

Product Note

HSBC Ultra Short Duration Fund (HUTF)

(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. 11 for explanation on Macaulay's duration). Relatively Low interest rate risk and moderate credit risk.)

January 2025

| Fund Category | Fund Manager | Benchmark ^{1, 2} | Inception Date | AUM ^{3 &} |
|---------------------------|---|---|----------------|------------------------|
| Ultra Short Duration Fund | Mahesh Chhabria [^] and Kapil Punjabi [@] | NIFTY Ultra Short Duration Debt Index A-I | 29 Jan 2020 | Rs. 2,624.82 Cr |

| Quantitative Data | | Minimum Investment | | |
|-------------------|-------------|--------------------|-------|---------------------|
| Average Maturity | 5.95 Months | Lumpsum | SIP | Additional Purchase |
| Modified Duration | 5.31 Months | ₹ 5,000 | ₹ 500 | ₹ 1,000 |
| Macaulay Duration | 5.69 Months | | | |
| Yield to Maturity | 7.40% | | | |

Why HSBC Ultra Short Duration Fund?

- The Fund would endeavor to maintain high credit quality portfolio of securities with investment predominantly in securities that have high short term credit quality rating
- The security selection would be driven by investment team's view on credit spreads, liquidity and the risk reward assessment of each security
- The scheme would largely maintain high credit quality portfolio basis in-depth credit evaluation which includes financial position of the issuer, external credit ratings opinions, operational metrics, past track record as well as future prospects of the issuer

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.

Exit Load: NIL, No entry load will be charged to the investor.

Month End Total Expenses Ratios (Annualized)⁴ – Regular⁵: 0.47%, Direct: 0.21%

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 Fund's benchmark has changed with effect from May 01, 2024. [^] Mahesh Chhabria Effective 26 Nov 2022. Total Schemes Managed –11; [@] Kapil Punjabi Effective 01 May 2024. Total Schemes Managed –17.

³ AUM is as on 31 December 2024.

⁴ TER Annualized TER including GST on Investment Management Fees

⁵ Continuing plans. [@] Managing since from May 1, 2024, Please refer notice cum addendum dated April 30, 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>

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).

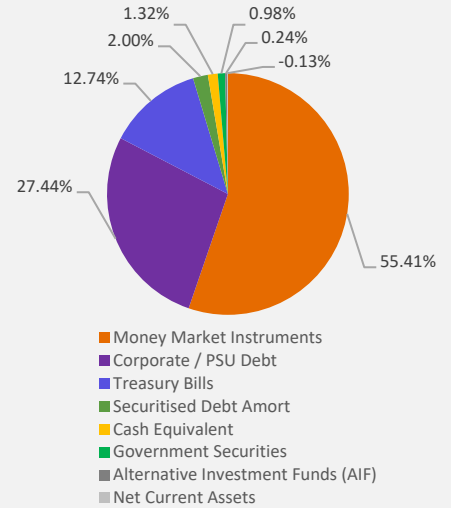
Source – HSBC Mutual Fund, Data as of 31 December 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

