

Product Note

HSBC Low Duration Fund (HLDF)

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. (Please refer page 17 of the SID for explanation on Macaulay Duration). A relatively low interest rate risk and moderate credit risk.

June 2024

| Fund Category | Fund Manager | Benchmark ^{1, 2} | Inception Date | AUM ^{3 &} |
|---------------|--|-----------------------------------|----------------|------------------------|
| Low Duration | Shriram Ramanathan and Mohd Asif Rizwi | NIFTY Low Duration Debt Index A-I | 04 Dec 2010 | Rs. 421.90 Cr |

| Quantitative Data | | Minimum Investment | | |
|-------------------|--------------|--------------------|-------|---------------------|
| Average Maturity | 18.30 Months | Lumpsum | SIP | Additional Purchase |
| Modified Duration | 10.42 Months | ₹ 5,000 | ₹ 500 | ₹ 1,000 |
| Macaulay Duration | 11.17 Months | | | |
| Yield to Maturity | 7.80% | | | |

Why HSBC Low Duration Fund?

- Appropriately positioned to provide a high carry over the traditional money market category funds while maintaining liquidity
- Rigorous credit selection process to spot mispriced credit opportunities.
- Given the portfolio quality, liquidity and carry over other funds, the fund is well positioned in the current market environment.

Fund Approach

- Focus on generating returns through a yield-oriented and accrual-based strategy
- Reasonably good portfolio quality with a diversified mix of assets and liquidity
- The fund has ~88% AAA rated issuers
- Moderate portfolio duration, while providing yield pickup

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)⁴ – Regular⁵: 0.64%, Direct: 0.25%

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 May 01, 2024.

³ AUM is as on 31 May 2024

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 of 31 May 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

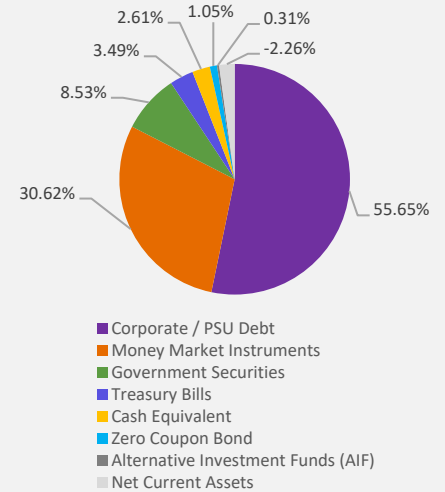
Portfolio

| Issuer | Rating | % to Net Assets |
|---|---------------|-----------------|
| Corporate Bonds / Debentures | | 55.65% |
| Power Grid Corporation of India Limited | CRISIL AAA | 6.41% |
| Small Industries Development Bank of India | CARE AAA | 6.26% |
| Power Finance Corporation Limited | CRISIL AAA | 6.23% |
| Bharti Telecom Limited | CRISIL AA+ | 6.17% |
| REC Limited | CRISIL AAA | 6.14% |
| ONGC Petro Additions Limited (Letter of comfort from Oil & Natural Gas Corporation Limited) | ICRA AAA (CE) | 6.06% |
| National Bank for Agriculture & Rural Development | CRISIL AAA | 5.93% |
| DLF Cyber City Developers Limited | CRISIL AA+ | 3.66% |
| Hinduja Leyland Finance Limited | CRISIL AA | 3.24% |
| Phoenix ARC Limited (Kotak Group Entity) | CARE AA | 3.04% |
| LIC Housing Finance Limited | CRISIL AAA | 2.51% |
| Money Market Instruments | | 24.75% |
| Certificate of Deposit | | |
| ICICI Bank Limited | CRISIL A1+ | 5.64% |
| Kotak Mahindra Bank Limited | CRISIL A1+ | 5.64% |
| Bank of Baroda | IND A1+ | 5.62% |
| Punjab National Bank Limited | IND A1+ | 4.48% |
| HDFC Bank Limited | CRISIL A1+ | 3.37% |
| Commercial Paper | | 5.87% |
| Panatone Finvest Limited | CRISIL A1+ | 5.87% |
| Government Securities | | 8.53% |
| GOI FRB - 22SEP33 | SOVEREIGN | 6.13% |
| 7.38% GOI 20JUN2027 | SOVEREIGN | 1.23% |
| 5.63% GOI 12APR2026 | SOVEREIGN | 1.17% |
| Treasury Bills | | 3.49% |
| 182 DAYS T-BILL 12Sep24 | SOVEREIGN | 3.49% |
| Zero Coupon Bond | | 1.05% |
| Andhra Pradesh Expressway Limited | IND AAA | 1.05% |
| Alternative Investment Funds (AIF) | | 0.31% |
| CDMDF CLASS A2 | AIF | 0.31% |
| Cash Equivalent | | 0.35% |
| TREPS* | | 2.61% |
| Net Current Assets | | -2.26% |
| Total Net Assets as on 31-May-2024 | | 100.00% |

