



Invest in HSBC Medium Duration Fund (HMDF)


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 (please refer to page no.18 in the SID for details on Macaulay's Duration)). A relatively high interest rate risk and moderate credit risk.


January 2024

Why HSBC Medium Duration Fund?

 Aims to create long term alpha by identifying pockets of value propositions, vis-à-vis yield curve steepness, carry opportunities, elevated credit spreads, etc.

 Rigorous credit selection process to ensure portfolio quality

 Aim to demonstrated 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 can be suited well suited for investors with 3 year horizon

Fund Strategy



Strategic duration management in an Accrual product



Aims at delivering yield pick up through judicious exposure to high quality / relatively less liquid space, while keeping adequate liquidity



Around 75%-80% of the portfolio in AAA or equivalent securities; Nil exposure to AA- and below rated names



Almost 40-45% of portfolio exposure to Cash, G-Sec and AAA PSUs



Opportunistically evaluate deals with yield pick up given the high proportion of G-Sec in the portfolio

Key Facts

| | |
|----------------------------------|--|
| Fund Manager | Shriram Ramanathan and Kapil Lal Punjabi |
| Benchmark ^{1, 2} | NIFTY Medium Duration Debt Index B-III |
| Inception Date | 2 Feb 2015 |
| AUM ^{3 &} | Rs. 683 Cr |

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Source – HSBC Mutual Fund, Data as on 31 December 2023

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 December 2023

&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/informationlibrary/#&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). Past performance may or may not be sustained in the future and is not indicative of future results.

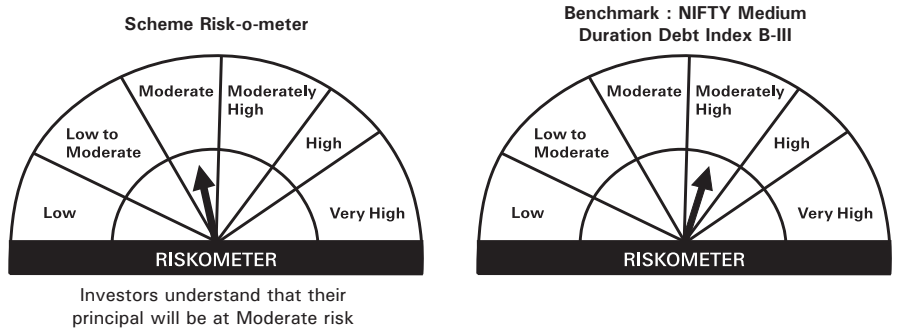
HSBC Medium Duration Fund

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This product is suitable for investors who are seeking*:

- Generation of income over medium term
- Investment primarily in debt and money market securities

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



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.

Note on Risk-o-meters: Riskometer is as on 31 December 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

Past performance may or may not be sustained in the future and is not indicative of future results.

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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.