



Capitalising on Fixed Income Opportunities



HSBC Mutual Fund

November 2025

RBI's policy dilemma amid external headwinds and domestic tailwinds

What are markets watching out for?

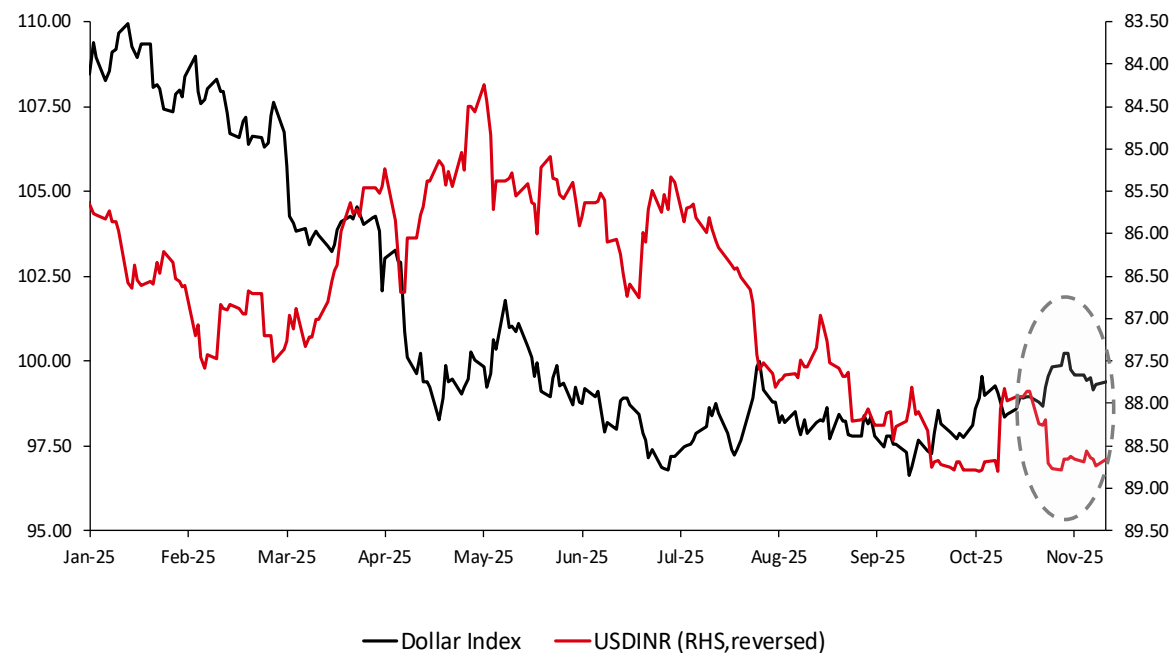
1. Will liquidity conditions lead to another round of OMO Purchases in FY26?
2. Will the RBI cut rates at the December policy?



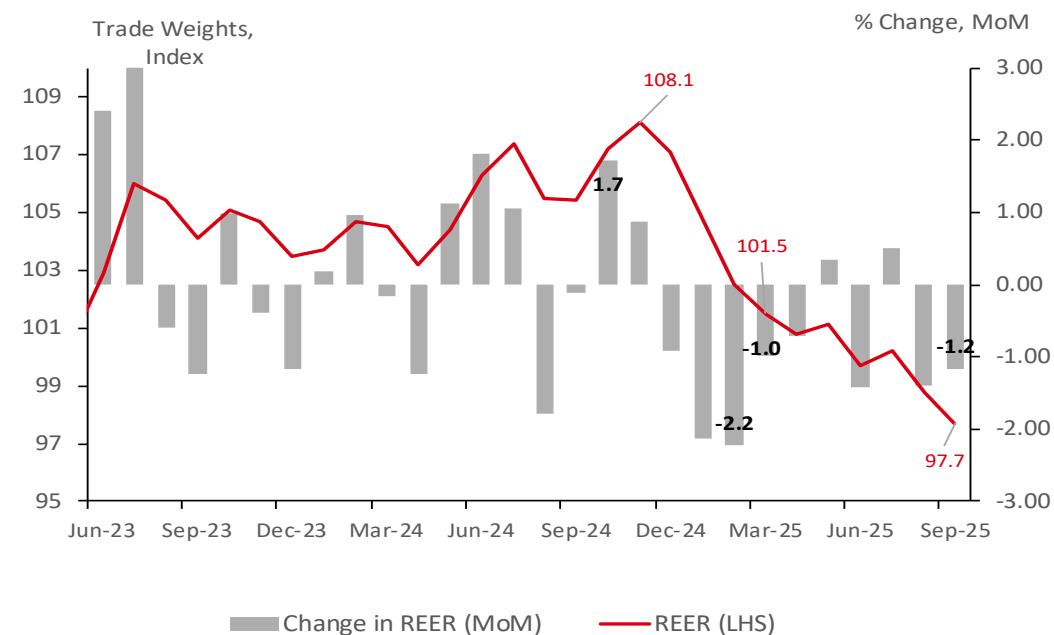
Deeper dive into how domestic factors evolved and likely RBI policy choices

Outflows & dollar gains weighed on currency

Dollar index strengthened



INR weak vis-à-vis its trading partners



- US trade tariffs tracking at 50% for India have soured sentiments since Aug'25
- Dollar strength and capital outflows weighed on USDINR; A trade weighted currency measure corrected sharply
- RBI appears to have accelerated its FX interventions to curb the volatility; esp. during Oct'25

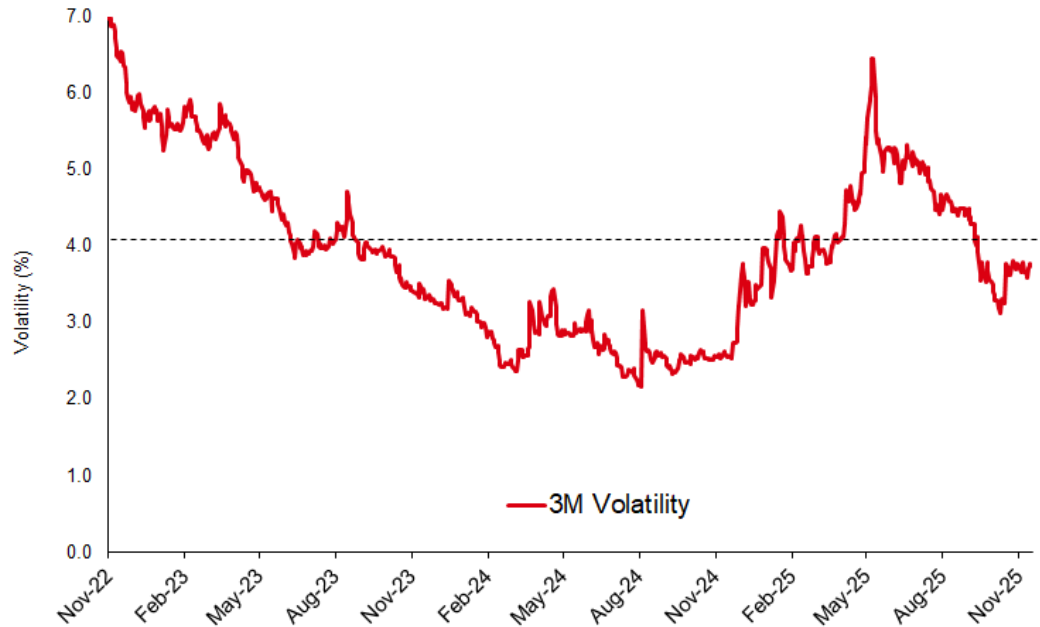
Weaker currency leads to RBI's FX intervention, esp. in Oct'25

