



# Fund Overview

## HSBC Overnight Fund

Overnight fund – An open ended debt scheme investing in overnight securities

July 2021

### Fund aim and investment policy

The Fund aims to provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of money market and debt securities. However, there can be no assurance that the Fund's objective can be realised.

<b>Fund Launch Date</b>	22 May 2019
<b>Fund manager</b>	Kapil Punjabi
<b>Investment Manager</b>	HSBC Asset Management (India) Pvt. Ltd
<b>Currency</b>	INR
<b>Fund Domicile</b>	India
<b>Benchmark</b>	CRISIL Overnight Index
<b>Dealing</b>	Every Business Day
<b>Cut-off Time<sup>1</sup></b>	13:30 for Subscriptions and Switch Ins, 15:00 for Redemption and Switch Outs
<b>Settlement</b>	T+1

### Fund Manager Kapil Punjabi



Vice President & Fund Manager – Indian Fixed Income

- ◆ 15 years of industry experience in fixed income
- ◆ Joined HSBC Asset Management India in 2014

### Overview

- ◆ Provides institutional investors with an opportunity to invest in short-term INR denominated money market instruments.
- ◆ Main objectives/strategy includes:
  - Aim to preserve capital<sup>2</sup>
  - Daily liquidity <sup>^^</sup>
  - Active risk management
  - Extensive credit research

#### Notes:

(1) Subscription is subject to availability of funds for utilization before the cut-off time without availing any credit facility. (2) The Scheme is not a guaranteed or assured return Scheme. Investors may not get back the amount originally invested. There is no guarantee that the fund's investment objectives, including performance, will be achieved

<sup>^^</sup> Daily liquidity - As per the Regulations, the Fund shall dispatch the redemption proceeds within 10 Business Days from the date of acceptance of redemption request. Under normal circumstances, the Fund will endeavour to dispatch the redemption proceeds 1 Business Day from the date of receiving a valid redemption request before the cut off time.

## Portfolio characteristics

Yield to Maturity <sup>1</sup>	3.34%
Current AUM (~INR m)	4682.5
Current WAM <sup>2</sup>	1 day
Maximum Maturity	1 day
Maximum WAM <sup>3</sup>	1 day

## Fund Information

	Features
Current NAV	INR 1,081.3203
Settlement Date	T+1 <sup>4</sup>

Fund Name	Total Expense Ratio (TER) (as of 30 June 2021)	Minimum Application Amount (Rs)	Minimum Redemption/ Switch Account (Rs)
HOF	0.26% <sup>3</sup>	5,000	1,000
HOF Direct Plan	0.11% <sup>3</sup>	5,000	1,000

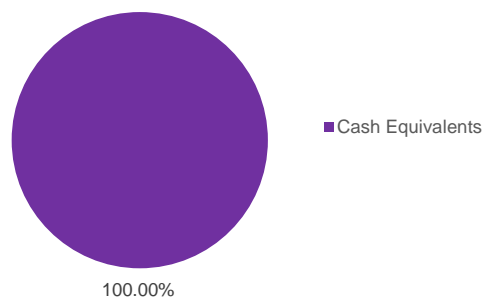
HSBC Mutual Fund/HSBC Asset Management (India) Private Limited would update the current expense ratios (TER) on its website at least three working days prior to the effective date of the change. Details of such changes can be referred on the following link under the Daily TER section: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds>

Source: HSBC Global Asset Management, data as of 30 June 2021

- Notes:
1. YTM Based on investment amount
  2. The Weighted Average Maturity (WAM) of the fund
  3. TER is annualized and Includes GST on Investment Management fees
  4. As per the local regulations, the fund shall dispatch the redemption proceeds within 10 business days from the date of acceptance of redemption request. Under normal circumstances, the Fund will endeavour to dispatch the redemption proceeds within 1 business day from the date of receiving redemption request.

