

HSBC Income Plus Arbitrage Active FOF

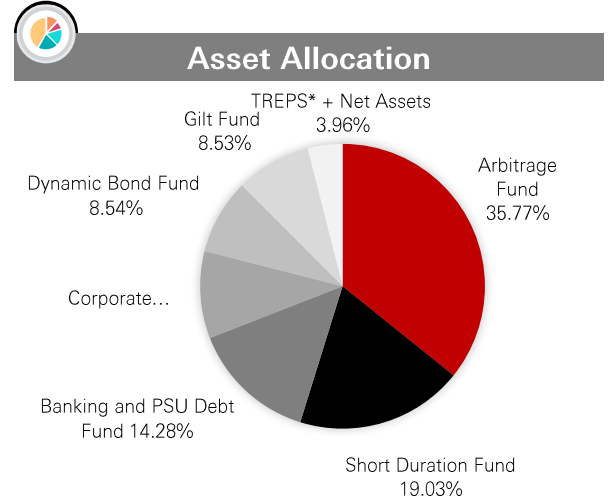
(Erstwhile HSBC Managed Solutions India – Conservative Plan)
(An open-ended Income plus Arbitrage Active Fund of Fund scheme)
Product Note | June 2025

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM ² &
Hybrid FoF - Income plus Arbitrage FoF	Mohd Asif Rizwi, Mahesh Chhabria	65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index	30-Apr-14	Rs 352.32 Cr

Portfolio

Issuer	% to Net Assets
Mutual Fund Units	96.04%
HSBC Arbitrage Fund Direct Growth	35.77%
HSBC Short Duration Fund - Direct Growth	19.03%
HSBC Banking and PSU Debt Fund - Direct Growth	14.28%
HSBC Corporate Bond Fund - Direct Growth	9.89%
HSBC Dynamic Bond Fund - Direct Growth	8.54%
HSBC Gilt Fund - Direct Growth	8.53%
TREPS* + Net Assets	3.96%
Total Net Assets as on 31-May-2025	100.00%

*TREPS : Tri-Party Repo fully collateralized by G-Sec



Asset Type	Equity	Fixed Income		Fixed Income	
Strategies	Arbitrage Strategy	Core Fixed Income Strategy		Alpha Generating Strategy	
Fund Allocations	HSBC Arbitrage Fund + Cash	HSBC Banking and PSU Debt Fund	HSBC Short Duration Fund	HSBC Gilt Fund	HSBC Dynamic Bond Fund
Mod Duration	-	2.99	2.79	10.26	8.13

A scheme with an active mix of Arbitrage and Actively managed exposure across high quality debt funds.

HSBC Income Plus Arbitrage Active FoF*	
(An open-ended Income plus Arbitrage Active Fund of Fund scheme)	
Arbitrage (35-45%)	Active Debt allocation (55-65%)
100% Hedged Equity Exposure	<ul style="list-style-type: none"> High Asset quality (100% Sovereign / AAA) Active allocation across debt fund categories across maturities depending on the macro view and interest rate scenario

¹ As per clause 1.9 of the SEBI Master Circular for Mutual Funds no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90d 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. Furthermore, the same is effective from 01 December 2021.² AUM is as on 31 May 2025.

² For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investorresources/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). Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision.

[Click here](#) to refer to the notice of 'Categorization of HSBC Managed Solutions Fund'

Source – HSBC Mutual Fund, Data as of 31 May 2025. Past performance may or may not be sustained in the future and is not indicative of future results.

Fund of Fund (FOF) Note - The investors are bearing the recurring expenses of the scheme, in addition to the expenses of other schemes in which the Fund of Funds Scheme makes investments. Note : Please refer to Scheme Information Document for more details on Asset Allocation of the scheme.

