

## Product Note

### HSBC Medium to Long Duration Fund (HMLF)

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. (Please refer Page No. 14 for explanation on Macaulay's duration). Relatively High interest rate risk and Low credit risk.

April 2024

| Fund Category                  | Fund Manager                             | Benchmark <sup>1,2</sup>                       | Inception Date | AUM <sup>3</sup> &  |
|--------------------------------|--|--|----------------|---------------------|
| Medium to Long Duration Fund   | Kapil Lal Punjabi and Shriram Ramanathan | NIFTY Medium to Long Duration Debt Index A-III | 10 Dec 2002    | Rs. 46.36 Cr        |
| Quantitative Data              |  | Minimum Investment                             |                |                     |
| Average Maturity               | 9.66 years                               | Lumpsum  | SIP            | Additional Purchase |
| Modified Duration              | 6.53 years                               | ₹ 10,000                                       | ₹ 500          | ₹ 1,000             |
| Macaulay Duration <sup>4</sup> | 6.78 years                               |  |                |                     |
| Yield to Maturity              | 7.27%                                    |  |                |                     |

### Why HSBC Medium to Long Duration Fund?

- Investing in instruments such that the Macaulay Duration of the portfolio is between 4 years to 7 years
- 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 Approach

- 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
- The major portion of the portfolio is invested in Gsecs due to favourable scenario
- Investments in a liquid portfolio to enable positioning changes based on evolving market scenario
- Managing duration through allocation in 7 -10 year part of the yield curve

**Entry Load\***: Not Applicable, **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)<sup>4</sup>** – Regular<sup>5</sup>: 1.87%, Direct: 0.64%

<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 effective 4 September 2023

<sup>3</sup> AUM is as on 31 March 2024.

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

<sup>5</sup> Continuing plans

<sup>6</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 above information is for illustrative purposes only. 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).

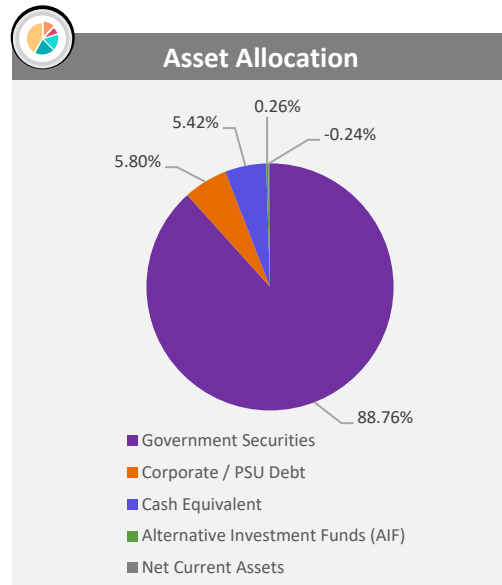
Source – HSBC Mutual Fund, Data as of 31 March 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

