

## Product Note

### HSBC Medium Duration Fund (HMDF) (Erstwhile L&T Resurgent India Bond Fund)

Medium Duration Fund - An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years to 4 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 <sup>1, 2</sup>	Inception Date	AUM <sup>3</sup>
Medium Duration Fund	Shriram Ramanathan and Kapil Lal Punjabi	NIFTY Medium Duration Debt Index B-III	2 Feb 2015	Rs. 688.61 Cr

Quantitative Data		Minimum Investment		
Average Maturity	4.42 year	Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Modified Duration	3.30 year			
Macaulay Duration	3.45 year			
Yield to Maturity	7.96%			

### Why HSBC Medium Duration Fund?

- Aims to create alpha by identifying pockets of value propositions, vis-à-vis yield curve steepness, attractive carry opportunities, elevated credit spreads, etc.
- Rigorous credit selection process to ensure good portfolio quality
- Aim to demonstrate ability to strategically manage Duration in periods of volatile interest rates
- With interest rates consolidating at a higher level, a strategy combining a prudent mix of strategic Duration calls and Accrual product is well suited for investors with 3 year horizon

### Fund Strategy

- About 75% of the portfolio in AAA or equivalent securities; Nil exposure to AA- and below rated names
- About 35% of portfolio exposure to Cash and G-Sec
- Opportunistically evaluate deals with good yield pick up
- Strategic duration management in an Accrual product

Entry Load : NA, Exit Load: : Nil

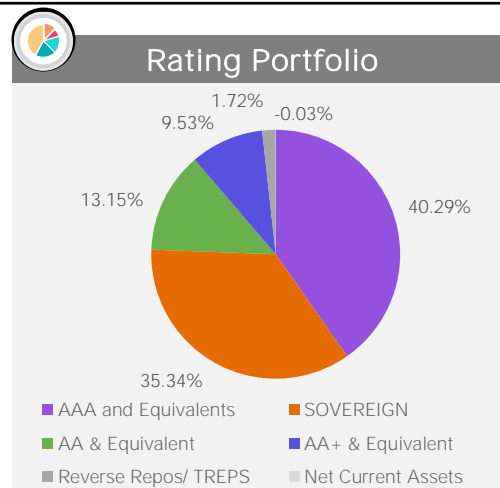
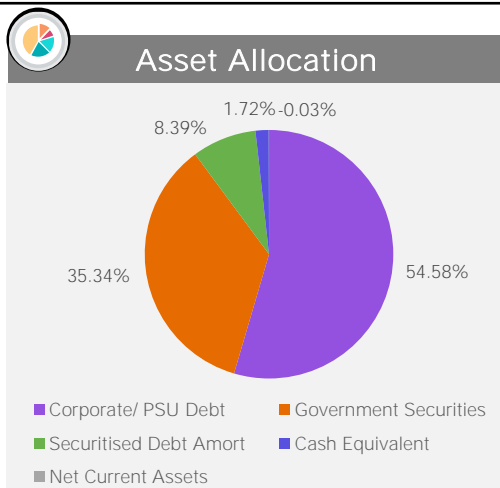
<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' has introduced two-tiered structure for benchmarking of certain categories of schemes. Accordingly, the benchmark has been classified as Tier 1 benchmark effective from 01 December 2021. <sup>2</sup> Fund's benchmark has changed with effect from April 01, 2022.  
Data as on 31 August 2023

<sup>3</sup> AUM is as on 31 August 2023

## Portfolio

Issuer	Rating	% to Net Assets
<b>Corporate Bonds / Debentures</b>		<b>54.58%</b>
ONGC Petro Additions Limited (Letter of comfort from Oil & Natural Gas Corporation Limited)	ICRA AAA (CE)	7.35%
Oriental Nagpur Betul Highway Limited (Nhai Annuity Receivables)	CRISIL AAA	4.48%
Patel Knr Heavy Infrastructures Limited (Nhai Annuity Receivables)	CARE AA+	4.18%
NIIF Infrastructure Finance Limited	ICRA AAA	4.11%
HINDUJA LEYLAND FINANCE LIMITED	CRISIL AA	3.88%
Bharti Telecom Limited	CRISIL AA+	3.87%
National Bank for Agriculture & Rural Development	CRISIL AAA	3.80%
LIC Housing Finance Limited	CRISIL AAA	3.71%
Aadhar Housing Finance Limited	IND AA	2.97%
Sikka Ports & Terminals Limited (Mukesh Ambani Group)	CRISIL AAA	2.34%
Yarrow Infrastructure Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	1.99%
Phoenix ARC Limited	CARE AA	1.74%
TVS Credit Services Limited	CRISIL AA	1.57%
DLF Cyber City Developers Limited	CRISIL AA	1.50%
TMF Holdings Limited	CRISIL AA	1.49%
Cholamandalam Investment & Finance Company Limited	ICRA AA+	1.48%
Bajaj Finance Limited	CRISIL AAA	0.79%
Vector Green Prayagraj Solar Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	0.73%
Embassy Office Parks REIT	CRISIL AAA	0.73%
Sepset Constructions Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA	0.62%
Malwa Solar Power Generation Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	0.62%
Power Finance Corporation Limited	CRISIL AAA	0.43%
Citra Real Estate Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	0.10%
Priapus Infrastructure Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA	0.10%
<b>Securitised Debt Amort</b>		<b>8.39%</b>
First Business Receivables Trust (Backed by receivables from Reliance Industries, Reliance Retail, Reliance Jio)	CRISIL AAA(SO)	8.39%
<b>Government Securities</b>		<b>35.34%</b>
7.26% GOI 06FEB33	SOVEREIGN	11.75%
7.18% GOI 14AUG2033 GSEC	SOVEREIGN	8.77%
GOI FRB - 22SEP33	SOVEREIGN	3.82%
7.38% GOI 20JUN2027	SOVEREIGN	3.71%
7.26% GOI 22AUG2032	SOVEREIGN	3.65%
7.18% GOI 24-Jul-2037	SOVEREIGN	3.64%
<b>Cash Equivalent</b>		<b>1.69%</b>
<b>TREPS*</b>		<b>1.72%</b>
<b>Net Current Assets:</b>		<b>-0.03%</b>
<b>Total Net Assets as on 31-August-2023</b>		<b>100.00%</b>

\*TREPS : Tri-Party Repo



**HSBC Medium Duration Fund (Erstwhile L&T Resurgent India Bond Fund)**

<p><b>*Riskometer of the Scheme</b></p> <p>Investors understand that their principal will be at Moderate risk</p>	<p>Medium Duration Fund - An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years to 4 years (for details on Macaulay's Duration please refer to the SID under the section "Asset Allocation Pattern"). A relatively high interest rate risk and moderate credit risk.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Generation of income over medium term</li> <li>• Investment primarily in debt and money market securities</li> </ul> <p><b>Benchmark Index: NIFTY Medium Duration Debt Index B-III</b></p>	<p>Riskometer of the benchmark</p>
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\* 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 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 is not an indicator of future returns. Source: HSBC Mutual Fund, Data as on 31 August 2023

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Mutual fund investments are subject to market risks, read all scheme related documents carefully.