

Product Note

HSBC Medium to Long Duration Fund (HMLF) (Erstwhile HSBC Debt Fund)

Medium to Long Duration Fund - An open-ended medium to long term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years to 7 years (for details on Macaulay's Duration please refer to the SID.). A relatively high interest rate risk and moderate credit risk.

September 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM ³
Medium to Long Duration Fund	Kapil Lal Punjabi and Shriram Ramanathan	NIFTY Medium to Long Duration Debt Index B-III	10 Dec 2002	Rs. 43.77 Cr

Quantitative Data		Minimum Investment		
Average Maturity	6.50 year	Lumpsum ₹ 10,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Modified Duration	4.87 year			
Macaulay Duration [^]	5.06 year			
Yield to Maturity	7.29%			

Why HSBC Medium to Long Duration Fund?

- Investing in instruments such that the Macaulay Duration of the portfolio is between 4 years to 7 years
- In the current scenario where interest rates are nearing the peak in this cycle, there may be opportunities to capture alpha through strategic overweight duration in this fund

Fund Strategy

- Actively managed fund investing across the yield curve in Govt. Securities and high quality AAA rated credits to generate alpha.
- Dynamic duration management to seize potential upsides when interest rates are expected to soften while also reducing risks in an uncertain environment
- The major portion of the portfolio is invested in Gsecs as corporate bonds spreads are not yet favourable.
- Investments in a liquid portfolio to enable positioning changes based on evolving market scenario.
- Overweight duration through higher allocation in 7 -10 year part of the yield curve.

Entry Load : NA, Exit Load: : Nil

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.
Data as on 31 August 2023

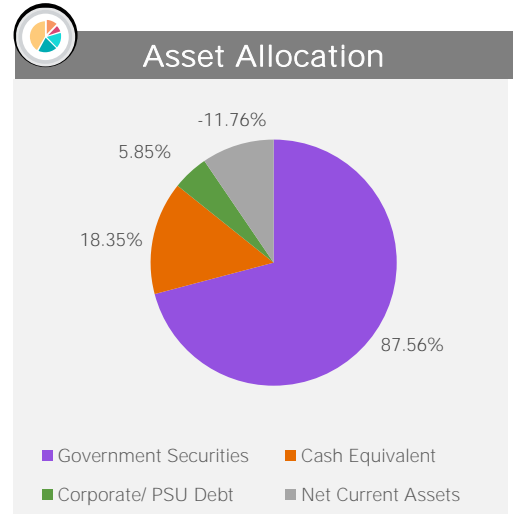
² AUM is as on 31 August 2023

Portfolio

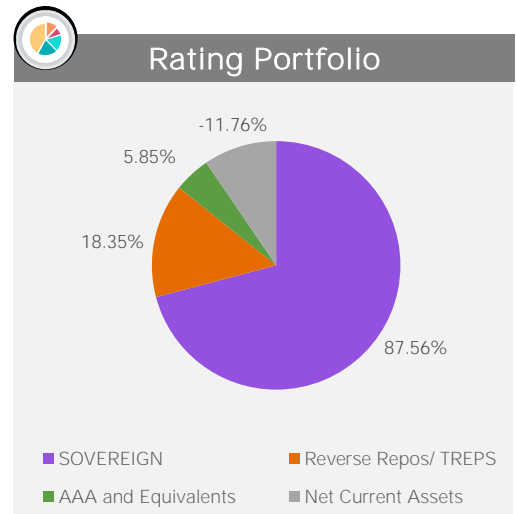
Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		5.85%
HDFC Bank Limited	CRISIL AAA	5.85%
Government Securities		87.56%
7.17% GOI 17APR30	SOVEREIGN	23.45%
7.06% GOI 10APR28	SOVEREIGN	23.39%
7.10% GOI 18APR29	SOVEREIGN	11.68%
7.26% GOI 06FEB33	SOVEREIGN	11.55%
7.18% GOI 14AUG2033 GSEC	SOVEREIGN	11.50%
7.76% MAHARASHTRA 04Oct2030 SDL	SOVEREIGN	5.99%
Cash Equivalent		6.59%
TREPS*		18.35%
Net Current Assets:		-11.76%
Total Net Assets as on 31-August-2023		100.00%

*TREPS : Tri-Party Repo

Asset Allocation





Rating Portfolio



Investment Objective

To provide a reasonable income through a diversified portfolio of fixed income securities such that the Macaulay duration of the portfolio is between 4 years to 7 years. However, there can be no assurance or guarantee that the investment objective of the scheme.

HSBC Medium to Long Duration Fund		
<p>*Riskometer of the Scheme</p>  <p>RISKOMETER Investors understand that their principal will be at Moderate risk</p>	<p>Medium to Long Duration Fund - An open ended medium to long term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years to 7 years. (for details on Macaulay's Duration please refer to SID under the section "Asset Allocation Pattern"). Relatively High interest rate risk and Moderate credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Regular income over medium to long term Investment in diversified portfolio of fixed income securities such that the Macaulay[^] duration of the portfolio is between 4 year to 7 years <p>Benchmark Index: Nifty Medium to Long Duration Debt Index B-III</p>	<p>Riskometer of the benchmark</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 August 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 Medium to Long Duration Fund)

Potential Risk Class (HSBC Medium to Long Duration 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)		B-III	

A Scheme with Relatively High 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. Source: HSBC Mutual Fund, data as on 31 August 2023

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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.