

Product Note

HSBC Low Duration Fund (HLDF) (Erstwhile L&T Low Duration Fund)

Low Duration Fund - An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months (for details on Macaulay's Duration please refer to no. 9). A relatively low interest rate risk and moderate credit risk. (HSBC Low Duration Fund has merged into L&T Low Duration Fund and the surviving scheme has been renamed)

July 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM
Low Duration	Shriram Ramanathan and Mahesh Chhabria	NIFTY Low Duration Debt Index B-I	04 Dec 2010	Rs. 453.24 Cr

Quantitative Data		Minimum Investment		
Average Maturity	9.8 Months	Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Modified Duration	8.91 Months	Exit Load / Entry Load		
Macaulay Duration	9.39 Months			
Yield to Maturity	7.42%	NA / NIL		

Why HSBC Low Duration Fund?

- Appropriately positioned to provide a higher carry over the traditional money market category funds while maintaining adequate liquidity
- Rigorous credit selection process to spot mispriced credit opportunities.
- Given the portfolio quality, ample liquidity and carry over other funds, the fund is well positioned in the current market environment.

Fund Strategy

- Focus on generating returns through a yield-oriented and accrual based strategy
- Strong portfolio quality with a diversified mix of assets and adequate liquidity
- The fund has been positioned as an 85:15 rating mix strategy between AAA and non-AAA names.
- Moderate portfolio duration, while providing yield pickup.

¹ SEBI vide its circular no. SEBI/HO/IMD/IMD-II DF3/P/CIR/2021/652 dated October 27, 2021, 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. Furthermore, the same is effective from 01 December 2021 ² Fund's benchmark has changed with effect from April 01, 2022. Fund strategy as at Jan '23. Data as on 30 June 2023

The fund has undergone merger/consolidation along with changes to its fundamental attributes as per the notice published on 15 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

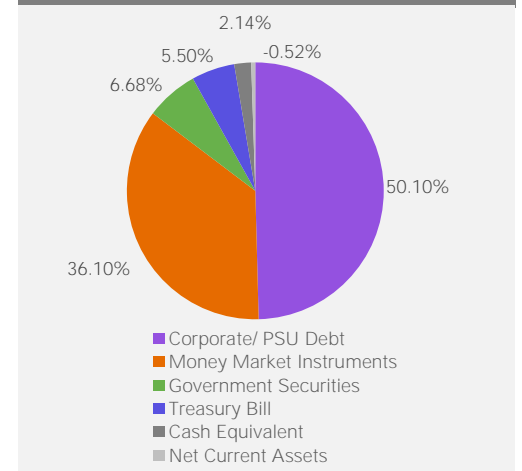
Portfolio

Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		50.10%
National Bank for Agriculture & Rural Development	CRISIL AAA ICRA AAA	7.64%
Bajaj Housing Finance Limited	CRISIL AAA	5.90%
Small Industries Development Bank of India	CARE AAA	5.85%
Power Finance Corporation Limited	CRISIL AAA	5.83%
Reliance Industries Limited	CRISIL AAA	5.82%
Bharti Telecom Limited	CRISIL AA+	5.80%
REC Limited	CRISIL AAA	5.56%
Embassy Office Parks REIT	CRISIL AAA	4.38%
Indian Oil Corporation Limited	CRISIL AAA	2.20%
TMF Holdings Limited	CRISIL AA	1.12%
Money Market Instruments		
Certificate of Deposit		27.83%
Kotak Mahindra Bank Limited	CRISIL A1+	5.47%
ICICI Bank Limited	ICRA A1+	5.37%
Bank of Baroda	IND A1+	5.36%
Canara Bank	CRISIL A1+	5.35%
Export Import Bank of India	CRISIL AAA	5.25%
Small Industries Development Bank of India	CRISIL A1+	1.03%
Commercial Paper		8.27%
Cholamandalam Investment & Finance Company Limited	CRISIL A1+	5.14%
Shriram Finance Limited	CRISIL A1+	3.13%
Government Securities		6.68%
GOI FRB 04Oct2028	SOVEREIGN	5.58%
6.69% GOI 27JUN2024	SOVEREIGN	1.10%
Treasury Bill		5.50%
182 DAYS T-BILL 13JUL23	SOVEREIGN	5.50%
Cash Equivalent		1.62%
TREPS*		2.14%
Net Current Assets:		-0.52%
Total Net Assets as on 30-JUNE-2023		100.00%

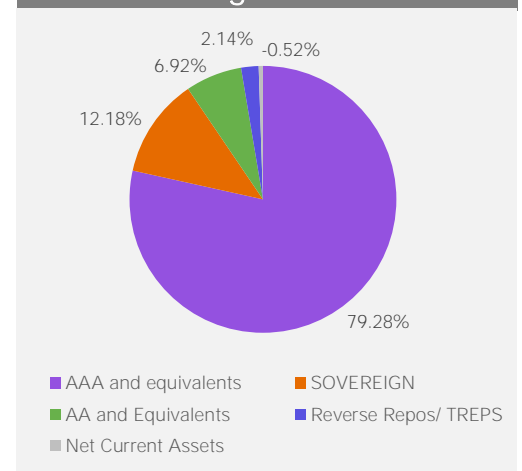
*TREPS : Tri-Party Repo



Asset Allocation





Rating Portfolio



Investment Objective

The investment objective is to provide liquidity and reasonable returns by investing primarily in a mix of short term debt and money market instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

HSBC Low Duration Fund (Erstwhile L&T Low Duration Fund)		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>Low Duration Fund - An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months (for details on Macaulay's Duration please refer to SID under the section "Asset Allocation Pattern"). A 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"> Liquidity over short term Investment in Debt / Money Market Instruments such that the Macaulay[^] duration of the portfolio is between 6 months to 12 months <p><small>* 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.</small></p> <p>Note on Risk-o-meters: Riskometer is as on 30 June 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</p>	<p>Benchmark Index: NIFTY Low Duration Debt Index B-I</p> 

Potential Risk Class (HSBC Low 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.			

Note - Sonal Gupta shall be dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Past performance is not an indicator of future returns. Source: HSBC Asset Management India, data as at 30 June 2023,

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