

Product Note

HSBC Credit Risk Fund (HCRF) (Erstwhile L&T Credit Risk Fund)

Credit Risk Fund - An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A relatively high interest rate risk and relatively high credit risk.

July 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM
Credit Risk	Shriram Ramanathan and Kapil Lal Punjabi	NIFTY Credit Risk Bond Index C-III	8 Oct 2009	Rs. 200.91 Cr

Quantitative Data	
Average Maturity	1.44 years
Modified Duration	1.25 year
Macaulay Duration	1.33 year
Yield to Maturity	8.06%

Minimum Investment		
Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Entry Load - NA		

Exit Load :

- Units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 2 years from the date of allotment – Nil
- Units redeemed or switched out are over and above the limit within 1 year from the date of allotment –3%.
- Units redeemed or switched on or after 1 year upto 2 years from the date of allotment –2%.
- Units redeemed or switched on or after 2 years from the date of allotment –Nil

Why HSBC Credit Risk Fund?

- Fund follows an accrual-based, yield-enhancement strategy
- Low portfolio turnover to help generate returns through accrual
- Robust credit selection process to spot mispriced credit opportunities
- Investors comfortable with adding some credit risk to generate higher accrual while keeping interest rate risk low, could consider investing in this fund

Fund Strategy

- The fund offers a yield pick up over traditional bond funds and has the potential to deliver outperformance over the medium term
- Rigorous credit monitoring conducted by in-house credit research team
- To create a corpus through generating inflation-adjusted returns

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

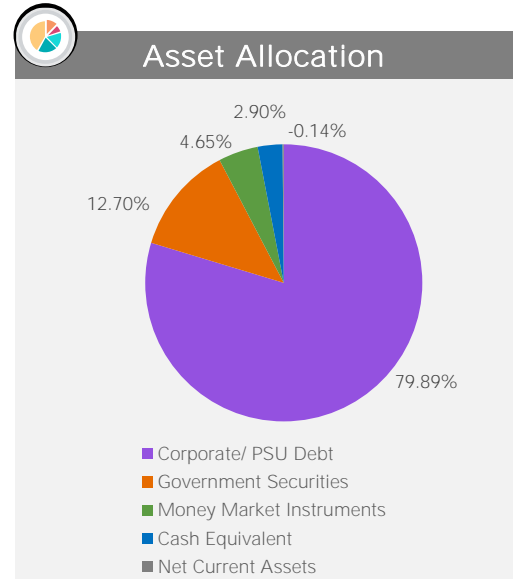
The fund had changes to its fundamental attributes as per the notice published on 15 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

Portfolio

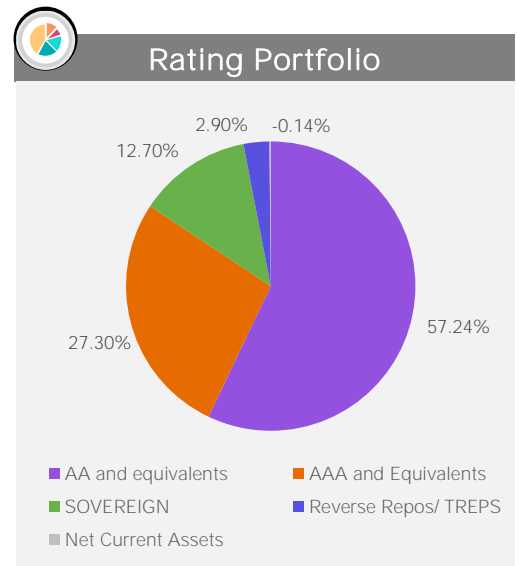
Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		79.89%
TVS Credit Services Limited	CRISIL AA	7.91%
JSW Steel Limited	CARE AA	7.64%
TMF Holdings Limited	CRISIL AA	7.55%
Indian Oil Corporation Limited	CRISIL AAA	7.46%
National Bank for Agriculture & Rural Development	ICRA AAA	7.40%
Tata Motors Limited	ICRA AA-	5.48%
ONGC Petro Additions Limited	ICRA AA	5.29%
Nuvoco Vistas Corp Limited	CRISIL AA	5.25%
Godrej Industries Limited	CRISIL AA	4.92%
Oriental Nagpur Betul Highway Limited	CRISIL AAA	4.28%
Tata power Company Limited	IND AA	2.90%
Godrej Housing Finance Limited	CRISIL AA	2.61%
HINDUJA LEYLAND FINANCE LIMITED	CRISIL AA	2.60%
Tata Housing Development Company Limited	CARE AA	2.59%
Aadhar Housing Finance Limited	IND AA	2.50%
Yarrow Infrastructure Pvt Limited	IND AAA (CE)	1.68%
Vector Green Prayagraj Solar Pvt Limited	IND AAA (CE)	0.62%
Malwa Solar Power Generation Pvt Limited	IND AAA (CE)	0.53%
Sepset Constructions Pvt Limited	IND AAA (CE)	0.52%
Priapus Infrastructure Pvt Limited	IND AAA (CE)	0.08%
Citra Real Estate Limited	IND AAA (CE)	0.08%
Money Market Instruments		
Certificate of Deposit		4.65%
Small Industries Development Bank of India	CRISIL A1+	4.65%
Government Securities		12.70%
GOI FRB - 22SEP33	SOVEREIGN	7.66%
7.38% GOI 20JUN2027	SOVEREIGN	5.04%
Cash Equivalent		2.76%
TREPS*		2.90%
Net Current Assets:		-0.14%
Total Net Assets as on 30-JUNE-2023		100.00%

*TREPS : Tri-Party Repo

Asset Allocation

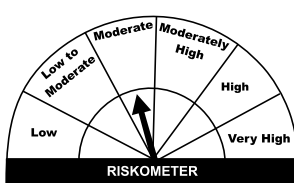
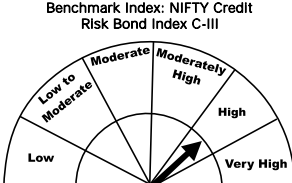


Rating Portfolio



Investment Objective

To generate regular returns and capital appreciation by investing predominantly in AA and below rated corporate bonds, debt, government securities and money market instruments. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

HSBC Credit Risk Fund (Erstwhile L&T Credit Risk Fund)		
 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderate risk</p>	<p>Credit Risk Fund - An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+rated corporate bonds). A relatively high interest rate risk and relatively high credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Generation of regular returns and capital appreciation over medium to long term • Investment in debt instruments (including securitized debt), government and money market securities <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</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 Credit Risk Bond Index C-III</p>  <p>RISKOMETER</p>

Potential Risk Class (HSBC Credit Risk 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)			C-III
A Scheme with Relatively High interest rate risk and High 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.