

Fund Overview

HSBC Overnight Fund

Overnight fund – An open ended debt scheme investing in overnight securities. Relatively Low interest rate risk and relatively Low credit risk. (L&T Overnight Fund has merged into HSBC Overnight Fund



May 2023

| | |
|---------------------------------|---|
| Fund Launch Date | 22 May 2019 |
| Fund manager | Kapil Lal Punjabi/ Mahesh Chhabria |
| Investment Manager | HSBC Asset Management (India) Pvt. Ltd |
| Currency | INR |
| Fund Domicile | India |
| Benchmark | NIFTY 1D Rate Index ³ |
| Dealing | Every Business Day |
| Cut-off Time¹ | 13:30 for Subscriptions and Switch Ins, 15:00 for Redemption and Switch Outs |
| Settlement | T+1 |

Overview

- ◆ Provides institutional investors with an opportunity to invest in short-term INR denominated money market instruments.
- ◆ Main objectives/strategy includes:
 - Daily liquidity ^^
 - Active risk management
 - Extensive credit research

Notes:

(1) Subscription is subject to availability of funds for utilization before the cut-off time without availing any credit facility. ((2) 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

^^ Daily liquidity - As per the Regulations, the Fund shall dispatch the redemption proceeds within 10 Business Days from the date of acceptance of redemption request.

"As per SEBI circular dated November 25, 2022 or as amended from time to time, with effect from January 14, 2023, the Fund shall transfer the redemption / repurchase proceeds within 3 working Days, from the date of acceptance of redemption request." Under normal circumstances, the Fund will endeavour to dispatch the redemption proceeds 1 Business Day from the date of receiving a valid redemption request before the cut off time.

Document date : 12 May 2023

Portfolio characteristics

| | |
|--------------------------------|-------|
| Yield to Maturity ¹ | 6.83% |
| Current AUM (~INR m) | 28543 |
| Current WAM ² | 1 day |
| Maximum Maturity | 1 day |
| Maximum WAM ³ | 1 day |

Fund Information

| | Features |
|-----------------|------------------|
| Current NAV | INR 1172.1135 |
| Settlement Date | T+1 ⁴ |

| Fund Name | Total Expense Ratio (TER) (as of 30 April 2023) | Minimum Application Amount (Rs) | Minimum Redemption/ Switch Account (Rs) |
|-----------------|--|------------------------------------|--|
| HOF | 0.20% ³ | 5,000 | 1,000 |
| HOF Direct Plan | 0.10% ³ | 5,000 | 1,000 |

HSBC Mutual Fund/HSBC Asset Management (India) Private Limited would update the current expense ratios (TER) on its website at least three working days prior to the effective date of the change. Details of such changes can be referred on the following link under the Daily TER section: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds>

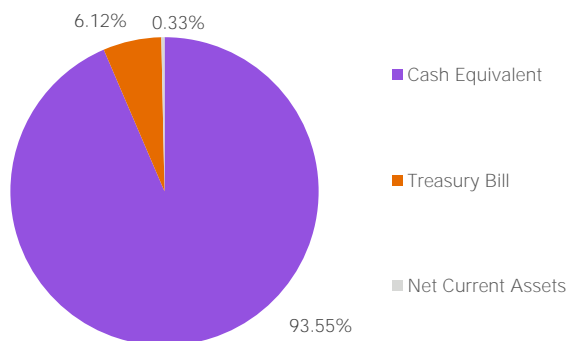
Source: HSBC Asset Management, data as of 30 April 2023

Notes:

1. YTM Based on investment amount
2. The Weighted Average Maturity (WAM) of the fund
3. TER is annualized and includes GST on Investment Management fees
4. As per the local regulations, the fund shall dispatch the redemption proceeds within 10 business days from the date of acceptance of redemption request. "As per SEBI circular dated November 25, 2022 or as amended from time to time, with effect from January 14, 2023, the Fund shall transfer the redemption / repurchase proceeds within 3 working Days, from the date of acceptance of redemption request." Under normal circumstances, the Fund will endeavour to dispatch the redemption proceeds within 1 business day from the date of receiving redemption request.

