

# Fund Overview

## HSBC Overnight Fund

Overnight fund – An open ended debt scheme investing in overnight securities

December 2020



### Fund aim and investment policy

The Fund aims to provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of money market and debt securities. However, there can be no assurance that the Fund's objective can be realised.

### Fund details

<b>Fund Launch Date</b>	22 May 2019
<b>Fund manager</b>	Kapil Punjabi
<b>Investment Manager</b>	HSBC Asset Management (India) Pvt. Ltd
<b>Currency</b>	INR
<b>Fund Domicile</b>	India
<b>Benchmark</b>	CRISIL Overnight Index
<b>Dealing</b>	Every Business Day
<b>Cut-off Time<sup>1</sup></b>	13:30 for Subscriptions and Switch Ins, 15:00 for Redemption and Switch Outs
<b>Settlement</b>	T+1

Notes:

(1) Subscription is subject to availability of funds for utilization before the cut-off time without availing any credit facility. (2) The Scheme is not a guaranteed or assured return Scheme. Investors may not get back the amount originally invested. There is no guarantee that the fund's investment objectives, including performance, will be achieved

<sup>^^</sup> 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. 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.

### Fund Manager



#### Kapil Punjabi

Vice President & Fund Manager – Indian Fixed Income

- ◆ 14 years of industry experience in fixed income
- ◆ Joined HSBC India in 2014

### Overview

- ◆ Provides institutional investors with an opportunity to invest in short-term INR denominated money market instruments.
- ◆ Main objectives/strategy includes:
  - Aim to preserve capital<sup>2</sup>
  - Daily liquidity<sup>^^</sup>
  - Active risk management
  - Extensive credit research

## Portfolio characteristics

Yield to Maturity <sup>1</sup>	2.89%
Current AUM (~INR m)	4096
Current WAM <sup>2</sup>	1 day
Maximum Maturity	1 day
Maximum WAM <sup>3</sup>	1 day

## Fund Information

	Features
Current NAV	INR 1,062.6629
Settlement Date	T+1 <sup>4</sup>

Fund Name	Total Expense Ratio (TER) (as of 30 November 2020)	Minimum Application Amount (Rs)	Minimum Redemption/ Switch Account (Rs)
HOF	0.26% <sup>3</sup>	5,000	1,000
HOF Direct Plan	0.11% <sup>3</sup>	5,000	1,000

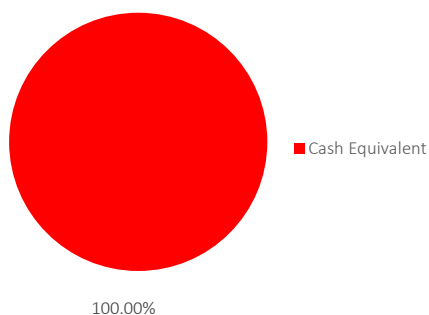
HSBC Mutual Fund/HSBC Asset Management (India) Private Limited would update the current expense ratios (TER) on its website at least three working days prior to the effective date of the change. Details of such changes can be referred on the following link under the Daily TER section: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds>

Source: HSBC Global Asset Management, data as of 30 November 2020

- 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. Under normal circumstances, the Fund will endeavour to dispatch the redemption proceeds within 1 business day from the date of receiving redemption request.

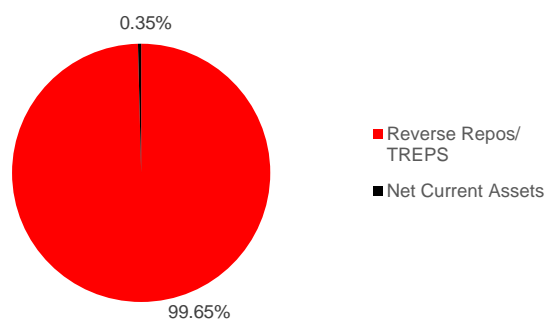
## Portfolio Compositions<sup>1</sup>

### Instrument Mix



### Credit Quality Mix – local\*

#### credit rating agencies' short-term ratings



Top 10 issuers/counterparties	% NAV
Cash Equivalent	100.000%
TREPS	39.210%
Reverse Repos	60.441%
Net Current Assets:	0.349%
Total Net Assets as on 30-Nov-2020	100.000%

