

## Product Note

### HSBC Gilt Fund (HGIF) (Erstwhile L&T Gilt Fund)

Gilt Fund - An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.

September 2023

Fund Category	Fund Manager	Benchmark <sup>1, 2</sup>	Inception Date	AUM <sup>3</sup>
Gilt Fund	Jalpan Shah and Shriram Ramanathan	Nifty All Duration G-Sec Index	29 Mar 2000	Rs. 219.49 Cr

Quantitative Data		Minimum Investment		
Average Maturity	5.27 year	Lumpsum	SIP	Additional Purchase
Modified Duration	4.15 year	₹ 5,000	₹ 500	₹ 1,000
Macaulay Duration	4.30 year			
Yield to Maturity	7.28%			

### Why HSBC Gilt Fund?

- The fund aims to generate alpha through active duration management
- Invests predominantly in sovereign instruments and hence has minimal credit risk
- 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 SDLs seeks to generate alpha
- Dynamic duration management endeavour to seize potential upsides when interest rates are expected to soften while also reducing risks in an uncertain environment
- Investments in a liquid portfolio to enable positioning changes based on evolving scenario.
- Overweight duration through higher allocation in 7-10 year part of the yield curve.

Entry Load : NA, Exit Load: : Nil

<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 with effect from April 01, 2022.

Data as on 31 August 2023

<sup>3</sup> AUM is as on 31 August 2023

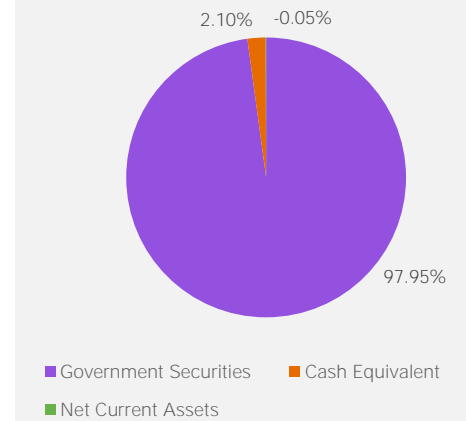
## Portfolio

Issuer	Rating	% to Net Assets
<b>Government Securities</b>		<b>97.95%</b>
7.06% GOI 10APR28	SOVEREIGN	34.98%
7.38% GOI 20JUN2027	SOVEREIGN	32.58%
7.26% GOI06FEB33	SOVEREIGN	18.43%
7.10% GOI 18APR29	SOVEREIGN	11.65%
6.19% GOI 16SEP34	SOVEREIGN	0.31%
<b>Cash Equivalent</b>		<b>2.05%</b>
<b>TREPS*</b>		<b>2.10%</b>
<b>Net Current Assets:</b>		<b>-0.05%</b>
<b>Total Net Assets as on 31-August-2023</b>		<b>100.00%</b>

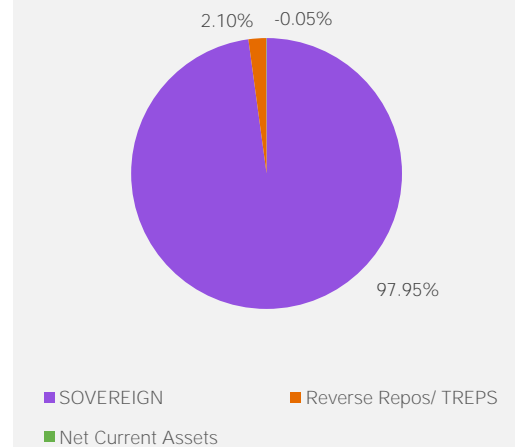
\*TREPS : Tri-Party Repo



## Asset Allocation



## Rating Portfolio



## Investment Objective

To generate returns from a portfolio from investments in Government Securities. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

HSBC Gilt Fund		
<p><b>*Riskometer of the Scheme</b></p> <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p><b>Gilt Fund</b> - An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Generation of returns over medium to long term</li> <li>• Investment in Government Securities.</li> </ul> <p><b>Benchmark Index:</b> NIFTY All Duration G-Sec Index</p>	<p>Riskometer of the benchmark</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 August 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 Gilt 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 is not an indicator of future returns. Source: HSBC Mutual Fund, data as on 31 August 2023

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