

## Product Note

### HSBC Short Duration Fund (HSDF)

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. A Moderate interest rate risk and Relatively Low Credit Risk. Please refer page 17 of the SID for explanation on Macaulay Duration.

April 2024

| Fund Category       | Fund Manager                    | Benchmark <sup>1, 2</sup>            | Inception Date | AUM <sup>3</sup> & |
|---------------------|---------------------------------|--------------------------------------|----------------|--------------------|
| Short Duration Fund | Jalpan Shah and Mohd Asif Rizwi | NIFTY Short Duration Debt Index A-II | 27 Dec 2011    | Rs. 3600.48 Cr     |

| Quantitative Data              |            | Minimum Investment |       |                     |
|--------------------------------|------------|--------------------|-------|---------------------|
| Average Maturity               | 3.18 years | Lumpsum            | SIP   | Additional Purchase |
| Modified Duration              | 2.66 years | ₹ 5,000            | ₹ 500 | ₹ 1,000             |
| Macaulay Duration <sup>^</sup> | 2.80 years |                    |       |                     |
| Yield to Maturity              | 7.49%      |                    |       |                     |

### Why HSBC Short Duration Fund?

- The fund offers a prudent portfolio in line with the risk appetite of the investors
- Demonstrated ability to identify value-buying opportunities and to reposition the portfolio basis evolving interest rate environment

### Fund Approach

- The scheme aims at generating returns through yield accrual while also capturing potential opportunities of capital appreciation
- Aim to maintain the high credit quality, with 100% of the portfolio in AAA or equivalent securities

**Entry Load\***: Not Applicable, **Exit Load**: NIL, \* In terms of 10.4.1.a. of SEBI Master Circular on Mutual Funds dated May 19, 2023, no entry load will be charged to the investor.  
**Month End Total Expenses Ratios (Annualized)<sup>4</sup>** – Regular<sup>5</sup>: 0.75%, Direct: 0.27%

<sup>1</sup>As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, 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. <sup>2</sup>Fund's benchmark has changed with effect from 4 Sep 2023.

<sup>3</sup>AUM is as on 31 March 2024.

<sup>4</sup>TER Annualized TER including GST on Investment Management Fees

<sup>5</sup>Continuing plans

<sup>6</sup>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 above information is for illustrative purposes only. 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).

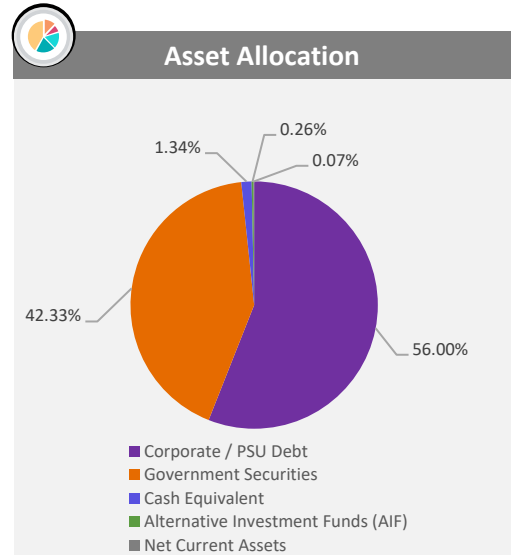
Source – HSBC Mutual Fund, Data as of 31 March 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

