

Product Note

HSBC Credit Risk Fund (HCRF) (Erstwhile L&T Credit Risk Fund)

Credit Risk Fund - An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A relatively high interest rate risk and relatively high credit risk.

January 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM
Credit Risk	Shriram Ramanathan and Kapil Lal Punjabi	NIFTY Credit Risk Bond Index C-III	8 Oct 2009	Rs. 137.99 Cr

Quantitative Data	
Average Maturity	2.31 year
Modified Duration	1.79 year
Macaulay Duration	1.88 year
Yield to Maturity	7.91%

Minimum Investment		
Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Exit Load / Entry Load		
NIL		

Fund Strategy

- Fund follows an accrual-based, yield-enhancement strategy
- Low portfolio turnover to help generate returns through accrual
- Robust credit selection process to spot mispriced credit opportunities
- Investors comfortable with adding some credit risk to generate higher accrual while keeping interest rate risk low, could consider investing in this fund

Why HSBC Credit Risk Fund?

- The fund offers a yield pick up over traditional bond funds and has the potential to deliver outperformance over the medium term
- Rigorous credit monitoring conducted by in-house credit research team
- To create a corpus through generating inflation-adjusted returns

¹ 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 ² Fund's benchmark has changed with effect from April 01, 2022. Data as on 31 Dec 2022

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>.

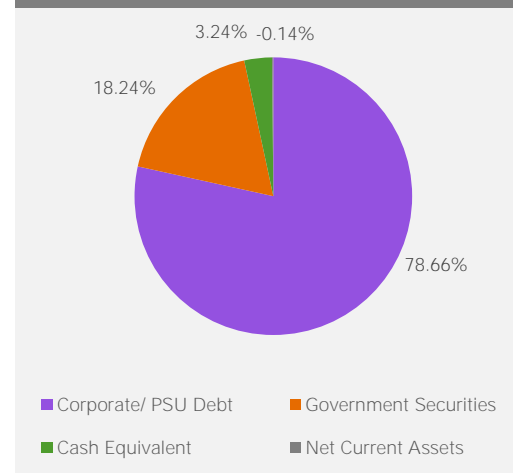
Portfolio

Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		78.66%
IIFL Home Finance Limited	ICRA AA	9.01%
JM Financial Products Limited	ICRA AA	7.79%
Century Textiles & Industries Limited	CRISIL AA	7.77%
Tata Motors Limited	ICRA AA-	7.43%
Aadhar Housing Finance Limited	CARE AA	7.42%
Godrej Industries Limited	CRISIL AA	7.41%
ONGC Petro Additions Limited	ICRA AA	7.40%
Oriental Nagpur Betul Highway Limited (Nhai Annuity Receivables)	CRISIL AAA	6.22%
Tata power Company Limited	IND AA	5.68%
Godrej Housing Finance Limited	CRISIL AA	3.66%
Tata Power Company Limited	CARE AA	3.66%
Yarrow Infrastructure Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	2.49%
Vector Green Prayagraj Solar Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	0.92%
Malwa Solar Power Generation Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	0.78%
Sepset Constructions Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	0.78%
Priapus Infrastructure Pvt Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	0.12%
Citra Real Estate Limited (Vector green energy sponsored co-obligor structure)	IND AAA (CE)	0.12%
Government Securities		18.24%
7.26% GOI 22AUG2032	SOVEREIGN	11.10%
7.38% GOI 20JUN2027	SOVEREIGN	3.65%
5.22% GOI 15JUN2025	SOVEREIGN	3.49%
Cash Equivalent		3.10%
TREPS*		3.24%
Net Current Assets:		-0.14%
Total Net Assets as on 31-DECEMBER-2022		100.00%

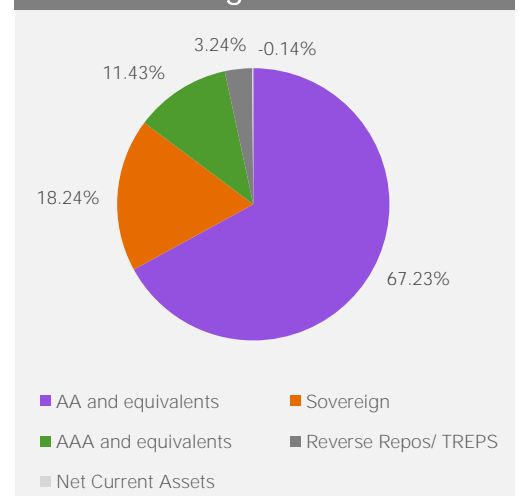
*TREPS : Tri-Party Repo



Asset Allocation

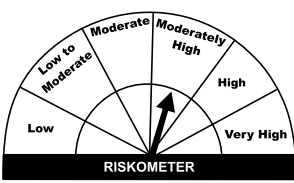
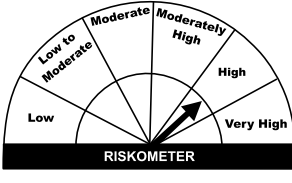


Rating Portfolio



Investment Objective

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.

HSBC Credit Risk Fund (Erstwhile L&T Credit Risk Fund)		
 <p>RISKOMETER</p> <p>Investors understand that their principal will be at Moderately High risk</p>	<p>Credit Risk Fund - An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+rated corporate bonds). A relatively high interest rate risk and relatively high credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Generation of regular returns and capital appreciation over medium to long term • Investment in debt instruments (including securitized debt), government and money market securities <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022. 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>	<p>Benchmark Index: NIFTY Credit Risk Bond Index C-III</p>  <p>RISKOMETER</p>

Potential Risk Class (HSBC Credit Risk Fund)

Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)			C-III
A Scheme with Relatively High interest rate risk and High 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 Dec 2022.

Disclaimer: This document has been prepared by HSBC Asset Management (India) Private Limited (HSBC) for information purposes only and should not be construed as i) an offer or recommendation to buy or sell securities, commodities, currencies or other investments referred to herein; or ii) an offer to sell or a solicitation or an offer for purchase of any of the funds of HSBC Mutual Fund; or iii) an investment research or investment advice. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Investors should seek personal and independent advice regarding the appropriateness of investing in any of the funds, securities, other investment or investment strategies that may have been discussed or referred herein and should understand that the views regarding future prospects may or may not be realized. In no event shall HSBC Mutual Fund/HSBC Asset management (India) Private Limited and / or its affiliates or any of their directors, trustees, officers and employees be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of information / opinion herein.

This document is intended only for those who access it from within India and approved for distribution in Indian jurisdiction only. Distribution of this document to anyone (including investors, prospective investors or distributors) who are located outside India or foreign nationals residing in India, is strictly prohibited. Neither this document nor the units of HSBC Mutual Fund have been registered under Securities law/Regulations in any foreign jurisdiction. The distribution of this document in certain jurisdictions may be unlawful or restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions. If any person chooses to access this document from a jurisdiction other than India, then such person do so at his/her own risk and HSBC and its group companies will not be liable for any breach of local law or regulation that such person commits as a result of doing so.

© Copyright. HSBC Asset Management (India) Private Limited 2023, ALL RIGHTS RESERVED.
HSBC Mutual Fund, 9-11th Floor, NESCO - IT Park Bldg. 3, Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063. Maharashtra.
GST - 27AABCH0007N1ZS, Email: investor.line@mutualfunds.hsbc.co.in | Website: www.assetmanagement.hsbc.co/in

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