

HSBC CRISIL IBX Gilt June 2027 Index Fund

Index Fund - An open-ended Target Maturity Index Fund tracking CRISIL-IBX Gilt Index - June 2027. Relatively high interest rate risk and relatively low credit risk.

July 2023

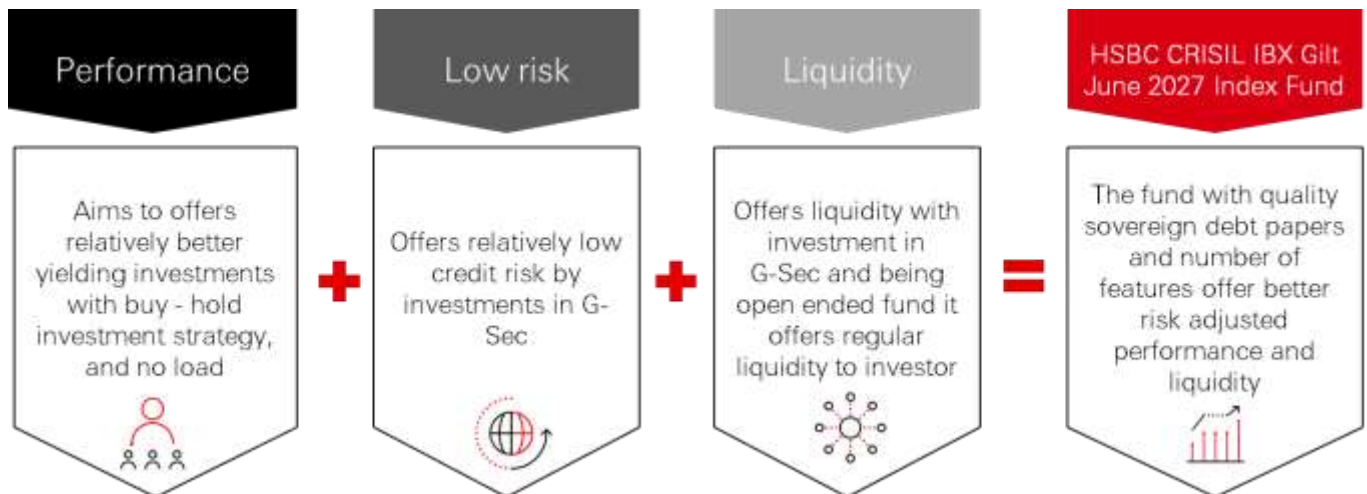
Target Maturity Index Funds (TMIF)

Funds that aim for better risk adjusted performance

- Target Maturity Index Funds (TMIF) are open-ended debt funds which track predefined fixed income index
- The index typically has a mix of quality debt papers such as Gilts (Government Securities), SDL, PSUs, T-Bills and Other bonds.
- Fund Manager buy securities (represented by index) whose maturities are within the defined maturity date of the index and aims hold them to maturity
- TMIF portfolio aims to replicate a predefined index and designed to end (mature) at a predefined date

HSBC CRISIL IBX Gilt June 2027 Index Fund (HGIF)

The investment objective of the Scheme is to provide returns corresponding to the total returns of the securities as represented by the CRISIL-IBX Gilt Index - June 2027 before expenses, subject to tracking errors. However, there is no assurance that the investment objective of the Scheme will be achieved.



Why invest in HSBC CRISIL IBX Gilt June 2027 Index Fund?

Tracks index performance

- HSBC CRISIL IBX Gilt June 2027 Index Fund (HGIF - Target Maturity Index Fund) replicates CRISIL-IBX Gilt Index – June 2027
- The fund aims to track the index performance and offer liquidity
- Invests in sovereign G-Sec papers, as per the index
- The fund focuses on 4 - 5 year point of the yield curve which offers adequate carry

Performance and Liquidity

- A roll down fund strategy to take benefits of better yields
- The roll down strategy can result in capital gains over medium term once interest rate cycle peaks out
- Attractive yield for 4.5 year offers adequate carry and roll down which could lead to lower volatility over medium term
- Regular liquidity with open ended nature of the fund and no exit load

Low risk

- Offers relatively low credit risk by investments in G-Sec

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Index Fund	Ritesh Jain and Kapil Lal Punjabi	CRISIL-IBX Gilt Index - June 2027	23 March 2023	Rs. 274.49 Cr

Quantitative Data	
Average Maturity	3.85 years
Modified Duration	3.29 years
Macaulay Duration [^]	3.40 years
Yield to Maturity ²	7.20%

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

Fund Strategy

- The mandate of the target maturity fund is to invest in line with the index construction
- The 4 – 5 year (2027) point in the yield curve remains attractive from a carry stand point and should benefit from a roll-down over a 2 - 3 year timeframe

Capture the right opportunity to meet your financial goals

	Target Maturity Funds	Active Debt Funds	Bond
Liquidity	Yes	Yes	No ¹
Diversification	Yes	Yes	No
Professional Management	Yes	Yes	No
Defined Maturity	Yes	No	Yes

Why G-Sec?

