

**PRODUCT DIFFERENTIATION**

Name of Scheme	Investment Objective	Investment Strategy	Product Differentiation
<p><b>HSBC Liquid Fund</b> An open-ended Liquid Scheme</p>	<p>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 Scheme's objective can be realized.</p>	<p>Since providing liquidity is of paramount importance, the focus will be to ensure liquidity while seeking to maximize the yield. An appropriate mix of money market and debt instruments will be used to achieve this. The Investment Team of the AMC will carry out rigorous in depth credit evaluation of the money market and debt instruments proposed to be invested in. The credit evaluation includes a study of the operating environment of the issuer, the past track record as well as the future prospects of the issuer and the short term / long term Financial health of the issuer.</p>	<p>This scheme invests in money market and debt securities with low risk and high level of liquidity.</p>
<p><b>HSBC Overnight Fund</b> An open ended debt scheme investing in overnight securities.</p>	<p>The scheme aims to offer reasonable returns commensurate with low risk and high degree of liquidity through investments in overnight securities. However, there is no assurance that the investment objective of the Scheme will be achieved.</p>	<p>The aim of HSBC Overnight Fund is to offer returns in line with the extant overnight call / money market rates. The scheme will have low risk and offer a very high degree of liquidity as it will invest only in overnight securities. Investments are made normally in overnight securities including Tri-party Repo / Reverse repos, debt instruments with overnight maturity / liquidity.</p>	<p>The scheme primarily invests in Debt, Money Market instruments, Cash and Cash equivalents (including Repo) with overnight maturity / maturing on or before next business day.</p>
<p><b>HSBC Medium to Long Duration Fund</b> An open ended medium to long term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years to 7 years</p>	<p>To provide reasonable income through a diversified portfolio of fixed income securities such that the Macaulay duration of the portfolio is between 4 years to 7 years.</p>	<p>The Scheme aims to provide investors with income, with appropriate liquidity, and therefore will invest in a mix of debt and money market instruments, over varying maturities.</p>	<p>This scheme primarily takes exposure to securities with Macaulay duration of the portfolio is between 4 years to 7 years.</p>
<p><b>HSBC Short Duration Fund</b> 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</p>	<p>To provide reasonable income through a diversified portfolio of fixed income securities such that the Macaulay duration of the portfolio is between 1 year to 3 years. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.</p>	<p>The Scheme will invest predominantly in debt and money market instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years.</p>	<p>The Scheme will Invest predominantly in debt and money market instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years.</p>
<p><b>HSBC Low Duration Fund</b> An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months</p>	<p>To seek to provide liquidity and reasonable returns by investing primarily in a mix of debt and money market instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.</p>	<p>The aim of the Investment Manager will be to allocate the assets of the Scheme between various money market and fixed income securities, such that the Macaulay duration of the portfolio is between 6 to 12 months with the objective of providing liquidity and achieving optimal returns with the surplus funds.</p>	<p>The Scheme will Invest predominantly in debt and money market instruments such that the Macaulay duration of the Portfolio is between 6 months to 12 months.</p>
<p><b>HSBC Ultra Short Duration Fund</b> 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.</p>	<p>To provide liquidity and generate reasonable returns with low volatility through investment in a portfolio comprising of debt &amp; money market instruments. However, there is no assurance that the investment objective of the scheme will be achieved.</p>	<p>The Macaulay duration of the scheme will be 3-6 months and within this range the duration management would be largely dependent on investment team's view rates, yield curve, liquidity, etc. Given the 3-6 months portfolio duration requirement, the scheme would have substantial exposure to money market instruments such as Bank Certificates of Deposit (CDs) and Commercial Papers (CPs). The Fund would largely maintain high credit quality portfolio of securities with investment predominantly in securities that have highest short term credit quality rating. The security selection would be driven by investment team's view credit spreads, liquidity and the risk reward assessment of each security.</p>	<p>The Scheme will Invest predominantly in debt and money market instruments such that the Macaulay duration of the Portfolio is between 3 months to 6 months.</p>
<p><b>HSBC Dynamic Bond Fund</b> An open ended dynamic debt scheme investing across duration</p>	<p>To deliver returns in the form of interest income and capital gains, along with high liquidity, commensurate with the current view on the markets and the interest rate cycle, through active investment in debt and money market instruments. However, there is no assurance that the investment objective of the Scheme will be achieved.</p>	<p>The Scheme can invest across all classes of fixed income instruments. There will be no cap or floor on maturity, duration or instrument type concentrations. The Fund Manager, depending on the interest rates view has the flexibility to allocate the funds in any fixed income instrument and endeavor to provide yields in line with the current market scenario. The investment strategy would revolve around structuring the portfolio with an aim to capture positive price movements and minimize the impact of adverse price movements.</p>	<p>The Scheme invests across all classes of fixed income instruments with no cap or floor on maturity, duration or instrument type concentrations. This makes the scheme different from other existing open – ended income/debt schemes of the Fund.</p>

