

Product Note

HSBC Corporate Bond Fund (HCBF) (Erstwhile L&T Triple Ace Bond Fund)

Corporate Bond Fund - An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and relatively low credit risk.

July 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM
Corporate Bond	Jalpan Shah and Shriram Ramanathan	NIFTY Corporate Bond Index B-III	31 Mar 1997	Rs. 7207.79 Cr

Quantitative Data		Minimum Investment		
Average Maturity	5.24 year	Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Modified Duration	4.05 year	Entry Load - NA Exit Load : • If the amount sought to be redeemed or switched out on or before 3 months from the date of allotment: 0.50%. • If the amount sought to be redeemed or switched out is invested for a period of more than 3 months from the date of allotment: Nil		
Macaulay Duration	4.28 year			
Yield to Maturity	7.38%			

Why Corporate Bond Fund?

- The strategy offers best of both worlds – predictability of a close ended long-term FMP and the flexibility of an open-ended structure
- The fund offers an excellent replacement for tax free bonds, given the significant pickup in yield of HSBC Corporate Bond Fund (after adjusting for taxation) versus tax free bonds
- Minimal interest rate risk for investors staying in the fund for the entire tenor
- The fund's portfolio would carry a relatively low credit risk by virtue of its focus on investing predominantly in AAA rated credits
- To create a corpus through tax efficient inflation-adjusted returns

Fund Strategy

- HSBC Corporate Bond Fund follows a passive roll-down strategy targeting a maturity of July - Sept 2028, with 100% of the portfolio invested in AAA Corporate bonds and Government Securities
- The fund endeavors to remain invested in bonds of only AAA rated companies
- The fund aims to generate significant proportion of the total returns in the form of income yield from accrual of high quality credit

¹ SEBI vide its circular no. SEBI/HO/IMD/IMD-II DF3/P/CIR/2021/652 dated October 27, 2021, 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. Furthermore, the same is effective from 01 December 2021 ² Fund's benchmark has changed with effect from April 01, 2022. Fund strategy as at Jan '23. Data as on 30 June 2023

The fund had changes to its fundamental attributes as per the notice published on 15 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

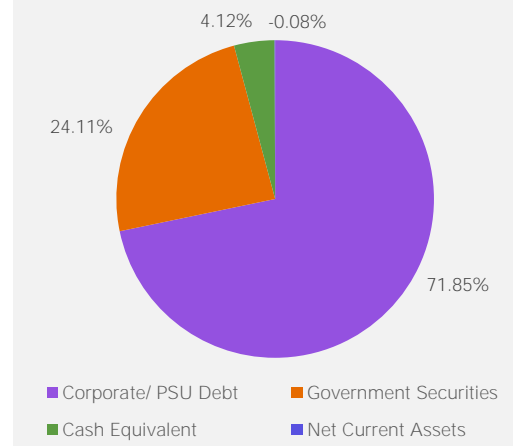
Portfolio

Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		71.85%
National Highways Authority of India	CRISIL AAA	8.53%
National Bank for Agriculture & Rural Development	CRISIL AAA ICRA AAA	8.07%
Indian Railway Finance Corporation Limited	CRISIL AAA	7.81%
NTPC Limited	CRISIL AAA	7.43%
Power Grid Corporation of India Limited	CRISIL AAA	6.46%
Rec Limited	CRISIL AAA	5.77%
Housing and Urban Development Corporation Limited	CARE AAA ICRA AAA	4.54%
Indian Oil Corporation Limited	CRISIL AAA	4.47%
ICICI Bank Limited	CARE AAA	4.12%
HDFC Bank Limited	CRISIL AAA	3.66%
Housing Development Finance Corporation Limited	CRISIL AAA	3.62%
Export Import Bank of India	CRISIL AAA	2.28%
Power Finance Corporation Limited	CRISIL AAA	2.17%
Kotak Mahindra Bank Limited	CRISIL AAA	1.45%
Nuclear Power Corporation Of India Limited	CRISIL AAA	0.86%
Food Corporation of India Limited	CRISIL AAA (CE)	0.45%
NHPC Limited	CARE AAA	0.16%
Government Securities		24.11%
7.38% GOI 20JUN2027	SOVEREIGN	9.83%
GOI 07.17% 08JAN28	SOVEREIGN	5.72%
07.26% GS 2029	SOVEREIGN	4.69%
GOI 06.79% 15MAY2027	SOVEREIGN	3.19%
6.47% MAHARASHTRA 21OCT2028 SDL	SOVEREIGN	0.68%
Cash Equivalent		4.04%
TREPS*		4.12%
Net Current Assets:		-0.08%
Total Net Assets as on 30-JUNE-2023		100.00%

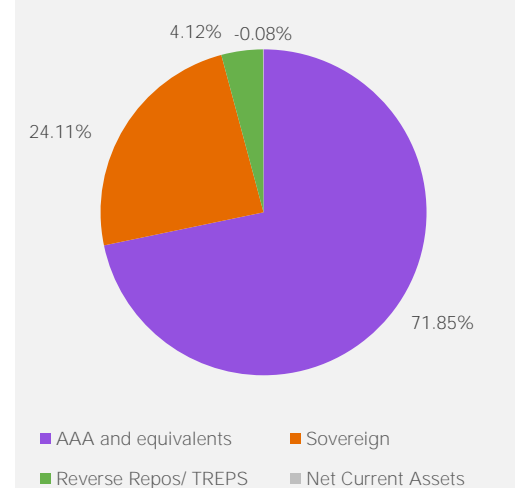
*TREPS : Tri-Party Repo



Asset Allocation


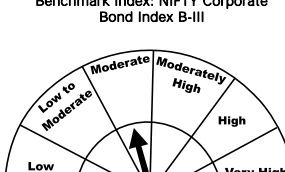


Rating Portfolio



Investment Objective

To generate regular return by investing predominantly in AA+ and above rated debt 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.

HSBC Corporate Bond Fund (Erstwhile L&T Triple Ace Bond Fund)		
 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderate risk</p>	<p>Corporate Bond Fund - An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A 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"> • Generation of regular and stable income over medium to long term • Investment predominantly in AA+ and above rated corporate bonds and money market instruments <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 Index: NIFTY Corporate Bond Index B-III</p>  <p>RISKOMETER</p>

Potential Risk Class (HSBC Corporate Bond 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)	A-III		

A Scheme with Relatively High interest rate risk and Low credit risk.

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 - Sonal Gupta shall be dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Past performance is not an indicator of future returns. Source: HSBC Asset Management India, data as at 30 June 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.