Source – RBI Bulletin, Bloomberg, Currency chart data as on 17 Nov 2025

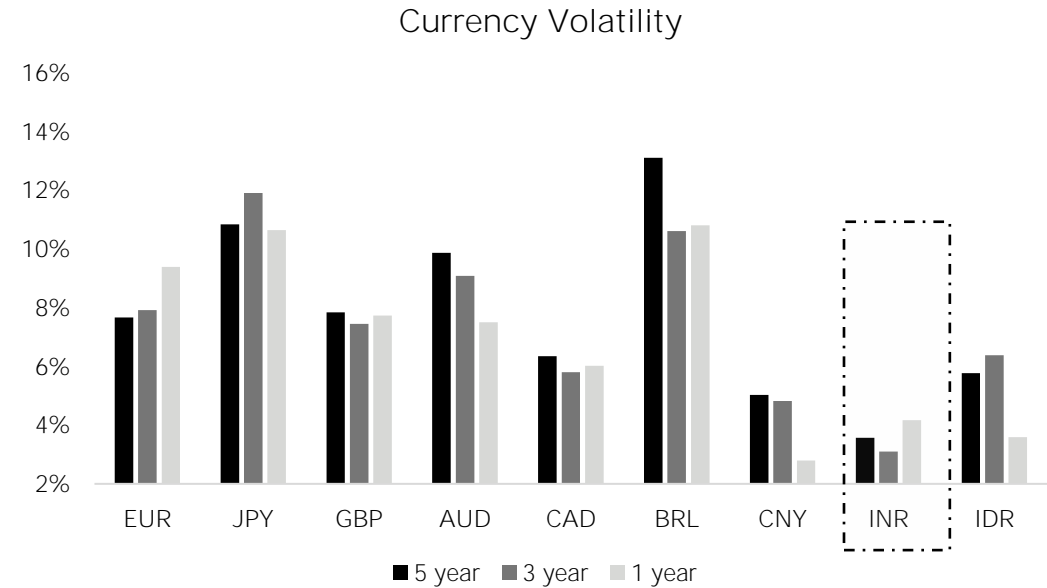
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INR volatility increased & in sync with peers

INR volatility increased



Near term volatility increased in-line with peers



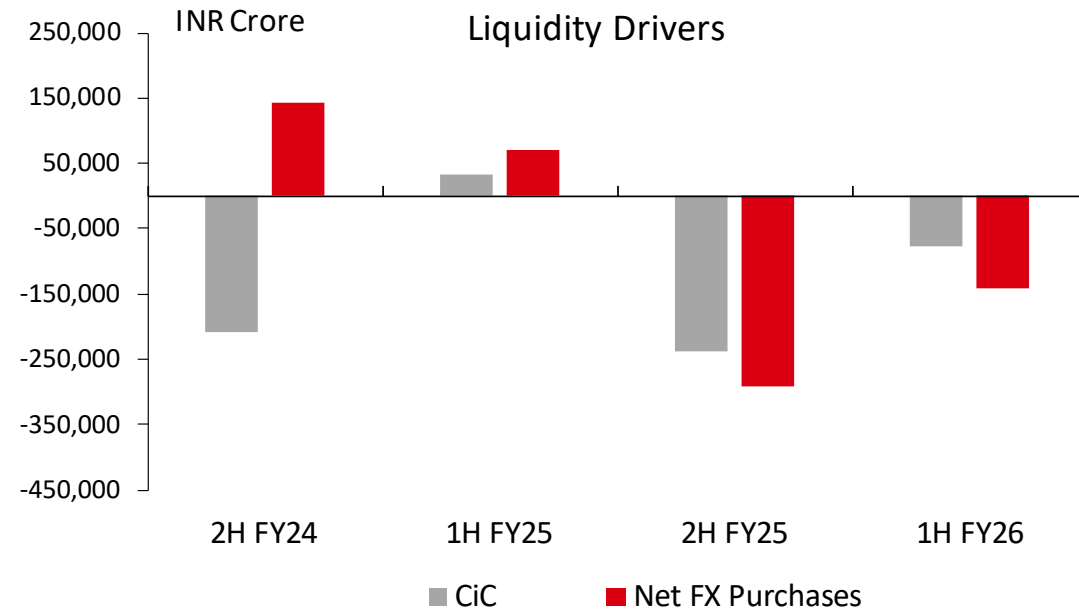
- Uncertainty around tariffs and capital outflows increased currency volatility in USDINR; Oct'25 did see volatility increase
- When compared to the EM peers INR currency volatility remains low
- Intermittent strength in USDINR likely, but basis our external sector outlook, we expect the currency to see a gradual depreciation from previous year

Currency volatility returned in Oct/early Nov

Source – RBI Bulletin, Bloomberg, Data for India as on 17-Nov'25; Cross-country comparison is monthly, data as of end-Oct
For illustration purposes only. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

FX interventions impact on liquidity evident

FX intervention & currency leakage a drag; offset effects of CRR cuts



- In H1 FY2026 all key drivers weighed on system liquidity; the drag was somewhat offset by CRR cuts
- RBI's FX ops drained out system liquidity, again albeit to a lesser extent when compared to 2HFY25; Oct'25 however, was a larger drag
- In March-quarter currency leakage tends to be higher; and in Q4 FY26 higher CIC is likely to remain a drag on system liquidity

RBI likely to step-in with OMO Purchases to infuse durable liquidity into the system

Source – Bloomberg, RBI Press Release, RBI WSS & RBI DBIE Database, Data/information available till as on end-Sep 2025 and build-up over Mar/Sep, respectively
For illustration purposes only. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

RBI to keep liquidity sufficiently positive for the foreseeable future

(INR Crs)	CRR cut impact	OMO Purchases	FX Buy Sell Swap	Term Repo > 14 days
Dec-24	120,000	20		
Jan-25		58,835	44,000	
Feb-25		80,000	88,000	182,964
Mar-25		144,551	88,000	
Apr-25		120,000		25,731
May-25		119,203		
Aug-25			-44,000	
Sep-25	65,000			
Oct-25	65,000			
Nov-25	130,000	27,280		
Total	380,000	549,889	176,000	208,695
Total Liquidity infused	1,314,584			

