

## Product Note

### HSBC Gilt Fund (HGIF) (Erstwhile L&T Gilt Fund)

Gilt Fund - An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.

June 2023

Fund Category	Fund Manager	Benchmark <sup>1, 2</sup>	Inception Date	AUM
Gilt	Jalpan Shah and Shriram Ramanathan	Nifty All Duration G-Sec Index	29 Mar 2000	Rs. 229.88 Cr

Quantitative Data		Minimum Investment		
Average Maturity	5.92 year	Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Modified Duration	4.48 year	Exit Load / Entry Load		
Macaulay Duration	4.64 year			
Yield to Maturity	7.04%	NIL		

### Why HSBC Gilt Fund?

- The fund aims to generate alpha through active duration management
- Invests predominantly in sovereign instruments and hence has minimal credit risk
- Irrespective of the interest rate cycle, the fund through active duration management and aggressive cash calls along with dynamic asset allocation has generated positive returns from even the lowest interest rates in the cycle
- The fund is ideal for investors seeking appropriate risk adjusted returns in a volatile interest rate environment.
- In the current scenario where interest rates are nearing the peak in this cycle, there are opportunities to capture alpha through strategic overweight duration in this fund.

### Fund Strategy

- Actively managed fund investing across the yield curve in Govt. Securities and SDLs to generate alpha
- Dynamic duration management to seize potential upsides when interest rates are expected to soften while also reducing risks in an uncertain environment
- Investments in a highly liquid portfolio so as to enable positioning changes based on evolving scenario.
- Overweight duration through higher allocation in 7-10 year part of the yield curve.

<sup>1</sup> 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 <sup>2</sup> Fund's benchmark has changed with effect from April 01, 2022. Fund strategy as at Jan '23. Data as on 31 May 2023

The fund had 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: 15 June 2023

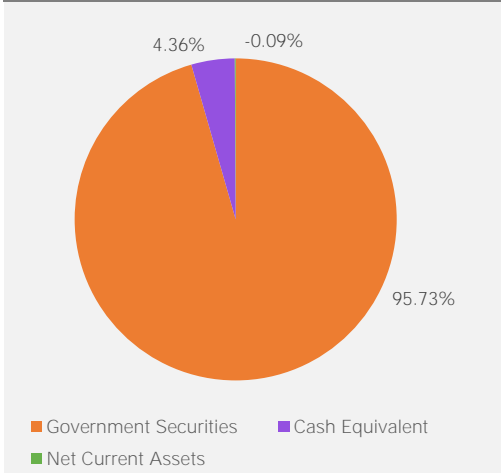
Portfolio

Issuer	Rating	% to Net Assets
<b>Government Securities</b>		<b>95.73%</b>
7.38% GOI 20JUN2027	SOVEREIGN	34.22%
7.26% GOVERNMENT OF INDIA 06FEB33	SOVEREIGN	22.66%
7.26% GOI 22AUG2032	SOVEREIGN	11.26%
7.10% GOVERNMENT OF INDIA 18APR29	SOVEREIGN	11.03%
5.63% GOI 12APR2026	SOVEREIGN	10.61%
07.26% GS 2029	SOVEREIGN	5.65%
6.19% GOI 16SEP34	SOVEREIGN	0.30%
<b>Cash Equivalent</b>		<b>4.27%</b>
<b>TREPS</b>		<b>4.36%</b>
<b>Net Current Assets</b>		<b>-0.09%</b>
<b>Total Net Assets as on 31-May-2023</b>		<b>100.00%</b>

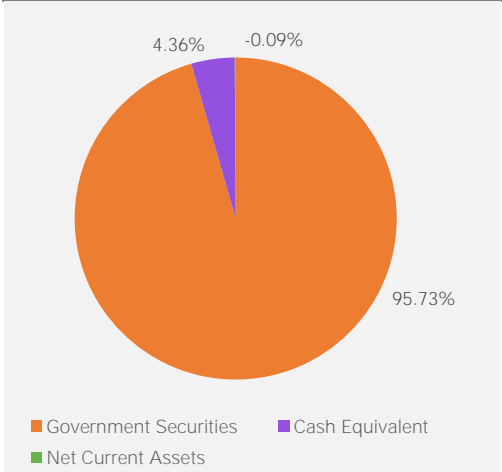
\*TREPS : Tri-Party Repo



Asset Allocation



Rating Portfolio



Investment Objective

To generate returns from a portfolio from investments in Government Securities. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

HSBC Gilt Fund (Erstwhile L&T Gilt Fund)		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p><b>Gilt Fund</b> - An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Generation of returns over medium to long term</li> <li>• Investment in Government Securities</li> </ul>	<p><b>Benchmark Index:</b> NIFTY All Duration G-Sec Index</p> 
	<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p><b>Note on Risk-o-meters:</b> Riskometer is as on 31 May 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 Gilt Fund)

Credit Risk →	Potential Risk Class (HSBC Gilt Fund)		
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.			

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 31 May 2023,

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