- HSBC Income Plus Arbitrage Active FoF allows the Fund Manager to switch between debt schemes without any tax incidence to adapt to market conditions – thereby optimizing capital gains for investors
- Aims to offer reasonable returns compared to an only debt-strategy with better tax-efficiency (12.5% tax with a 2-year investment horizon)

Investment Objective

- The investment objective is to generate income / long-term capital appreciation by investing in units of debt-oriented and arbitrage schemes and money market instruments. However, there is no assurance that the investment objective of the Scheme will be achieved.

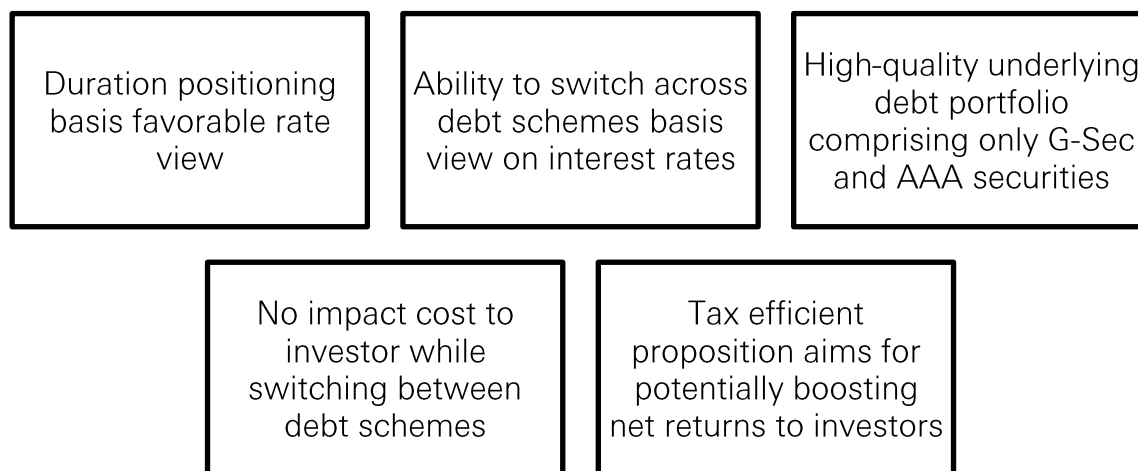
Our Philosophy

- Focus on investors' risk profile to meet the needs and preference of investors
- Deliver solutions through Fund of Funds (FoF) feeding into HSBC/third party funds
- Active investment opportunity supported by variety of debt schemes across maturity, credits and investment strategies

Why HSBC Income Plus Arbitrage Active FoF?

- To benefit from exposure to arbitrage and debt-oriented schemes with the aim to capture the opportunities offered by Indian debt markets
- True to label fund – The fund will stay true to its objective in keeping with the mandate reposed by the investor whilst investing in the fund
- Dynamic management of maturity through underlying scheme selection to generate alpha and capture accrual opportunities

Key takeaways: HSBC Income Plus Arbitrage Active FoF






Data as on 31 May 2025, Please refer Scheme Information Document (SID) for more details on scheme.

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Source – HSBC Mutual Fund, Bloomberg, RBI, CCIL, Data as on May 08, 2025, Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision. Past performance may or may not be sustained in the future and is not indicative of future results. Investors should consult their tax consultant if in doubt about whether the product is suitable for them.

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Riskometer (as applicable)
<p>HSBC Income Plus Arbitrage Active FOF (Erstwhile HSBC Managed Solutions India - Conservative)</p> <p>(An open-ended Income plus Arbitrage Active Fund of Fund scheme)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">• To provide income over the long-term.• Investing predominantly in schemes of debt mutual funds, Arbitrage Funds and money market instruments. <p>Benchmark Index : 65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index</p>		<p>Benchmark Index : Composite index constituting 65% NIFTY Short Duration Debt Index</p>  <p>Nifty 50 Arbitrage Index</p> 

Data as on 31 May 2025, Please refer Scheme Information Document (SID) for more details on scheme.

