

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 (please refer to page no.16 of SID for details on Macaulay's Duration). A Moderate interest rate risk and Relatively Low credit risk.)

August 2024

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM ³ &
Short Duration Fund	Shriram Ramanathan [@] and Mohd Asif Rizwi	NIFTY Short Duration Debt Index A-II	27 Dec 2011	Rs. 3,762.76 Cr

Quantitative Data		Minimum Investment		
Average Maturity	3.22 years	Lumpsum	SIP	Additional Purchase
Modified Duration	2.63 years	₹ 5,000	₹ 500	₹ 1,000
Macaulay Duration [^]	2.78 years			
Yield to Maturity	7.43%			

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

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

Month End Total Expenses Ratios (Annualized)⁴ – Regular⁵: 0.75%, Direct: 0.27%

¹As 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.

²AUM is as on 31 July 2024.

³TER Annualized TER including GST on Investment Management Fees

⁴Continuing plans. [@] Managing since from May 1, 2024, Please refer notice cum addendum dated April 30, 2024

⁸For 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>

[^]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.

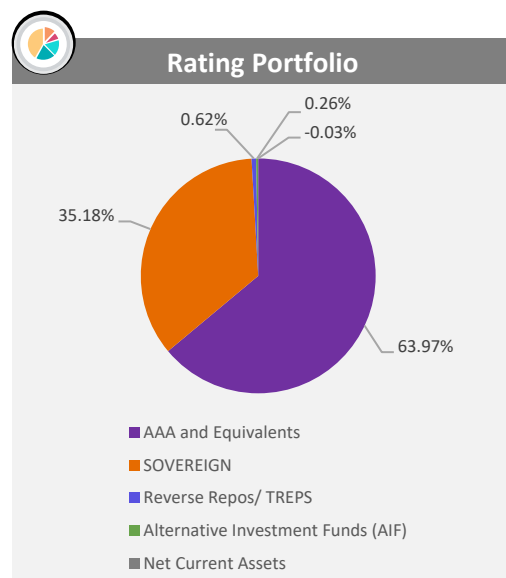
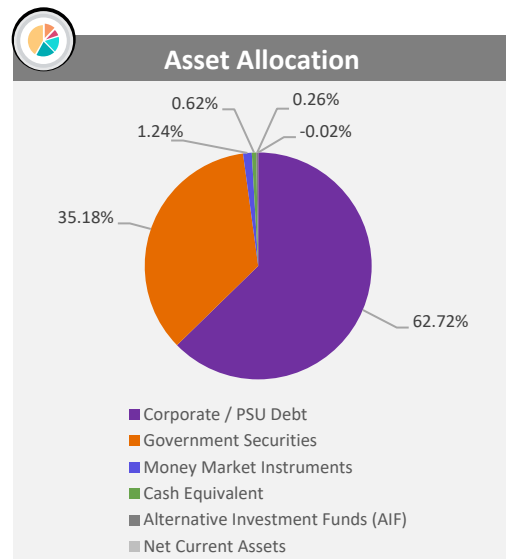
Note: The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any 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 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
Corporate Bonds / Debentures		62.72%
National Bank for Agriculture & Rural Development	CRISIL AAA	8.25%
Small Industries Development Bank of India	CRISIL AAA	7.20%
Indian Railway Finance Corporation Limited	CRISIL AAA	6.83%
Power Finance Corporation Limited	CRISIL AAA	6.49%
Bajaj Finance Limited	CRISIL AAA	5.55%
HDFC Bank Limited	CRISIL AAA	5.39%
LIC Housing Finance Limited	CRISIL AAA	4.80%
Rec Limited	CRISIL AAA / CARE AAA	6.84%
Kotak Mahindra Prime Limited	CRISIL AAA	3.21%
Export Import Bank of India	CRISIL AAA	2.75%
National Housing Bank	CRISIL AAA	2.68%
Bajaj Housing Finance Limited	CRISIL AAA	1.37%
Jamnagar Utilities and Power Pvt Limited	CRISIL AAA	1.36%
Money Market Instruments		
Certificate of Deposit		1.24%
ICICI Bank Limited	CRISIL A1+	1.24%
Government Securities		35.18%
7.06% GOI 10APR28	SOVEREIGN	10.25%
7.10% GOI 18APR29	SOVEREIGN	8.21%
7.37% GOI 23OCT2028	SOVEREIGN	8.15%
7.32% GOI BOND 13NOV2030	SOVEREIGN	7.03%
GOI FRB 04Oct2028	SOVEREIGN	1.37%
8.50% JAMMU & KASHMIR 30MAR2025 SDL	SOVEREIGN	0.14%
7.72% GOI 25MAY25	SOVEREIGN	0.03%
Alternative Investment Funds (AIF)		0.26%
CDMDF CLASS A2	AIF	0.26%
Cash Equivalent		0.60%
TREPS*		0.62%
Net Current Assets		-0.02%
Total Net Assets as on 31-July-2024		100.00%