## Portfolio

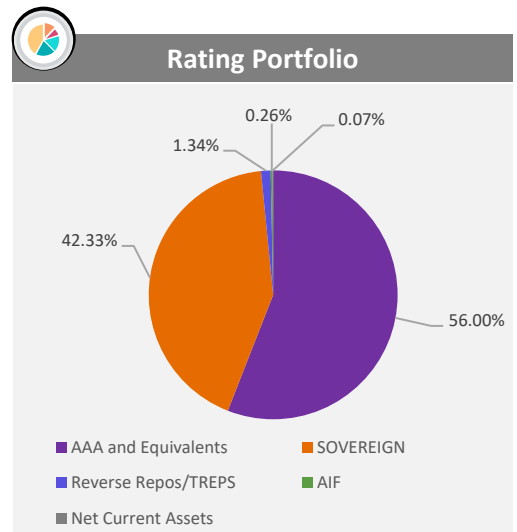
| Issuer                                                         | Rating                | % to Net Assets |
|----------------------------------------------------------------|-----------------------|-----------------|
| <b>Corporate Bonds / Debentures</b>                            |                       | <b>56.00%</b>   |
| Power Finance Corporation Limited                              | CRISIL AAA            | 7.32%           |
| National Bank for Agriculture & Rural Development              | CRISIL AAA            | 7.19%           |
| Indian Railway Finance Corporation Limited                     | CRISIL AAA            | 6.50%           |
| HDFC Bank Limited                                              | CRISIL AAA            | 5.50%           |
| Small Industries Development Bank of India                     | CRISIL AAA / ICRA AAA | 8.02%           |
| Bajaj Finance Limited                                          | CRISIL AAA            | 4.25%           |
| Rec Limited                                                    | CARE AAA / CRISIL AAA | 5.81%           |
| National Housing Bank                                          | CRISIL AAA            | 2.93%           |
| LIC Housing Finance Limited                                    | CRISIL AAA            | 2.85%           |
| Jamnagar Utilities and Power Pvt Limited (Mukesh Ambani Group) | CRISIL AAA            | 2.78%           |
| Kotak Mahindra Prime Limited                                   | CRISIL AAA            | 2.57%           |
| Bajaj Housing Finance Limited                                  | CRISIL AAA            | 0.28%           |
| <b>Government Securities</b>                                   |                       | <b>42.33%</b>   |
| 7.06% GOI 10APR28                                              | SOVEREIGN             | 15.79%          |
| 7.37% GOI 23OCT2028                                            | SOVEREIGN             | 10.59%          |
| 7.10% GOI 18APR29                                              | SOVEREIGN             | 10.05%          |
| 7.38% GOI 20JUN2027                                            | SOVEREIGN             | 5.72%           |
| 8.50% JAMMU & KASHMIR 30MAR2025 SDL                            | SOVEREIGN             | 0.14%           |
| 7.72% GOI 25MAY25                                              | SOVEREIGN             | 0.04%           |
| <b>Alternative Investment Funds (AIF)</b>                      |                       | <b>0.26%</b>    |
| CDMDF CLASS A2                                                 | AIF                   | 0.26%           |
| <b>Cash Equivalent</b>                                         |                       | <b>1.41%</b>    |
| <b>TREPS*</b>                                                  |                       | <b>1.34%</b>    |
| <b>Net Current Assets</b>                                      |                       | <b>0.07%</b>    |
| <b>Total Net Assets as on 31-March-2024</b>                    |                       | <b>100.00%</b>  |

\*TREPS : Tri-Party Repo

## Asset Allocation



## Rating Portfolio



## Investment Objective

To provide a reasonable income through a diversified portfolio of fixed income securities such that the Macaulay duration of the portfolio is between 1 year to 3 years. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

Fund Manager - Jalpan Shah Effective 30 May 2016. Total Schemes Managed - 6  
Fund Manager - Mohd Asif Rizwi Effective 15 Jan 2024. Total Schemes Managed - 2

| Lump Sum Investment Performance                         |             |           |             |           |             |           |                 |           | Inception Date |
|---------------------------------------------------------|-------------|-----------|-------------|-----------|-------------|-----------|-----------------|-----------|----------------|
| Fund / Benchmark<br>(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 Short Duration Fund - Regular Plan <sup>6</sup>    | 10684       | 6.82      | 11487       | 4.73      | 12895       | 5.21      | 22573           | 6.86      | 27-Dec-11      |
| Scheme Benchmark (NIFTY Short Duration Debt Index A-II) | 10746       | 7.44      | 11665       | 5.26      | 13636       | 6.39      | 24778           | 7.68      |                |
| Additional Benchmark (CRISIL 10 year Gilt Index)        | 10854       | 8.52      | 11347       | 4.30      | 13482       | 6.14      | 22212           | 6.72      |                |

**Note :** Mohd. Asif Rizwi is managing the fund since January 15, 2024. For more details, investors are requested to refer Notice cum Addendum dated January 10, 2024 available on website of HSBC Mutual Fund.

**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 March 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 May 19, 2023, 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 May 19, 2023, 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 10


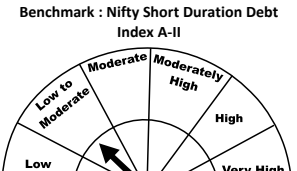
Returns for Debt schemes has been calculated as on last business day NAV provided as on 31 March 2024.

<sup>6</sup>HSBC Short Duration Fund - Effective September 04, 2023 the Benchmark has been changed from NIFTY Short Duration Debt Index B-II to NIFTY Short Duration Debt Index A-II.

Source: HSBC Mutual Fund, data as on 31 March 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                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>HSBC Short Duration Fund</b></p> <p>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.17 of the SID for details on Macaulay's Duration). A Moderate interest rate risk and Relatively Low Credit Risk.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Generation of regular returns over short term</li> <li>• Investment in fixed income securities of shorter term maturity.</li> </ul> |  <p>Investors understand that their principal will be at Moderate risk</p> | <p>Benchmark : Nifty Short Duration Debt Index A-II</p>  |

\* 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 March 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 ↓                                                                  |                          |                    |                           |
| <b>Relatively Low (Class I)</b>                                                       |                          |                    |                           |
| <b>Moderate (Class II)</b>                                                            | <b>A-II</b>              |                    |                           |
| <b>Relatively High (Class III)</b>                                                    |                          |                    |                           |
| <b>A Scheme with Relatively Moderate interest rate risk and Moderate credit risk.</b> |                          |                    |                           |

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.

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