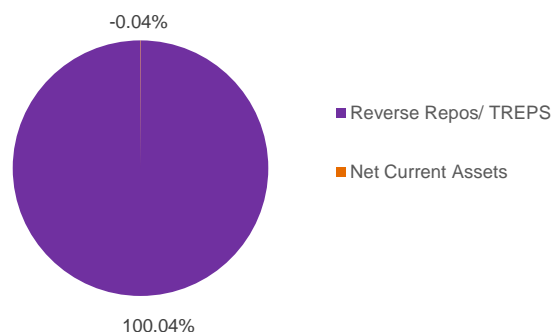
## Portfolio Compositions<sup>1</sup>

### Instrument Mix



### Credit Quality Mix – local\*

### credit rating agencies' short-term ratings



Top 10 issuers/counterparties	% NAV
Cash Equivalent	100.000%
TREPS	8.617%
Reverse Repos	91.422%
Net Current Assets:	-0.039%
Total Net Assets as on 30-June-2021	100.000%

## Investment process and team

Our investment process is active, fundamental and value driven. It combines qualitative top-down analysis of macroeconomic and market dynamics, with structured bottom-up research into individual bond issuers and fixed income securities. While investment decisions are taken locally to ensure focus and accountability, our portfolio managers in India are able to access the expertise and experience of our investment professionals worldwide in order to gain a truly global perspective.

The Fund is managed in India by Kapil Punjabi, who has over 15 years of investment experience. The team in India benefits from the broader HSBC Asset Management Liquidity team which manages money market assets across multiple currencies globally.

#### Notes:

\* The rating mentioned above refers to the local credit rating in India. The rating criteria and methodology used by Indian local rating agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, the Indian local credit rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

1. Subject to change without notice.

Source: HSBC Global Asset Management, All data as on 30 June 2021 except otherwise mentioned

Lump sum investment performance									
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception		Inception Date: 22-May-19
	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Overnight Fund	10,300	3.00	NA	NA	NA	NA	10,811	3.77	
Scheme Benchmark (CRISIL Overnight Index)	10,318	3.18	NA	NA	NA	NA	10,848	3.93	
Additional Benchmark (Nifty 1D Rate Index)*	10,358	3.58	NA	NA	NA	NA	11,248	5.74	
Additional Benchmark (CRISIL 1 Year T-Bill Index)*	10,318	3.18	NA	NA	NA	NA	10,848	3.93	

Fund / Benchmark (Value of Rs 10,000 invested)	7 Days		15 Days		30 Days		1 Year		3 Years		5 Years		Since Inception		Inception Date: 04-Dec-02
	Amount in Rs	Returns %	Amount In Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns (%)	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Cash Fund <sup>1</sup>	10,007	3.61	10,014	3.35	10,027	3.30	10,315	3.15	11,690	5.34	13,360	5.96	20,545	7.37	
Scheme Benchmark (CRISIL Liquid Fund Index)	10,007	3.73	10,015	3.59	10,029	3.57	10,371	3.71	11,809	5.70	13,503	6.19	20,615	7.41	
Additional Benchmark (CRISIL91DayT-BillIndex)*	10,008	4.17	10,006	1.36	10,020	2.45	10,358	3.58	12,043	6.39	13,573	6.30	19,734	6.95	
Additional Benchmark (CRISIL1YearT-BillIndex)*	10,008	4.24	10,015	3.76	10,030	3.68	10,340	3.40	11,722	5.44	13,284	5.84	19,915	7.04	