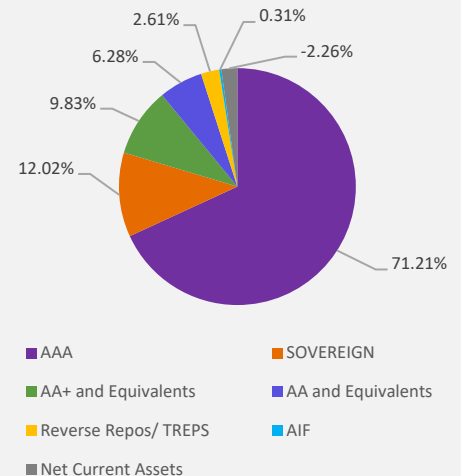
*TREPS : Tri-Party Repo



Asset Allocation



Rating Portfolio



Investment Objective

The investment objective is to provide liquidity and reasonable returns by investing primarily in a mix of short term 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.

Fund Manager - Mohd Asif Rizwi Effective 16 Jan 2024. Total Schemes Managed - 5
Fund Manager - Shriram Ramanathan Effective 26 Nov 2022. 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 Low Duration Fund - Regular Plan~ | 10728 | 7.26 | 11703 | 5.38 | 12770 | 5.01 | 25505 | 7.18 | 04-Dec-10 |
| Scheme Benchmark (NIFTY Low Duration Debt Index A-I) | 10734 | 7.32 | 11761 | 5.55 | 13265 | 5.81 | 26466 | 7.48 | |
| Additional Benchmark (CRISIL 1 Year T Bill Index) | 10710 | 7.08 | 11696 | 5.35 | 13089 | 5.53 | 23556 | 6.55 | |

Note : Note : Mohd. Asif Rizwi is managing the fund since January 15, 2024. For more details, investors are requested to refer Notice cum Addendum dated January 10, 2024 available on website of HSBC Mutual Fund.

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 May 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.


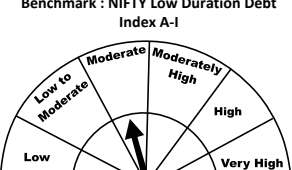
Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated May 19, 2023, on Disclosure of Performance of Schemes post-merger using the weighted average performance of both 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 May 2024.

Source: HSBC Mutual Fund, data as on 31 May 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>HSBC Low Duration Fund</p> <p>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 (please refer to page no. 17 of SID for explanation on Macaulay's Duration). A relatively low interest rate risk and moderate credit risk.</p> <p>This product is suitable for investors who are seeking¹:</p> <ul style="list-style-type: none"> Liquidity over short term Investment in Debt / Money Market Instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months |  <p>RISKOMETER</p> <p>Investors understand that their principal will be at Low to Moderate risk</p> | <p>Benchmark : NIFTY Low Duration Debt Index A-I</p>  <p>RISKOMETER</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 May 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 Low Duration Fund)

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

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 May 2024

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