

## Product Note

### HSBC Corporate Bond Fund (HCBF)

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.

February 2024

| Fund Category  | Fund Manager                       | Benchmark <sup>1, 2</sup>        | Inception Date | AUM <sup>3&amp;</sup> |
|----------------|------------------------------------|----------------------------------|----------------|-----------------------|
| Corporate Bond | Jalpan Shah and Shriram Ramanathan | NIFTY Corporate Bond Index B-III | 31 Mar 1997    | Rs. 6075.23 Cr        |

| Quantitative Data |           | Minimum Investment |       |                     |
|-------------------|-----------|--------------------|-------|---------------------|
| Average Maturity  | 4.86 year | Lumpsum            | SIP   | Additional Purchase |
| Modified Duration | 3.85 year | ₹ 5,000            | ₹ 500 | ₹ 1,000             |
| Macaulay Duration | 4.08 year |                    |       |                     |
| Yield to Maturity | 7.56%     |                    |       |                     |

### Why Corporate Bond Fund?

- The fund's portfolio would carry a relatively low credit risk by virtue of its focus on investing predominantly in AAA rated credits
- Aims to create a corpus through inflation-adjusted returns

### Fund Approach

- HSBC Corporate Bond Fund follows a passive roll-down strategy targeting a maturity of July - Sept 2028, with 100% of the portfolio invested in AAA Corporate bonds and Government Securities
- The fund endeavors to remain invested in bonds of AAA rated companies
- The fund aims to generate significant proportion of the total returns in the form of income yield from accrual of high-quality credit

Entry Load\*: Not Applicable, Exit Load: If the amount sought to be redeemed or switched out on or before 3 months from the date of allotment:0.50%. If the amount sought to be redeemed or switched out is invested for a period of more than 3 months from the date of allotment: Nil  
 Month End Total Expenses Ratios (Annualized)<sup>4</sup> – Regular<sup>5</sup>: 0.64%, Direct: 0.30%

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, 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 April 01, 2022. Data as on 31 December 2023

<sup>3</sup> AUM is as on 31 January 2024

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

<sup>5</sup> Continuing plans

<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).

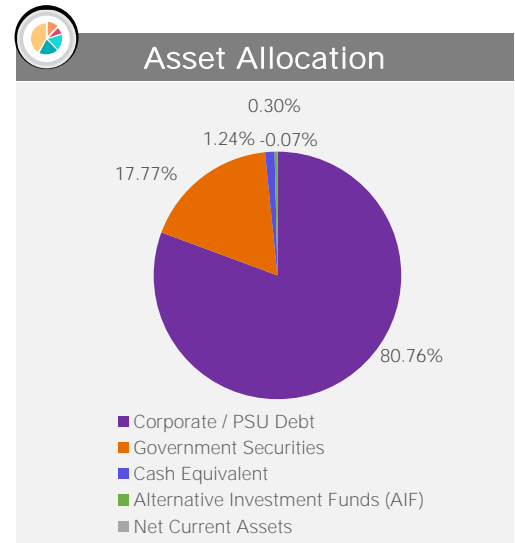
Source – HSBC Mutual Fund, Data as of 31 January 2024. Past performance may or may not be sustained in the future and is not indicative of future results.