Portfolio

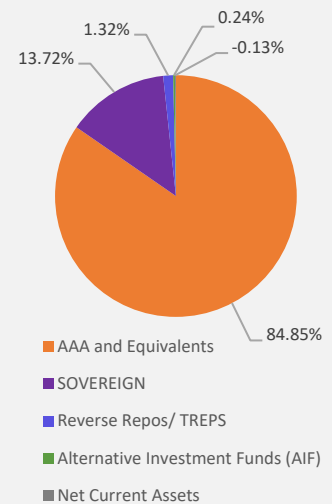
| Issuer | Rating | % to Net Assets |
|---|-----------------------|-----------------|
| Corporate Bonds / Debentures | | 27.44% |
| Power Finance Corporation Limited | CRISIL AAA | 4.87% |
| Larsen & Toubro Limited | CRISIL AAA | 4.00% |
| HDFC Bank Limited | CRISIL AAA | 3.93% |
| LIC Housing Finance Limited | CRISIL AAA | 3.89% |
| Bajaj Finance Limited | CRISIL AAA | 2.86% |
| Small Industries Development Bank of India | CARE AAA | 1.98% |
| Kotak Mahindra Prime Limited | CRISIL AAA | 1.97% |
| National Bank for Agriculture & Rural Development | CRISIL AAA | 1.96% |
| Export Import Bank of India | CRISIL AAA | 0.99% |
| Rec Limited | CRISIL AAA | 0.99% |
| Money Market Instruments | | |
| Certificate of Deposit | | 37.57% |
| Canara Bank | CRISIL A1+ | 9.24% |
| Bank of Baroda | IND A1+ | 5.57% |
| Kotak Mahindra Bank Limited | CRISIL A1+ | 4.61% |
| HDFC Bank Limited | CARE A1+ | 4.49% |
| Axis Bank Limited | CRISIL A1+ | 3.72% |
| National Bank for Agriculture & Rural Development | CRISIL A1+ | 2.82% |
| Punjab National Bank Limited | ICRA A1+ | 2.67% |
| Export Import Bank of India | CRISIL A1+ | 2.66% |
| ICICI Bank Limited | CRISIL A1+ | 1.79% |
| Commercial Paper | | 17.84% |
| National Bank for Agriculture & Rural Development | ICRA A1+ | 3.76% |
| Indian Railway Finance Corporation Limited | CRISIL A1+ | 3.75% |
| Export Import Bank of India | CRISIL A1+ | 2.83% |
| ICICI Securities Limited | CRISIL A1+ | 1.88% |
| Kotak Securities Limited | CRISIL A1+ | 1.88% |
| Aditya Birla Finance Limited | CRISIL A1+ / ICRA A1+ | 3.73% |
| Securitised Debt Amort | | 2.00% |
| India Universal Trust AL2 | IND AAA(SO) | 2.00% |
| Government Securities | | 0.98% |
| 8.04% MAHARASHTRA 25FEB2025 SDL | SOVEREIGN | 0.98% |
| Treasury Bills | | 12.74% |
| 182 DAYS T-BILL 29MAY25 | SOVEREIGN | 3.71% |
| 182 DAYS T-BILL 13MAR25 | SOVEREIGN | 2.82% |
| 182 DAYS T-BILL 27JUN25 | SOVEREIGN | 2.47% |
| 182 DAYS T-BILL 27FEB25 | SOVEREIGN | 1.89% |
| 364 DAYS T-BILL 12JUN25 | SOVEREIGN | 1.85% |
| Alternative Investment Funds (AIF) | | 0.24% |
| CDMDF CLASS A2 | AIF | 0.24% |
| Cash Equivalent | | 1.19% |
| TREPS* | | 1.32% |
| Net Current Assets | | -0.13% |
| Total Net Assets as on 31-December-2024 | | 100.00% |



Asset Allocation



Rating Portfolio



*TREPS : Tri-Party Repo

Investment Objective

To provide liquidity and generate reasonable returns with low volatility through investment in a portfolio comprising of debt & money market instruments. However, there is no assurance that the investment objective of the scheme will be achieved..

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 ₹ | Returns % | Amount in ₹ | Returns % | Amount in ₹ | Returns % | Amount in ₹ | Returns % | |
| HSBC Ultra Short Duration Fund - Regular Plan~~~~ | 10742 | 7.35 | 12013 | 6.30 | NA | NA | 13044 | 5.54 | 29-Jan-20 |
| Scheme Benchmark (NIFTY Ultra Short Duration Debt Index A-I) | 10772 | 7.65 | 12129 | 6.64 | NA | NA | 13187 | 5.78 | |
| Additional (NIFTY Ultra Short Duration Debt Index) | 10806 | 8.00 | 12245 | 6.98 | NA | NA | 13368 | 6.07 | |
| Additional (CRISIL 1 Year T Bill Index) | 10749 | 7.43 | 11967 | 6.16 | NA | NA | 13058 | 5.57 | |

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 December 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-à-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

Returns for Debt schemes has been calculated as on last business day NAV provided as on 31 December 2024.

Source: HSBC Mutual Fund, data as on 31 December 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>HSBC Ultra Short Duration Fund</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. 11 for explanation on Macaulay’s duration). Relatively Low interest rate risk and moderate credit risk.)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">Income over short term with low volatility.Investment in debt & money market instruments such that the Macaulay Duration of the portfolio is between 3 months- 6 months.^ | | <p>As per AMFI Tier 1. Benchmark Index: NIFTY Ultra Short Duration Debt Index A-I</p> |

* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.
^ 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 31 December 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 31 December 2024

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