
Power Finance Corporation Limited	CRISIL AAA	5.93%
Reliance Industries Limited	CRISIL AAA	5.92%
Bharti Telecom Limited	CRISIL AA+	5.90%
Housing Development Finance Corporation Limited	CRISIL AAA	5.69%
Muthoot Finance Limited	CRISIL AA+	5.68%
REC Limited	CRISIL AAA	5.65%
National Bank for Agriculture & Rural Development	CRISIL AAA	5.55%
Embassy Office Parks REIT	CRISIL AAA	4.53%
<b>Money Market Instruments</b>		
Certificate of Deposit		27.25%
Kotak Mahindra Bank Limited	CRISIL A1+	5.56%
ICICI Bank Limited	ICRA A1+	5.46%
Bank of Baroda	IND A1+	5.45%
Canara Bank	CRISIL A1+	5.44%
Export Import Bank of India	CRISIL AAA	5.34%
Commercial Paper		3.17%
Shriram Finance Limited	CRISIL A1+	3.17%
<b>Government Securities</b>		<b>6.81%</b>
GOI FRB 04Oct2028	SOVEREIGN	5.65%
6.69% GOI 27JUN2024	SOVEREIGN	1.16%
Treasury Bills		5.60%
182 DAYS T-BILL 13JUL23	SOVEREIGN	5.60%
<b>Cash Equivalent</b>		<b>0.37%</b>
<b>TREPS</b>		<b>1.56%</b>
<b>Net Current Assets</b>		<b>-1.19%</b>
<b>Total Net Assets as on 31-May-2023</b>		<b>100.00%</b>

\*TREPS : Tri-Party Repo

## Asset Allocation





## Rating Portfolio



## Investment Objective

The investment objective is to provide liquidity and reasonable returns by investing primarily in a mix of short term debt and money market instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

HSBC Low Duration Fund (Erstwhile L&T Low Duration Fund)		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p><b>Low Duration Fund</b> - An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months (for details on Macaulay's Duration please refer to SID under the section "Asset Allocation Pattern"). A relatively low interest rate risk and moderate credit risk.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>Liquidity over short term</li> <li>Investment in Debt / Money Market Instruments such that the Macaulay<sup>^</sup> duration of the portfolio is between 6 months to 12 months</li> </ul> <p><small>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them. ^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</small></p> <p><b>Note on Risk-o-meters:</b> Riskometer is as on 31 May 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</p>	<p><b>Benchmark Index: NIFTY Low Duration Debt Index B-I</b></p> 

### Potential Risk Class (HSBC Low Duration Fund)

Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			
A Scheme with Relatively Low interest rate risk and Moderate credit risk.			

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

Past performance is not an indicator of future returns. Source: HSBC Asset Management India, data as at 31 May 2023,

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

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