

Fund Overview

HSBC Overnight Fund

1 March 2021

Overnight fund – An open ended debt scheme investing in overnight securities



Fund aim and investment policy

The Fund aims to provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of money market and debt securities. However, there can be no assurance that the Fund's objective can be realised.

Fund Launch Date	22 May 2019
Fund manager	Kapil Punjabi
Investment Manager	HSBC Asset Management (India) Pvt. Ltd
Currency	INR
Fund Domicile	India
Benchmark	CRISIL Overnight Index
Dealing	Every Business Day
Cut-off Time¹	13:30 for Subscriptions and Switch Ins, 15:00 for Redemption and Switch Outs
Settlement	T+1

Notes:

(1) Subscription is subject to availability of funds for utilization before the cut-off time without availing any credit facility. (2) The Scheme is not a guaranteed or assured return Scheme. Investors may not get back the amount originally invested. There is no guarantee that the fund's investment objectives, including performance, will be achieved

^{^^} Daily liquidity - As per the Regulations, the Fund shall dispatch the redemption proceeds within 10 Business 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.

Fund Manager Kapil Punjabi



Vice President & Fund Manager – Indian Fixed Income

- ◆ 14 years of industry experience in fixed income
- ◆ Joined HSBC India in 2014

Overview

- ◆ Provides institutional investors with an opportunity to invest in short-term INR denominated money market instruments.
- ◆ Main objectives/strategy includes:
 - Aim to preserve capital²
 - Daily liquidity ^{^^}
 - Active risk management
 - Extensive credit research

Portfolio characteristics

Yield to Maturity ¹	3.29%
Current AUM (~INR m)	3778.7
Current WAM ²	1 day
Maximum Maturity	1 day
Maximum WAM ³	1 day

Fund Information

	Features
Current NAV	INR 1,070.3074
Settlement Date	T+1 ⁴

Fund Name	Total Expense Ratio (TER) (as of 28 February 2021)	Minimum Application Amount (Rs)	Minimum Redemption/ Switch Account (Rs)
HOF	0.26% ³	5,000	1,000
HOF Direct Plan	0.11% ³	5,000	1,000

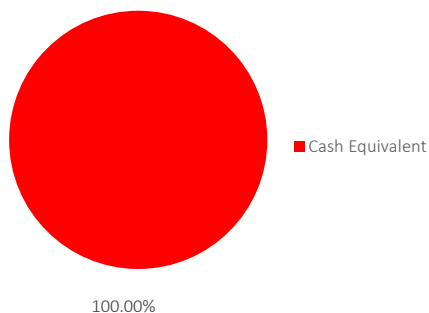
HSBC Mutual Fund/HSBC Asset Management (India) Private Limited would update the current expense ratios (TER) on its website at least three working days prior to the effective date of the change. Details of such changes can be referred on the following link under the Daily TER section: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds>

Source: HSBC Global Asset Management, data as of 28 February 2021

- Notes:
1. YTM Based on investment amount
 2. The Weighted Average Maturity (WAM) of the fund
 3. TER is annualized and Includes GST on Investment Management fees
 4. As per the local regulations, the fund shall dispatch the redemption proceeds within 10 business 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.

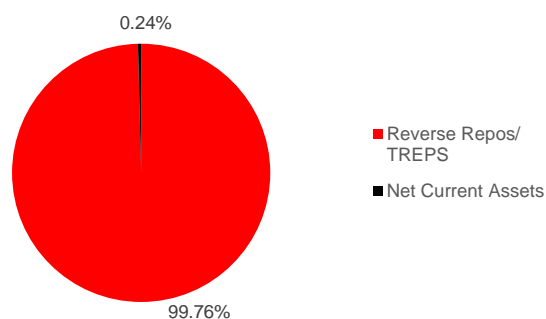
Portfolio Compositions¹

Instrument Mix



Credit Quality Mix – local*

credit rating agencies' short-term ratings



Top 10 issuers/counterparties	% NAV
Cash Equivalent	100.000%
TREPS	6.632%
Reverse Repos	93.130%
Net Current Assets:	0.238%
Total Net Assets as on 28-Feb-2021	100.000%

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.

The Fund is managed in India by Kapil Punjabi, who has over 14 years of investment experience. The team in India benefits from the broader HSBC Global Asset Management Liquidity team which manages over USD126.8 billion² in money market assets across 11 currencies globally.

Notes:

* 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.

1. Subject to change without notice.
2. Data as at September 2020

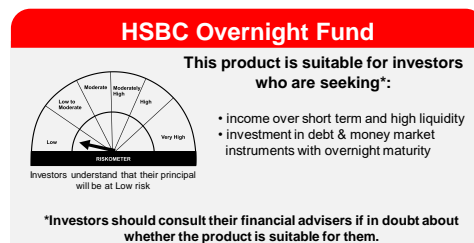
Source: HSBC Global Asset Management, All data as on 28 February 2021 except otherwise mentioned

Key risks

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.

- ◆ **Credit Risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e. will be unable to make timely principal and interest payments on the security).
- ◆ **Price-Risk or Interest Rate Risk:** As with all debt securities, changes in interest rates may affect the NAV of the Scheme(s) as the prices of securities increase as interest rates decline and decrease as interest rates rise.
- ◆ **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.
- ◆ **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme(s) are reinvested. The additional income from reinvestment is the "interest on interest" component

For more risk factors check the KIM or visit <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources#>



Source: HSBC Asset Management, India

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