## 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.

The Fund is managed in India by Kapil Punjabi, who has over 14 years of investment experience. The team in India benefits from the broader HSBC Global Asset Management Liquidity team which manages over USD117.4 billion<sup>2</sup> in money market assets across 11 currencies globally.

#### 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.
2. Data as at June 2020

Source: HSBC Global Asset Management, All data as on 30 November 2020 except otherwise mentioned

## Lump sum investment performance

Funds Managed by Kapil Punjabi (Total Schemes Managed 7)										
HSBC Overnight Fund <sup>1</sup>										
Fund / Benchmark (Value of ₹10,000 invested)	1 Year		3 Years		5 Years		Since Inception		Inception Date: 22-May-19	
	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)		
HSBC Overnight Fund	10,346	3.44	NA	NA	NA	NA	10,624	4.04		
Scheme Benchmark (CRISIL Overnight Index)	10,358	3.56	NA	NA	NA	NA	10,649	4.20		
Additional Benchmark (Nifty 1D Rate Index)	10,356	3.57	NA	NA	NA	NA	10,647	4.21		

Past performance may or may not be sustained in the future.  
The said Fund is managed by Kapil Punjabi Effective (22 May 2019)

Funds Managed by Kapil Punjabi (Total Schemes Managed 7)																
HSBC Cash Fund <sup>2</sup>																
Fund / Benchmark (Value of ₹10,000 invested)	7 Days		15 Days		30 Days		1 Year		3 Years		5 Years		Since Inception		Inception Date: 04-Dec-02	
	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)		
HSBC Cash Fund	10,005	2.86	10,013	2.89	10,025	2.98	10,422	4.20	11,956	6.13	13,731	6.54	20,189	7.64		
Scheme Benchmark (CRISIL Liquid Fund Index)	10,007	3.50	10,016	3.64	10,030	3.64	10,484	4.81	12,058	6.43	13,835	6.70	20,207	7.65		
Additional Benchmark (CRISIL 91 Day T-Bill Index)	10,008	4.21	10,015	3.95	10,032	3.92	10,466	4.63	11,936	6.07	13,590	6.32	19,536	7.27		

Past performance may or may not be sustained in the future.  
The said Fund is managed by Kapil Punjabi Effective (14 March 2014)

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

Pursuant to the circular issued by SEBI on 'Categorization and Rationalization of the Schemes, there has been change in the fundamental attribute(s) of the aforesaid scheme(s) effective Mar 14, 2018.

<sup>1</sup> The said fund has been in existence for more than 1 year but less than 3 years.

<sup>2</sup> Pursuant to SEBI circular dated Sept 13, 2012, certain Plans / Options within the schemes have been discontinued to comply with a single plan structure. Since there was no continuous NAV history available for the surviving Plan prior to 19 May 2011, returns since the said date have been considered for calculating performance. The inception date of HSBC Cash Fund however is 4 December 2002.

The Performance of HSBC Ultra Short Duration Fund (managed by Kapil Punjabi) is not given since the scheme has not completed one year from the date of inception. The performance details provided herein are of other than Direct Plan - Growth Option. Returns on Rs 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 November 2020 for the respective Schemes. Returns 1 year and Above are Compounded Annualised. 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 Other than Direct Plan. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open ended schemes.