*TREPS : Tri-Party Repo



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 - Shriram Ramanathan Effective 01 August 2024. Total Schemes Managed - 11
Fund Manager - Mohd Asif Rizwi Effective 15 Jan 2024. Total Schemes Managed - 5

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 Short Duration Fund - Regular Plan ^{6**}	10710	7.08	11571	4.97	13271	5.82	23147	6.89	27-Dec-11
Scheme Benchmark (NIFTY Short Duration Debt Index A-II)	10744	7.42	11746	5.50	13562	6.28	25418	7.68	
Additional Benchmark (CRISIL 10 year Gilt Index)	10836	8.33	11544	4.89	12714	4.91	22885	6.79	

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 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.

⁶HSBC 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 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>HSBC Short Duration Fund</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.16 of SID for details on Macaulay's Duration). A Moderate 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 regular returns over short term • Investment in fixed income securities of shorter term maturity. 	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderate risk</p>	<p>As per AMFI tier 1 Benchmark Index : Nifty Short Duration Debt Index A-II</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 Short Duration Fund)

Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)	A-II		
Relatively High (Class III)			

A Scheme with Relatively Moderate 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.

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

Investors are requested to note that as per SEBI (Mutual Funds) Regulations, 1996 and guidelines issued thereunder, HSBC AMC, its employees and/or empaneled distributors/agents are forbidden from guaranteeing/promising/assuring/predicting any returns or future performances of the schemes of HSBC Mutual Fund. Hence please do not rely upon any such statements/commitments. If you come across any such practices, please register a complaint via email at investor.line@mutualfunds.hsbc.co.in.

Disclaimer: This document has been prepared by HSBC Mutual Fund for information purposes only and should not be construed as i) an offer or recommendation to buy or sell securities, commodities, currencies or other investments referred to herein; or ii) an offer to sell or a solicitation or an offer for purchase of any of the funds of HSBC Mutual Fund; or iii) an investment research or investment advice. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Investors should seek personal and independent advice regarding the appropriateness of investing in any of the funds, securities, other investment or investment strategies that may have been discussed or referred herein and should understand that the views regarding future prospects may or may not be realized. In no event shall HSBC Mutual Fund/HSBC Asset management (India) Private Limited and / or its affiliates or any of their directors, trustees, officers and employees be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of information / opinion herein.

This document is intended only for those who access it from within India and approved for distribution in Indian jurisdiction only. Distribution of this document to anyone (including investors, prospective investors or distributors) who are located outside India or foreign nationals residing in India, is strictly prohibited. Neither this document nor the units of HSBC Mutual Fund have been registered under Securities law/Regulations in any foreign jurisdiction. The distribution of this document in certain jurisdictions may be unlawful or restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions. If any person chooses to access this document from a jurisdiction other than India, then such person do so at his/her own risk and HSBC and its group companies will not be liable for any breach of local law or regulation that such person commits as a result of doing so.

© Copyright. HSBC Mutual Fund 2024, ALL RIGHTS RESERVED.

HSBC Mutual Fund, 9-11th Floor, NESCO - IT Park Bldg. 3, Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063. Maharashtra.
GST - 27AABCH0007N1ZS, Email: investor.line@mutualfunds.hsbc.co.in | Website: www.assetmanagement.hsbc.co/in

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