

Product Note

HSBC Corporate Bond Fund (HCBF) (Erstwhile L&T Triple Ace Bond Fund)

Corporate Bond Fund - An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and relatively low credit risk.

September 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM ³
Corporate Bond	Jalpan Shah and Shriram Ramanathan (Co Fund Manager)	NIFTY Corporate Bond Index B-III	31 Mar 1997	Rs. 6769.04 Cr

Quantitative Data		Minimum Investment		
Average Maturity	5.14 year	Lumpsum	SIP	Additional Purchase
Modified Duration	4.00 year	₹ 5,000	₹ 500	₹ 1,000
Macaulay Duration	4.24 year			
Yield to Maturity	7.47%			

Why Corporate Bond Fund?

- The strategy offers the flexibility of an open-ended structure
- Minimal interest rate risk for investors staying in the fund for the entire tenor
- The fund's portfolio would carry a relatively low credit risk by virtue of its focus on investing predominantly in AAA rated credits
- Aims to create a corpus through tax efficient inflation-adjusted returns

Fund Strategy

- HSBC Corporate Bond Fund follows a passive roll-down strategy targeting a maturity of July - Sept 2028, with 100% of the portfolio invested in AAA Corporate bonds and Government Securities
- The fund endeavors to remain invested in bonds of only AAA rated companies
- The fund aims to generate significant proportion of the total returns in the form of income yield from accrual of high-quality credit

Entry Load : NA, Exit Load: If the amount sought to be redeemed or switched out on or before 3 months from the date of allotment: 0.50%.
 • If the amount sought to be redeemed or switched out is invested for a period of more than 3 months from the date of allotment: Nil

¹As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, 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. ²Fund's benchmark has changed with effect from April 01, 2022. Data as on 31 August 2023

³ AUM is as on 31 August 2023

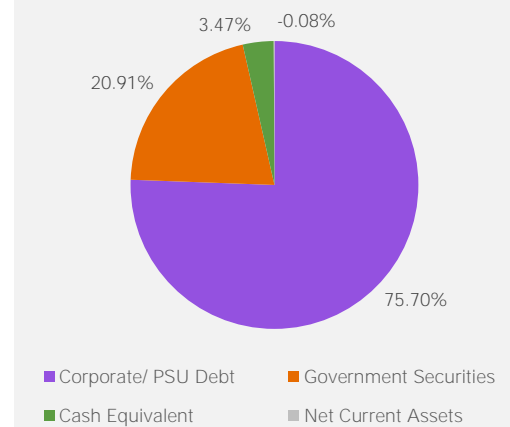
Portfolio

Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		75.70%
National Highways Authority of India	CRISIL AAA	8.80%
Indian Railway Finance Corporation Limited	CRISIL AAA	8.39%
National Bank for Agriculture & Rural Development	ICRA AAA / CRISIL AAA	8.39%
HDFC Bank Limited	CRISIL AAA	7.82%
NTPC Limited	CRISIL AAA	7.60%
Power Grid Corporation of India Limited	CRISIL AAA	6.64%
Rec Limited	CRISIL AAA	6.20%
Housing and Urban Development Corporation Limited	CARE AAA / ICRA AAA	4.87%
Indian Oil Corporation Limited	CRISIL AAA	4.79%
ICICI Bank Limited	CARE AAA	4.43%
Power Finance Corporation Limited	CRISIL AAA	2.33%
Export Import Bank of India	CRISIL AAA	2.31%
Kotak Mahindra Bank Limited	CRISIL AAA	1.56%
Nuclear Power Corporation Of India Limited	CRISIL AAA	0.92%
Food Corporation of India Limited	CRISIL AAA (CE)	0.49%
NHPC Limited	CARE AAA	0.16%
Government Securities		20.91%
7.38% GOI 20JUN2027	SOVEREIGN	10.19%
7.17% GOI 08JAN28	SOVEREIGN	5.94%
07.26% GS 2029	SOVEREIGN	1.72%
7.06% GOI 10APR28	SOVEREIGN	1.51%
6.79% GOI 15MAY2027	SOVEREIGN	0.82%
6.47% MAHARASHTRA 21OCT2028 SDL	SOVEREIGN	0.73%
Cash Equivalent		3.39%
TREPS*		3.47%
Net Current Assets:		-0.08%
Total Net Assets as on 31-August-2023		100.00%

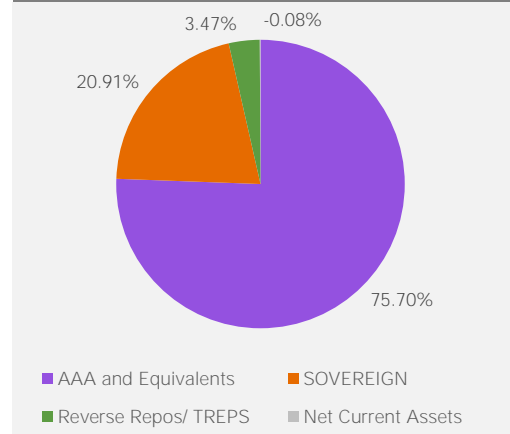
*TREPS : Tri-Party Repo



Asset Allocation





Rating Portfolio



Investment Objective

To generate regular return by investing predominantly in AA+ and above rated debt and money market instruments. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

Scheme name and Type of scheme	*Riskometer of the Scheme	Riskometer of the benchmark
<p>Corporate Bond Fund - An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and relatively low credit risk.</p> <ul style="list-style-type: none"> • Generation of regular and stable income over medium to long term • Investment predominantly in AA+ and above rated corporate bonds and money market instruments. (Benchmark Index: NIFTY Corporate Bond Index B-III) 	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderate risk</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 August 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

Potential Risk Class (HSBC Corporate Bond 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)	A-III		
A Scheme with Relatively High interest rate risk and Low 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 is not an indicator of future returns. Source: HSBC Mutual Fund, data as on 31 August 2023,

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