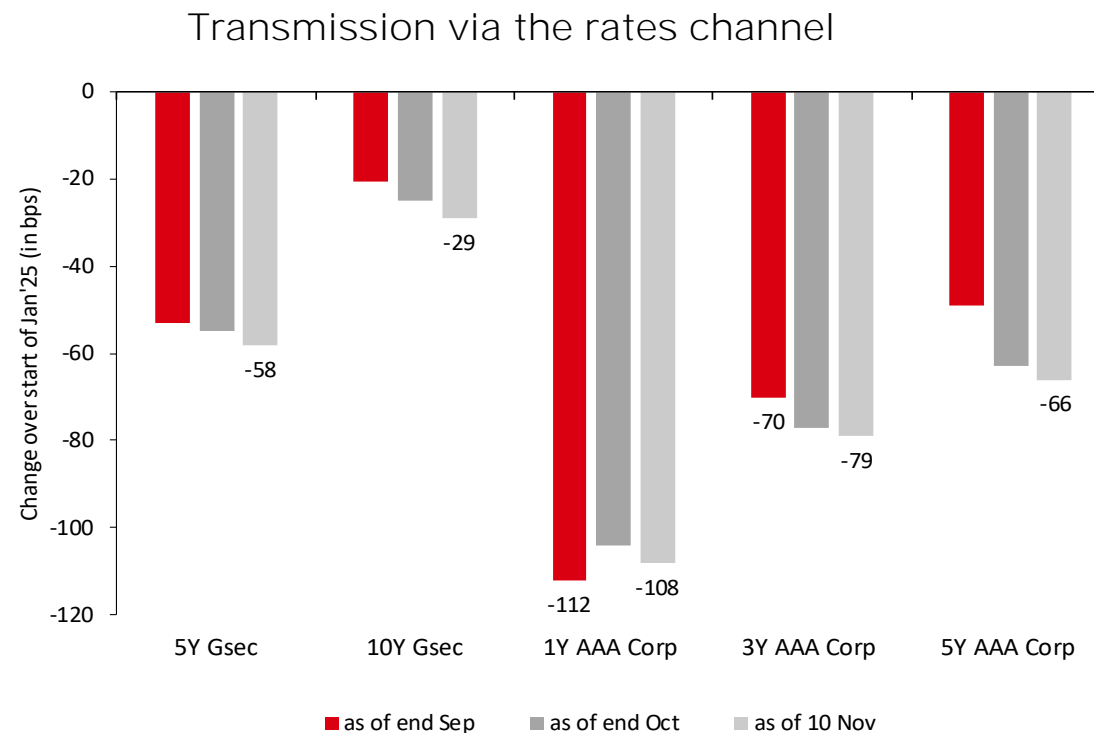
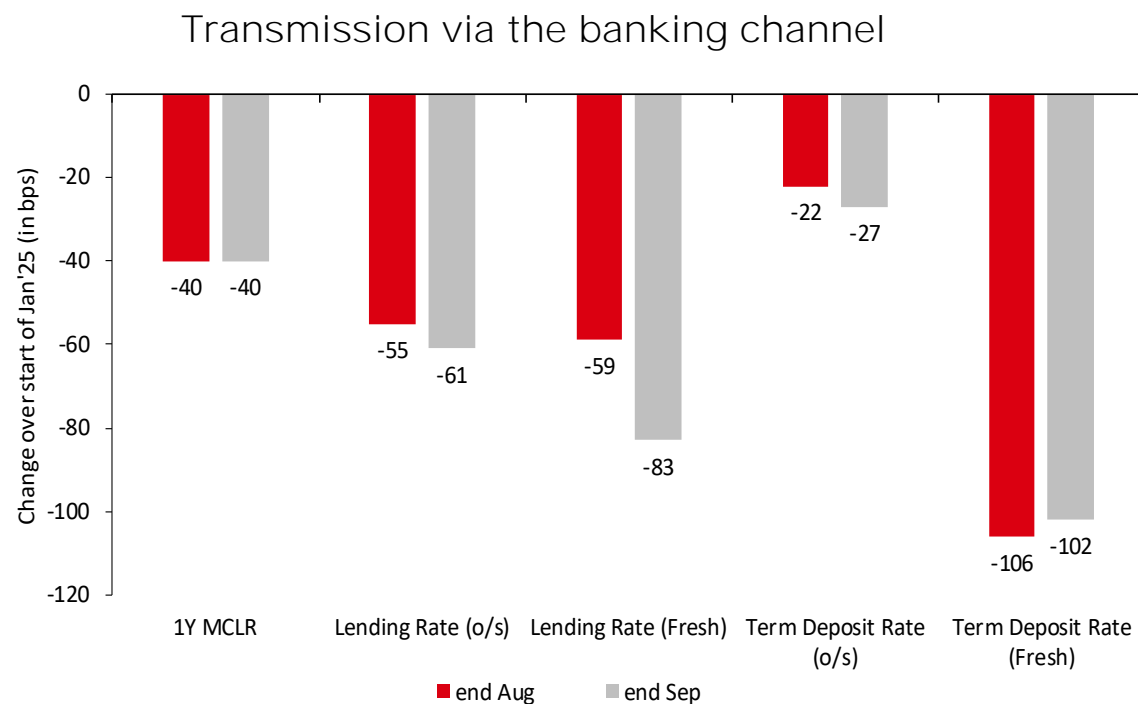
- After a massive liquidity infusion in H1 FY2026, the same moderated substantially in H2 with RBI relying on CRR cuts to come through
- **The increase in currency in circulation along with FX intervention in Sep'25 and Oct'25 drained liquidity**
- **RBI has resumed OMO purchases in Nov'25 to infuse durable liquidity into the system**

We estimate RBI to conduct OMO purchases to the tune of INR 2 Lakh Crs till Mar 2026

Source: HSBC Mutual Fund estimates, RBI, Bloomberg, Data as of Nov 26, 2025

Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision

Transmission improving, but incomplete...



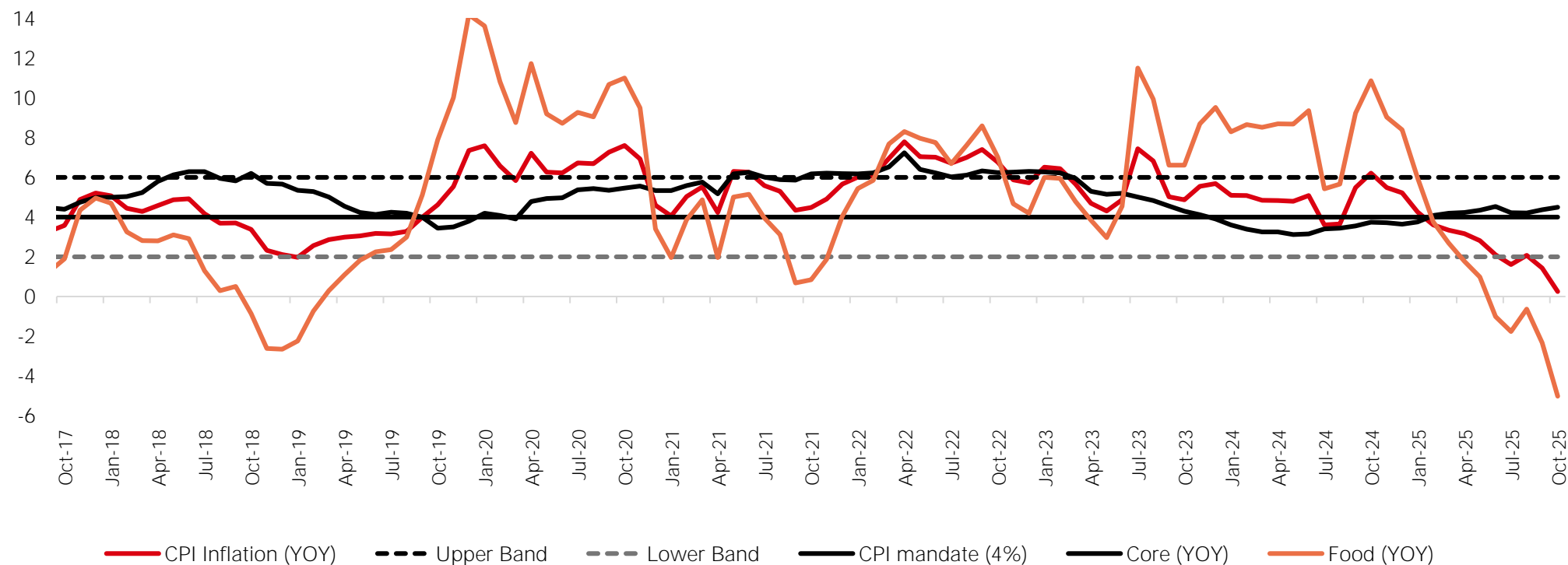
- Transmission is visible and quicker for fresh deposits and fresh loans
- MCLR transmission has been the weakest and for that to continue to moderate, RBI would require to step-up on liquidity measures ...
- ...as transmission via rates channel is partial to weak

For transmission to permeate further, RBI might have to step-up liquidity support

Source – Bloomberg, RBI Press Release & Database, Data/information available till as on 10 Nov'25; o/s = . Outstanding; Note: AAA PSU Corp yield is FIMMDA Bloomberg data
For illustration purposes only. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Inflation trajectory remains benign supported by favourable monsoons and GST reforms

Inflation trajectory vs Targeted mandate

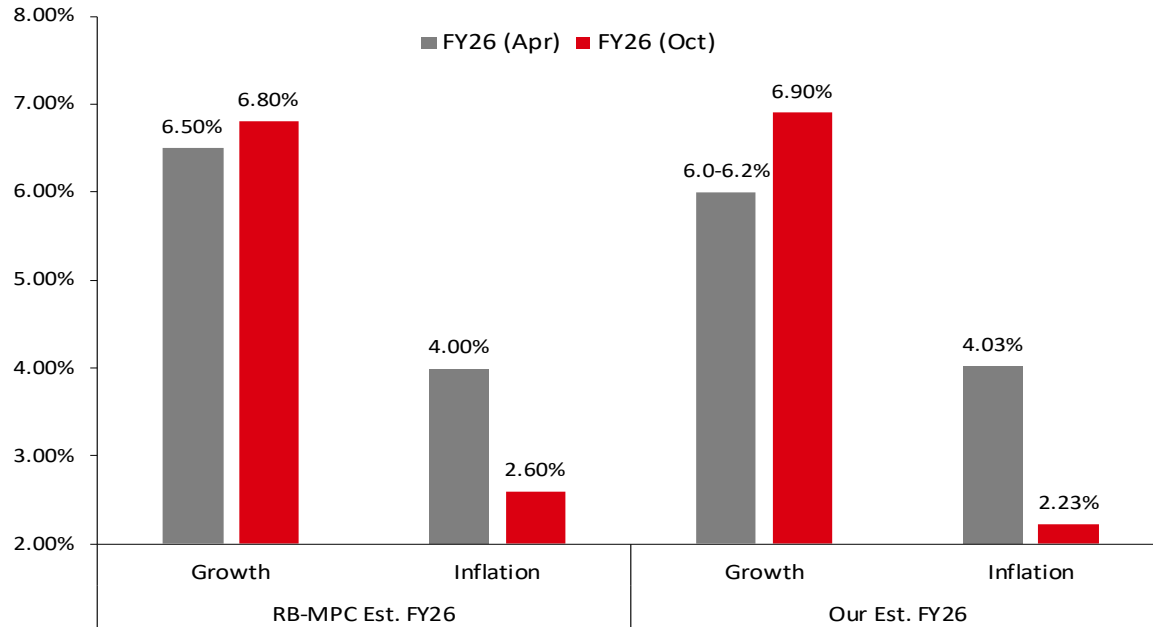


- India CPI inflation for October came in at a series low of 0.25%
- The slide inflation is driven by sharp fall in food prices while Core CPI inflation as been sticky due to higher gold prices
- RBI has revised down their inflation estimates over the last few meetings
- The inflation outlook remains conducive supported by a good monsoon season and the recent GST reforms which is seen lower inflation levels

