

## Product Note

### HSBC Ultra Short Duration Fund (HUTF)

(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. 15 for explanation on Macaulay's duration). Relatively Low interest rate risk and moderate credit risk.)

August 2024

Fund Category	Fund Manager	Benchmark <sup>1, 2</sup>	Inception Date	AUM <sup>3 &amp;</sup>
Ultra Short Duration Fund	Mahesh Chhabria and Kapil Punjabi <sup>@</sup>	NIFTY Ultra Short Duration Debt Index A-I	29 Jan 2020	Rs. 2,898.18 Cr

Quantitative Data		Minimum Investment		
Average Maturity	6.60 Months	Lumpsum	SIP	Additional Purchase
Modified Duration	4.91 Months	₹ 5,000	₹ 500	₹ 1,000
Macaulay Duration	5.26 Months			
Yield to Maturity	7.38%			

### Why HSBC Ultra Short Duration Fund?

- The Fund would endeavor to maintain high credit quality portfolio of securities with investment predominantly in securities that have high short term credit quality rating
- The security selection would be driven by investment team's view on credit spreads, liquidity and the risk reward assessment of each security
- The scheme would largely maintain high credit quality portfolio basis in-depth credit evaluation which includes financial position of the issuer, external credit ratings opinions, operational metrics, past track record as well as future prospects of the issuer

### Fund Approach

- Investment predominantly in liquid money market instruments, government securities and corporate debt
- The fund typically has a relatively higher portfolio average maturity as compared to liquid/cash fund
- The scheme continues to focus on high credit quality securities and a liquid portfolio
- Overall, we remain neutral to positive on duration with reasonable liquidity and rate hikes pause.
- The focus continues to be on the accrual returns in the portfolio.

**Exit Load:** NIL, No entry load will be charged to the investor.

**Month End Total Expenses Ratios (Annualized)<sup>4</sup>** – Regular<sup>5</sup>: 0.47%, Direct: 0.21%

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated June 27, 2024, 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. <sup>2</sup> Fund's benchmark has changed with effect from May 01, 2024.

<sup>3</sup> AUM is as on 31 July 2024.

<sup>4</sup> TER Annualized TER including GST on Investment Management Fees

<sup>5</sup> Continuing plans. <sup>@</sup> Managing since from May 1, 2024, Please refer notice cum addendum dated April 30, 2024

<sup>&</sup> For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources/information-library/#&accordion1446811090=4>

**Note:** 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).

Source – HSBC Mutual Fund, Data as of 31 July 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

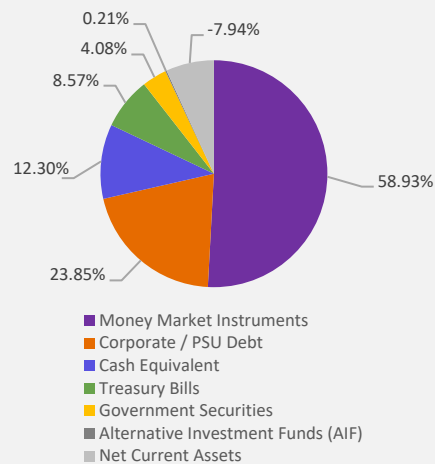
## Portfolio

Issuer	Rating	% to Net Assets
<b>Corporate Bonds / Debentures</b>		<b>23.85%</b>
LIC Housing Finance Limited	CRISIL AAA	6.31%
Power Finance Corporation Limited	CRISIL AAA	5.36%
REC Limited	CRISIL AAA	2.72%
Bajaj Finance Limited	CRISIL AAA	2.69%
National Bank for Agriculture & Rural Development	CRISIL AAA	2.65%
HDFC Bank Limited	CRISIL AAA	1.77%
Larsen & Toubro Limited	CRISIL AAA	1.44%
Small Industries Development Bank of India	CARE AAA	0.91%
<b>Money Market Instruments</b>		
<b>Certificate of Deposit</b>		<b>41.38%</b>
Bank of Baroda	IND A1+	5.05%
HDFC Bank Limited	IND A1+	5.02%
Axis Bank Limited	CRISIL A1+ / ICRA A1+	7.51%
National Bank for Agriculture & Rural Development	CRISIL A1+	4.98%
Kotak Mahindra Bank Limited	CRISIL A1+	4.17%
ICICI Bank Limited	CRISIL A1+ / ICRA A1+	7.37%
Canara Bank	CRISIL A1+	3.92%
Small Industries Development Bank of India	CRISIL A1+	3.36%
<b>Commercial Paper</b>		<b>17.55%</b>
Panatone Finvest Limited	CRISIL A1+	3.33%
Aditya Birla Finance Limited	ICRA A1+	2.56%
Bajaj Finance Limited	CRISIL A1+	2.55%
Larsen & Toubro Limited	CRISIL A1+	2.49%
Bajaj Housing Finance Limited	CRISIL A1+	1.67%
Small Industries Development Bank of India	CARE A1+	1.65%
ICICI Securities Limited	CRISIL A1+	1.65%
Kotak Securities Limited	CRISIL A1+	1.65%
<b>Government Securities</b>		<b>4.08%</b>
GOI FRB 04Oct2028	SOVEREIGN	2.67%
8.44% MAHARASHTRA 26NOV2024 SDL	SOVEREIGN	1.41%
<b>Treasury Bills</b>		<b>8.57%</b>
182 DAYS T-BILL 12Sep24	SOVEREIGN	3.42%
182 DAYS 05SEP24 T-BILL	SOVEREIGN	2.57%
364 DAYS T-BILL 29AUG24	SOVEREIGN	1.72%
182 DAYS T-BILL 08AUG24	SOVEREIGN	0.86%
<b>Alternative Investment Funds (AIF)</b>		<b>0.21%</b>
CDMDF CLASS A2	AIF	0.21%
<b>Cash Equivalent</b>		<b>4.36%</b>
<b>TREPS*</b>		<b>12.30%</b>
<b>Net Current Assets</b>		<b>-7.94%</b>
<b>Total Net Assets as on 31-July-2024</b>		<b>100.00%</b>

