

# Fund Overview

## HSBC Ultra Short Duration Fund

(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 3 months to 6 months. (Please refer Page No. 15 for explanation on Macaulay's duration). Relatively Low interest rate risk and moderate credit risk.)

September 2024

<b>Fund Launch Date</b>	29 Jan 2020
<b>Fund manager</b>	Mahesh Chhabria and Kapil Punjabi@
<b>Investment Manager</b>	HSBC Asset Management (India) Pvt. Ltd
<b>Currency</b>	INR
<b>Fund Domicile</b>	India
<b>Benchmark</b>	NIFTY Ultra Short Duration Debt Index A-I <sup>1</sup>
<b>Dealing</b>	Every Business Day
<b>Cut-off Time<sup>2</sup></b>	15:00 for Subscriptions and Switch Ins, Redemption and Switch Outs
<b>Settlement</b>	T+1

### Overview

- ◆ Provides investors with an opportunity to invest in short-term INR denominated money market instruments.
- ◆ Main objectives/Includes:
  - Daily liquidity\*
  - Active risk management
  - Extensive credit research

Exit Load: NIL,  
Month End Total Expenses Ratios (Annualized)<sup>3</sup> – Regular<sup>4</sup>: 0.47%, Direct: 0.21%

### Fund Approach

- Investment predominantly in liquid money market instruments, government securities and corporate debt
- The fund typically has a relatively higher portfolio average maturity as compared to liquid/cash fund
- The scheme continues to focus on high credit quality securities and a liquid portfolio
- Overall, we remain neutral to positive on duration with reasonable liquidity and rate hikes pause.
- The focus continues to be on the accrual returns in the portfolio.

(1) As per clause 1.9 of the SEBI Master Circular dated June 27, 2024, 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) Subscription is subject to availability of funds for utilization before the cut-off time without availing any credit facility.

(3) TER Annualized TER including GST on Investment Management Fees

(4) Continuing plans

• As per As per para 14.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the Fund shall transfer the redemption / repurchase proceeds within 3 working Days, from the date of acceptance of redemption request. Under normal circumstances, the Fund will endeavour to dispatch the redemption proceeds within 1 business day from the date of receiving redemption request. (3) Source: HSBC Mutual Fund, Data as on 30 August 2024

## Portfolio characteristics

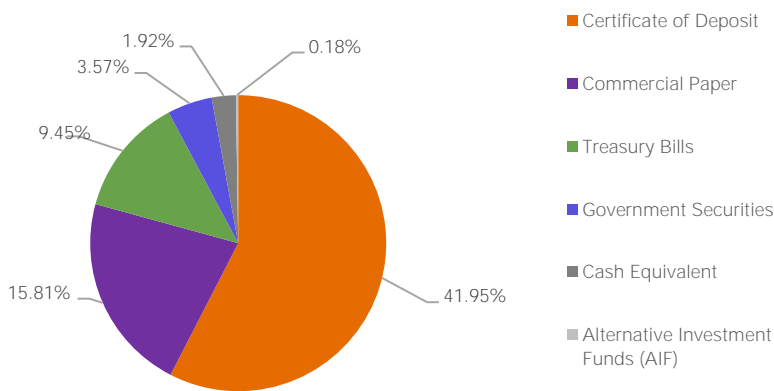
Yield to Maturity <sup>5</sup>	7.44%
Current AUM <sup>6 &amp;</sup>	INR 33.8 bn
Average Maturity	7.94 months
Modified Duration	4.97 months
Macaulay Duration	5.33 months

## Fund Information

	Features
NAV (as on 31.08.24) - Growth option	INR 1,274.0039
Settlement Date	T+1 <sup>7</sup>

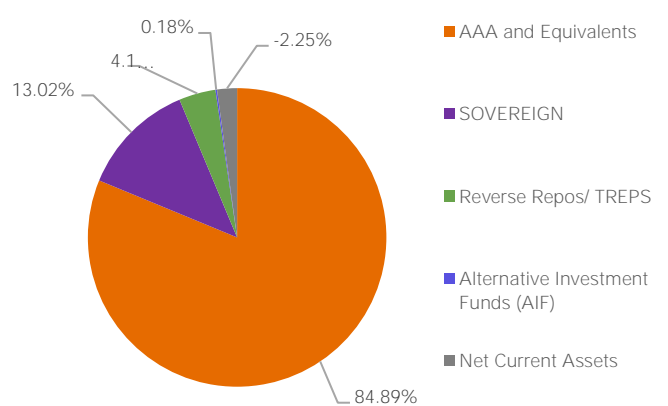
## Portfolio Compositions<sup>8</sup>

### Instrument Mix



### Credit Quality Mix – local<sup>9</sup>

#### credit rating agencies' short-term ratings



HSBC Mutual Fund/HSBC Asset Management (India) Private Limited would update the current expense ratios (TER) on its website at least three working days prior to the effective date of the change. Details of such changes can be referred on the following link under the Daily TER section: [https://old.camsonline.com/COL\\_HSBCDownload.aspx](https://old.camsonline.com/COL_HSBCDownload.aspx)

Notes:

(5) YTM is annualized.

