

# Fund Overview

## HSBC Ultra Short Duration Fund

(Ultra Short Duration Fund – An Open ended Ultra-Short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months to 6 months. A. relatively low interest rate risk and relatively moderate. credit risk.)



December 2023

<b>Fund Launch Date</b>	29 Jan 2020
<b>Fund manager</b>	Mahesh Chhabria and Jalpan Shah
<b>Investment Manager</b>	HSBC Asset Management (India) Pvt. Ltd
<b>Currency</b>	INR
<b>Fund Domicile</b>	India
<b>Benchmark</b>	NIFTY Ultra Short Duration Debt Index B-I <sup>1</sup>
<b>Dealing</b>	Every Business Day
<b>Cut-off Time<sup>2</sup></b>	15:00 for Subscriptions and Switch Ins, Redemption and Switch Outs
<b>Settlement</b>	T+1

### Overview

- ◆ Provides investors with an opportunity to invest in short-term INR denominated money market instruments.
- ◆ Main objectives/strategy includes:
  - Daily liquidity\*
  - Active risk management
  - Extensive credit research

Entry Load\*: Not Applicable, Exit Load: NIL, \* In terms of 10.4.1.a. of SEBI Master Circular on Mutual Funds dated May 19, 2023, no entry load will be charged to the investor effective August 1, 2009.

Month End Total Expenses Ratios (Annualized)<sup>3</sup> – Regular<sup>4</sup>: 0.48%, Direct: 0.22%

### Fund Strategy

- Investment predominantly in liquid money market instruments, government securities and corporate debt
- The fund typically has a relatively higher portfolio average maturity as compared to liquid/cash fund
- The scheme continues to focus on high credit quality securities and a liquid portfolio
- Overall, we remain neutral to positive on duration with reasonable liquidity and rate hikes pause.
- The focus continues to be on the accrual returns in the portfolio.

(1) As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, 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 effective from 01 December 2021.

(2) Subscription is subject to availability of funds for utilization before the cut-off time without availing any credit facility.

(3) TER Annualized TER including GST on Investment Management Fees

(4) Continuing plans

\* As per As per para 14.2 of SEBI Master Circular on Mutual Funds dated May 19, 2023, the Fund shall transfer the redemption / repurchase proceeds within 3 working Days, from the date of acceptance of redemption request. Under normal circumstances, the Fund will endeavour to dispatch the redemption proceeds within 1 business day from the date of receiving redemption request. (3) Source: HSBC Mutual Fund, Data as on 30 November 2023

## Portfolio characteristics

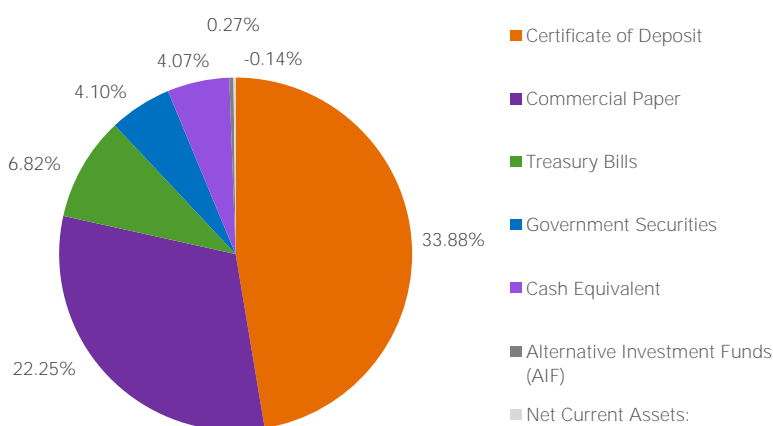
Yield to Maturity <sup>5</sup>	7.48%
Current AUM (~INR m) <sup>6 &amp;</sup>	2242.99
Current WAM <sup>7</sup>	4.23 months
Maximum Maturity	6 months
Maximum WAM <sup>7</sup>	6 months

## Fund Information

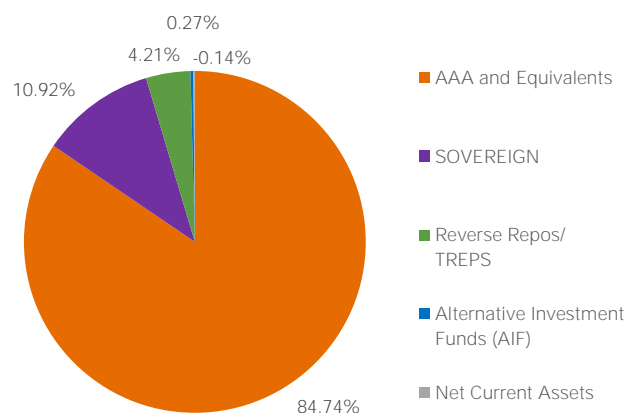
	Features
Current NAV – Growth option	INR 1,207.5076
Settlement Date	T+1 <sup>8</sup>

## Portfolio Compositions<sup>9</sup>

### Instrument Mix



### Credit Quality Mix – local<sup>10</sup> credit rating agencies' short-term ratings



HSBC Mutual Fund/HSBC Asset Management (India) Private Limited would update the current expense ratios (TER) on its website at least three working days prior to the effective date of the change. Details of such changes can be referred on the following link under the Daily TER section: [https://old.camsonline.com/COL\\_HSBCDownload.aspx](https://old.camsonline.com/COL_HSBCDownload.aspx)

Notes:

(5) YTM is annualized.