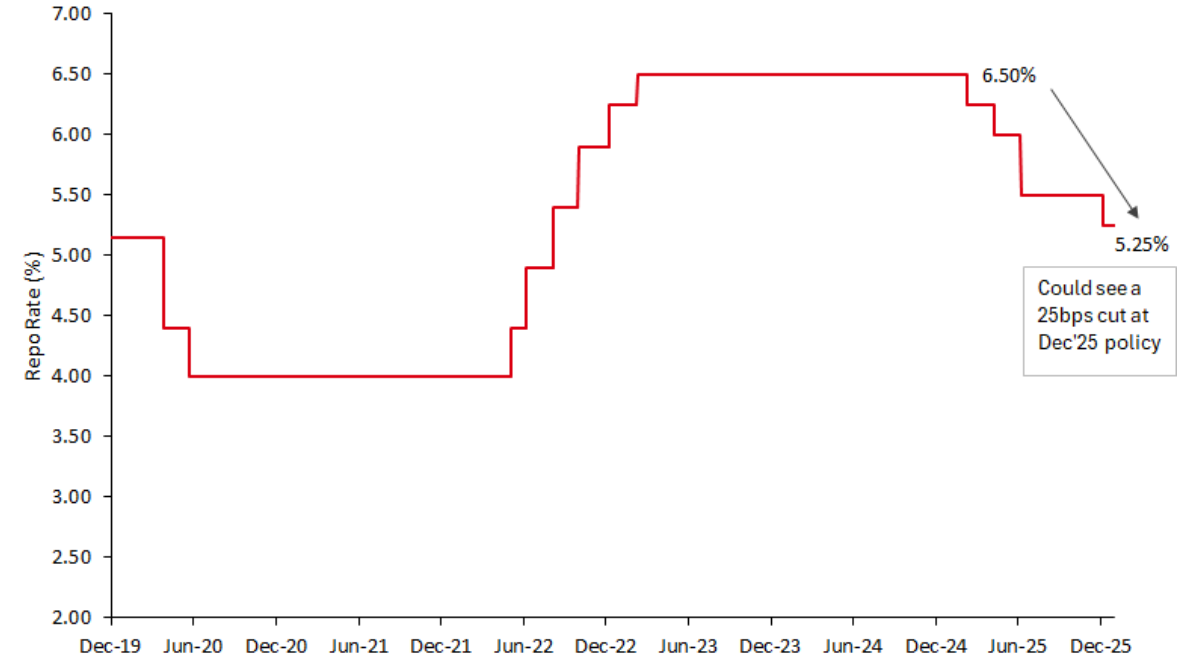
Source – Bloomberg, data as on Nov 26, 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Softer inflation provides the degrees of freedom to further support growth in H2 FY2026

Growth-Inflation outlook; Sharply lower inflation..



Re-opens space to lower rates; Dec'25 cut alive



- CPI inflation has seen sharp revisions since Apr'25; as of today, the FY26 number is forecasted at the lower bound of the FIT*
- Growth estimates too have surprised, with upside risks of it touching a 7% print in FY26 too; however, most of it the growth was in 1HFY26
- Low inflation rates open up space for another rate cut or two; the external developments and trade deal to shape the Dec'25 MPC policy

Benign inflation provides degrees of freedom to cut the Repo Rate

Source – RBI DBIE, RBI Bulletin, Bloomberg; FIT => Flexible Inflation Targeting framework of India RBI MPC
For illustration purposes only. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

In Summary...

Liquidity		Policy Rates	
Why OMO Purchases are back on the table		How the space to cut has re-opened?	
- System liquidity sharply lower, esp. in Oct'25		- Almost a deflation-like environment & soft inflation levels at least for next two-quarters	
<div>> Most autonomous liquidity drivers were a drag</div> <div>> In March quarter total liquidity is likely to moderate, with usually higher currency leakage</div>		<div>> Food-led rapid disinflation;</div> <div>> GST rate cuts effects visible in some items</div>	
- Reserve Money growth has moderated		GDP growth robust in 1HFY26; Outlook for 2HFY26 clouded	
- Transmission through banking and rates channel improving, but incomplete		> risks tilted on the downside, esp. if trade deal with the US falters	
What we think			
Above trends increase the scope of OMO Purchases to the tune of INR 1-2 lakh crore; esp. by Mar'26		1-2 more rate cuts likley; Dec'25 policy cut on cards	
Risks to the monetary policy choices			
- INR & RBI FX ops likely to influence the use of liquidity tools		- US-India trade deal that limits downside to India growth might delay the rate cut	

For illustration purposes only. Source – Bloomberg, information as of Nov 26, 2025 14:00 hours IST. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Key takeaways

Room for further policy easing opened up due to benign inflation trends

Weaker currency pushed RBI to intervene in the FX markets squeezing out liquidity

RBI may infuse durable liquidity into the system through OMO purchases

Government securities in the 6-10 year segment tend to benefit from OMO purchases

Expectations of rate cuts and improving liquidity conditions to benefit 2-3 year segment of the corporate bond curve

Possibility of inclusion into Bloomberg Global Agg Index to benefit Government securities

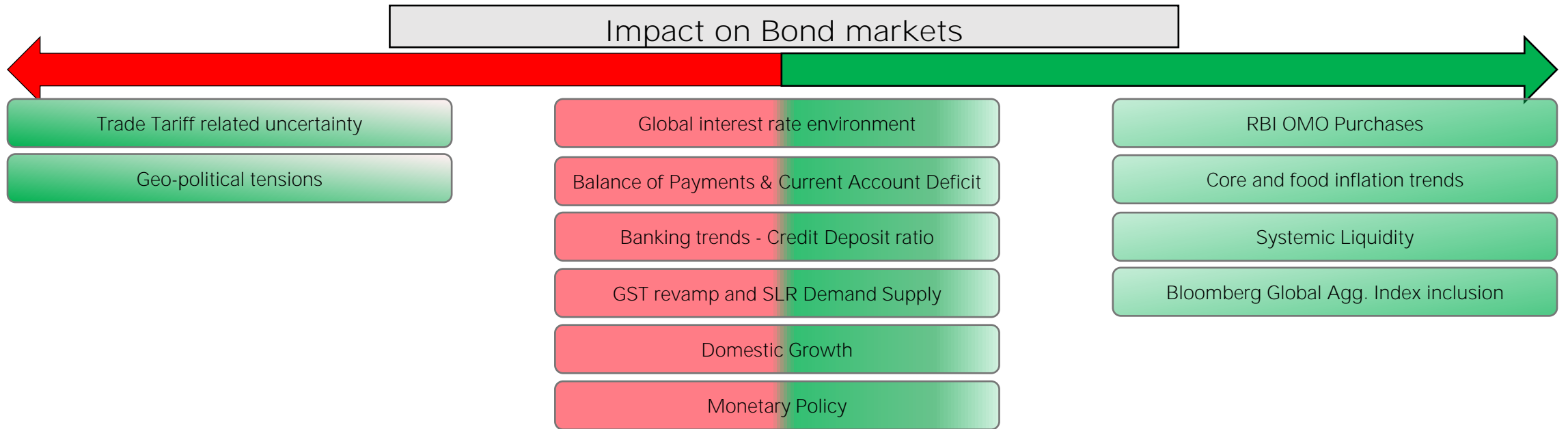
Current fund positioning to benefit from prevailing market conditions