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HSBC Arbitrage Fund		
<div> <div> <div>*Scheme Riskometer</div> <div>The risk of the scheme is Low Risk</div> </div> <div> <div>(An open ended scheme investing in arbitrage opportunities)</div> <div> This product is suitable for investors who are seeking*: <ul style="list-style-type: none"> Generation of reasonable returns over short to medium term Investment predominantly in arbitrage opportunities in the cash and derivatives segments of the equity markets; and debt and money market instrument </div> <div>As per AMFI Tier I Benchmark i.e. Benchmark Index: Nifty 50 Arbitrage Index</div> </div> </div>		<div> <div> <div>Benchmark Riskometer (as applicable)</div> <div>The risk of the benchmark is Low Risk</div> </div> </div>

Scheme name and Type of scheme	*Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div> <div>HSBC Banking and PSU Debt Fund</div> <div> (An open ended debt scheme primarily investing in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds. A relatively high interest rate risk and relatively low credit risk.) </div> <div> This product is suitable for investors who are seeking*: <ul style="list-style-type: none"> Generation of reasonable returns and liquidity over short term Investment predominantly in securities issued by Banks, Public Sector Undertakings and Public Financial Institutions and municipal corporations in India </div> </div>	<div> <div>The risk of the scheme is Moderate Risk</div> </div>	<div> <div>As per AMFI Tier 1. Benchmark Index: NIFTY Banking & PSU Debt Index A-II</div> <div>The risk of the benchmark is Low to Moderate Risk</div> </div>


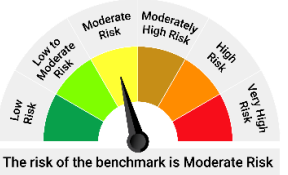
Potential Risk Class (HSBC Banking and PSU Debt Fund)			
Credit Risk →			
Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		
A Scheme with Relatively High interest rate risk and Low credit risk.			

Scheme name and Type of scheme	*Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div> <div>HSBC Short Duration Fund</div> <div> (An open ended short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 1 year to 3 years (please refer to page no. 11 of SID for details on Macaulay's Duration). A Moderate interest rate risk and Relatively Low credit risk.) </div> <div> This product is suitable for investors who are seeking*: <ul style="list-style-type: none"> Generation of regular returns over short term Investment in fixed income securities of shorter-term maturity. </div> </div>	<div> <div>The risk of the scheme is Moderate Risk</div> </div>	<div> <div>As per AMFI Tier 1. Benchmark Index: NIFTY Short Duration Debt Index A-II</div> <div>The risk of the benchmark is Low to Moderate Risk</div> </div>

Potential Risk Class (HSBC Short Duration Fund)			
Credit Risk →			
Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)	A-II		
Relatively High (Class III)			
A Scheme with Relatively Moderate interest rate risk and Relatively Low Credit Risk.			



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

Note on Risk-o-meters: Riskometer is as on 31 May 2025. 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 ('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.

Scheme name and Type of scheme	*Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
HSBC Gilt Fund (An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.) This product is suitable for investors who are seeking*: <ul style="list-style-type: none"> • Generation of returns over medium to long term • Investment in Government Securities. 	 <p>The risk of the scheme is Moderate Risk</p>	As per AMFI Tier 1. Benchmark Index: NIFTY All Duration G-Sec Index  <p>The risk of the benchmark is Moderate Risk</p>

Potential Risk Class (HSBC Gilt 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)	A-III		
A Scheme with Relatively High interest rate risk and Low credit risk.			

Scheme name and Type of scheme	*Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
HSBC Dynamic Bond Fund (An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and relatively low credit risk.) This product is suitable for investors who are seeking*: <ul style="list-style-type: none"> • Generation of reasonable returns over medium to long term • Investment in fixed income securities 	 <p>The risk of the scheme is Moderate Risk</p>	As per AMFI Tier 1. Benchmark Index: NIFTY All Duration G-Sec Index  <p>The risk of the benchmark is Moderate Risk</p>

Potential Risk Class (HSBC Dynamic Bond 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)	A-III		
A Scheme with Relatively High interest rate risk and Low credit risk.			

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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 May 2025

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