Name of Scheme	Investment Objective	Investment Strategy	Product Differentiation
<b>HSBC Corporate Bond Fund</b> An open ended debt scheme predominantly investing in AA+and above rated corporate bonds	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.	The scheme would invest predominantly in AA+ and above rated corporate bond instruments with an aim to generate returns matching the investment objective. The fund's portfolio would carry relatively low credit risk by virtue of its focus on investing predominantly in AA+ and above rated instruments. The overall portfolio structuring would aim at controlling risk at moderate level. Security specific risk will be minimised by investing only in those companies that have been thoroughly researched in-house. Risk will also be managed through broad diversification of the portfolio within the framework of the Scheme's investment objective and policies	The Scheme will invest predominantly in corporate debt securities rated AA+ and above.
<b>HSBC Banking and PSU Debt Fund</b> An open ended debt scheme predominantly investing in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds.	To generate reasonable returns by primarily investing in debt and money market securities that are issued by Banks, Public Sector Undertakings (PSUs) and Public Financial Institutions (PFIs) in India. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.	The portfolio will be constructed and actively managed to generate returns to match the investment objective and to maintain adequate liquidity to accommodate funds movement. The portfolio will primarily be invested in debt and money market instruments consisting predominantly of securities issued by entities such as Banks, Public Sector Undertakings (PSUs) and Public Financial Institutions (PFIs). The Scheme will typically invest in short to medium term securities and as a result significant proportion of the total returns is likely to be in the form of income yield or accrual. Selective capital appreciation opportunities could be explored by extending credit and duration exposure after a careful analysis by the fund manager and considering the risk reward situation prevailing in the fixed income market at that point of time.	The portfolio will primarily be invested in debt and money market instruments consisting predominantly of securities issued by entities such as Banks, Public Sector undertakings, Public Financial Institutions (PFIs) and Municipal Bonds.
<b>HSBC Medium Duration Fund</b> An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years to 4 years	To seek to generate income by investing primarily in debt and money market securities. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.	The portfolio will be constructed and actively managed within the specified macaulay duration range to generate returns to match the investment objective and to maintain adequate liquidity to accommodate funds movement. The fund management team will take an active view of the interest rate movement supported by quantitative research, to include various parameters of the Indian economy, as well as developments in global markets.	An open ended debt scheme predominantly investing in fixed income instruments such that the Macaulay duration of the portfolio is between 3 years to 4 years.
<b>HSBC Gilt Fund</b> An open ended debt scheme investing in government securities across maturity	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.	The Fund Management team endeavors to meet the investment objective whilst maintaining a balance between safety, liquidity and the profitability aspect of various investments. The Scheme shall be actively managed and the Fund Management team shall formulate active view of the interest rate movement by monitoring various parameters of the Indian economy, as well as developments in global markets	The Scheme as per the asset allocation pattern has to invest a minimum of 80% in Government Securities and Treasury bills.
<b>HSBC Money Market Fund</b> An open ended debt scheme investing in money market instruments	To generate regular income through investment in a portfolio comprising substantially of 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.	In line with the investment objective of the Scheme, the investments would be made predominantly in a portfolio comprising of money market instruments. The Scheme will invest in short term instruments, which may comprise of certificates of deposit, commercial papers, TREPS, repos, reverse repos, treasury bills and government securities having unexpired maturity upto 1 year and all other eligible money market instruments as specified by SEBI and RBI from time to time, subject to approval, if any. The Scheme will evaluate securities based on parameters such as liquidity, yield, credit profile, etc. before including in the portfolio.	The scheme aims to generate regular income through investment in a portfolio comprising substantially of money market instruments.
<b>HSBC Credit Risk Fund</b> An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds).	To generate regular returns and capital appreciation by investing predominantly in AA and below rated corporate bonds, debt, government securities 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.	The Scheme seeks to generate regular returns and capital appreciation by investing in debt (including securitized debt), government and money market securities. The percentage of investment in various fixed income securities will be decided after considering the economic environment, the performance of the corporate sector and general liquidity, prevailing political conditions and other considerations in the economy and markets	An open ended debt scheme predominantly investing in AA and below rated corporate bonds. The scheme may also invest in various debt securities, government securities and money market instruments, REITs and InvITs