## Portfolio

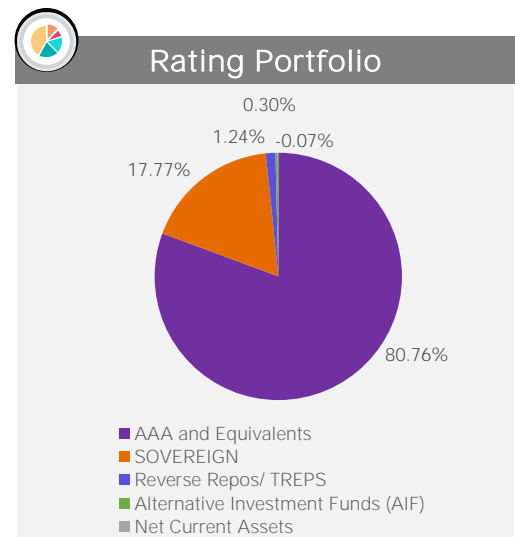
| Issuer  | Rating                | % to Net Assets |
|---|-----------------------|-----------------|
| <b>Corporate Bonds / Debentures</b>               |                       | <b>80.76%</b>   |
| National Highways Authority of India              | CRISIL AAA            | 9.80%           |
| NTPC Limited                                      | CRISIL AAA            | 8.47%           |
| Indian Railway Finance Corporation Limited        | CRISIL AAA            | 8.18%           |
| HDFC Bank Limited                                 | CRISIL AAA            | 8.17%           |
| Power Grid Corporation of India Limited           | CRISIL AAA            | 7.57%           |
| National Bank for Agriculture & Rural Development | ICRA AAA / CRISIL AAA | 9.38%           |
| Rec Limited                                       | CRISIL AAA            | 5.39%           |
| Indian Oil Corporation Limited                    | CRISIL AAA            | 5.12%           |
| Housing and Urban Development Corporation Limited | CARE AAA / ICRA AAA   | 5.38%           |
| ICICI Bank Limited                                | CARE AAA              | 4.81%           |
| Export Import Bank of India                       | CRISIL AAA            | 2.61%           |
| Power Finance Corporation Limited                 | CRISIL AAA            | 2.49%           |
| Kotak Mahindra Bank Limited                       | CRISIL AAA            | 1.66%           |
| Nuclear Power Corporation Of India Limited        | CRISIL AAA            | 1.00%           |
| Food Corporation of India Limited                 | CRISIL AAA (CE)       | 0.55%           |
| NHPC Limited                                      | CARE AAA              | 0.18%           |
| <b>Government Securities</b>                      |                       | <b>17.77%</b>   |
| 7.38% GOI 20JUN2027                               | SOVEREIGN             | 7.96%           |
| 7.17% GOI 08JAN28                                 | SOVEREIGN             | 6.59%           |
| 7.26% GS 2029                                     | SOVEREIGN             | 1.08%           |
| 6.79% GOI 15MAY2027                               | SOVEREIGN             | 0.91%           |
| 6.47% MAHARASHTRA 21OCT2028 SDL                   | SOVEREIGN             | 0.81%           |
| 7.06% GOI 10APR28                                 | SOVEREIGN             | 0.42%           |
| Alternative Investment Funds (AIF)                |                       | 0.30%           |
| CDMDF CLASS A2                                    | AIF                   | 0.30%           |
| <b>Cash Equivalent</b>                            |                       | <b>1.17%</b>    |
| <b>TREPS*</b>                                     |                       | <b>1.24%</b>    |
| <b>Net Current Assets:</b>                        |                       | <b>-0.07%</b>   |
| <b>Total Net Assets as on 31-January-2024</b>     |                       | <b>100.00%</b>  |

\*TREPS : Tri-Party Repo

## Asset Allocation



## Rating Portfolio



## Investment Objective

To generate regular return by investing predominantly in AA+ and above rated debt and money market instruments. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

Fund Manager - Jalpan Shah Effective 03 Apr 2017. Total Schemes Managed - 6

Fund Manager - Shriram Ramanathan Effective 30 Jun 2014. Total Schemes Managed - 10

| Lump Sum Investment Performance                      |             |           |             |           |             |           |                 |           | Inception Date |
|--|-------------|-----------|-------------|-----------|-------------|-----------|-----------------|-----------|----------------|
| Fund / Benchmark<br>(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 Corporate Bond Fund - Regular Plan <sup>4</sup> | 10678       | 6.78      | 11373       | 4.37      | 14366       | 7.51      | 65038           | 7.22      | 31-Mar-97      |
| Scheme Benchmark (NIFTY Corporate Bond Index B-III)  | 10764       | 7.64      | 11878       | 5.89      | 14375       | 7.52      | NA              | NA        |                |
| Additional Benchmark (CRISIL 10 year Gilt Index)     | 10825       | 8.25      | 11052       | 3.38      | 13370       | 5.98      | NA              | NA        |                |

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 January 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.

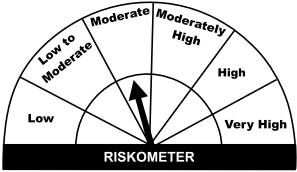
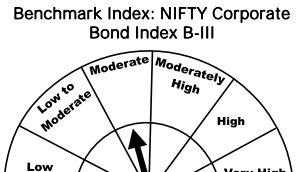
As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023, the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

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 May 19, 2023, 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.

Source: HSBC Mutual Fund, data as on 31 January 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   |
|---|--|--|
| <p><b>HSBC Corporate Bond Fund</b></p> <p>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.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Generation of regular and stable income over medium to long term</li> <li>• Investment predominantly in AA+ and above rated corporate bonds and money market instruments.</li> </ul> |  <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderate risk</p> | <p>Benchmark Index: NIFTY Corporate Bond Index B-III</p>  <p>RISKOMETER</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 January 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 Corporate Bond Fund)

| Credit Risk →        | Relatively Low (Class A)    | Moderate (Class B) | Relatively High (Class C) |
|----------------------|-----------------------------|--------------------|---------------------------|
| Interest Rate Risk ↓ |                             |                    |                           |
|                      | 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.

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 January 2024

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