Funds Managed by Kapil Punjabi (Total Schemes Managed 7)								
HSBC Debt Fund								
Fund / Benchmark (Value of ₹10,000 invested)	1 Year		3 Years		5 Years		Since Inception	
	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)
HSBC Debt Fund	10,866	8.68	12,480	7.68	14,187	7.25	34,668	7.16
Scheme Benchmark (CRISIL Composite Bond Fund Index)	11,199	12.02	13,055	9.31	15,595	9.30	35,254	7.26
Additional Benchmark (CRISIL 10 year Gilt Index)	10,843	8.45	12,553	7.89	14,731	8.06	30,504	6.40

Inception Date: 10-Dec-02

Past performance may or may not be sustained in the future.

The said Fund is managed by Kapil Punjabi Effective (18 February 2019)

Funds Managed by Kapil Punjabi (Total Schemes Managed 7)								
HSBC Low Duration Fund <sup>3</sup>								
Fund / Benchmark (Value of ₹10,000 invested)	1 Year		3 Years		5 Years		Since Inception	
	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)
HSBC Low Duration Fund	10,332	3.33	10,727	2.37	12,312	4.25	16,052	5.97
Scheme Benchmark (CRISIL Low Duration Debt Index)	10,760	7.62	12,560	7.91	14,670	7.97	19,446	8.49
Additional Benchmark (CRISIL 1 Year T-Bill Index)	10,593	5.95	12,184	6.82	13,853	6.74	17,464	7.07

Inception Date: 17-Oct-06

Past performance may or may not be sustained in the future.

The said Fund is managed by Kapil Punjabi Effective (18 October 2014)

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

Pursuant to the circular issued by SEBI on 'Categorization and Rationalization of the Schemes, there has been change in the fundamental attribute(s) of the aforesaid scheme(s) effective Mar 14, 2018.

<sup>3</sup> Pursuant to SEBI circular dated Sept 13, 2012, certain Plans / Options within the schemes have been discontinued to comply with a single plan structure. Since there was no continuous NAV history available for the surviving Plan prior to 1 October 2012, returns since the said date have been considered for calculating performance. The inception date of HSBC Low Duration Fund however is 17 October 2006.

The performance details provided herein are of other than Direct Plan - Growth Option. Returns on Rs.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 November 2020 for the respective Schemes. Returns 1 year and Above are Compounded Annualised. 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 Other than Direct Plan. The performance data of the scheme(s) managed by the respective Fund Manager which has/have not completed 1 year is not provided. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open ended schemes.

## Lump sum investment performance

Funds Managed by Kapil Punjabi (For Debt Portion) (Total Schemes Managed 7) Funds Managed by Gautam Bhupal (For Equity portion) (Total Schemes Managed 7)								
HSBC Regular Savings Fund								
Fund / Benchmark (Value of ₹10,000 invested)	1 Year		3 Years		5 Years		Since Inception	
	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)
HSBC Regular Savings Fund	10,825	8.27	11,819	5.74	14,095	7.11	41,778	8.90
CRISIL Hybrid 85+15 - Conservative Index (Scheme Benchmark)	11,272	12.76	13,134	9.53	16,064	9.95	39,828	8.59
Crisil 1 Year T-Bill Index (Standard Benchmark)	10,593	5.95	12,184	6.82	13,853	6.74	27,121	6.13
Crisil 10 Year Gilt Index (Standard Benchmark)	10,844	8.44	12,558	7.89	14,730	8.05	26,571	6.00

Inception Date: 24-Feb-04

Past performance may or may not be sustained in the future.

