

# 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.

August 2023

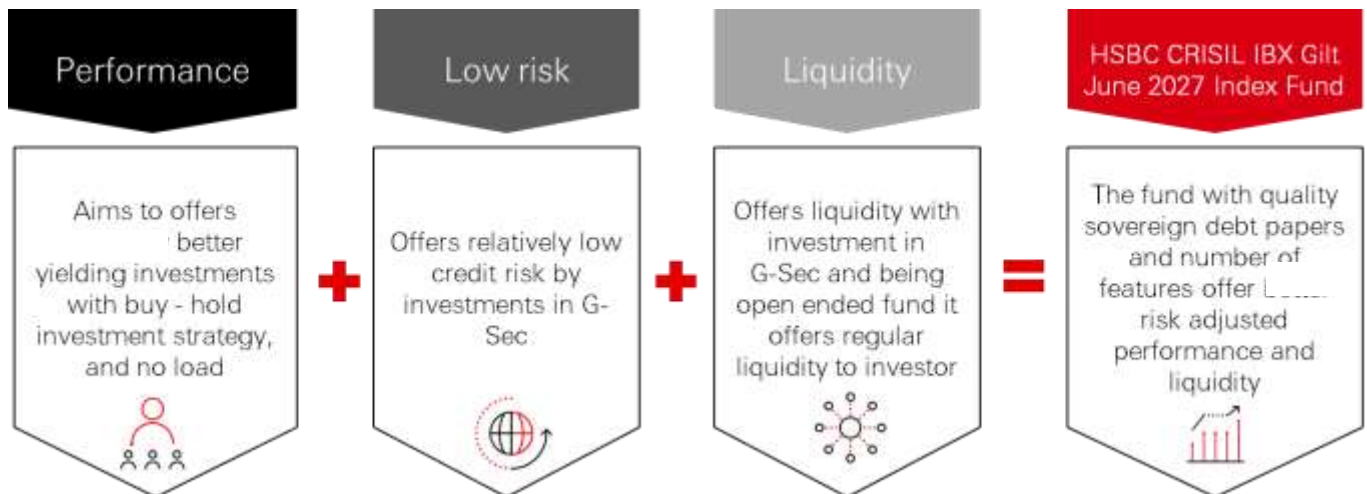
## Target Maturity Index Funds (TMIF)

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 quality debt papers such as Gilts (Government Securities)
- 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 may seek benefits of better yields
- The roll down strategy may result in capital gains over medium term once interest rate cycle peaks out
- Attractive yield for the focused maturity offers adequate carry and roll down which may 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	Inception Date	AUM <sup>1</sup>
Index Fund	Kapil Punjabi and Mahesh Chhabria	CRISIL-IBX Gilt Index - June 2027	23 March 2023	Rs. 272.82 Cr

Quantitative Data	
Average Maturity	3.80 years
Modified Duration	3.23 years
Macaulay Duration	3.35 years
Yield to Maturity	7.28%

Minimum Investment		
Lumpsum	SIP	Additional Purchase
₹ 5,000	₹ 500	₹ 1,000

## 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 standpoint and may 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 <sup>1</sup>
Diversification	Yes	Yes	No
Professional Management	Yes	Yes	No
Defined Maturity	Yes	No	Yes

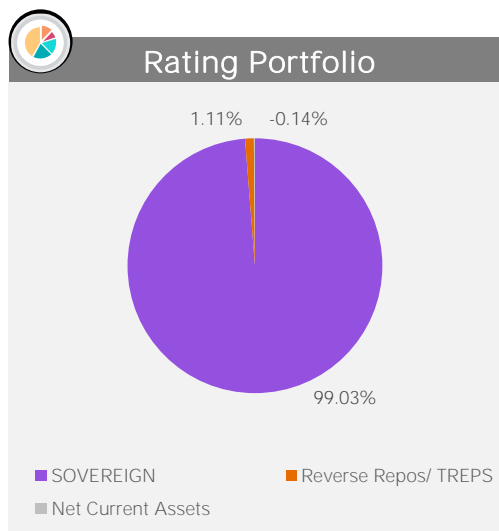
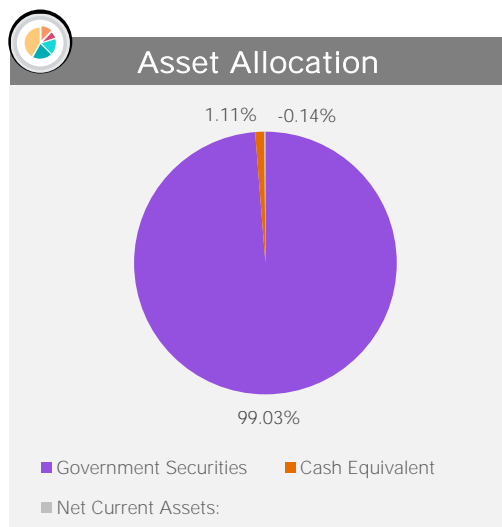
### Why G-Sec?

- 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

## Portfolio

Issuer	Rating	% to Net Assets
<b>Government Securities</b>		<b>99.03%</b>
7.38% GOI 20JUN2027		80.04%
GOI 08.24% 15FEB27		9.81%
GOI 06.79% 15MAY2027		9.18%
<b>Cash Equivalent</b>		<b>0.97%</b>
<b>TREPS</b>		<b>1.11%</b>
<b>Net Current Assets:</b>		<b>-0.14%</b>
<b>Total Net Assets as on 31-July-2023</b>		<b>100.00%</b>

\*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


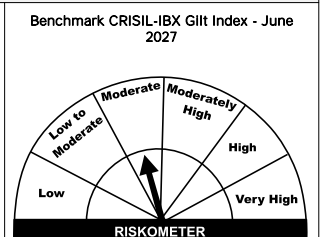


HGIF aims to focus on the 4 – 5 year (2027) point in the yield curve which remains attractive from a carry stand point and may benefit from a roll-down over a 2 - 3 year timeframe



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

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"> <li>Income over target maturity period</li> <li>Investments in Government Securities and Tbills<sup>^</sup></li> </ul> <p><sup>^</sup> 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.</p> <p><b>Note on Risk-o-meters:</b> Riskometer is as on 31 July 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> 
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HSBC CRISIL IBX Gilt June 2027 Index Fund

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

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.

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