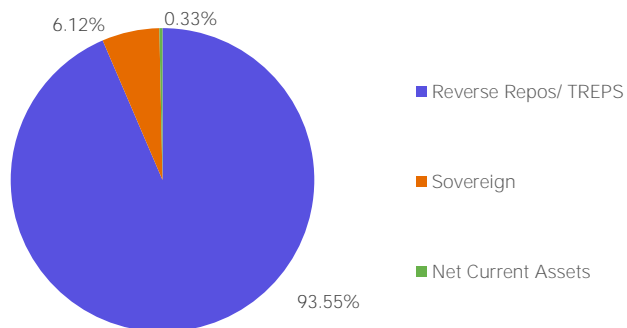
Portfolio Compositions¹

Instrument Mix



Credit Quality Mix – local*

credit rating agencies' short-term ratings



| Top 10 issuers/counterparties | NAV | % |
|---|-----|----------------|
| Treasury Bill | | 6.12% |
| 364 DAY TBILL 25MAY23 | | 2.62% |
| 91 DAYS T-BILL 18MAY23 | | 1.75% |
| 182 DAYS T-BILL 18MAY23 | | 1.75% |
| Cash Equivalent | | 93.88% |
| TREPS* | | 12.28% |
| Reverse Repos | | 81.27% |
| Net Current Assets: | | 0.33% |
| Total Net Assets as on 30-APRIL-2023 | | 100.00% |

Investment process and team

Our investment process is active, fundamental and value driven. It combines qualitative top-down analysis of macroeconomic and market dynamics, with structured bottom-up research into individual bond issuers and fixed income securities. While investment decisions are taken locally to ensure focus and accountability, our portfolio managers in India are able to access the expertise and experience of our investment professionals worldwide in order to gain a truly global perspective.

Notes:

* The rating mentioned above refers to the local credit rating in India. The rating criteria and methodology used by Indian local rating agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, the Indian local credit rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

1. Subject to change without notice.

Source: HSBC Asset Management, All data as on 30 April 2023 except otherwise mentioned

| Performance of other funds managed by the Fund Manager | | | | | | | | | |
|--|--------------|-----------|--------------|-----------|--------------|-----------|-----------------|-----------|-----------------|
| Fund / Benchmark (Value of Rs 10,000 invested) | 1 Year | | 3 Years | | 5 Years | | Since Inception | | Inception Date: |
| | Amount in Rs | Returns % | Amount in Rs | Returns % | Amount in Rs | Returns % | Amount in Rs | Returns % | |
| HSBC Overnight Fund - Regular | 10556 | 5.59 | 11219 | 3.92 | NA | NA | 11668 | 4.00 | 19-May-12 |
| Scheme Benchmark (NIFTY 1D Rate Index) | 10575 | 5.77 | 11275 | 4.09 | NA | NA | 11795 | 4.28 | |
| Additional Benchmark (CRISIL 1 Year T Bill Index) | 10498 | 5.01 | 11287 | 4.12 | NA | NA | 12179 | 5.13 | |
| HSBC Money Market Fund - Regular | 10530 | 5.31 | 11299 | 4.16 | 13114 | 5.56 | 33910 | 7.13 | 10-Aug-05 |
| Scheme Benchmark (Nifty Money Market Index B-I) | 10599 | 6.01 | 11444 | 4.61 | 13127 | 5.59 | 35583 | 7.42 | |
| Additional Benchmark (CRISIL 1 Year T Bill Index) | 10499 | 5.01 | 11287 | 4.12 | 13138 | 5.60 | 28196 | 6.02 | |
| HSBC Ultra Short Duration Fund - Reg | 10565 | 5.66 | 11428 | 4.56 | NA | NA | 11612 | 4.71 | 30-Jan-20 |
| Scheme Benchmark (NIFTY Ultra Short Duration Debt Index B-I) | 10630 | 6.32 | 11630 | 5.17 | NA | NA | 11824 | 5.30 | |
| Additional Benchmark (NIFTY Ultra Short Duration Debt Index) | 10641 | 6.43 | 11590 | 5.05 | NA | NA | 11779 | 5.17 | |
| Additional Benchmark (CRISIL 1 Year T Bill Index) | 10499 | 5.01 | 11287 | 4.12 | NA | NA | 11611 | 4.71 | |
| HSBC Banking and PSU Debt Fund | 10422 | 4.23 | 11538 | 4.89 | 13584 | 6.31 | 20822 | 7.14 | 12-Sep-12 |
| Scheme Benchmark (NIFTY Banking & PSU Debt Index) | 10524 | 5.26 | 11793 | 5.66 | 13941 | 6.86 | 21785 | 7.60 | |
| Additional Benchmark (CRISIL 10 year Gilt Index) | 10701 | 7.03 | 10952 | 3.08 | 13761 | 6.59 | 19556 | 6.51 | |

