

## Product Note

### HSBC Corporate Bond Fund (HMDF) (Erstwhile L&T Triple Ace Bond Fund)

Corporate Bond Fund - An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and relatively low credit risk.

June 2023

Fund Category	Fund Manager	Benchmark <sup>1, 2</sup>	Inception Date	AUM
Corporate Bond	Jalpan Shah and Shriram Ramanathan	NIFTY Corporate Bond Index B-III	31 Mar 1997	Rs. 7,198.53 Cr

Quantitative Data		Minimum Investment		
Average Maturity	5.34 year	Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Modified Duration	4.13 year	Exit Load / Entry Load NIL		
Macaulay Duration	4.36 year			
Yield to Maturity	7.25%			

### Why Corporate Bond Fund?

- The strategy offers best of both worlds – predictability of a close ended long-term FMP and the flexibility of an open-ended structure
- The fund offers an excellent replacement for tax free bonds, given the significant pickup in yield of HSBC Corporate Bond Fund (after adjusting for taxation) versus tax free bonds
- Minimal interest rate risk for investors staying in the fund for the entire tenor
- The fund's portfolio would carry a relatively low credit risk by virtue of its focus on investing predominantly in AAA rated credits
- To create a corpus through tax efficient inflation-adjusted returns

### Fund Strategy

- HSBC Corporate Bond Fund follows a passive roll-down strategy targeting a maturity of July - Sept 2028, with 100% of the portfolio invested in AAA Corporate bonds and Government Securities
- The fund endeavors to remain invested in bonds of only AAA rated companies
- The fund aims to generate significant proportion of the total returns in the form of income yield from accrual of high quality credit

<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

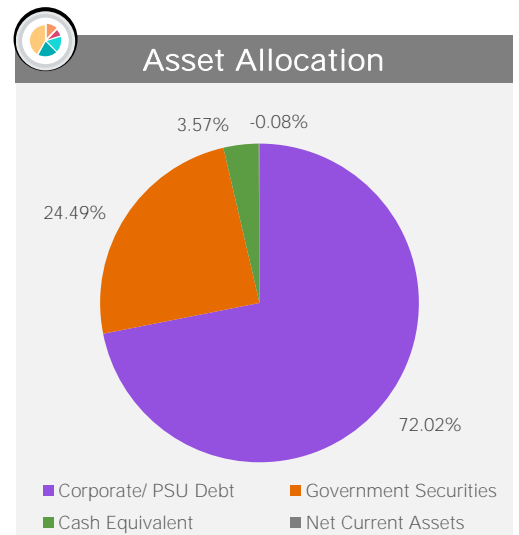
The fund had changes to its fundamental attributes as per the notice published on 15 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

## Portfolio

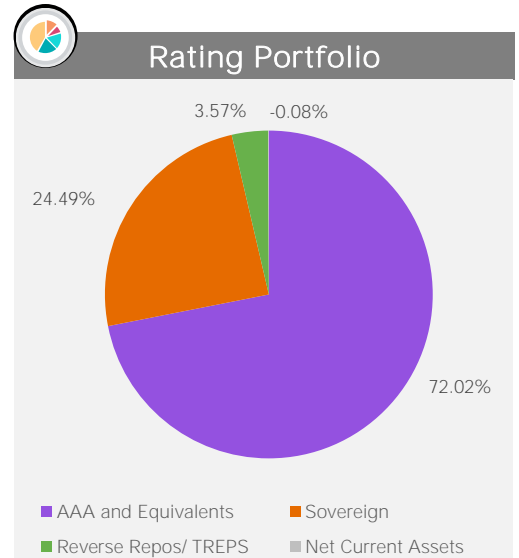
Issuer	Rating	% to Net Assets
<b>Corporate Bonds / Debentures</b>		<b>72.02%</b>
National Highways Authority of India	CRISIL AAA	8.60%
Indian Railway Finance Corporation Limited	CRISIL AAA	7.80%
NTPC Limited	CRISIL AAA	7.43%
Power Grid Corporation of India Limited	CRISIL AAA	6.46%
National Bank for Agriculture & Rural Development	ICRA AAA	5.86%
Rec Limited	CRISIL AAA	5.78%
Indian Oil Corporation Limited	CRISIL AAA	4.49%
ICICI Bank Limited	CARE AAA	4.18%
Housing and Urban Development Corporation Limited	CARE AAA	4.17%
HDFC Bank Limited	CRISIL AAA	3.66%
Housing Development Finance Corporation Limited	CRISIL AAA	3.61%
Export Import Bank of India	CRISIL AAA	2.28%
National Bank for Agriculture & Rural Development	CRISIL AAA	2.23%
Power Finance Corporation Limited	CRISIL AAA	2.17%
Kotak Mahindra Bank Limited	CRISIL AAA	1.46%
Nuclear Power Corporation Of India Limited	CRISIL AAA	0.86%
Food Corporation of India Limited	CRISIL AAA (CE)	0.45%
Housing and Urban Development Corporation Limited	ICRA AAA	0.37%
NHPC Limited	CARE AAA	0.16%
<b>Government Securities</b>		<b>24.49%</b>
7.38% GOI 20JUN2027	SOVEREIGN	10.20%
GOI 07.17% 08JAN28	SOVEREIGN	5.73%
07.26% GS 2029	SOVEREIGN	4.69%
GOI 06.79% 15MAY2027	SOVEREIGN	3.19%
6.47% MAHARASHTRA 21OCT2028 SDL	SOVEREIGN	0.68%
<b>Cash Equivalent</b>		<b>3.49%</b>
<b>TREPS</b>		<b>3.57%</b>
<b>Net Current Assets</b>		<b>-0.08%</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

To generate regular return by investing predominantly in AA+ and above rated debt and money market instruments. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

HSBC Corporate Bond Fund (Erstwhile L&T Triple Ace Bond Fund)		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p><b>Corporate Bond Fund</b> - An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and relatively low credit risk.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Generation of regular and stable income over medium to long term</li> <li>• Investment predominantly in AA+ and above rated corporate bonds and money market instruments</li> </ul> <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</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 Corporate Bond Index B-III</b></p> 

### Potential Risk Class (HSBC Corporate Bond Fund)

Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		

A Scheme with Relatively High interest rate risk and Low credit risk.

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.

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