## Portfolio

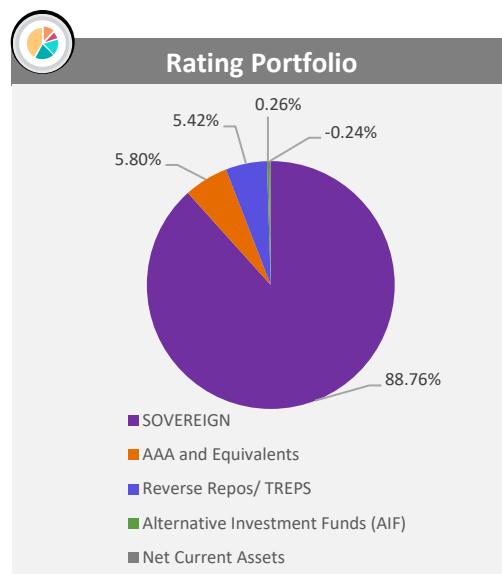
| Issuer                                      | Rating     | % to Net Assets |
|---|------------|-----------------|
| <b>Corporate Bonds / Debentures</b>         |            | <b>5.80%</b>    |
| HDFC Bank Limited                           | CRISIL AAA | 5.80%           |
| <b>Government Securities</b>                |            | <b>88.76%</b>   |
| 7.18% GOI 24-Jul-2037                       | SOVEREIGN  | 33.04%          |
| 7.18% GOI 14AUG2033 GSEC                    | SOVEREIGN  | 21.96%          |
| 7.70% MAHARASHTRA 15Nov2033 SDL             | SOVEREIGN  | 11.32%          |
| 7.32% GOI BOND 13NOV2030                    | SOVEREIGN  | 11.23%          |
| 7.76% MAHARASHTRA 04Oct2030 SDL             | SOVEREIGN  | 5.70%           |
| 7.26% GOI 06FEB33                           | SOVEREIGN  | 5.51%           |
| <b>Alternative Investment Funds (AIF)</b>   |            | <b>0.26%</b>    |
| CDMDF CLASS A2                              | AIF        | 0.26%           |
| <b>Cash Equivalent</b>                      |            | <b>5.18%</b>    |
| <b>TREPS*</b>                               |            | <b>5.42%</b>    |
| <b>Net Current Assets</b>                   |            | <b>-0.24%</b>   |
| <b>Total Net Assets as on 31-March-2024</b> |            | <b>100.00%</b>  |

\*TREPS : Tri-Party Repo

## Asset Allocation



## Rating Portfolio



## Investment Objective

To provide a 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.

Fund Manager - Kapil Lal Punjabi Effective 15 Jul 2023. Total Schemes Managed - 10  
Fund Manager - Shriram Ramanathan Effective 26 Nov 2022. 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 Medium to Long Duration Fund - Regular Plan <sup>3</sup>                  | 10644       | 6.43      | 11223       | 3.92      | 12964       | 5.32      | 38435           | 6.52           |
| Scheme Benchmark (NIFTY Medium to Long Duration Debt Index A-III) <sup>1</sup> | 10819       | 8.16      | 11676       | 5.30      | 14243       | 7.31      | 41143           | 6.86           |
| Additional Benchmark (CRISIL 10 year Gilt Index)                               | 10854       | 8.52      | 11347       | 4.30      | 13482       | 6.14      | 34596           | 5.99           |

**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 March 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. ~ Face value Rs 10


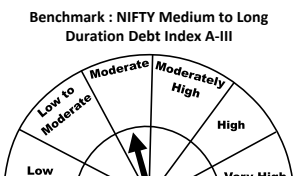
Returns for Debt schemes has been calculated as on last business day NAV provided as on 31 March 2024.

<sup>1</sup> HSBC Medium to Long Duration Fund - Effective September 04, 2023 the Benchmark has been changed from NIFTY Medium to Long Duration Debt Index B-III to NIFTY Medium to Long Duration Debt Index A-III.

Source: HSBC Mutual Fund, Data as on 31 March 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 Medium to Long Duration Fund</b><br/>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. (Please refer Page No. 14 for explanation on Macaulay's duration). Relatively High interest rate risk and Low credit risk.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>Regular income over medium to long term</li> <li>Investment in diversified portfolio of fixed income securities such that the Macaulay<sup>4</sup> duration of the portfolio is between 4 year to 7 years</li> </ul> |  <p>Investors understand that their principal will be at Moderate risk</p> | <p>Benchmark : NIFTY Medium to Long Duration 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 March 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 Medium to Long Duration Fund)

| Credit Risk →                      | Relatively Low (Class A) | Moderate (Class B) | Relatively High (Class C) |
|------------------------------------|--------------------------|--------------------|---------------------------|
| Interest Rate Risk ↓               |                          |                    |                           |
| <b>Relatively Low (Class I)</b>    |                          |                    |                           |
| <b>Moderate (Class II)</b>         |                          |                    |                           |
| <b>Relatively High (Class III)</b> | <b>A-III</b>             |                    |                           |

**A Scheme with Relatively High interest rate risk and Moderate 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 March 2024

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