

Product Note

HSBC Dynamic Bond Fund (HDBF)

An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and relatively low credit risk.

January 2024

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM ^{3&}
Dynamic Bond	Jalpan Shah and Shriram Ramanathan	NIFTY Composite Debt Index A-III	27 Sep 2010	Rs. 183.71 Cr
Quantitative Data		Minimum Investment		
Average Maturity	7.11 year	Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000
Modified Duration	5.08 year			
Macaulay Duration	5.34 year			
Yield to Maturity	7.43%			

Why HSBC Dynamic Bond Fund?

- The fund aims to generate alpha using all sources of generating returns: Yield accruals through high quality credit selection and active duration management.
- The fund follows active duration management along with dynamic asset allocation
- The fund is ideal for investors seeking appropriate risk adjusted returns in a volatile interest rate environment.
- In the current scenario where interest rates are nearing the peak in this cycle, there may be opportunities to capture alpha through strategic overweight duration in this fund.

Fund Strategy

- Actively managed fund investing across the yield curve in Govt. Securities and high-quality AAA rated credits to generate alpha
- Dynamic duration management to seize potential upsides when interest rates are expected to soften while also reducing risks in an uncertain environment
- Diversified portfolio spread across government securities, corporate bonds and money market instruments.
- Aims to Invest in a liquid portfolio to enable positioning changes based on evolving scenario.

Entry Load* : NA, Exit Load: Nil, In terms of 10.4.1.a. of SEBI Master Circular on Mutual Funds dated May 19, 2023, no entry load will be charged to the investor. Month End Total Expenses Ratios (Annualized)⁴ – Regular⁵: 0.80%, Direct: 0.31%

¹ 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.

² Fund's benchmark has changed with effect from April 01, 2022. Data as on 31 December 2023, ³ AUM as as on 31 December 2023

⁴ TER Annualized TER including GST on Investment Management Fees, ⁵ Continuing plans

⁶ 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 on 31 December 2023. Past performance may or may not be sustained in the future and is not indicative of future results.

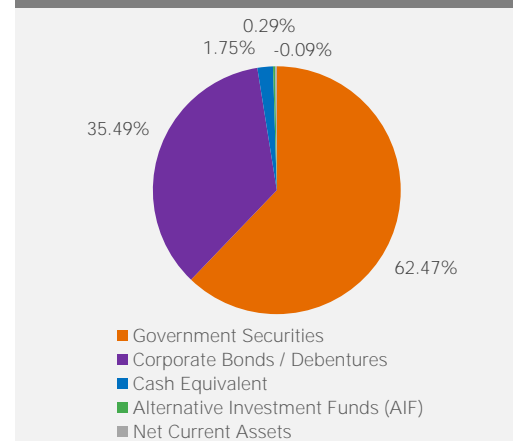
Portfolio

Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		35.49%
National Bank for Agriculture & Rural Development	CRISIL AAA	8.73%
Indian Railway Finance Corporation Limited	CRISIL AAA	8.37%
HDFC Bank Limited	CRISIL AAA	7.14%
LIC Housing Finance Limited	CRISIL AAA	5.68%
Power Finance Corporation Limited	CRISIL AAA	5.57%
Government Securities		62.47%
7.06% GOI 10APR28	SOVEREIGN	16.57%
7.18% GOVERNMENT ON INDIA 14AUG2033 GSEC	SOVEREIGN	11.19%
7.38% GOI 20JUN2027	SOVEREIGN	9.63%
7.26% GOVERNMENT OF INDIA 06FEB33	SOVEREIGN	8.44%
7.18% GOI 24-Jul-2037	SOVEREIGN	8.34%
7.17% GOVERNMENT OF INDIA 17APR30	SOVEREIGN	8.30%
Alternative Investment Funds (AIF)		0.29%
CDMDF CLASS A2		0.29%
Cash Equivalent		1.75%
TREPS*		1.84%
Net Current Assets:		-0.09%
Total Net Assets as on 31-December-2023		100.00%

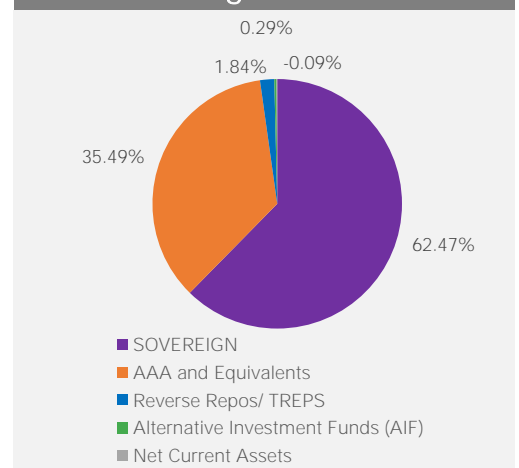
*TREPS : Tri-Party Repo



Asset Allocation



Rating Portfolio



Investment Objective

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 can be no assurance or guarantee that the investment objective of the scheme would be achieved.

Fund Manager - Jalpan Shah Effective 30 May 2016. Total Schemes Managed - 6
Fund Manager - Shriram Ramanathan Effective 02 Feb 2015. Total Schemes Managed - 11

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (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 Dynamic Bond Fund - Regular Plan	10654	6.56	11184	3.81	13469	6.14	26238	7.54	27-Sep-10
Scheme Benchmark (NIFTY Composite Debt Index A-III)	10715	7.17	11352	4.32	14165	7.22	26373	7.59	
Additional Benchmark (CRISIL 10 year Gilt Index)	10782	7.84	10976	3.16	13247	5.79	22534	6.32	

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 December 2023 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 December 2023

[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>HSBC Dynamic Bond Fund</p> <p>An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and relatively low credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Generation of reasonable returns over medium to long term • Investment in fixed income securities 	 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Benchmark : NIFTY Composite Debt Index A-III</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 December 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

Potential Risk Class (HSBC Dynamic Bond 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)	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 December 2023

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.