- Gsecs issued by the government, safest investment option
- G-sec yields are currently better than FDs
- G-Sec segment offers better management of cash flows with better liquidity leading to lower impact cost

Source: HSBC Asset Management, Bloomberg, For illustration purpose only. Past performance may or may not be sustained in the future. Tax Free Bond - Rate of return assumed based on select tax free bonds,

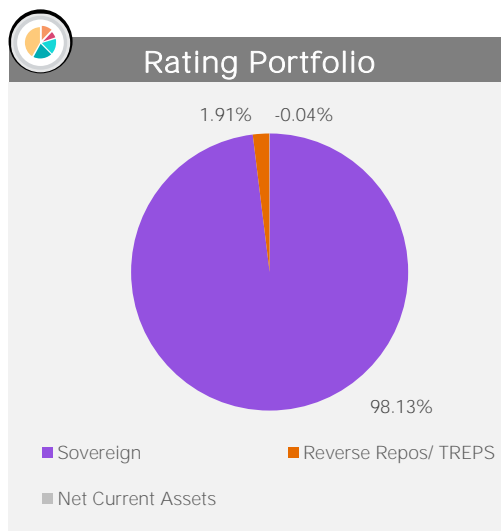
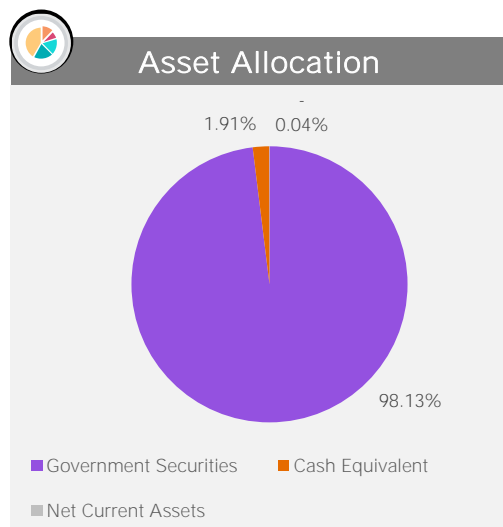
Table 1 - 1. Bond liquidity may vary due to dynamics of the debt markets, 2. Indexation available for LTCG, 3. Indexation available for LTCG in select bonds. Investors should consult financial advisors for ideal portfolio allocation and suitability of funds which may be based on the risk profile of the investor.

Table 2 - The above calculations are only for illustration purposes only. Source: HSBC Mutual Fund, Data as on 16 Feb 2023. 1. assuming investments are made on 20 March 2023 and held beyond 1 June 2027. For Debt Index Fund (e.g. TMIF) - current 4.5 year benchmark Gsec (7.38 GS 2027) is used 2. Prevailing SBI 5 year fixed deposit rate used in case of Traditional Savings Scheme option. 3. Tax Rate considered 31.2% exclusive of applicable surcharges & cess in case of Traditional Savings Scheme. Debt Index Fund - Tax as per LTCG income tax provisions exclusive of applicable surcharges & cess., Expenses Assumed at 0.20% per annum only in case of TMIF, This computation is for resident individual investors. Cost inflation index assumed at 5% p.a. These are not to be considered for investment advice or guarantee of returns. Investors are advised to consult their Financial Advisor. Past performance may or may not be sustained in the future.

Portfolio

Issuer	Rating	% to Net Assets
Government Securities		98.13%
7.38% GOI 20JUN2027	SOVEREIGN	79.31%
GOI 08.24% 15FEB27	SOVEREIGN	9.72%
GOI 06.79% 15MAY2027	SOVEREIGN	9.10%
Cash Equivalent		1.87%
TREPS*		1.91%
Net Current Assets:		-0.04%
Total Net Assets as on 30-JUNE-2023		100.00%

*TREPS : Tri-Party Repo



Summary

HSBC CRISIL IBX Gilt June 2027 Index Fund (HGIF)



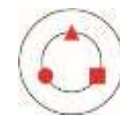
HGIF aims to track the index performance while offering safety and liquidity



Aims to offers safety with relatively low credit risk by investments in G-Sec



HGIF aims to focus on the 4 – 5 year (2027) point in the yield curve which remains attractive from a carry stand point and should benefit from a roll-down over a 2 - 3 year timeframe



