

Product Note

HSBC Liquid Fund (HLIF) (Erstwhile HSBC Cash Fund)

Liquid Fund - An open-ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk.
(L&T Liquid Fund has merged into HSBC Cash Fund and the surviving scheme has been renamed)

January 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM
Liquid	Kapil Lal Punjabi and Shriram Ramanathan	Nifty Liquid Index B-I	04 Dec 2002	Rs. 10988.55 Cr

Minimum Investment			Exit Load	
Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000	Investor exit upon subscription	Exit Load as a % of redemption proceeds
			Day 1	0.0070%
			Day 2	0.0065%
			Day 3	0.0060%
			Day 4	0.0055%
			Day 5	0.0050%
			Day 6	0.0045%
			Day 7 Onwards	0.0000%

Quantitative Data	
Average Maturity	38.51 Days
Modified Duration	38.27 Days
Macaulay Duration	38.44 Days
Yield to Maturity	6.63%

Fund Strategy

- Investment predominantly in highly liquid money market instruments, government securities and corporate debt with residual maturity of up to 91 days
- Focus on maintaining a high credit quality and highly liquid portfolio - investing only in names which are covered by internal credit research team
- Yield enhancement possible through measured exposure to high quality Commercial Papers
- System liquidity has moderated significantly and overnight rates are now around 6.00%-6.25%
- The focus continues to be on the accrual returns in the portfolio.

Why HSBC Liquid Fund?

- To ensure optimal liquidity and better risk adjusted performance to suit the investor's requirements in various situations, our fund managers follow stringent liquidity, credit risk and interest rate risk norms
- The portfolio comprises of high credit quality papers evaluated through a rigorous credit evaluation process and generally aims to restrict investments to the highest possible short term rating.
- In the current fiscal year, we have seen a sharp move in yields in the shorter segment, making the portfolio yield attractive

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 Fund's benchmark has changed with effect from April 01, 2022.

Data as on 31 Dec 2022

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>. Document Date: 15 Jan 2023

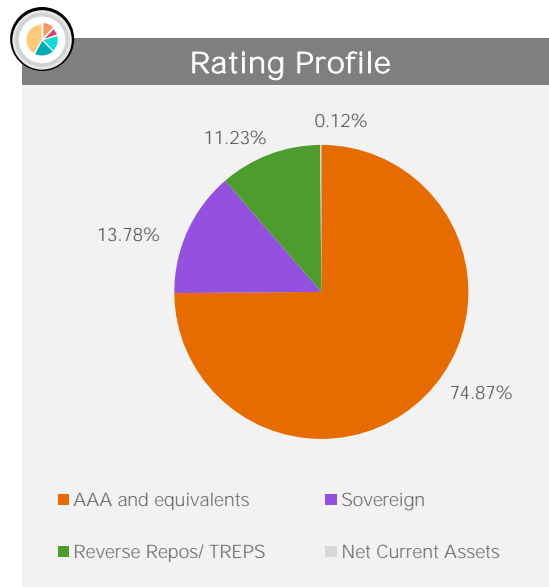
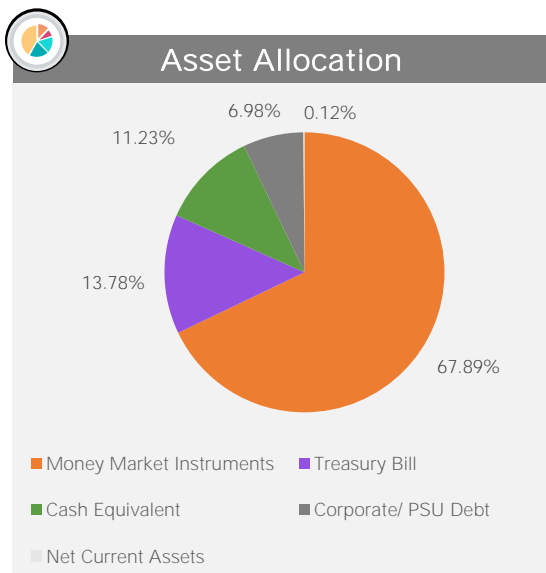
Portfolio