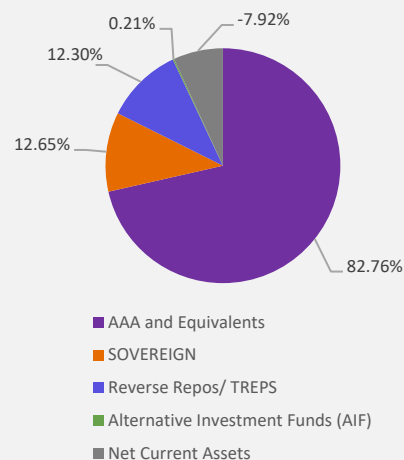
\*TREPS : Tri-Party Repo



## Asset Allocation



## Rating Portfolio



## Investment Objective

To provide liquidity and generate reasonable returns with low volatility through investment in a portfolio comprising of debt & money market instruments. However, there is no assurance that the investment objective of the scheme will be achieved..

Fund Manager - Mahesh Chhabria Effective 26 Nov 2022. Total Schemes Managed - 11  
Fund Manager - Kapil Punjabi Effective 01 August 2024. Total Schemes Managed - 17

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	
HSBC Ultra Short Duration Fund - Regular Plan~~~~	10721	7.19	11834	5.76	NA	NA	12674	5.40	29-Jan-20
Scheme Benchmark (NIFTY Ultra Short Duration Debt Index A-I)	10757	7.55	11947	6.10	NA	NA	12798	5.63	
Additional (NIFTY Ultra Short Duration Debt Index)	10787	7.84	12059	6.43	NA	NA	12955	5.91	
Additional (CRISIL 1 Year T Bill Index)	10738	7.36	11774	5.58	NA	NA	12688	5.42	

**Past performance may or may not be sustained in the future and is not indicative of future results.** The performance details provided herein are of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of July 2024 for the respective schemes. Returns for 1 year and above are Compounded Annualized. Returns for less than 1 year is Simple Annualized. Load is not taken into consideration for computation of performance. Different plans shall have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged to the Regular Plan.

As per clause 5.9.1 of the SEBI Master Circular dated June 27, 2024, the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

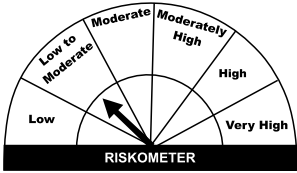

Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated June 27, 2024, on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes. ~~~~ Face value Rs 1000

Returns for Debt schemes has been calculated as on last business day NAV provided as on 31 July 2024.

Source: HSBC Mutual Fund, data as on 31 July 2024

[Click here](#) to check other funds performance managed by the Fund Manager

## Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<p><b>HSBC Ultra Short Duration Fund</b></p> <p>(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. 15 for explanation on Macaulay's duration). Relatively Low interest rate risk and moderate credit risk.)</p> <p><b>This product is suitable for investors who are seeking<sup>†</sup>:</b></p> <ul style="list-style-type: none"> <li>Income over short term with low volatility.</li> <li>Investment in debt &amp; money market instruments such that the Macaulay Duration of the portfolio is between 3 months- 6 months.<sup>^</sup></li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>As per AMFI tier 1 Benchmark Index: NIFTY Ultra Short Duration Debt Index A-I</p>  <p>RISKOMETER</p>

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

<sup>^</sup> 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 is as on 31 July 2024, 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 →	Potential Risk Class		
Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
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.

**Past performance may or may not be sustained in the future and is not indicative of future results.** Source: HSBC Mutual Fund, data as on 31 July 2024

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