| Lump sum investment performance | | | | | | | | | | | | | | | |
|--|--------------|-----------|--------------|-----------|--------------|-----------|-----------------|-------------|--------------|-----------|--------------|-----------|-----------------|-----------|-----------------|
| Fund / Benchmark (Value of Rs 10,000 invested) | 7 Days | | 15 Days | | 30 Days | | 1 Year | | 3 Years | | 5 Years | | Since Inception | | Inception Date: |
| | Amount in Rs | Returns % | Amount in Rs | Returns % | Amount in Rs | Returns % | Amount in Rs | Returns (%) | Amount in Rs | Returns % | Amount in Rs | Returns % | Amount in Rs | Returns % | |
| HSBC Liquid Fund - Reg ⁷ | 10011 | 5.96 | 10025 | 6.14 | 10057 | 7.36 | 10591 | 5.95 | 11316 | 4.22 | 12897 | 5.21 | 22537 | 7.04 | 04-Dec-02 |
| Scheme Benchmark (Nifty Liquid Index B-I) | 10011 | 6.12 | 10026 | 6.55 | 10060 | 7.78 | 10613 | 6.17 | 11390 | 4.44 | 12970 | 5.33 | 22795 | 7.14 | |
| Additional Benchmark (CRISIL 1 Year T Bill Index) | 10015 | 8.41 | 10027 | 6.73 | 10081 | 10.69 | 10498 | 5.01 | 11287 | 4.12 | 13138 | 5.60 | 21366 | 6.56 | |
| Fund / Benchmark (Value of Rs10,000 invested) | 1 Year | | | | | | Since Inception | | | | | | Inception Date: | | |
| | Amount in Rs | | | Returns % | | | Amount in Rs | | | Returns % | | | | | |
| HSBC CRISIL IBX 50-50 Gilt Plus Apr 2028 Index Fund | 10586 | | | 5.88 | | | 10529 | | | 4.90 | | | 31-Mar-22 | | |
| Scheme Benchmark (CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028) | 10650 | | | 6.51 | | | 10546 | | | 5.06 | | | | | |
| Additional Benchmark (CRISIL 10 year Gilt Index) | 10701 | | | 7.03 | | | 10525 | | | 4.87 | | | | | |

Past performance may or may not be sustained in the future. Refer note below.

| Name of Scheme | Fund Manager | No. of funds managed and Co-managed |
|---|--|---|
| HSBC Overnight Fund | Kapil Lal Punjabi- Since May 22, 2019 Mahesh Chhabria- Since Nov 26, 2022 | Kapil Lal Punjabi-6 Mahesh Chhabria-4 |
| HSBC Liquid Fund | Kapil Lal Punjabi- Since Mar 14, 2014 Shriram Ramanathan - Since Nov 26, 2022 | Kapil Lal Punjabi-6 Shriram Ramanathan-11 |
| HSBC Money Market Fund | Kapil Lal Punjabi - Since Nov 26, 2022 Shriram Ramanathan- Since Mar 21, 2020 | Kapil Lal Punjabi-6 Shriram Ramanathan-11 |
| HSBC Ultra Short Duration Fund | Mahesh Chhabria - Since Nov 26, 2022 Jalpan Shah- Since Nov 26, 2022 | Mahesh Chhabria-4 Jalpan Shah-7 |
| HSBC Banking and PSU Fund | Mahesh Chhabria- Since Nov 26, 2022 Jalpan Shah- Since May 30, 2016 | Mahesh Chhabria-4 Jalpan Shah-7 |
| HSBC CRISIL IBX 50-50 Gilt Plus Apr 2028 Index Fund | Ritesh Jain - Since Nov 26, 2022 Kapil Lal Punjabi Since Mar 31, 2022 | Ritesh Jain-5 Kapil Lal Punjabi-6 |

Since Inception returns are provided from the date of allotment of units. PTP returns – Point to Point returns.

The performance details provided herein is 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 April 2023 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.

Pursuant to the transfer of schemes of L&T Mutual Fund to HSBC Mutual Fund, which was effective from the close of business hours of November 25, 2022, the performance of the Scheme (which is the surviving scheme out of the merger of schemes with similar features) provided above is computed as per the provisions of SEBI Circular No- SEBI/HO/IMD/DF3/CIR/P/2018/69 dated April 12, 2018 using the weighted average performance of both transferor and transferee schemes. The details of the transferor and transferee schemes please refer to our notice dated October 14, 2022 available on www.assetmanagement.hsbc.co.in.

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

⁷ HSBC Liquid Fund: Since there was no continuous NAV history available for the surviving Plan of HSBC Liquid Fund prior to May 19, 2011, returns since the said date have been considered for calculating Since Inception performance. The inception date of HSBC Liquid Fund however is December 4, 2002.