The said Fund is managed by Kapil Punjabi Effective (18 February 2019)

The said Fund is managed by Gautam Bhupal Effective (23 July 2019)

Fund Manager - Neelotpal Sahai (For Equity) Total Schemes Managed - 5 Fund Manager - Ranjithgopal K A (For Equity) Total Schemes Managed - 1 Fund Manager - Kapil Punjabi (For Debt) Total Schemes Managed - 7				
HSBC Equity Hybrid Fund <sup>4</sup>				
Fund / Benchmark (Value of ₹10,000 invested)	1 Year		Since Inception	
	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)
HSBC Equity Hybrid Fund	11,074	10.77	12,549	11.41
Scheme Benchmark (30% of CRISIL Composite Bond Fund Index and 70% of S&P BSE 200 TRI)	11,046	10.49	12,921	12.97
Additional Benchmark (Nifty 50 TRI)	10,872	8.74	12,984	13.23

Inception Date: 22-Oct-18

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

The said Fund is managed by Neelotpal Sahai Effective (22 October 2018)

The said Fund is managed by Ranjithgopal K A Effective (23 July 2019)

The said Fund is managed by Kapil Punjabi Effective (18 February 2019)

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

<sup>4</sup>The said Fund has been in existence for more than 1 year but less than 3 years

The Performance of HSBC Ultra Short Duration Fund (managed by Kapil Punjabi) is not given since the scheme has not completed one year from the date of inception.

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

Pursuant to the circular issued by SEBI on 'Categorization and Rationalization of the Schemes, there has been change in the fundamental attribute(s) of the aforesaid scheme(s) effective Mar 14, 2018.

The performance details provided herein are of other than Direct Plan - Growth Option. Returns on Rs.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 November 2020 for the respective Schemes. Returns 1 year and Above are Compounded Annualised. 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 Other than Direct Plan. The performance data of the scheme(s) managed by the respective Fund Manager which has/have not completed 1 year is not provided. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open ended schemes.

# 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#>

## HSBC Cash Fund



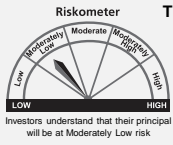
This product is suitable for investors who are seeking\*:

- Overnight Liquidity over short term
- Invests in Money Market Instruments

Investors understand that their principal will be at low risk

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## HSBC Low Duration Fund



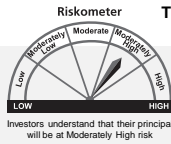
This product is suitable for investors who are seeking\*:

- Liquidity over short term
- Investment in debt and money market instruments such that the Macaulay<sup>^</sup> duration of the portfolio is between 6 months to 12 months.

Investors understand that their principal will be at Moderately Low risk

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## HSBC Regular Savings Fund



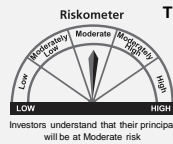
This product is suitable for investors who are seeking\*:

- Capital appreciation over medium to long term.
- Investment in fixed income (debt and money market instruments) as well as equity and equity related securities.

Investors understand that their principal will be at Moderately High risk

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## HSBC Debt Fund



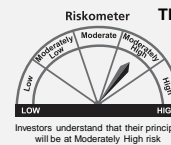
This product is suitable for investors who are seeking\*:

- Regular Income over long term
- Investment in diversified portfolio of fixed income securities such that the Macaulay<sup>^</sup> duration of the portfolio is between 4 years to 7 years

Investors understand that their principal will be at Moderate risk

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## HSBC Equity Hybrid Fund



This product is suitable for investors who are seeking\*:

- Long term wealth creation and income
- Invests in equity and equity related securities and fixed Income instruments

Investors understand that their principal will be at Moderately High risk

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## HSBC Overnight Fund



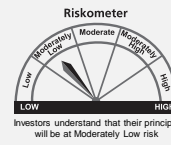
This product is suitable for investors who are seeking\*:

- income over short term and high liquidity
- investment in debt & money market instruments with overnight maturity

Investors understand that their principal will be at low risk

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## HSBC Ultra Short Duration Fund



This product is suitable for investors who are seeking\*:

- Income over short term with Low volatility
- Investment in debt & money market instruments such that the Macaulay<sup>^</sup> Duration of the portfolio is between 3 months- 6 months.

Investors understand that their principal will be at Moderately Low risk

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

<sup>^</sup>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.

Source: HSBC Asset Management, India

## Disclaimer:

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