

Product Note

HSBC Credit Risk Fund (HCRF)

Credit Risk Fund - An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A relatively high interest rate risk and relatively high credit risk.

November 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM ^{3&}
Credit Risk	Shriram Ramanathan and Kapil Lal Punjabi	NIFTY Credit Risk Bond Index C-III	8 Oct 2009	Rs. 523.39 Cr

Quantitative Data	
Average Maturity	1.92 years
Modified Duration	1.55 year
Macaulay Duration	1.65 year
Yield to Maturity	7.99%

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

Why HSBC Credit Risk Fund?

- Fund endeavours to follow an accrual-based, yield-enhancement strategy
- Robust credit selection process to spot mispriced credit opportunities
- Investors comfortable with adding credit risk to generate high accrual while keeping interest rate risk low, consider investing in this fund

Fund Strategy

- The fund aims to offer yield pick up over traditional bond funds and seeks to generate risk adjusted returns over the medium term
- Rigorous credit monitoring conducted by in-house credit research team
- Aims to create a corpus through generating inflation-adjusted returns

Entry Load*: Not Applicable, Exit Load: If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment – Nil. If units redeemed or switched out are over and above the limit within 1 year from the date of allotment –1%. If units are redeemed or switched out on or after 1 year from the date of allotment – Nil.

Month End Total Expenses Ratios (Annualized)⁴ – Regular⁵: 1.68%, Direct: 0.86%

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

³ AUM is as on 31 October 2023

⁴ TER Annualized TER including GST on Investment Management Fees

⁵ Continuing plans

⁶ 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>

Note: The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

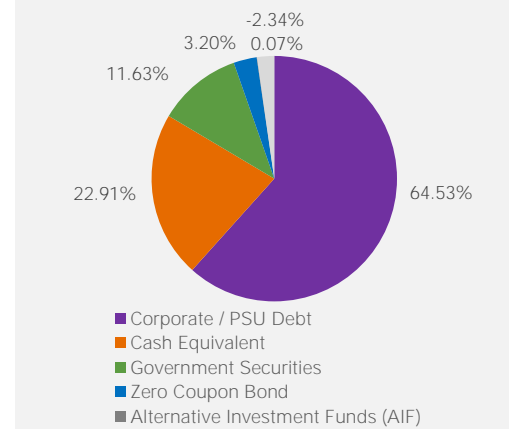
Source – HSBC Mutual Fund, Data as of 31 October 2023. Past performance may or may not be sustained in the future and is not indicative of future results.

