

Product Note

HSBC Short Duration Fund (HSDF) (Erstwhile L&T Short Term Bond Fund)

Short Duration Fund - 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 for details on Macaulay's Duration (for details on Macaulay's Duration please refer to no. 9). A moderate interest rate risk and moderate credit risk.

(HSBC Short Duration Fund has merged into L&T Short Term Bond Fund and the surviving scheme has been renamed)

July 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM
Short Duration	Jalpan Shah and Shriram Ramanathan	NIFTY Short Duration Debt Index B-II	27 Dec 2011	Rs. 3517.39 Cr

Quantitative Data		Minimum Investment		
Average Maturity	2.63 year	Lumpsum	SIP	Additional Purchase
Modified Duration	2.25 year	₹ 5,000	₹ 500	₹ 1,000
Macaulay Duration [^]	2.38 year	Exit Load / Entry Load		
Yield to Maturity	7.45%	NIL		

Why HSBC Short Duration Fund?

- Investors looking to invest in high credit quality debt fund with lower interest rate risk could consider investing in this fund
- The fund offers a prudent portfolio in line with the risk appetite of the investors whilst seeking optimal returns
- Demonstrated ability to identify value-buying opportunities and to reposition the portfolio basis evolving interest rate environment

Fund Strategy

- The scheme aims at generating regular returns through yield accrual while also capturing potential opportunities of capital appreciation
- Continues to maintain the highest credit quality, with 100% of the portfolio in AAA or equivalent securities
- Looks to take a measured duration exposure in order to strike a risk-return balance. Maximum residual maturity of any security (including Gsec) restricted to 5 years.
- Overweight Bonds and CDs in upto 2 years segments where corporate bond/CD spreads over sovereigns are higher
- Overweight Gilts and SDLs in 2 to 5 year segment where corporate bond spreads over sovereigns are lower

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.

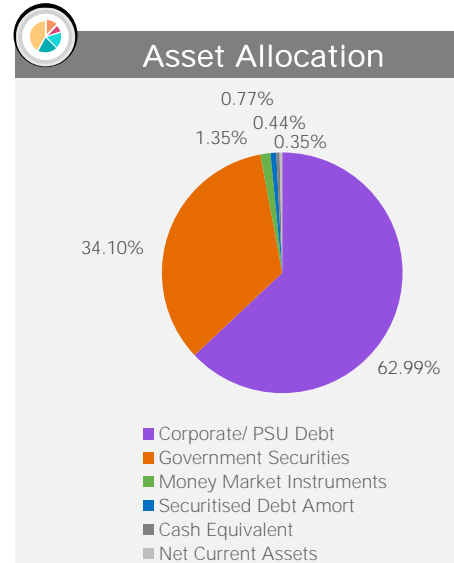
For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

Portfolio

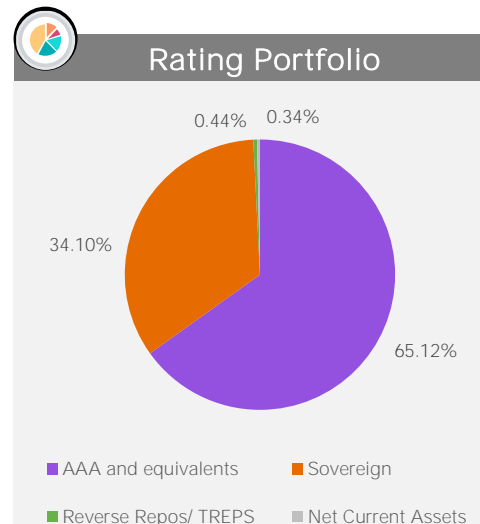
Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		63.00%
National Bank for Agriculture & Rural Development	CRISIL AAA ICRA AAA	8.41%
Small Industries Development Bank of India	CRISIL AAA ICRA AAA	8.10%
Rec Limited	CARE AAA/ CRISIL AAA	7.75%
Power Finance Corporation Limited	CRISIL AAA	7.65%
Housing Development Finance Corporation Limited	CRISIL AAA	7.09%
Indian Railway Finance Corporation Limited	CRISIL AAA	3.56%
Bajaj Housing Finance Limited	CRISIL AAA	3.16%
LIC Housing Finance Limited	CRISIL AAA	3.10%
Jamnagar Utilities and Power Pvt Limited	CRISIL AAA	2.87%
Bajaj Finance Limited	CRISIL AAA	2.87%
Indian Oil Corporation Limited	ICRA AAA	2.86%
National Housing Bank	CRISIL AAA	2.85%
Kotak Mahindra Prime Limited	CRISIL AAA	2.16%
Sundaram Finance Limited	CRISIL AAA	0.29%
HDB Financial Services Limited	CRISIL AAA	0.28%
Money Market Instruments		
Certificate of Deposit		1.35%
Export Import Bank of India	CRISIL AAA	1.35%
Securitised Debt Amort		0.77%
First Business Receivables Trust	CRISIL AAA(SO)	0.77%
Government Securities		34.10%
7.38% GOI 20JUN2027	SOVEREIGN	17.27%
7.89% GUJARAT 15MAY2025 SDL	SOVEREIGN	5.69%
MAHARASHTRA 08.23% 09SEP25 SDL	SOVEREIGN	3.86%
GOI 07.35% 22JUN24	SOVEREIGN	2.43%
7.06% GOI 10APR28	SOVEREIGN	1.44%
MAHARASHTRA SDL 08.26% 12AUG25	SOVEREIGN	0.93%
5.63% GOI 12APR2026	SOVEREIGN	0.69%
GUJARAT 07.96% 14OCT2025 SDL	SOVEREIGN	0.59%
KARNATAKA SDL 08.14% 13NOV25	SOVEREIGN	0.59%
GUJARAT GUJARA 8.23 09/09/25	SOVEREIGN	0.30%
8.50% JAMMU & KASHMIR 30MAR2025 SDL	SOVEREIGN	0.15%
8.65% UTTAR PRADESH 10MAR2024 SDL	SOVEREIGN	0.12%
GOI 07.72% 25MAY25	SOVEREIGN	0.04%
Cash Equivalent		0.78%
TREPS*		0.44%
Net Current Assets:		0.34%
Total Net Assets as on 30-JUNE-2023		100.00%

*TREPS : Tri-Party Repo

Asset Allocation





Rating Portfolio



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.

HSBC Short Duration Fund (Erstwhile L&T Short Term Bond Fund)		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Short Duration Fund - 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 for details on Macaulay's Duration please refer to SID under the section "Asset Allocation Pattern"). A moderate 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"> • Generation of regular returns over short term • Investment in fixed income securities of shorter term maturity. <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them. ^ 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>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>	<p>Benchmark Index: Nifty Short Duration Debt Index B-II</p> 

Potential Risk Class (HSBC Short Duration Fund)

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

A Scheme with Relatively Moderate 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,

Disclaimer: This document has been prepared by HSBC Asset Management (India) Private Limited (HSBC) 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 Asset Management (India) Private Limited 2023, 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.