

Product Note

HSBC Low Duration Fund (HLDF)

Low Duration Fund - 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 (for details on Macaulay's Duration please refer to the SID). A relatively low interest rate risk and moderate credit risk.

October 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM ³ &
Low Duration	Shriram Ramanathan and Mahesh Chhabria	NIFTY Low Duration Debt Index B-I	04 Dec 2010	Rs. 465.64 Cr

Quantitative Data		Minimum Investment		
Average Maturity	18.22 Months	Lumpsum	SIP	Additional Purchase
Modified Duration	10.87 Months	₹ 5,000	₹ 500	₹ 1,000
Macaulay Duration	11.44 Months			
Yield to Maturity	7.67%			

Why HSBC Low Duration Fund?

- Appropriately positioned to provide a higher 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 Strategy

- 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 ~73% 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 effective August 1, 2009.

Month End Total Expenses Ratios (Annualized)⁴ – Regular⁵: 0.64%, Direct: 0.25%

¹As 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.

²Fund's benchmark has changed with effect from April 01, 2022.

³ AUM is as on 30 September 2023

⁴ TER Annualized TER including GST on Investment Management Fees

⁵ Continuing plans

⁶For 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 30 September 2023. Past performance may or may not be sustained in the future and is not indicative of future results.

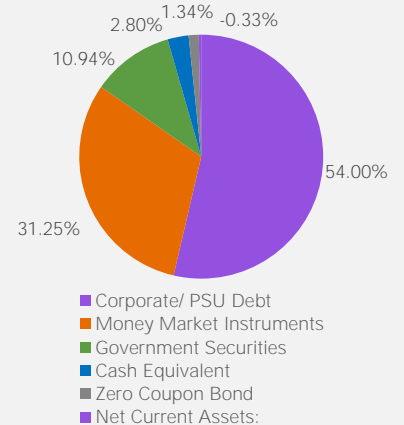
Portfolio

Issuer	Rating	% to Net Assets
Corporate Bonds / Debentures		54.00%
Power Finance Corporation Limited	CRISIL AAA	7.53%
Indian Railway Finance Corporation Limited	CRISIL AAA	5.82%
Bharti Telecom Limited	CRISIL AA+	5.75%
ONGC Petro Additions Limited (Letter of comfort from Oil & Natural Gas Corporation Limited)	ICRA AAA (CE)	5.64%
REC Limited	CRISIL AAA	5.50%
Bajaj Housing Finance Limited	CRISIL AAA	5.44%
National Bank for Agriculture & Rural Development	CRISIL AAA	5.40%
Embassy Office Parks REIT	CRISIL AAA	4.28%
Hinduja Leyland Finance Limited	CRISIL AA	2.78%
Phoenix ARC Limited (Kotak Group Entity)	CARE AA	2.59%
Small Industries Development Bank of India	CARE AAA	2.16%
TMF Holdings Limited	CRISIL AA	1.11%
Money Market Instruments		
Certificate of Deposit		26.15%
ICICI Bank Limited	ICRA A1+	5.32%
Bank of Baroda	IND A1+	5.31%
HDFC Bank Limited	CARE A1+	5.22%
Export Import Bank of India	CRISIL AAA	5.20%
Axis Bank Limited	CRISIL A1+	5.10%
Commercial Paper		5.10%
Cholamandalam Investment & Finance Company Limited	CRISIL A1+	5.10%
Zero Coupon Bond		1.34%
Andhra Pradesh Expressway Limited	IND AAA	1.34%
Government Securities		10.94%
GOI FRB - 22SEP33	SOVEREIGN	5.49%
7.38% GOI 20JUN2027	SOVEREIGN	3.30%
6.69% GOI 27JUN2024	SOVEREIGN	1.09%
5.63% GOI 12APR2026	SOVEREIGN	1.06%
Cash Equivalent		2.47%
TREPS*		2.80%
Net Current Assets:		-0.33%
Total Net Assets as on 30-September-2023		100.00%

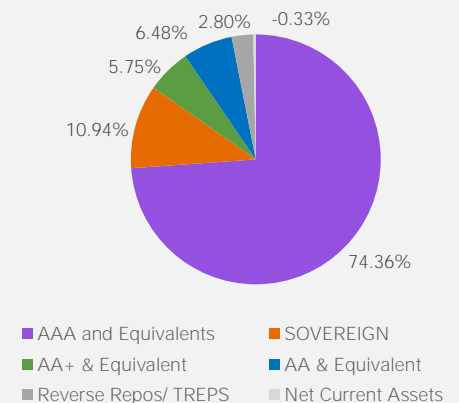
*TREPS : Tri-Party Repo



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 - Shriram Ramanathan Effective 24 Nov 2012. Total Schemes Managed - 11
Fund Manager - Mahesh Chhabria Effective 26 Nov 2022. Total Schemes Managed - 10

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Low Duration Fund - Regular Plan	10698	7.00	11486	4.73	12905	5.23	24335	7.18	04-Dec-10
Scheme Benchmark (NIFTY Low Duration Debt Index B-I)	10765	7.67	11723	5.45	13699	6.49	26044	7.75	
Additional Benchmark (CRISIL 1 Year T Bill Index)	10672	6.74	11439	4.59	13232	5.75	22457	6.51	

PTP returns – Point to Point returns. | 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 September 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.

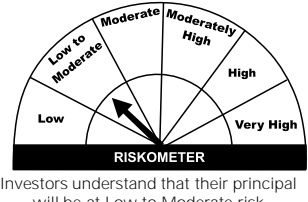

As per clause 5.9.1 of the SEBI Master Circular dated May 19, 2023, the scheme returns vis-a-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

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 30 September 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 Low Duration Fund</p> <p>Low Duration Fund - 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 (for details on Macaulay's Duration please refer to SID under the section "Asset Allocation Pattern"). A relatively low interest rate risk and moderate 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 short to medium term • Investment in fixed income securities and money market instruments 		<p>Benchmark : NIFTY Low Duration Debt Index B-I</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 30 September 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 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 30 September 2023

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