Performance of other funds managed by the Fund Manager										
HSBC Ultra Short Duration Fund	10,370	3.70	NA	NA	NA	NA	10,667	4.65	29-Jan-20	Inception Date: 29-Jan-20
Scheme Benchmark (CRISIL Ultra Short Term Debt Index)	10,455	4.55	NA	NA	NA	NA	10,775	5.40		
Additional Benchmark (NIFTY Ultra Short Duration Debt Index)*	10,405	4.05	NA	NA	NA	NA	10,706	4.92		
Additional Benchmark (CRISIL 1 Year T-Bill Index)*	10,358	3.58	NA	NA	NA	NA	10,724	5.05		
HSBC Debt Fund	10,218	2.18	12,645	8.12	13,591	6.32	34,649	6.92	10-Dec-02	Inception Date: 10-Dec-02
Scheme Benchmark (CRISIL Composite Bond Fund Index)	10,490	4.90	13,251	9.82	14,963	8.39	35,672	7.09		
Additional Benchmark (CRISIL 10 year Gilt Index) *	10,408	4.08	13,174	9.61	14,192	7.25	31,184	6.32		
HSBC Low Duration Fund <sup>2</sup>	11,192	11.92	10,574	1.88	11,991	3.70	16,331	5.77	17-Oct-06	Inception Date: 17-Oct-06
Scheme Benchmark (CRISIL Low Duration Debt Index)	10,511	5.11	12,405	7.45	14,314	7.44	19,911	8.19		
Additional Benchmark (CRISIL 1 Year T-Bill Index) *	10,358	3.58	12,043	6.39	13,573	6.30	17,809	6.82		
HSBC Regular Savings Fund	11,290	12.90	12,759	8.44	14,263	7.36	44,005	8.91	24-Feb-04	Inception Date: 24-Feb-04
Scheme Benchmark (CRISIL Hybrid 85+15 - Conservative Index)	11,188	11.88	13,714	11.08	15,925	9.75	41,678	8.57		
Additional Benchmark (CRISIL 10 Year Gilt Index) *	10,408	4.08	13,174	9.61	14,192	7.25	27,140	5.92		
HSBC Equity Hybrid Fund	13,923	39.23	NA	NA	NA	NA	14,664	15.29	22-Oct-18	Inception Date: 22-Oct-18
Scheme Benchmark (Composite index of CRISIL Composite Bond Fund Index (30%) and S&P BSE 200 TRI (70%))	14,624	46.24	NA	NA	NA	NA	15,573	17.90		
Additional Benchmark (Nifty 50 TRI) *	15,458	54.58	NA	NA	NA	NA	15,851	18.68		

Past performance may or may not be sustained in the future. Refer note below. **HSBC Overnight Fund** - Fund Manager - Funds Managed by Kapil Punjabi (Total Schemes Managed 8) - Effective (22 May 2019), **HSBC Cash Fund** - Fund Manager - Funds Managed by Kapil Punjabi (Total Schemes Managed 8) - Effective (14 March 2014), **HSBC Ultra Short Duration Fund** - Fund Manager - Funds Managed by Kapil Punjabi (Total Schemes Managed 8) - Effective (29 January 2020), **HSBC Debt Fund** - Fund Manager - Funds Managed by Kapil Punjabi (Total Schemes Managed 8) - Effective (18 February 2019), **HSBC Low Duration Fund** - Fund Manager - Funds Managed by Kapil Punjabi (Total Schemes Managed 8) - Effective (18 October 2014), **HSBC Regular Savings Fund** - Fund Manager - Funds Managed by Kapil Punjabi (For Debt Portion) (Total Schemes Managed 8) - Effective (18 February 2019), Fund Manager - Funds Managed by Gautam Bhupal (For Equity portion) (Total Schemes Managed 7) - Effective (23 July 2019), **HSBC Equity Hybrid Fund** - Fund Manager - Funds Managed by Neelotpal Sahai (For Equity) Total Schemes Managed – 5 - Effective (22 October 2018), Fund Manager - Funds Managed by Ranjithgopal K A (For Equity) Total Schemes Managed – 1 - Effective (23 July 2019), Fund Manager - Funds Managed by Kapil Punjabi (For Debt) Total Schemes Managed – 8 - Effective (18 February 2019)

Past performance may or may not be sustained in the future. Refer note below.

The Performance of HSBC Global Equity Climate Change Fund of Fund (managed by Priyankar Sarkar and Kapil Punjabi ) is not given since the scheme has not completed 6 Months from the date of inception.

Pursuant to the circular issued by SEBI on 'Categorization and Rationalization of the Schemes, there has been change in the fundamental attribute(s) of the aforesaid scheme(s) effective Mar 14, 2018.