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

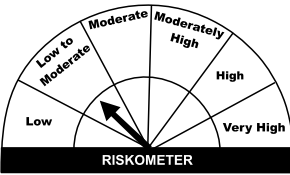
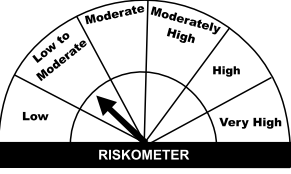
Key risks

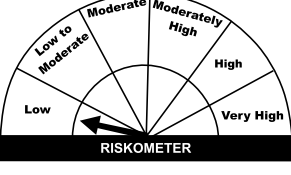

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.

- ◆ **Credit Risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e. will be unable to make timely principal and interest payments on the security).
- ◆ **Price-Risk or Interest Rate Risk:** As with all debt securities, changes in interest rates may affect the NAV of the Scheme(s) as the prices of securities increase as interest rates decline and decrease as interest rates rise.
- ◆ **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.
- ◆ **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme(s) are reinvested. The additional income from reinvestment is the "interest on interest" component

For more risk factors check the KIM or visit <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources#>

Product Label

| HSBC Liquid Fund (Erstwhile HSBC Cash Fund) | | |
|--|--|---|
|  <p>Investors understand that their principal will be at Low to Moderate risk</p> | <p>Liquid Fund - An open-ended Liquid Scheme. Relatively Low interest rate risk and Low credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Overnight liquidity over short term • Investment in Money Market Instruments <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <p>Benchmark Index: Nifty Liquid Index B-I</p>  |

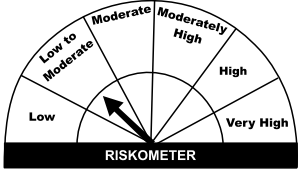

| HSBC Overnight Fund | | |
|---|--|---|
|  <p>Investors understand that their principal will be at Low risk</p> | <p>Overnight fund – An open ended debt scheme investing in overnight securities. Relatively Low interest rate risk and relatively Low credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Income over short term and high liquidity • Investment in debt & money market instruments with overnight maturity <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <p>Benchmark Index: NIFTY 1D Rate Index</p>  |

Potential Risk Class (HSBC Liquid Fund) & Potential Risk Class (HSBC Overnight Fund)

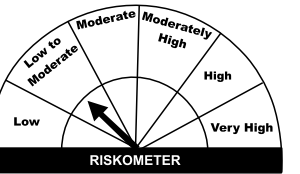
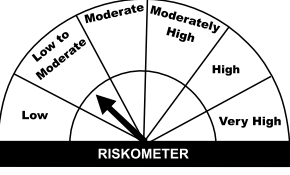
| Credit Risk → | Relatively Low (Class A) | Moderate (Class B) | Relatively High (Class C) |
|---|--------------------------|--------------------|---------------------------|
| Interest Rate Risk ↓ | | | |
| Relatively Low (Class I) | A-I | | |
| Moderate (Class II) | | | |
| Relatively High (Class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

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.

HSBC Money Market Fund (Erstwhile L&T Money Market Fund)

| | | |
|---|--|---|
|  <p>Investors understand that their principal will be at Low to Moderate risk</p> | <p>An open ended debt scheme investing in money market instruments. 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"> • Generation of regular income over short to medium term • Investment in money market instruments <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <p align="center">Benchmark Index: Nifty Money Market Index B-I</p>  |
|---|--|---|



HSBC Ultra Short Duration Fund

| | | |
|---|--|--|
|  <p>Investors understand that their principal will be at Low to Moderate risk</p> | <p>Ultra Short Duration Fund - An open ended ultra-short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 3 months to 6 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"> • Income over short term with low volatility. • Investment in debt & money market instruments such that the Macaulay Duration of the portfolio is between 3 months- 6 months. ^ <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <p align="center">Benchmark Index: NIFTY Ultra Short Duration Debt Index B-I</p>  |
|---|--|--|

Potential Risk Class (HSBC Money Market Fund) & (HSBC Ultra Short 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. | | | |

HSBC Banking & PSU Debt Fund (Erstwhile L&T Banking and PSU Debt Fund)

| | | |
|--|--|---|
|  <p>Investors understand that their principal will be at Moderate risk</p> | <p>Banking and PSU Fund - 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.</p> <p>This product is suitable for investors who are seeking*:</p> <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 <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <p align="center">Benchmark Index: NIFTY Banking & PSU Debt Index</p>  |
|--|--|---|

Potential Risk Class (HSBC Banking and PSU Debt 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. | | | |

^ 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.

Note on Risk-o-meters: Riskometer is as on 30 April 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

Past performance may or may not be sustained in the future. Source: HSBC Asset Management India, data as at 30 April 2023

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