Source: HSBC Mutual Fund estimates, RBI, Bloomberg, Data as of Nov 26, 2025

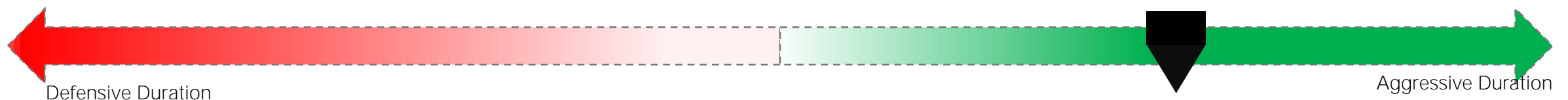
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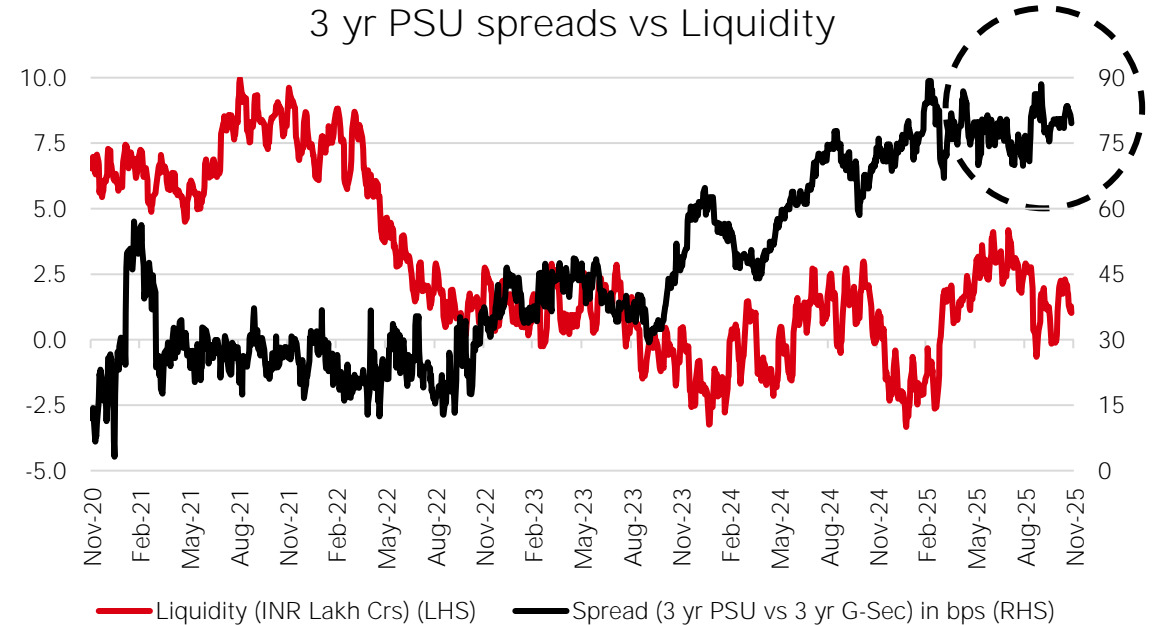
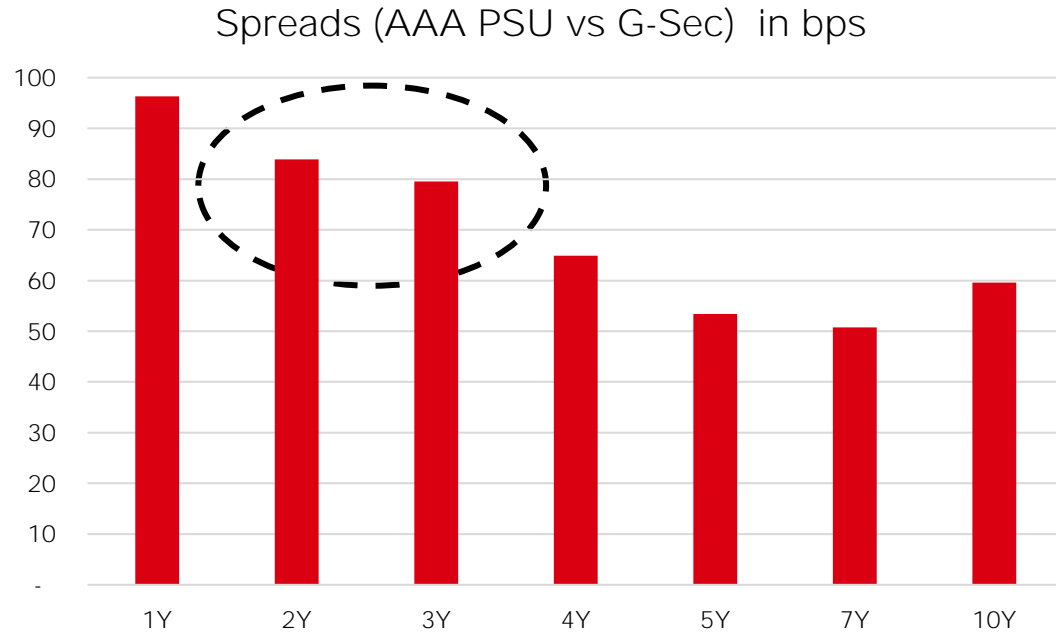
Fund positioning in current market environment

Top-Down assessment suggests duration bias



- **MPC has eased Repo Rate by a cumulative of 100 bps since Feb 2025; Policy stance maintained at 'neutral'**
- RBI revised lower inflation estimates for FY2026 to 2.6% and Q1 FY2027 to 4.50%; growth estimates for H2 FY2026 also revised lower
- **Recent inflation print came in at a series low of 0.25%; inflation expected to undershoot RBI's estimates**
- Growth inflation dynamics has turned favorable, opening up space for further policy easing
- RBI has started conducting OMO purchases, infusing durable liquidity into the system





- With inflation undershooting RBI estimates and inflation trajectory remaining benign, rate cut expectations are building up
- **Expected policy easing and RBI's commitment towards maintaining sufficient liquidity, is expected to drive short end rates lower**
- 2-3 year AAA PSU bonds continue to trade at favourable spreads of 80-85 bps over G-Sec
- There is room for 3-year AAA PSU spreads to compress from here on given expectations of surplus liquidity

2-3 year corporate bonds offer good relative value with liquidity expected to remain in surplus

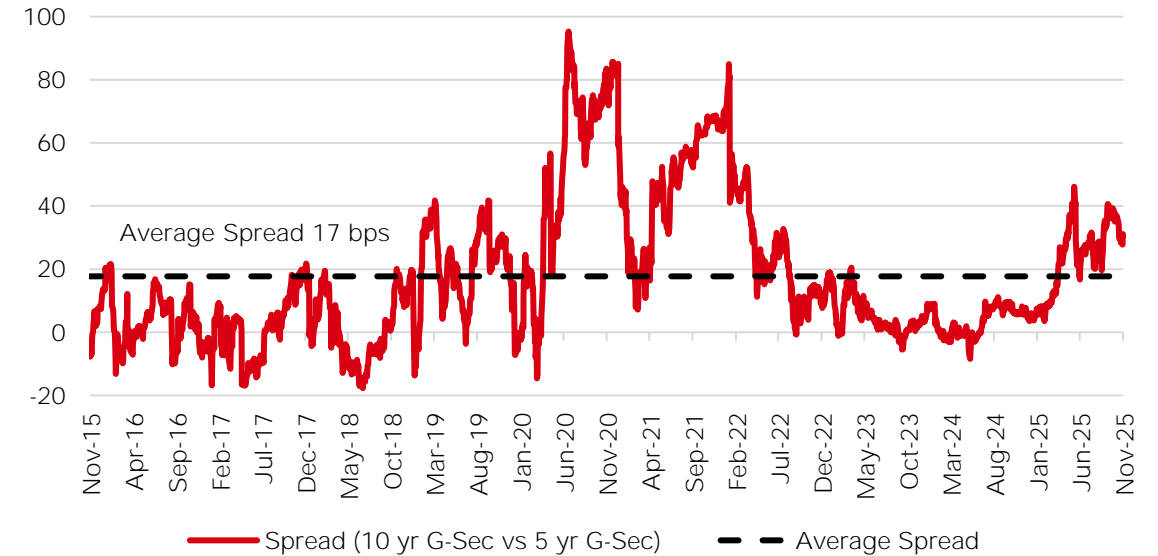
Source: HSBC Mutual Fund estimates, RBI, Bloomberg, Data as of Nov 26, 2025