Portfolio

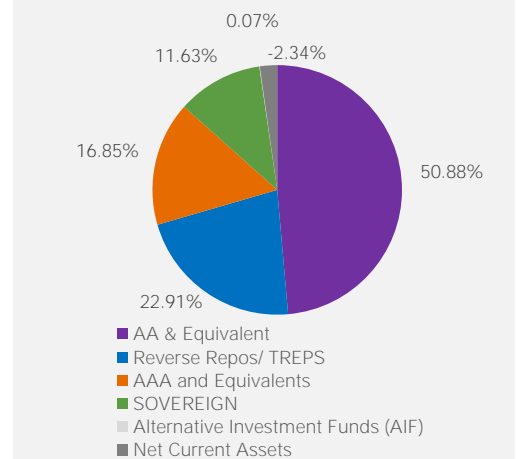
Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		64.53%
Small Industries Development Bank of India	CRISIL AAA	5.04%
Nuvoco Vistas Corp Limited	CRISIL AA	4.81%
Tata Projects Limited	IND AA	3.90%
Hinduja Leyland Finance Limited	CRISIL AA	3.73%
Oriental Nagpur Betul Highway Limited	CRISIL AAA	3.54%
Phoenix ARC Limited (Kotak Group Entity)	CARE AA	3.10%
DLF Cyber City Developers Limited	CRISIL AA	3.00%
TMF Holdings Limited	CRISIL AA	2.98%
ONGC Petro Additions Limited (Letter of comfort from Oil & Natural Gas Corporation Limited)	ICRA AA / CRISIL AA	4.91%
Godrej Industries Limited	CRISIL AA	2.91%
Aadhar Housing Finance Limited	ICRA AA / IND AA	4.87%
TVS Credit Services Limited	CRISIL AA	2.88%
Godrej Housing Finance Limited	CRISIL AA	2.88%
Power Finance Corporation Limited	CRISIL AAA	2.88%
JSW Steel Limited	CARE AA	2.87%
Tata Housing Development Company Limited	CARE AA	2.04%
PNB Housing Finance Limited	CRISIL AA / ICRA AA	2.99%
Tata Motors Limited	ICRA AA	1.97%
Yarrow Infrastructure Pvt Limited (Vector green co-obligor structure- Sembcorp/Temasek owned)	IND AAA (CE)	1.49%
Tata power Company Limited	IND AA	1.04%
Vector Green Prayagraj Solar Pvt Limited (Vector green co-obligor structure- Sembcorp/Temasek owned)	IND AAA (CE)	0.24%
Sepset Constructions Pvt Limited (Vector green co-obligor structure- Sembcorp/Temasek owned)	IND AAA	0.20%
Malwa Solar Power Generation Pvt Limited (Vector green co-obligor structure- Sembcorp/Temasek owned)	IND AAA (CE)	0.20%
Citra Real Estate Limited (Vector green co-obligor structure- Sembcorp/Temasek owned)	IND AAA (CE)	0.03%
Priapus Infrastructure Pvt Limited (Vector green co-obligor structure- Sembcorp/Temasek owned)	IND AAA	0.03%
Zero Coupon Bond		3.20%
Andhra Pradesh Expressway Limited	ICRA AAA	3.20%
Government Securities		11.63%
7.38% GOI 20JUN2027	SOVEREIGN	4.91%
7.18% GOI 14AUG2033 GSEC	SOVEREIGN	4.79%
7.26% GOI 06FEB33	SOVEREIGN	1.93%
Alternative Investment Funds (AIF)		0.07%
CDMDF CLASS A2		0.07%
Cash Equivalent		20.57%
TREPS*		22.91%
Net Current Assets:		-2.34%
Total Net Assets as on 31-October-2023		100.00%



Asset Allocation



Rating Portfolio



*TREPS : Tri-Party Repo

Source: HSBC Mutual Fund, Data as on 31 October 2023

Note : Please refer to Scheme Information Document for more details on Asset Allocation of the scheme.

PUBLIC

Investment Objective

To generate regular returns and capital appreciation by investing predominantly in AA and below rated corporate bonds, debt, government securities 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.

Fund Manager - Shriram Ramanathan Effective 24 Nov 2012. Total Schemes Managed - 11
Fund Manager - Kapil Lal Punjabi Effective 26 Nov 2022. Total Schemes Managed - 10

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 Credit Risk Fund - Regular Plan	10652	6.52	11596	5.05	12538	4.62	25471	6.87	08-Oct-09
Scheme Benchmark (NIFTY Credit Risk Bond Index C-III)	10985	9.85	12709	8.30	15514	9.18	34146	9.12	
Additional Benchmark (CRISIL 10 year Gilt Index)	10744	7.44	10816	2.65	13511	6.20	22851	6.05	

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 October 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-a-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 31 October 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>HSBC Credit Risk Fund</p> <p>Credit Risk Fund - An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A relatively high interest rate risk and relatively high credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Generation of regular returns and capital appreciation over medium to long term • Investment in debt instruments (including securitized debt), government and money market securities 	<p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderate risk</p>	<p>Benchmark : NIFTY Credit Risk Bond Index C-III</p> <p>RISKOMETER</p>

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

Note on Risk-o-meters: Riskometer is as on **31 October** 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 Credit Risk 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)			C-III
A Scheme with Relatively High interest rate risk and High 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 31 October 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.