(6) AUM is as on 31 August 2024.

& 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>

(7,8) Subject to change without notice.

(9) The rating mentioned above refers to the local credit rating in India. The rating criteria and methodology used by Indian local rating agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, the Indian local credit rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

As per As per para 14.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the Fund shall transfer the redemption / repurchase proceeds within 3 working Days, from the date of acceptance of redemption request. Under normal circumstances, the Fund will endeavour to dispatch the redemption proceeds 1 Business Day from the date of receiving a valid redemption request before the cut off time. Source: HSBC Mutual Fund, Data as on 30 August 2024

Top 10 Issuers/counterparties	% NAV
Axis Bank Limited	7.83%
LIC Housing Finance Limited	7.65%
Canara Bank	5.53%
Small Industries Development Bank of India	5.06%
Kotak Mahindra Bank Limited	4.99%
Bank of Baroda	4.34%
HDFC Bank Limited	4.32%
National Bank for Agriculture & Rural Development	4.29%
ICICI Bank Limited	4.16%
Kotak Securities Limited	3.60%

## Investment process and team

Our investment process is active, fundamental and value driven. It combines qualitative top-down analysis of macroeconomic and market dynamics, with structured bottom-up research into individual bond issuers and fixed income securities. While investment decisions are taken locally to ensure focus and accountability, our portfolio managers in India are able to access the expertise and experience of our investment professionals worldwide in order to gain a truly global perspective.

Fund Manager - Mahesh Chhabria Effective 26 Nov 2022. Total Schemes Managed - 11

Fund Manager - Kapil Punjabi Effective 01 May 2024. Total Schemes Managed - 17

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 %	29-Jan-20
HSBC Ultra Short Duration Fund - Regular Plan--	10722	7.22	11859	5.85	NA	NA	12742	5.42	
Scheme Benchmark (NIFTY Ultra Short Duration Debt Index A-I)	10757	7.57	11971	6.18	NA	NA	12873	5.66	
Additional (NIFTY Ultra Short Duration Debt Index)	10787	7.87	12086	6.52	NA	NA	13034	5.94	
Additional (CRISIL 1 Year T Bill Index)	10750	7.50	11801	5.67	NA	NA	12763	5.46	

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 August 2024 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 June 27, 2024, the scheme returns vis-a-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

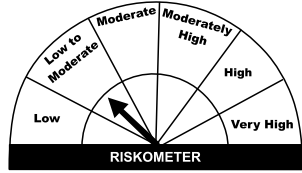

Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated June 27, 2024, on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes. --- Face value Rs 1000

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 on 30 August 2024

[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 (as applicable)
<p><b>HSBC Ultra Short Duration Fund</b></p> <p>(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 3 months to 6 months. (Please refer Page No. 15 for explanation on Macaulay's duration). Relatively Low 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>Income over short term with low volatility.</li> <li>Investment in debt &amp; money market instruments such that the Macaulay Duration of the portfolio is between 3 months- 6 months.<sup>^</sup></li> </ul>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>As per AMFI tier 1 <b>Benchmark Index: NIFTY Ultra Short Duration Debt Index A-I</b></p>  <p><b>RISKOMETER</b></p>

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

<sup>^</sup> 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 on Risk-o-meters: Riskometer is as on 30 August 2024. 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 Ultra Short Duration Fund)

Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

A Scheme with Relatively Low 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 and is not indicative of future results. Source: HSBC Mutual Fund, data as on 30 August 2024

Investors are requested to note that as per SEBI (Mutual Funds) Regulations, 1996 and guidelines issued thereunder, HSBC AMC, its employees and/or empaneled distributors/agents are forbidden from guaranteeing/promising/assuring/predicting any returns or future performances of the schemes of HSBC Mutual Fund. Hence please do not rely upon any such statements/commitments. If you come across any such practices, please register a complaint via email at [investor.line@mutualfunds.hsbc.co.in](mailto:investor.line@mutualfunds.hsbc.co.in).

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