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Maturity break up of OMO securities conducted during Jan-May 2025

OMO Securities	% break up
< 5 yr	16%
6-8 yr	36%
8-10 yr	24%
10-15 yr	25%
Total	100%
< 5 yr	16%

Spread (10 yr G-Sec vs 5 yr G-Sec) in bps



- RBI conducted in excess of INR 5 Lakh Crs worth of OMO purchases during Jan-May 2025
- Of the OMO purchases done through auction mechanism, around 60% was in the 6-10 yr maturity bucket
- Spreads of 10 yr vs 5 yr G-Sec is currently around 30 bps
- With OMO expectations and rate cuts building up, there is room for spreads to compress

6-10 yr G-Sec offers good value in current markets

Source: HSBC Mutual Fund estimates, RBI, Bloomberg, Data as of Nov 26, 2025

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Segmental positioning of corporate bonds in the underlying funds

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	HSBC Corporate Bond Fund	HSBC Short Duration Fund	HSBC Banking and PSU Debt Fund
Mod Duration	2.43	2.62	2.75
G-Sec/SDL + Cash	15%	22%	15%
Corporate Bonds	85%	78%	85%



Maturity Break up of Corporate Bonds	HSBC Corporate Bond Fund	HSBC Short Duration Fund	HSBC Banking and PSU Debt Fund
2026	0%	6%	6%
2027-2028	53%	59%	51%
2029-2030	33%	12%	23%
2031-2035	0%	0%	5%

Corporate bond exposure in the core fixed income funds in the Duration bracket of 2-3 years

Source: HSBC Mutual Fund estimates, RBI, Bloomberg, Data as of Nov 26, 2025

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Segmental positioning of G-Sec in the underlying funds

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	HSBC Corporate Bond Fund	HSBC Short Duration Fund	HSBC Banking and PSU Debt Fund	HSBC Dynamic Bond Fund	HSBC Gilt Fund
Mod Duration	2.43	2.62	2.75	6.81	8.57
G-Sec/SDL	14%	22%	14%	74%	98%



Maturity Break up of G-Sec/SDL	HSBC Corporate Bond Fund	HSBC Short Duration Fund	HSBC Banking and PSU Debt Fund	HSBC Dynamic Bond Fund	HSBC Gilt Fund
2027-2030	14%	8%	5%	6%	4%
2031-2035	0%	14%	8%	31%	43%
2036-2040	0%	0%	0%	13%	18%
2041-2074	0%	0%	0%	24%	33%

SDL exposure predominantly in the 5-7 year maturity bucket

Core positioning of G-Sec/SDL in the 6-10 year segment

Source: HSBC Mutual Fund estimates, RBI, Bloomberg, Data as of Nov 26, 2025

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Current Portfolio: Segmental Mix of the debt portion in the see-through portfolio

Maturity Segment	G-Sec/SDL	Corporate Bonds
2026-2028	1.1%	29.5%
2029-2030	4.4%	11.9%
2031-2035	8.2%	0.6%
2036-2040	2.0%	0.0%
2041-2074	3.7%	0.0%
Total	19.4%	42.1%

SDL exposure predominantly in the 5-7 year maturity bucket

Core positioning: 6-10 yr bucket for G-Sec/SDL and 2-3 yr bucket for corporate bonds

Source: HSBC Mutual Fund estimates, RBI, Bloomberg, Data as of Nov 26, 2025
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HSBC Income Plus Arbitrage Active FoF

A scheme with an active mix of Arbitrage and Actively managed exposure across high quality debt funds

HSBC Income Plus Arbitrage Active FoF*	
Arbitrage (35-45%)	Active Debt allocation (55-65%)
100% Hedged Equity Exposure	<ul style="list-style-type: none">• High Asset quality (100% Sovereign / AAA)• Active allocation across debt fund categories across maturities depending on the macro view and interest rate scenario

- Allows the Fund Manager to switch between debt schemes without any tax incidence to adapt to market conditions – thereby optimizing capital gains for investors
- Aims to offer better returns compared to an only debt-strategy with better tax-efficiency (12.5% with a 2-year investment horizon)

*Fund positioning is effective from March 1, 2025

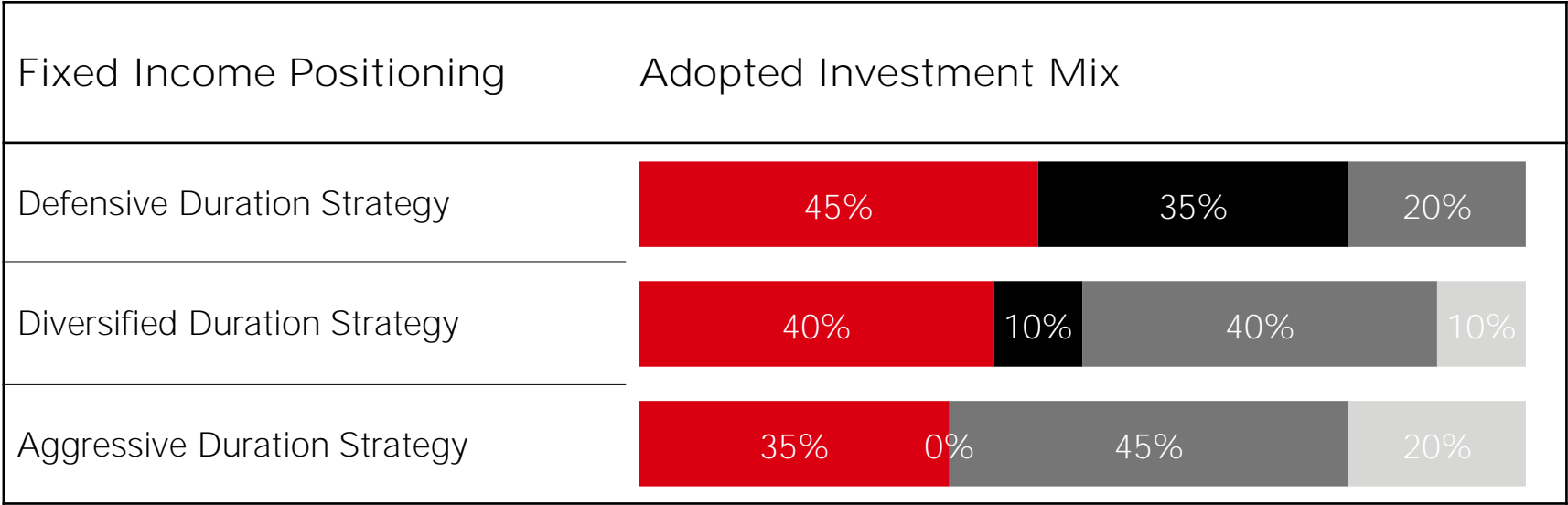
Dynamic Asset allocation strategy across the debt fund spectrum

HSBC Income Plus Arbitrage Active FoF				
Asset Type	Equity	Fixed Income	Fixed Income	Fixed Income
Strategies	Arbitrage Strategy	Defensive Strategy	Core Fixed Income Strategy	Alpha Generating Strategy
Fund Categories	Arbitrage Fund	Ultra Short Duration Fund	Banking and PSU Debt Fund Short Duration Fund Corporate Bond Fund	Gilt Fund Dynamic Fund
Proposed allocation	35% - 45%	0% - 40%	20% - 65%	0% - 25%

Investment Allocation
Arbitrage 35% - 45%
Fixed Income 55% - 65%

Please refer Scheme Information Document (SID) for more details on Asset Allocation of the scheme.
Source – HSBC Mutual Fund, Data as of Nov 15, 2025. Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).
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Ability to alter strategy based on rate expectations



Allocation Mix across funds

	Allocation Strategy	Funds
	Arbitrage	Arbitrage Fund
	Defensive	Money Market Fund, Ultra Short Duration Fund
	Core Fixed Income	Banking and PSU Debt Fund, Short Duration Fund, Corporate Bond Fund
	Alpha Generating	Gilt Fund, Dynamic Fund, Target Maturity Funds

Please refer Scheme Information Document (SID) for more details on Asset Allocation of the scheme.

