

Product Note

HSBC Liquid Fund (HLIF) (Erstwhile HSBC Cash Fund)

Liquid Fund - An open-ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk.
(L&T Liquid Fund has merged into HSBC Cash Fund and the surviving scheme has been renamed)

July 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM
Liquid	Kapil Lal Punjabi and Shriram Ramanathan	Nifty Liquid Index B-I	04 Dec 2002	Rs. 13747.6 Cr

Minimum Investment		
Lumpsum	SIP	Additional Purchase
₹ 5,000	₹ 500	₹ 1,000

Exit Load	
Investor exit upon subscription	Exit Load as a % of redemption proceeds
Day 1	0.0070%
Day 2	0.0065%
Day 3	0.0060%
Day 4	0.0055%
Day 5	0.0050%
Day 6	0.0045%
Day 7 Onwards	0.0000%

Quantitative Data	
Average Maturity	53.49 Days
Modified Duration	53.49 Days
Macaulay Duration	53.49 Days
Yield to Maturity	6.97%

Why HSBC Liquid Fund?

- To ensure optimal liquidity and better risk adjusted performance to suit the investor's requirements in various situations, our fund managers follow stringent liquidity, credit risk and interest rate risk norms
- The portfolio comprises of high credit quality papers evaluated through a rigorous credit evaluation process and generally aims to restrict investments to the highest possible short term rating.
- In the current fiscal year, we have seen a sharp move in yields in the shorter segment, making the portfolio yield attractive

Fund Strategy

- Investment predominantly in highly liquid money market instruments, government securities and corporate debt with residual maturity of up to 91 days
- Focus on maintaining a high credit quality and highly liquid portfolio - investing only in names which are covered by internal credit research team
- Yield enhancement possible through measured exposure to high quality Commercial Papers
- System liquidity has moderated significantly and overnight rates are now around 6.00%-6.25%
- The focus continues to be on the accrual returns in the portfolio.

¹ 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 ² Fund's benchmark has changed with effect from April 01, 2022.

Fund strategy as at Jan '23. Data as on 30 June 2023

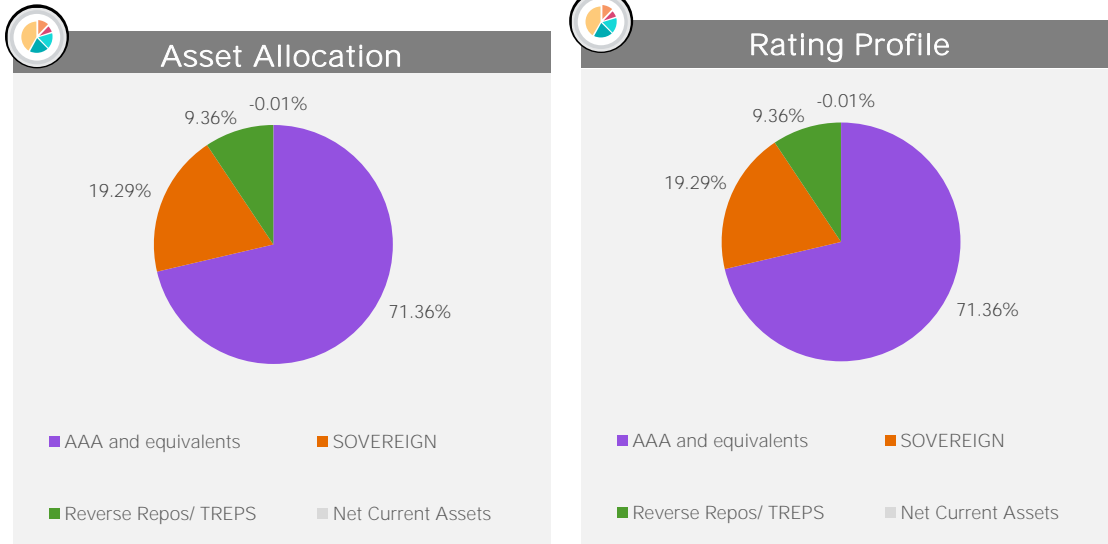
The fund has undergone merger/consolidation along with changes to its fundamental attributes as per the notice published on 15 Oct

