

Product Note

HSBC Conservative Hybrid Fund (HCHF) (Erstwhile HSBC Regular Savings Fund)

Conservative Hybrid Fund- An open ended Hybrid Scheme investing predominantly in debt instruments.

L&T Conservative Hybrid Fund has merged into HSBC Regular Savings Fund and the surviving scheme has been renamed)

February 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Conservative Hybrid	Ritesh Jain and Cheenu Gupta	NIFTY 50 Hybrid Composite Debt 15:85 Index	24 Feb 2004	Rs. 122.96 Cr

Quantitative Data		Entry / Exit Load
Average Maturity	3.53 year	NA / NIL
Modified Duration	2.94 year	
Macaulay Duration	3.04year	
Yield to Maturity	7.29%	

Why HSBC Conservative Hybrid Fund?

- The Scheme shall invest in debt and money market instruments and would seek to generate regular returns
- The scheme may also invest in equity and equity related instruments to seek capital appreciation
- A top down and bottom up approach will be used to invest in equity and equity related instruments
- To create a corpus through generating inflation-adjusted returns

Fund Strategy

- While 2H borrowing calendar was on expected lines, the bond supply as such remains heavy and absorption of this bond supply in remainder of FY 23 may exercise upward pressure on yields at the belly and longer end of the curve.
- The segment may stay volatile based on global cues.
- And hence as such, we intend to position with an underweight stance in the long bond portfolios versus the index and intend to take advantage tactically of any opportunities that may arise on the longer end of the curve depending on market conditions.

² EPS - Trailing 12 month Estimates Comparable Adjusted EPS, PE - Trailing 12 month Price to earnings adjusted for negative earnings, Weighted average method, PB - Price to book value, Trailing 12 month Price to earnings, Index method aggregation. Source - HSBC AMC India and Bloomberg, Data as of 31 January 2023

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.

Portfolio

Issuer	Rating	% to Net Assets
Money Market Instruments		
Certificate of Deposit		7.65%
Bank of Baroda	IND A1+	7.65%
Government Securities		61.97%
5.63% GOI 12APR2026	SOVEREIGN	17.83%
7.10% GOVERNMENT OF INDIA 18APR29	SOVEREIGN	12.31%
7.38% GOI 20JUN2027	SOVEREIGN	9.90%
GOI 07.59% 11JAN26	SOVEREIGN	8.27%
GOI 07.17% 08JAN28	SOVEREIGN	4.48%
5.22% GOVERNMENT OF INDIA 15JUN25 G-SEC		3.93%
5.74% GOI 15NOV2026	SOVEREIGN	3.14%
7.76% MAHARASHTRA 04Oct2030	SOVEREIGN	2.11%
EQUITY		24.51%
ICICI Bank Limited	Banks	2.16%
HDFC Bank Limited	Banks	1.96%
Infosys Limited	IT Software	1.65%
Larsen and Toubro Limited	Construction	1.38%
KPIT Technologies Limited	IT Software	1.05%
State Bank of India	Banks	1.04%
Sun Pharmaceutical Industries Limited	Pharmaceuticals and Biotechnology	0.91%
Godrej Consumer Products Limited	Personal Products	0.90%
TVS Motor Company Limited	Automobiles	0.89%
Axis Bank Limited	Banks	0.78%
Hindustan Unilever Limited	Diversified FMCG	0.73%
GMM Pfaudler Limited	Industrial Manufacturing	0.71%
Birlasoft Limited	IT Software	0.66%
Navin Fluorine International Limited	Chemicals and Petrochemicals	0.64%
KEI Industries Limited	Industrial Products	0.61%
IndusInd Bank Limited	Banks	0.58%
Maruti Suzuki India Limited	Automobiles	0.56%
Gujarat Fluorochemicals Limited	Chemicals and Petrochemicals	0.56%
Titan Company Limited	Consumer Durables	0.56%
VRL Logistics Limited	Transport Services	0.50%
DLF Limited	Realty	0.43%
The Indian Hotels Company Limited	Leisure Services	0.42%
ACC Limited	Cement and Cement Products	0.40%
Persistent Systems Limited	IT Software	0.38%
PI Industries Limited	Fertilizers and Agrochemicals	0.37%
Reliance Industries Limited	Petroleum Products	0.34%
Cholamandalam Investment and Finance Company Limited	Finance	0.33%
Hindustan Aeronautics Limited	Aerospace and Defense	0.31%
Motherson Sumi Wiring India Limited	Auto Components	0.29%
SRF Limited	Chemicals and Petrochemicals	0.28%
SBI Life Insurance Company Limited	Insurance	0.27%
Shoppers Stop Limited	Retailing	0.27%
Sona BLW Precision Forgings Limited	Auto Components	0.26%
Westlife Development Limited	Leisure Services	0.24%

