

## Product Note

### HSBC Corporate Bond Fund (HCBF)

(An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and relatively low credit risk)  
September 2024

Fund Category	Fund Manager	Benchmark <sup>1, 2</sup>	Inception Date	AUM <sup>3&amp;</sup>
Corporate Bond	Kapil Punjabi <sup>@</sup> and Shriram Ramanathan	NIFTY Corporate Bond Index A-II	31 Mar 1997	Rs. 6,176.66 Cr

Quantitative Data		Minimum Investment		
Average Maturity	4.20 years	Lumpsum	SIP	Additional Purchase
Modified Duration	3.39 years	₹ 5,000	₹ 500	₹ 1,000
Macaulay Duration	3.59 years			
Yield to Maturity	7.33%			

### Why Corporate Bond Fund?

- The fund's portfolio would carry a relatively low credit risk by virtue of its focus on investing predominantly in AAA rated credits
- Aims to create a corpus through inflation-adjusted returns

### Fund Approach

- HSBC Corporate Bond Fund follows a passive roll-down strategy targeting a maturity of July - Sept 2028, with 100% of the portfolio invested in AAA Corporate bonds and Government Securities
- The fund endeavors to remain invested in bonds of AAA rated companies
- The fund aims to generate significant proportion of the total returns in the form of income yield from accrual of high-quality credit

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

**Month End Total Expenses Ratios (Annualized)<sup>4</sup> – Regular<sup>5</sup>:** 0.64%, Direct: 0.30%.

<sup>1</sup> 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. <sup>2</sup> Fund's benchmark has changed with effect from May 01, 2024.

<sup>3</sup> AUM is as on 30 August 2024

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

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

<sup>&</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 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).

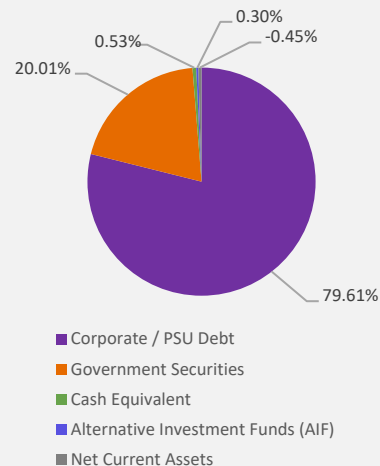
Source – HSBC Mutual Fund, Data as on 30 August 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

## Portfolio

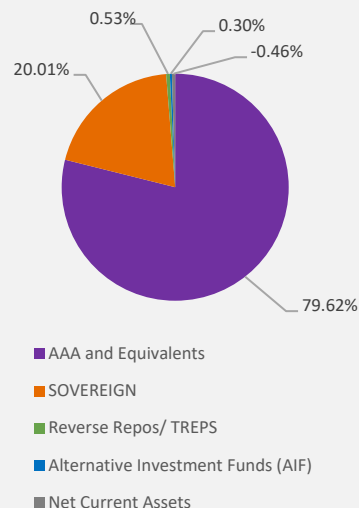
Issuer	Rating	% to Net Assets
<b>Corporate Bonds / Debentures</b>		<b>79.61%</b>
National Highways Authority of India	CRISIL AAA	9.26%
NTPC Limited	CRISIL AAA	8.39%
HDFC Bank Limited	CRISIL AAA	7.80%
Power Grid Corporation of India Limited	CRISIL AAA	7.20%
Indian Railway Finance Corporation Limited	CRISIL AAA	6.81%
Indian Oil Corporation Limited	CRISIL AAA	5.32%
Rec Limited	CRISIL AAA	5.30%
ICICI Bank Limited	CARE AAA	4.92%
National Bank for Agriculture & Rural Development	CRISIL AAA / ICRA AAA	6.67%
LIC Housing Finance Limited	CRISIL AAA	3.67%
Housing and Urban Development Corporation Limited	CARE AAA / ICRA AAA	3.34%
Export Import Bank of India	CRISIL AAA	2.87%
Power Finance Corporation Limited	CRISIL AAA	2.56%
Bajaj Finance Limited	CRISIL AAA	2.07%
Kotak Mahindra Bank Limited	CRISIL AAA	1.72%
Nuclear Power Corporation Of India Limited	CRISIL AAA	0.83%
Food Corporation of India Limited	CRISIL AAA (CE)	0.45%
Kotak Mahindra Prime Limited	CRISIL AAA	0.44%
<b>Government Securities</b>		<b>20.01%</b>
7.38% GOI 20JUN2027	SOVEREIGN	7.51%
7.06% GOI 10APR28	SOVEREIGN	3.77%
7.37% GOI 23OCT2028	SOVEREIGN	1.86%
7.17% GOI 08JAN28	SOVEREIGN	1.86%
7.15% KARNATAKA 09OCT28 SDL	SOVEREIGN	1.59%
7.26% GS 2029	SOVEREIGN	1.08%
6.47% MAHARASHTRA 21OCT2028 SDL	SOVEREIGN	0.81%
6.44% MAHARASHTRA 12AUG28 SDL	SOVEREIGN	0.80%
6.35% MAHARASHTRA SDL 25Nov2028	SOVEREIGN	0.40%
7.05% Gujarat SGS 14Aug2028	SOVEREIGN	0.33%
<b>Alternative Investment Funds (AIF)</b>		<b>0.30%</b>
CDMDF CLASS A2	AIF	0.30%
<b>Cash Equivalent</b>		<b>0.08%</b>
<b>TREPS*</b>		<b>0.53%</b>
<b>Net Current Assets</b>		<b>-0.45%</b>
<b>Total Net Assets as on 31-August-2024</b>		<b>100.00%</b>

\*TREPS : Tri-Party Repo

## Asset Allocation



## Rating Portfolio



## Investment Objective

To generate regular return by investing predominantly in AA+ and above rated debt 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.

Fund Manager - Kapil Punjabi Effective 01 September 2024. Total Schemes Managed - 17  
Fund Manager - Shriram Ramanathan Effective 30 Jun 2014. Total Schemes Managed - 11

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 Invested)	1 Year		3 Years		5 Years		Since Inception		31-Mar-'97
	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	
HSBC Corporate Bond Fund - Regular Plan <sup>***</sup>	10757	7.57	11680	5.31	13703	6.50	68184	7.25	
Scheme Benchmark (NIFTY Corporate Bond Index A-II)	10736	7.36	11698	5.37	13651	6.42	NA	NA	
Additional Benchmark (CRISIL 10 year Gilt Index)	10882	8.82	11592	5.05	12939	5.28	NA	NA	

**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 August 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 10

Source: HSBC Mutual Fund, data as on 30 August 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><b>HSBC Corporate Bond Fund</b></p> <p>(An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high 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 and stable income over medium to long term</li> <li>• Investment predominantly in AA+ and above rated corporate bonds and money market instruments</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderate risk</p>	<p>As per AMFI Tier I <b>Benchmark Index: NIFTY Corporate Bond Index A-II</b></p>  <p>RISKOMETER</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 30 August 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 Corporate 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		
<b>A Scheme with Relatively High interest rate risk and Low 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.

**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 30 August 2024

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