'22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>. Document Date: 14 July 2023

Portfolio


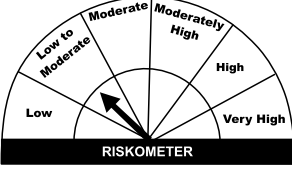
Issuer	Rating	% to Net Assets
Money Market Instruments		
Certificate of Deposit		17.78%
Canara Bank	CRISIL A1+	6.12%
Axis Bank Limited	ICRA A1+/CRISIL A1+	3.40%
Bank of Maharashtra	CRISIL A1+	2.15%
Bank of Baroda	ICRA A1+	1.80%
Punjab National Bank Limited	CRISIL A1+	1.80%
IDFC First Bank Limited	CRISIL A1+	1.79%
HDFC Bank Limited	CARE A1+	0.72%
Commercial Paper		53.58%
Small Industries Development Bank of India	CARE A1+	5.42%
National Bank for Agriculture & Rural Development	ICRA A1+	5.39%
Reliance Retail Ventures Limited	CARE A1+ CRISIL A1+	5.05%
ICICI Securities Limited	CRISIL A1+	3.61%
Bajaj Finance Limited	CRISIL A1+	3.60%
HDFC Securities Limited	CRISIL A1+	3.59%
Kotak Securities Limited	CRISIL A1+	3.58%
Tata Steel Limited	ICRA A1+	3.58%
Housing Development Finance Corporation Limited	CRISIL A1+	3.24%
Aditya Birla Housing Finance Limited	ICRA A1+	2.88%
ICICI Home Finance Company Limited	ICRA A1+	2.69%
Birla Group Holdings Private Limited	ICRA A1+	1.80%
Coromandel International Limited	IND A1+	1.43%
National Housing Bank	CRISIL A1+	1.43%
SBICAP Securities Limited	ICRA A1+	1.43%
Ultratech Cement Limited	CRISIL A1+	1.43%
HDB Financial Services Limited	CARE A1+	1.08%
Network 18 Media & Investments Limited	IND A1+	0.90%
Bajaj Financial Securities Limited	IND A1+	0.73%
Sikka Ports & Terminals Limited	CRISIL A1+	0.72%
Treasury Bills		19.29%
182 DAYS T-BILL 31AUG23	SOVEREIGN	4.28%
91 DAYS T-BILL 20Jul23	SOVEREIGN	3.62%
182 DAYS T-BILL 14SEP23	SOVEREIGN	2.83%
91 DAYS T-BILL 27Jul23	SOVEREIGN	1.45%
91 DAYS T-BILL 03Aug23	SOVEREIGN	1.45%
91 DAYS T-BILL 91 DAYS T 10AUG23	SOVEREIGN	1.44%
91 DAYS T-BILL 24Aug23	SOVEREIGN	1.44%
91 DAYS T-BILL - 07SEP2023	SOVEREIGN	1.26%
91 DAYS T-BILL 29Sep23	SOVEREIGN	0.72%
91 DAYS T-BILL 14Sep23	SOVEREIGN	0.62%
91 DAYS T-BILL - 31AUG2023	SOVEREIGN	0.18%
Cash Equivalent		9.35%
TREPS*		9.36%
Net Current Assets:		-0.01%
Total Net Assets as on 30-JUNE-2023		100.00%

*TREPS : Tri-Party Repo



Investment Objective

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 Scheme objective can be realised.

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. 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"> • Overnight liquidity over short term • Investment in Money Market Instruments 	<p>Benchmark Index: Nifty Liquid Index B-I</p> 
	<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p>Note on Risk-o-meters: Riskometer is as on 30 June 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>	

Potential Risk Class (HSBC Liquid 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.

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

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

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