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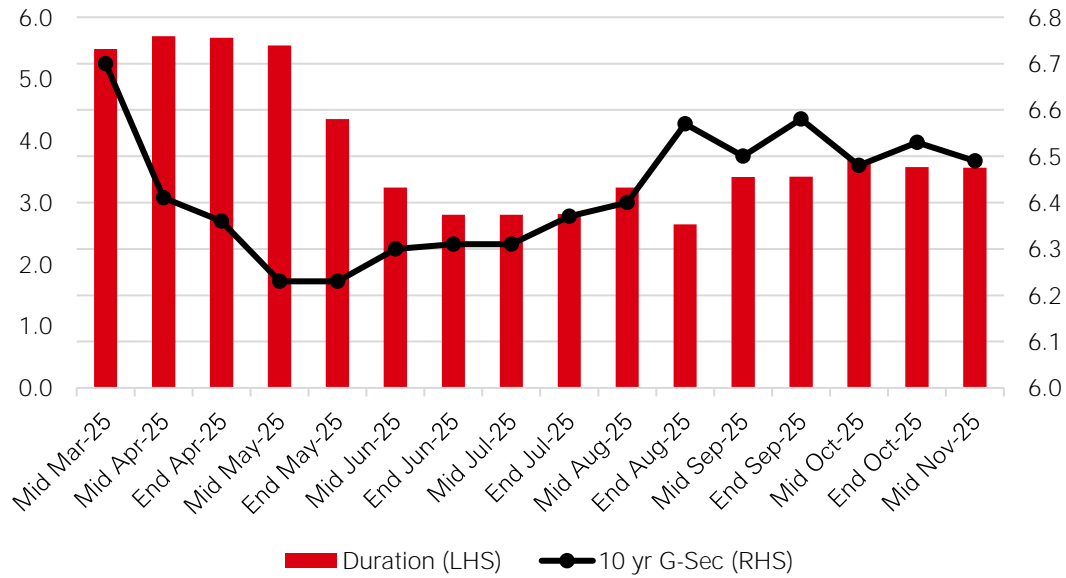
Current positioning into underlying schemes:

HSBC Income Plus Arbitrage Active FoF

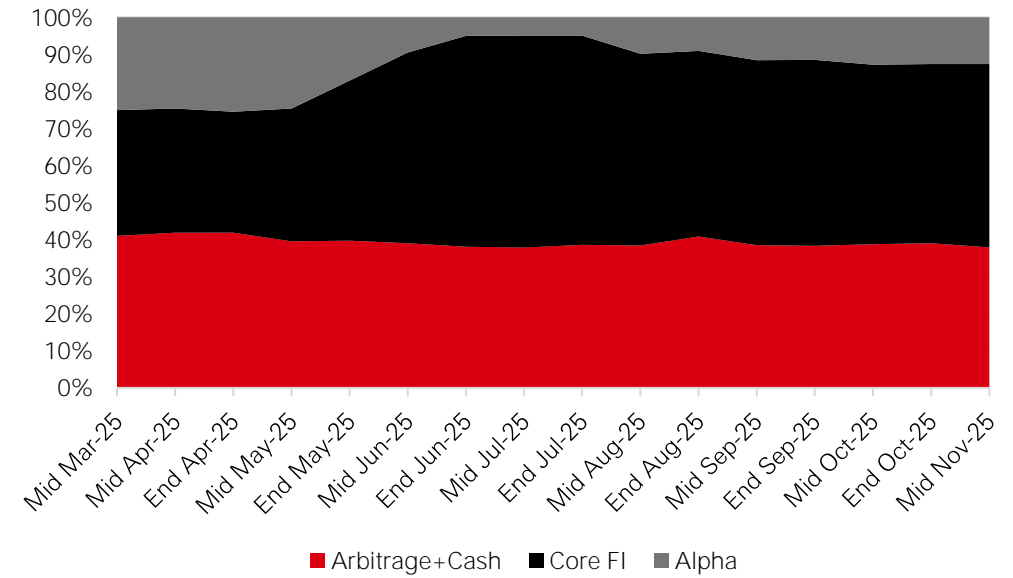
Asset Type	Equity	Fixed Income	Fixed Income			Fixed Income	
Strategies	Arbitrage Strategy	Defensive Strategy	Core Fixed Income Strategy			Alpha Generating Strategy	
Fund Allocations	HSBC Arbitrage Fund + Cash	HSBC Ultra Short Duration Fund	HSBC Banking and PSU Debt Fund	HSBC Corporate Bond Fund	HSBC Short Duration Fund	HSBC Gilt Fund	HSBC Dynamic Bond Fund
Allocation	37.9%	0.0%	11.3%	21.1%	17.0%	7.7%	4.8%
Mod Duration	-	0.41	2.75	2.43	2.62	8.57	6.81

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FOF Duration vs G-Sec movement



Allocation across strategies



- The top-down analysis suggests positive Duration bias
- The fund has allocation of almost 50% in the core fixed strategies and around 13% allocation to the alpha generating strategy
- The fund is currently positioned with a Modified Duration of 3.56 (debt segment)

Duration of the FOF will be monitored basis incoming data and view on interest rates

Source: HSBC Mutual Fund estimates, RBI, Bloomberg, Data as of Nov 15, 2025

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Illustrative comparison of the Fixed-income landscape

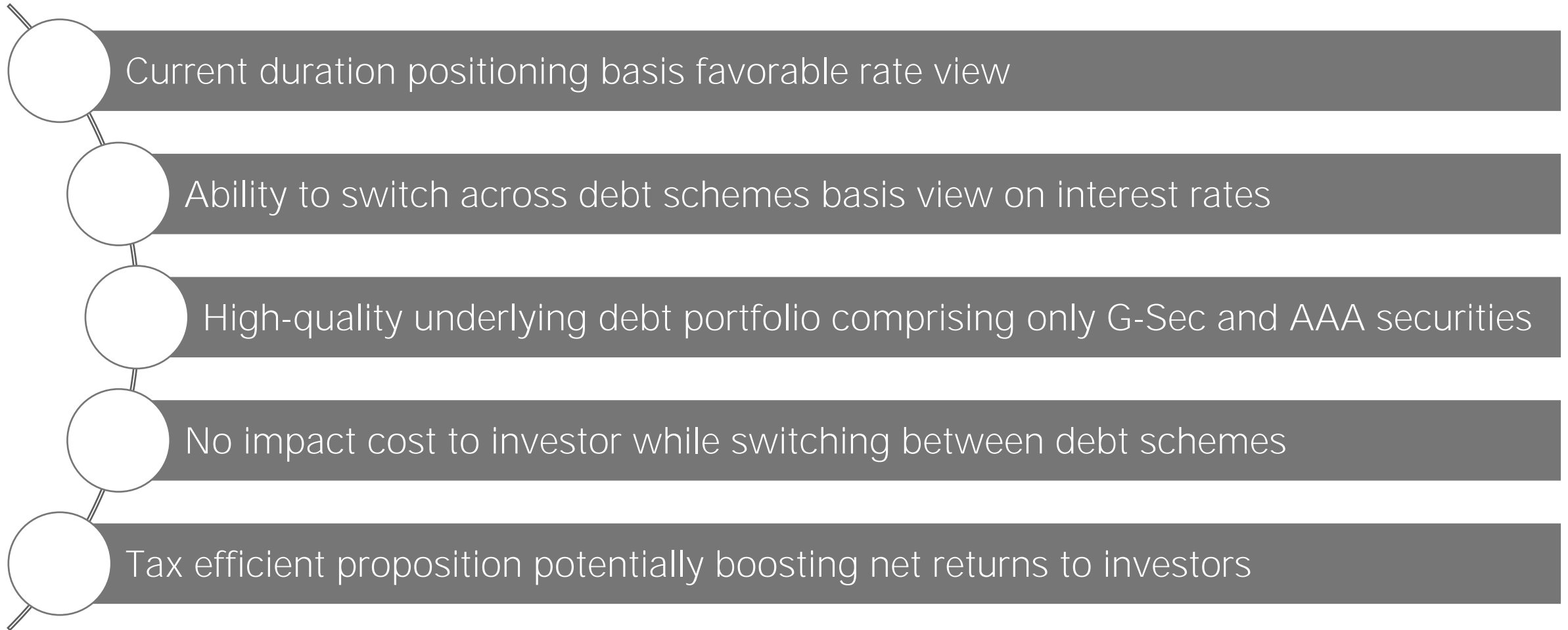
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For investment horizon greater than 2 years