Issuer	Rating	% to Net Assets
Corporate/ PSU Debt		
Corporate Bonds / Debentures		6.98%
LIC Housing Finance Limited	CRISIL AAA	1.70%
National Bank for Agriculture & Rural Development	CRISIL AAA	1.67%
Tata Capital Financial Services Limited	ICRA AAA	1.42%
L&T Finance Limited	CRISIL AAA	1.22%
Housing Development Finance Corporation Limited	CRISIL AAA	0.97%
Money Market Instruments		
Certificate of Deposit		23.74%
Canara Bank	CRISIL A1+	4.75%
Indian Bank	CRISIL A1+	3.63%
Small Industries Development Bank of India	CRISIL A1+	2.26%
Union Bank of India	ICRA A1+	2.04%
HDFC Bank Limited	CARE A1+	1.99%
HDFC Bank Limited	ICRA A1+	1.80%
Axis Bank Limited	CRISIL A1+	1.62%
Kotak Mahindra Bank Limited	CRISIL A1+	1.59%
National Bank for Agriculture & Rural Development	CRISIL A1+	1.58%
Bank of Baroda	IND A1+	1.13%
National Bank for Agriculture & Rural Development	ICRA A1+	0.90%
National Bank for Agriculture & Rural Development	Fitch A1+	0.45%
Commercial Paper		44.15%
Reliance Jio Infocomm Limited	CRISIL A1+	4.52%
HDFC Securities Limited	CRISIL A1+	4.51%
Kotak Securities Limited	CRISIL A1+	4.49%
ICICI Securities Limited	CRISIL A1+	4.30%
Sikka Ports & Terminals Limited	CRISIL A1+	3.60%
Tata Steel Limited	ICRA A1+	2.71%
Reliance Retail Ventures Limited	CRISIL A1+	2.71%
Reliance Retail Ventures Limited	CARE A1+	2.71%
Tata Power Company Limited	CRISIL A1+	1.82%
ICICI Home Finance Limited	CARE A1+	1.79%
Tata Power Renewable Energy Limited	CRISIL A1+	1.54%
Aditya Birla Finance Limited	ICRA A1+	1.36%
National Bank for Agriculture & Rural Development	ICRA A1+	1.36%
Birla Group Holdings Private Limited	ICRA A1+	1.35%
Bajaj Finance Limited	CRISIL A1+	0.91%
Small Industries Development Bank of India	IND A1+	0.91%
Export Import Bank of India	CRISIL A1+	0.90%
NTPC Limited	CRISIL A1+	0.90%
ICICI Home Finance Limited	ICRA A1+	0.90%
Berger Paints India Limited	CARE A1+	0.86%
Treasury Bill		13.78%
91 DAYS T-BILL 27Jan2023	SOVEREIGN	2.58%
182 DAYS T-BILL 09MAR23	SOVEREIGN	1.89%
182 DAYS T-BILL 23MAR23	SOVEREIGN	1.84%
182 DAYS T-BILL 09FEB23	SOVEREIGN	1.81%
91 DAYS T-BILL 16FEB2023	SOVEREIGN	1.81%
91 DAYS T-BILL 19JAN2023	SOVEREIGN	1.59%

Portfolio

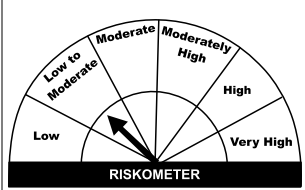
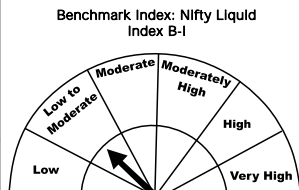
Issuer	Rating	% to Net Assets
91 DAYS T-BILL 02FEB2023	SOVEREIGN	0.91%
91 DAYS T-BILL 16MAR23	SOVEREIGN	0.90%
91 DAYS T-BILL 09FEB23	SOVEREIGN	0.45%
Cash Equivalent		11.35%
TREPS*		11.23%
Net Current Assets		0.12%
Total Net Assets as on 31-DECEMBER-2022		100.00%

*TREPS : Tri-Party Repo



Investment Objective

To provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of money market and debt securities. However, there can be no assurance that the Scheme objective can be realised.

HSBC Liquid Fund (Erstwhile HSBC Cash Fund)		
 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>Liquid Fund - An open-ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Overnight liquidity over short term Investment in Money Market Instruments <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022. 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>Benchmark Index: Nifty Liquid Index B-I</p>  <p>RISKOMETER</p>

Potential Risk Class (HSBC Liquid Fund)

Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
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 Dec 2022.

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