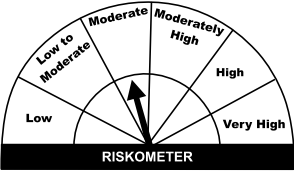
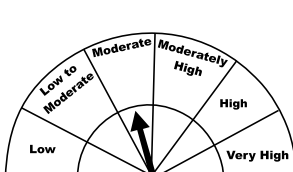
The fund with a quality sovereign debt papers offer better risk adjusted performance and liquidity

1. YTM Based on invested Amount *TREPS : Tri-Party Repo, Data as at 30 June 2023

Source – HSBC Mutual Fund, SID of HSBC CRISIL-IBX Gilt Index - June 2027 Index Fund

The above investment list is not exhaustive, please refer to the HSBC CRISIL IBX Gilt June 2027 Index Fund SID for more details

HSBC CRISIL IBX Gilt June 2027 Index Fund

 <p>Investors understand that their principal will be at Moderate risk</p>	<p>HSBC CRISIL IBX Gilt June 2027 Index Fund An open-ended Target Maturity Index Fund tracking CRISIL-IBX Gilt Index - June 2027. Relatively high interest rate risk and relatively low credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Income over target maturity period Investments in Government Securities and Tbills[^] <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 30 June 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>Benchmark CRISIL-IBX Gilt Index - June 2027</p> 
--	---	--

[^] Returns and risk commensurate with CRISIL-IBX Gilt Index - June 2027, subject to tracking errors.

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

HSBC CRISIL IBX Gilt June 2027 Index 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)	AIII		
A Scheme with Relatively High interest rate risk and Low 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.

Disclaimer: CRISIL - Each CRISIL Index (including, for the avoidance of doubt, its values and constituents) published on the web site (www.crisil.com) or otherwise delivered to client by CRISIL Limited (hereinafter, "CRISIL") is the sole property of CRISIL. By viewing, accessing and/or otherwise using CRISIL Indices or any related information (together, "Material") the person doing so ("user") acknowledges and accepts as follows: The user understands that the Material is provided by way of general information. CRISIL makes no representation or warranty that the Material is appropriate or available for use at any location(s) outside India. Any access to the Materials from territories where such contents are illegal, is prohibited. The user may not use or export the Material in violation of any export and other laws or regulation. Where a user accesses the Material from a location outside India, the user is responsible for compliance with (and, if any, violation of) all local laws. The provision of the Material is not intended to create an adviser, broker/dealer, or consultant-client relationship between CRISIL and the user. CRISIL neither endorses nor solicits any business in respect the trading, purchase or sale of any of the securities or instruments that may be featured in the CRISIL Index. Any use of the Material other than user's own personal or individual non-commercial purpose, is subject to the user obtaining the prior written consent of (and payment of applicable charges to) CRISIL. Without limiting the foregoing, unless the user is specifically permitted by CRISIL in writing the user may not: (a) copy, transmit, combine with other information, recompile or redistribute any part of the Material in any manner; (b) commercially exploit any part of Material. Any unauthorized access and use of any part of the Material is illegal and may attract legal action as CRISIL may consider necessary. While CRISIL uses reasonable care in computing the CRISIL Indices and bases its calculation on data that it considers reliable, CRISIL makes no representations or warranties including that any CRISIL Index or other Material is error-free, complete, adequate, updated or fit for any particular purpose. Further, there may be errors in transmission of the information. The user takes the full responsibility for any use of CRISIL Indices. CRISIL does not accept any liability whatsoever (and expressly excludes all liability) arising from or relating to their use of any part of Material.

HSBC Asset Management

This document has been prepared by HSBC Asset Management (India) Private Limited (HSBC) for information purposes only with an intent to provide market overview and should not be construed as an offer or solicitation of an offer for purchase of any of the funds of HSBC Mutual Fund. All information contained in this document (including that sourced from third parties), is obtained from sources, which HSBC/ third party, believes to be reliable but which it has not been independently verified by HSBC/ the third party. Further, HSBC/ the third party makes no guarantee, representation or warranty and accepts no responsibility or liability as to the accuracy or completeness of such information. The information and opinions contained within the document are based upon publicly available information and rates of taxation applicable at the time of publication, which are subject to change from time to time. Expressions of opinion are those of HSBC only and are subject to change without any prior intimation or notice. 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 financial advice regarding the appropriateness of investing in any securities or investment strategies that may have been discussed or recommended in this report and should understand that the views regarding future prospects may or may not be realized.

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 Asset Management (India) Private Limited, 9-11 Floors, NESCO IT Park, Building no. 3, Western Express Highway, Goregaon (East), Mumbai – 400 063, India. 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.