(6) AUM is as on 30 November 2023.

& For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources/information-library#&accordion1446811090=4>

(7) The Weighted Average Maturity of the fund.

(8) Subject to change without notice.

(9) Subject to change without notice.

(10) The rating mentioned above refers to the local credit rating in India. The rating criteria and methodology used by Indian local rating agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, the Indian local credit rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

As per SEBI circular dated November 25, 2022 or as amended from time to time, with effect from January 14, 2023, the Fund shall transfer the redemption / repurchase proceeds within 3 working Days, from the date of acceptance of redemption request. Under normal circumstances, the Fund will endeavour to dispatch the redemption proceeds 1 Business Day from the date of receiving a valid redemption request before the cut off time. Source: HSBC Mutual Fund, Data as on 30 November 2023

Top 10 Issuers/counterparties	% NAV
National Bank for Agriculture & Rural Development	8.00%
Axis Bank Limited	7.61%
Canara Bank	6.62%
HDFC Bank Limited	6.59%
LIC Housing Finance Limited	4.85%
Power Finance Corporation Limited	4.55%
Small Industries Development Bank of India	4.40%
Aditya Birla Finance Limited	4.37%
ICICI Securities Limited	4.36%

## Investment process and team

Our investment process is active, fundamental and value driven. It combines qualitative top-down analysis of macroeconomic and market dynamics, with structured bottom-up research into individual bond issuers and fixed income securities. While investment decisions are taken locally to ensure focus and accountability, our portfolio managers in India are able to access the expertise and experience of our investment professionals worldwide in order to gain a truly global perspective.

Fund Manager - Mahesh Chhabria Effective 26 Nov 2022. Total Schemes Managed - 10

Fund Manager - Jalpan Shah Effective 26 Nov 2022. Total Schemes Managed - 6

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 Invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Ultra Short Duration Fund - Regular Plan	10698	6.98	11530	4.85	NA	NA	12077	5.04	29-Jan-20
Scheme Benchmark (NIFTY Ultra Short Duration Debt Index B-I)	10771	7.71	11755	5.52	NA	NA	12350	5.65	
Additional (NIFTY Ultra Short Duration Debt Index)	10767	7.67	11744	5.49	NA	NA	12299	5.54	
Additional (CRISIL 1 Year T Bill Index)	10697	6.97	11487	4.72	NA	NA	12078	5.04	

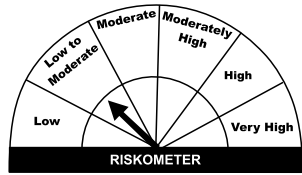
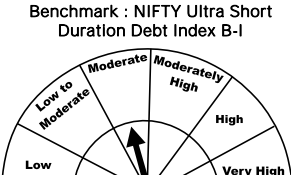
PTP returns – Point to Point returns. | Past performance may or may not be sustained in the future and is not indicative of future results. The performance details provided herein are of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of November 2023 for the respective schemes. Returns for 1 year and above are Compounded Annualized. Returns for less than 1 year is Simple Annualized. Load is not taken into consideration for computation of performance. Different plans shall have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged to the Regular Plan. As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023, the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated May 19, 2023, on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes.

Source: HSBC Mutual Fund, data as on 30 November 2023

[Click here](#) to check other funds performance managed by the Fund Manager

## Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter
<p><b>HSBC Ultra Short Duration Fund</b></p> <p>An open ended ultra-short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 3 months to 6 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>Income over short term with low volatility.</li> <li>Investment in debt &amp; money market instruments such that the Macaulay Duration of the portfolio is between 3 months- 6 months.<sup>^</sup></li> </ul>	 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>Benchmark : NIFTY Ultra Short Duration Debt Index B-I</p> 

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

<sup>^</sup> **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 on Risk-o-meters: Riskometer is as on 30 November 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

### Potential Risk Class (HSBC Ultra Short Duration 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.

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.

Past performance may or may not be sustained in the future and is not indicative of future results. Source: HSBC Mutual Fund, data as on 30 November 2023

Disclaimer: This document has been prepared by HSBC Asset Management (India) Private Limited (HSBC) for information purposes only and should not be construed as i) an offer or recommendation to buy or sell securities, commodities, currencies or other investments referred to herein; or ii) an offer to sell or a solicitation or an offer for purchase of any of the funds of HSBC Mutual Fund; or iii) an investment research or investment advice. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Investors should seek personal and independent advice regarding the appropriateness of investing in any of the funds, securities, other investment or investment strategies that may have been discussed or referred herein and should understand that the views regarding future prospects may or may not be realized. In no event shall HSBC Mutual Fund/HSBC Asset management (India) Private Limited and / or its affiliates or any of their directors, trustees, officers and employees be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of information / opinion herein.

This document is intended only for those who access it from within India and approved for distribution in Indian jurisdiction only. Distribution of this document to anyone (including investors, prospective investors or distributors) who are located outside India or foreign nationals residing in India, is strictly prohibited. Neither this document nor the units of HSBC Mutual Fund have been registered under Securities law/Regulations in any foreign jurisdiction. The distribution of this document in certain jurisdictions may be unlawful or restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions. If any person chooses to access this document from a jurisdiction other than India, then such person do so at his/her own risk and HSBC and its group companies will not be liable for any breach of local law or regulation that such person commits as a result of doing so.

© Copyright. HSBC Asset Management (India) Private Limited 2023, ALL RIGHTS RESERVED.  
 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.