

## Product Note

### HSBC Gilt Fund (HGIF)

(An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.)

August 2024

Fund Category	Fund Manager	Benchmark <sup>1, 2</sup>	Inception Date	AUM <sup>3&amp;</sup>
Gilt Fund	Shriram Ramanathan and Mohd Asif Rizwi <sup>@</sup>	Nifty All Duration G-Sec Index	29 Mar 2000	Rs. 190.20 Cr

Quantitative Data		Minimum Investment		
Average Maturity	13.52 years	Lumpsum	SIP	Additional Purchase
Modified Duration	7.49 years	₹ 5,000	₹ 500	₹ 1,000
Macaulay Duration	7.75 years			
Yield to Maturity	7.07%			

### Why HSBC Gilt Fund?

- The fund aims to generate alpha through active duration management
- Invests predominantly in sovereign instruments and hence has minimal credit risk
- The fund follows active duration management
- The fund is ideal for investors seeking appropriate risk adjusted returns in a volatile interest rate environment.
- In the current scenario where interest rates are nearing the peak in this cycle, there may be opportunities to capture alpha through strategic overweight duration in this fund.

### Fund Approach

- Actively managed fund investing across the yield curve in Govt. Securities and SDLs seeks to generate alpha
- Dynamic duration management endeavour to seize potential upsides when interest rates are expected to soften while also reducing risks in an uncertain environment
- Investments in a liquid portfolio to enable positioning changes based on evolving scenario.
- Allocation to duration through 7-10 year part of the yield curve.

**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>: 1.70%, Direct: 0.48%.

<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, 2022.

<sup>3</sup> AUM is as on 31 July 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 of 31 July 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

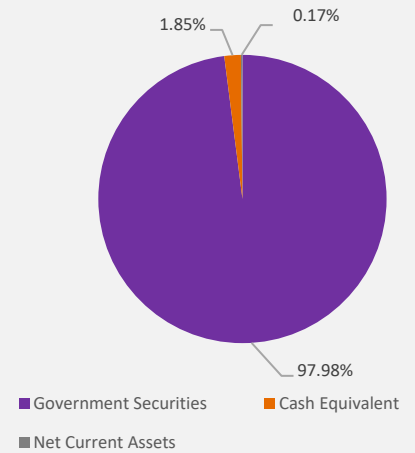
## Portfolio

Issuer	Rating	% to Net Assets
<b>Government Securities</b>		<b>97.98%</b>
7.32% GOI BOND 13NOV2030	SOVEREIGN	24.54%
7.18% GOI 24-Jul-2037	SOVEREIGN	16.06%
7.30% GOI 19JUN53	SOVEREIGN	13.65%
7.10% GOI 08-Apr-2034	SOVEREIGN	13.60%
7.18% GOI 14AUG2033 GSEC	SOVEREIGN	11.02%
7.23% GOI 15APR2039	SOVEREIGN	8.22%
7.34% GOI 22APR2064	SOVEREIGN	5.53%
7.04% GOI 03JUN29 G-SEC	SOVEREIGN	5.36%
<b>Cash Equivalent</b>		<b>2.02%</b>
<b>TREPS*</b>		<b>1.85%</b>
<b>Net Current Assets</b>		<b>0.17%</b>
<b>Total Net Assets as on 31-July-2024</b>		<b>100.00%</b>

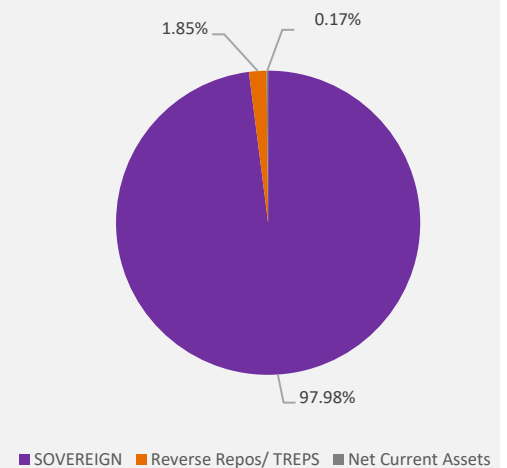
\*TREPS : Tri-Party Repo



## Asset Allocation



## Rating Portfolio



## Investment Objective

To generate returns from a portfolio from investments in Government Securities. 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 - Mohd Asif Rizwi Effective 01 August 2024. Total Schemes Managed - 5  
Fund Manager - Shriram Ramanathan Effective 03 Apr 2017. 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		
	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	
HSBC Gilt Fund - Regular Plan <sup>6</sup>	10794	7.92	11485	4.72	12777	5.02	62185	7.79	29-Mar-00
Scheme Benchmark (NIFTY All Duration G-Sec Index)	10940	9.37	12015	6.30	13680	6.46	NA	NA	
Additional Benchmark (CRISIL 10 year Gilt Index)	10836	8.33	11544	4.89	12714	4.91	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 July 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



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

<sup>6</sup>HSBC Gilt Fund: 6HSBC Gilt Fund: The launch date of the NIFTY All Duration G-Sec Index is Sep 03, 2001 whereas the inception date of the scheme is Mar 29, 2000. The corresponding benchmark returns since inception of the scheme not available. (NSE\_Indices\_Riskometer\_2022-11.pdf (niftyindices.com))

Source: HSBC Mutual Fund, data as on 31 July 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 Gilt Fund</b></p> <p>(An open ended debt scheme investing in government securities across maturity. 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"> <li>• Generation of returns over medium to long term</li> <li>• Investment in Government Securities.</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderate risk</p>	<p>As per AMFI Tier 1 Benchmark Index: NIFTY All Duration G-Sec Index</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 31 July 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 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)	<b>A-III</b>		
<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 31 July 2024

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