	Product 1	Product 2	~65% AAA Debt + 35% Arbitrage exposure*	Product 3 (Hi-Yield)	Passive Debt Strategy with indexation (Prior to March 2023)
Net Pre-tax Yield (%)	7.5%	8.1%	7.0%	10%-11%	7.0%
Holding period (Years)	2.0	2.0	2.0	2.0	3.0
Cost Inflation Index (assumption)					4.00%
Effective Tax Rate (%)	39.0%	39.0%	15.0%	39.0%	23.9%
Post-tax return (%)	4.6%	5.0%	6.0%	6.2%-6.8%	6.3%
Equivalent pre-tax yield for a FI investment in higher tax bracket			9.8%		
Qualitative factors					
Liquidity	✓	✗	✓	✗	✓
Credit Quality	✓	✓	✓	✗	✓
Active allocation / Alpha opportunity	✗	✗	✓	✗	✗

Better risk-return profile than traditional low risk investments as well as higher risk-illiquid strategies (Credit AIFs)

The above simulation is done using assumed market data and is for illustration purposes only. The same is not to be construed as return guidance in any manner whatsoever. Past performance may or may not be sustained in the future. Taxation considered under current regime - Tax rate on Fund (Debt + Arb): 12.5%, Debt Funds and Traditional Instruments & FDs: 30% (tax slab). Surcharge on Individual Tax: 25%, Surcharge on CG Tax: 15%. Health and Education Cess at 4% *65% Debt & 35% Arbitrage exposure, which includes 65% allocation to Debt category and 35% allocation to Arbitrage Category respectively, is considered solely for the purpose of comparing taxation impact and is not an indication of proposed allocation. Note that portfolio allocation would be based on prevailing market conditions and would be subject to changes depending on the fund managers' views. Please refer SID for detailed asset allocation and investment strategy.



Product Label



Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div>HSBC Ultra Short Duration Fund</div> <div>(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 3 months to 6 months. (Please refer Page No. 11 for explanation on Macaulay’s duration). Relatively Low interest rate risk and moderate credit risk.)</div> <div>This product is suitable for investors who are seeking*:</div> <div><div>Income over short term with low volatility.</div><div>Investment in debt & money market instruments such that the Macaulay Duration of the portfolio is between 3 months - 6 months.^</div></div>	 <div>The risk of the scheme is Low to Moderate Risk</div>	<div>As per AMFI tier 1</div> <div>Benchmark Index: NIFTY Ultra Short Duration Debt Index A-I</div>  <div>The risk of the benchmark is Low to Moderate Risk</div>

* 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.
Note on Risk-o-meters: Riskometer as on 31 Oct 2025, 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 Ultra Short Duration 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.			

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.

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div>HSBC Corporate Bond Fund</div> <div>(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)</div> <div>This product is suitable for investors who are seeking*:</div> <div><div>• Generation of regular and stable income over medium to long term</div><div>• Investment predominantly in AA+ and above rated corporate bonds and money market instruments</div></div>	 <div>The risk of the scheme is Moderate Risk</div>	<div>As per AMFI Tier I</div> <div>Benchmark Index: NIFTY Corporate Bond Index A-II</div>  <div>The risk of the benchmark is Moderate risk</div>



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

Note on Risk-o-meters: Riskometer as on 31 Oct 2025, 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.

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div>HSBC Dynamic Bond Fund</div> <div>(An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and relatively low credit risk.)</div> <div>This product is suitable for investors who are seeking*:</div> <div><ul style="list-style-type: none">• Generation of reasonable returns over medium to long term• Investment in Fixed Income Securities</div>	 <div>The risk of the scheme is Moderate Risk</div>	<div>As per AMFI Tier 1</div> <div>Benchmark Index: NIFTY Composite Debt Index A-III</div>  <div>The risk of the benchmark is Moderate Risk</div>



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

Note on Risk-o-meters: Riskometer as on 31 Oct 2025, 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 Dynamic 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.

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div>HSBC Gilt Fund</div> <div>(An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.)</div> <div>This product is suitable for investors who are seeking*:</div> <div><ul style="list-style-type: none">• Generation of returns over medium to long term• Investment in Government Securities</div>		<div>As per AMFI tier 1 Benchmark Index: NIFTY All Duration G-Sec Index</div> 



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

Note on Risk-o-meters: Riskometer as on 31 Oct 2025, 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 Gilt Fund)			
Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
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.

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div>HSBC Short Duration Fund</div> <div>(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 (please refer to page no.11 of SID for details on Macaulay’s Duration). A Moderate interest rate risk and Relatively Low credit risk.)</div> <div>This product is suitable for investors who are seeking*:</div> <div><div>• Generation of regular returns over short term</div><div>• Investment in fixed income securities of shorter-term maturity.</div></div>		<div>As per AMFI tier 1</div> <div>Benchmark Index: Nifty Short Duration Debt Index A-II</div> 



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

Note on Risk-o-meters: Riskometer as on 31 Oct 2025, 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 Short Duration Fund)			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)	A-II		
Relatively High (Class III)			
A Scheme with Relatively Moderate 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.

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<div>HSBC Banking and PSU Debt Fund</div> <div>(An open ended debt scheme primarily investing in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds. A relatively high interest rate risk and relatively low credit risk.)</div> <div>This product is suitable for investors who are seeking*:</div> <div><div>• Generation of reasonable returns and liquidity over short term</div><div>• Investment predominantly in securities issued by Banks, Public Sector Undertakings and Public Financial Institutions and municipal corporations in India.</div></div>	 <div>The risk of the scheme is Moderate Risk</div>	<div>As per AMFI tier I</div> <div>Benchmark Index: Nifty Banking & PSU Debt Index A-II</div>  <div>The risk of the benchmark is Low to Moderate Risk</div>

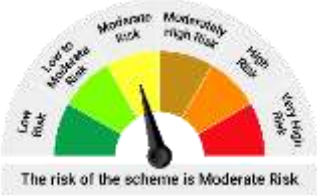


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Note on Risk-o-meters: Riskometer as on 31 Oct 2025, Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme

Potential Risk Class (HSBC Banking and PSU Debt 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.

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Riskometer (as applicable)
<div>HSBC Income Plus Arbitrage Active FOF (Erstwhile HSBC Managed Solutions India - Conservative)</div> <div>(An open-ended Income plus Arbitrage Active Fund of Fund scheme)</div> <div>This product is suitable for investors who are seeking*:</div> <div><ul style="list-style-type: none">• To provide income over the long-term.• Investing predominantly in schemes of debt mutual funds, Arbitrage Funds and money market instruments.</div> <div>Benchmark Index : 65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index</div>	 <p>The risk of the scheme is Moderate Risk</p>	<div>Benchmark Index : Composite index constituting 65% NIFTY Short Duration Debt Index</div> <div><p>The risk of the benchmark is Low to Moderate Risk</p><p>Nifty 50 Arbitrage Index</p><div><p>The risk of the benchmark is Low Risk</p></div></div>

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

Note on Risk-o-meters: Riskometer as on 31 Oct 2025 , 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

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter of the benchmark (as applicable)
<div>HSBC Arbitrage Fund</div> <div>(An open ended scheme investing in arbitrage opportunities)</div> <div>This product is suitable for investors who are seeking*:</div> <div><ul style="list-style-type: none">• Generation of reasonable returns over short to medium term• Investment predominantly in arbitrage opportunities in the cash and derivatives segments of the equity markets; and debt and money market instrument</div> <div>As per AMFI Tier I Benchmark i.e. Benchmark Index : Nifty 50 Arbitrage Index</div>	 <p>The risk of the scheme is Low Risk</p>	 <p>The risk of the benchmark is Low Risk</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 Oct 2025, 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

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