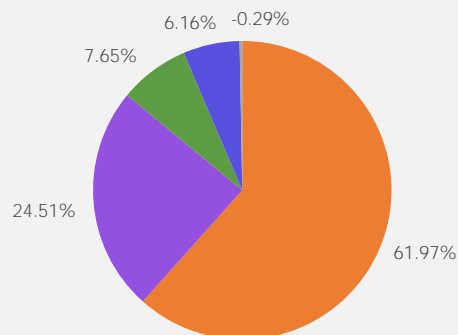
Portfolio

Issuer	Rating	% to Net Assets
Bharat Electronics Limited	Aerospace and Defense	0.23%
Schaeffler India Limited	Auto Components	0.22%
Kansai Nerolac Paints Limited	Consumer Durables	0.21%
Mayur Uniquoters Limited	Consumer Durables	0.20%
Minda Industries Limited	Auto Components	0.19%
Housing Development Finance Corporation Limited	Finance	0.04%
Cash Equivalent		5.87%
TREPS*		6.16%
Net Current Assets		-0.29%
Total Net Assets as on 31-JANUARY-2023		100.00%

*TREPS : Tri-Party Repo



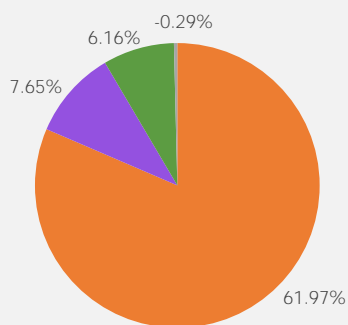
Asset Allocation



■ Government Securities
■ Equity
■ Money Market Instruments
■ Cash Equivalent



Rating Portfolio

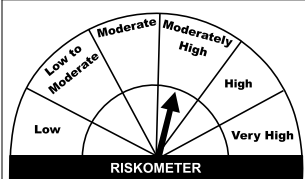
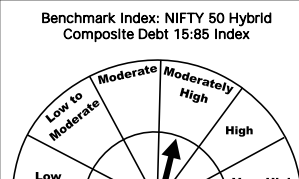


■ Sovereign
■ AAA and equivalents
■ Reverse Repos/ TREPS
■ Net Current Assets

Investment Objective

To seek generation of reasonable returns through investments in debt and money market Instruments.

The secondary objective of the Scheme is to invest in equity and equity related instruments to seek capital appreciation. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

HSBC Conservative Hybrid Fund (Erstwhile HSBC Regular Savings Fund)		
 <p>Investors understand that their principal will be at Moderately High risk</p>	<p>Conservative Hybrid Fund– An open ended hybrid scheme investing predominantly in debt instruments.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Investment in fixed income (debt and money market instruments) as well as equity and equity related securities Capital appreciation over medium to long term <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Benchmark Index: NIFTY 50 Hybrid Composite Debt 15:85 Index</p> 

Note on Risk-o-meters: Riskometer is as on 31 Jan 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

Past performance is not an indicator of future returns. Source: HSBC Asset Management India, data as at 31 Jan 2023,

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