

## Product Note

### HSBC Overnight Fund (HOVF)

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 Category | Fund Manager                          | Benchmark <sup>1, 2</sup> | Inception Date | AUM            |
|---------------|---------------------------------------|---------------------------|----------------|----------------|
| Overnight     | Kapil Lal Punjabi and Mahesh Chhabria | NIFTY 1D Rate Index       | 22 May 2019    | Rs. 2854.31 Cr |

| Quantitative Data |           |
|-------------------|-----------|
| Average Maturity  | 3.04 Days |
| Modified Duration | 3.04 Days |
| Macaulay Duration | 3.04 Days |
| Yield to Maturity | 6.83%     |

| Minimum Investment     |              |                                |
|------------------------|--------------|--------------------------------|
| Lumpsum<br>₹ 5,000     | SIP<br>₹ 500 | Additional Purchase<br>₹ 1,000 |
| Exit Load / Entry Load |              |                                |
| NIL                    |              |                                |

### Why HSBC Overnight Fund?

- Overnight funds offer relatively lower volatility compared to other fixed income funds
- Overnight funds carry low interest rate risk and lowest credit risk vs other fixed income funds
- Overnight funds are one of the most liquid investments available in the market with redemption availability on any working day
- Overnight funds can deliver consistent and reasonable risk adjusted performance vs. traditional saving products

### Fund Strategy

- Primary objective of these funds is to seek to generate returns commensurate with low risk and providing high level of liquidity, through investments made primarily in overnight securities having maturity of up to 1 business day.
- Can invest in Tri party Repos (TREPS), reverse repos, CROMS and other eligible 1 day assets

<sup>1</sup> 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 <sup>2</sup>Fund's benchmark has changed with effect from April 01, 2022. Fund strategy as at Jan '23. Data as on 30 April 2023

The fund has undergone merger/consolidation along with changes to its fundamental attributes as per the notice published on 15 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

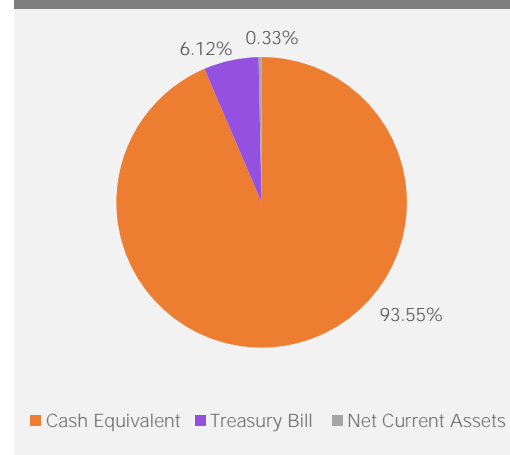
## Portfolio

| Issuer                                      | Rating    | % to Net Assets |
|---|-----------|-----------------|
| <b>Treasury Bill</b>                        |           | <b>6.12%</b>    |
| 364 DAY TBILL 25MAY23                       | SOVEREIGN | 2.62%           |
| 91 DAYS T-BILL 18MAY23                      | SOVEREIGN | 1.75%           |
| 182 DAYS T-BILL 18MAY23                     | SOVEREIGN | 1.75%           |
| <b>Cash Equivalent</b>                      |           | <b>93.88%</b>   |
| <b>TREPS*</b>                               |           | <b>12.28%</b>   |
| <b>Reverse Repos</b>                        |           | <b>81.27%</b>   |
| <b>Net Current Assets</b>                   |           | <b>0.33%</b>    |
| <b>Total Net Assets as on 30-APRIL-2023</b> |           | <b>100.00%</b>  |

\*TREPS : Tri-Party Repo

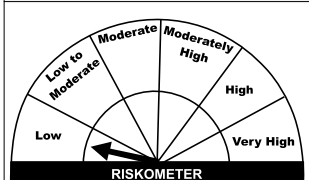
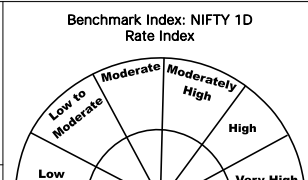


## Asset Allocation



## Investment Objective

The scheme aims to offer reasonable returns commensurate with low risk and high degree of liquidity through investments in overnight securities. However, there is no assurance that the investment objective of the Scheme will be achieved.

| HSBC Overnight Fund   |  |  |
|---|--|--|
|  <p>Investors understand that their principal will be at Low risk</p> | <p><b>Overnight fund</b> – An open ended debt scheme investing in overnight securities. Relatively Low 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>Income over short term and high liquidity</li> <li>Investment in debt &amp; money market instruments with overnight maturity</li> </ul> <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.<br/>                     ^ 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.</p> <p><b>Note on Risk-o-meters:</b> 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</p> | <p><b>Benchmark Index: NIFTY 1D Rate Index</b></p>  |

### 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 Low credit risk.

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

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.