\*Additional benchmark as per SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021

<sup>1</sup> Pursuant to SEBI circular dated Sept 13, 2012, certain Plans / Options within the schemes have been discontinued to comply with a single plan structure. Since there was no continuous NAV history available for the surviving Plan prior to 19 May 2011, returns since the said date have been considered for calculating performance. The inception date of HSBC Cash Fund however is 4 December 2002.

<sup>2</sup> Pursuant to SEBI circular dated Sept 13, 2012, certain Plans / Options within the schemes have been discontinued to comply with a single plan structure. Since there was no continuous NAV history available for the surviving Plan prior to 1 October 2012, returns since the said date have been considered for calculating performance. The inception date of HSBC Low Duration Fund however is 17 October 2006.

The performance details provided herein are of other than Direct Plan - Growth Option. Returns on Rs 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 June 2021 for the respective Schemes. Returns 1 year and Above are Compounded Annualised. 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 Other than Direct Plan. The performance data of the scheme(s) managed by the respective Fund Manager which has/have not completed 6 months is not provided. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open ended schemes.

## Key risks

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.


- ◆ **Credit Risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e. will be unable to make timely principal and interest payments on the security).
- ◆ **Price-Risk or Interest Rate Risk:** As with all debt securities, changes in interest rates may affect the NAV of the Scheme(s) as the prices of securities increase as interest rates decline and decrease as interest rates rise.
- ◆ **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.
- ◆ **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme(s) are reinvested. The additional income from reinvestment is the "interest on interest" component

For more risk factors check the KIM or visit <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources#>

Note on Risk-o-meters: Please note that the above risk-o-meter is as per the product labelling of the scheme available as on the date of this communication/ disclosure. As per SEBI circular dated October 05, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. 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.

### HSBC Cash Fund

**This product is suitable for investors who are seeking\*:**



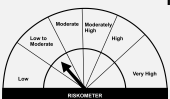
- Overnight Liquidity over short term
- Invests in Money Market Instruments

Investors understand that their principal will be from Low to Moderate risk

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

### HSBC Low Duration Fund

**This product is suitable for investors who are seeking\*:**



- Liquidity over short term
- Investment in debt and money market instruments such that the Macaulay<sup>^</sup> duration of the portfolio is between 6 months to 12 months.

Investors understand that their principal will be from Low to Moderate risk

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

### HSBC Regular Savings Fund

**This product is suitable for investors who are seeking\*:**



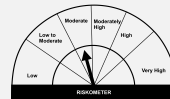
- Capital appreciation over medium to long term.
- Investment in fixed income (debt and money market instruments) as well as equity and equity related securities.

Investors understand that their principal will be at Moderately High risk

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

### HSBC Debt Fund

**This product is suitable for investors who are seeking\*:**



- Regular Income over long term
- Investment in diversified portfolio of fixed income securities such that the Macaulay<sup>^</sup> duration of the portfolio is between 4 years to 7 years

Investors understand that their principal will be at Moderate risk

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

### HSBC Global Equity Climate Change Fund of Fund

**This product is suitable for investors who are seeking\*:**




- To create wealth over long term
- Investment predominantly in companies positioned to benefit from climate change through fund of funds route

Investors understand that their principal will be at Very High risk

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

### HSBC Equity Hybrid Fund

**This product is suitable for investors who are seeking\*:**



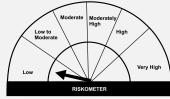
- Long term wealth creation and income
- Invests in equity and equity related securities and fixed income instruments

Investors understand that their principal will be at Very High risk

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

### HSBC Overnight Fund

**This product is suitable for investors who are seeking\*:**




- Income over short term and high liquidity
- Investment in debt & money market instruments with overnight maturity

Investors understand that their principal will be at Low risk

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

### HSBC Ultra Short Duration Fund

**This product is suitable for investors who are seeking\*:**



- Income over short term with Low volatility
- Investment in debt & money market instruments such that the Macaulay Duration of the portfolio is between 3 months- 6 months.

Investors understand that their principal will be from Low to Moderate risk

\* 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.

Source: HSBC Asset Management, India

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