

## Product Note

### HSBC Liquid Fund (HLIF) (Erstwhile HSBC Cash Fund)

Liquid Fund - An open-ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk.  
(L&T Liquid Fund has merged into HSBC Cash Fund and the surviving scheme has been renamed)

March 2023

Fund Category	Fund Manager	Benchmark <sup>1, 2</sup>	Inception Date	AUM
Liquid	Kapil Lal Punjabi and Shriram Ramanathan	Nifty Liquid Index B-I	04 Dec 2002	Rs. 12043.76 Cr

Minimum Investment			Exit Load	
Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000	Investor exit upon subscription	Exit Load as a % of redemption proceeds
			Day 1	0.0070%
			Day 2	0.0065%
			Day 3	0.0060%
			Day 4	0.0055%
			Day 5	0.0050%
			Day 6	0.0045%
			Day 7 Onwards	0.0000%

Quantitative Data	
Average Maturity	31.43 Days
Modified Duration	31.13 Days
Macaulay Duration	31.43 Days
Yield to Maturity	7.18%

### Why HSBC Liquid Fund?

- To ensure optimal liquidity and better risk adjusted performance to suit the investor's requirements in various situations, our fund managers follow stringent liquidity, credit risk and interest rate risk norms
- The portfolio comprises of high credit quality papers evaluated through a rigorous credit evaluation process and generally aims to restrict investments to the highest possible short term rating.
- In the current fiscal year, we have seen a sharp move in yields in the shorter segment, making the portfolio yield attractive

### Fund Strategy

- Investment predominantly in highly liquid money market instruments, government securities and corporate debt with residual maturity of up to 91 days
- Focus on maintaining a high credit quality and highly liquid portfolio - investing only in names which are covered by internal credit research team
- Yield enhancement possible through measured exposure to high quality Commercial Papers
- System liquidity has moderated significantly and overnight rates are now around 6.00%-6.25%
- The focus continues to be on the accrual returns in the portfolio.

<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 28 Feb 2023

The fund has undergone merger/consolidation along with 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 Mar 2023

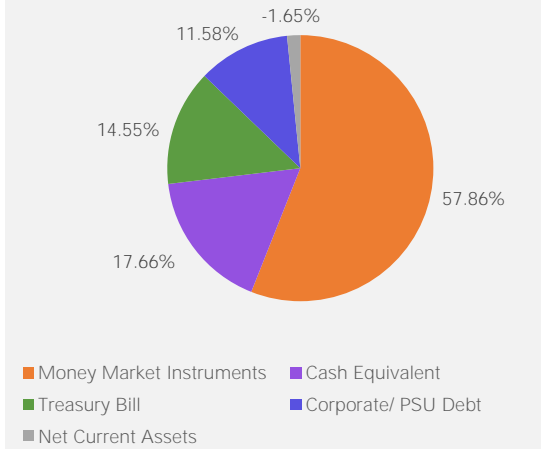
## Portfolio

Issuer	Rating	% to Net Assets
<b>Corporate/ PSU Debt</b>		
<b>Corporate Bonds / Debentures</b>		<b>11.58%</b>
Larsen and Toubro Limited	CRISIL AAA	4.71%
Indian Railway Finance Corporation Limited	CRISIL AAA	2.21%
Housing Development Finance Corporation Limited	CRISIL AAA	1.75%
National Bank for Agriculture and Rural Development	ICRA AAA	1.53%
LandT Finance Limited	CRISIL AAA	1.38%
<b>Money Market Instruments</b>		
Certificate of Deposit		9.06%
Canara Bank	CRISIL A1+	3.70%
HDFC Bank Limited	ICRA A1+	1.87%
Axis Bank Limited	CRISIL A1+	1.63%
Union Bank of India	IND A1+	1.24%
Export Import Bank of India	CRISIL A1+	0.62%
Commercial Paper		48.80%
HDFC Securities Limited	CRISIL A1+	3.70%
Housing Development Finance Corporation Limited	CRISIL A1+	3.31%
Reliance Retail Ventures Limited	CARE A1+	4.93%
Tata Power Company Limited	CRISIL A1+	4.11%
ICICI Securities Limited	CRISIL A1+	4.09%
Small Industries Development Bank of India	CARE A1+ / IND A1+	4.73%
Tata Steel Limited	ICRA A1+	2.48%
National Bank for Agriculture and Rural Development	ICRA A1+	2.46%
Tata Capital Financial Services Limited	CRISIL A1+	2.45%
Berger Paints India Limited	CARE A1+	2.07%
LIC Housing Finance Limited	CRISIL A1+	2.07%
Sikka Ports and Terminals Limited	CRISIL A1+	2.06%
Birla Group Holdings Private Limited	ICRA A1+	2.06%
Export Import Bank of India	CRISIL A1+	1.66%
Reliance Jio Infocomm Limited	CRISIL A1+	1.66%
ICICI Home Finance Limited	CARE A1+ / ICRA A1+	2.48%
Kotak Securities Limited	CRISIL A1+	1.65%
NTPC Limited	CRISIL A1+	0.83%
<b>Treasury Bill</b>		<b>14.55%</b>
91 DAYS T-BILL 04MAY23	SOVEREIGN	4.10%
91 DAYS T-BILL 02MAR23	SOVEREIGN	2.61%
91 DAYS T-BILL 11MAY23	SOVEREIGN	2.46%
182 DAYS T-BILLS 09MAR23	SOVEREIGN	1.74%
182 DAYS T-BILL 23MAR23	SOVEREIGN	1.24%
91 DAYS T-BILL 16MAR23	SOVEREIGN	0.83%
182 DAYS T-BILL 11MAY23	SOVEREIGN	0.82%
364 DAYS T-BILL 09MAR23	SOVEREIGN	0.75%
<b>Cash Equivalent</b>		<b>16.01%</b>
<b>TREPS*</b>		<b>17.66%</b>
<b>Net Current Assets</b>		<b>-1.65%</b>
<b>Total Net Assets as on 28-FEBRUARY-2023</b>		<b>100.00%</b>

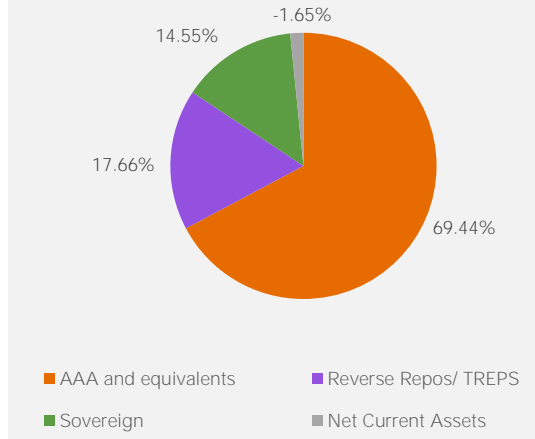
\*TREPS : Tri-Party Repo



### Asset Allocation


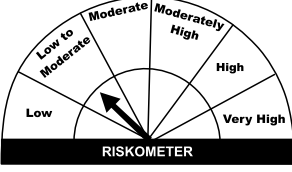


### Rating Profile



## Investment Objective

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 objective can be realised.

HSBC Liquid Fund (Erstwhile HSBC Cash Fund)		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p><b>Liquid Fund</b> - An open-ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Overnight liquidity over short term</li> <li>• Investment in Money Market Instruments</li> </ul>	<p><b>Benchmark Index: Nifty Liquid Index B-I</b></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 28 Feb 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 Liquid Fund)

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

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 28 Feb 2023,

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