

Product Note

HSBC Liquid Fund (HLIF) (Erstwhile HSBC Cash Fund)

Liquid Fund - An open-ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk.
(L&T Liquid Fund has merged into HSBC Cash Fund and the surviving scheme has been renamed)

August 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM ³
Liquid Fund	Kapil Lal Punjabi and Shriram Ramanathan	Nifty Liquid Index B-I	04 Dec 2002	Rs. 17135.53 Cr

Minimum Investment			Exit Load	
Lumpsum ₹ 5,000	SIP ₹ 500	Additional Purchase ₹ 1,000	Investor exit upon subscription	Exit Load as a % of redemption proceeds
			Day 1	0.0070%
			Day 2	0.0065%
			Day 3	0.0060%
			Day 4	0.0055%
			Day 5	0.0050%
			Day 6	0.0045%
			Day 7 Onwards	0.0000%

Quantitative Data	
Average Maturity	40.16 Days
Modified Duration	40.16 Days
Macaulay Duration	40.16 Days
Yield to Maturity	6.87%

Why HSBC Liquid Fund?

- To offer optimal liquidity and risk adjusted performance to suit the investor's requirements in various situations, our fund managers follow stringent liquidity, credit risk and interest rate risk norms
- The portfolio comprises of high credit quality papers evaluated through a rigorous credit evaluation process and generally aims to restrict investments to the highest possible short-term rating.
- We have seen a reasonable move in yields in the shorter segment this year, which may help in the portfolio yield

Fund Strategy

- Investment predominantly in highly liquid money market instruments, government securities and corporate debt with residual maturity of up to 91 days
- Aims to focus on maintaining a high credit quality and highly liquid portfolio - investing only in issuers which are covered by internal credit research team
- Measured exposure to high quality Commercial Papers
- The focus continues to be on the accrual returns in the portfolio.

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 April 01, 2022.

Data as on 31 July 2023

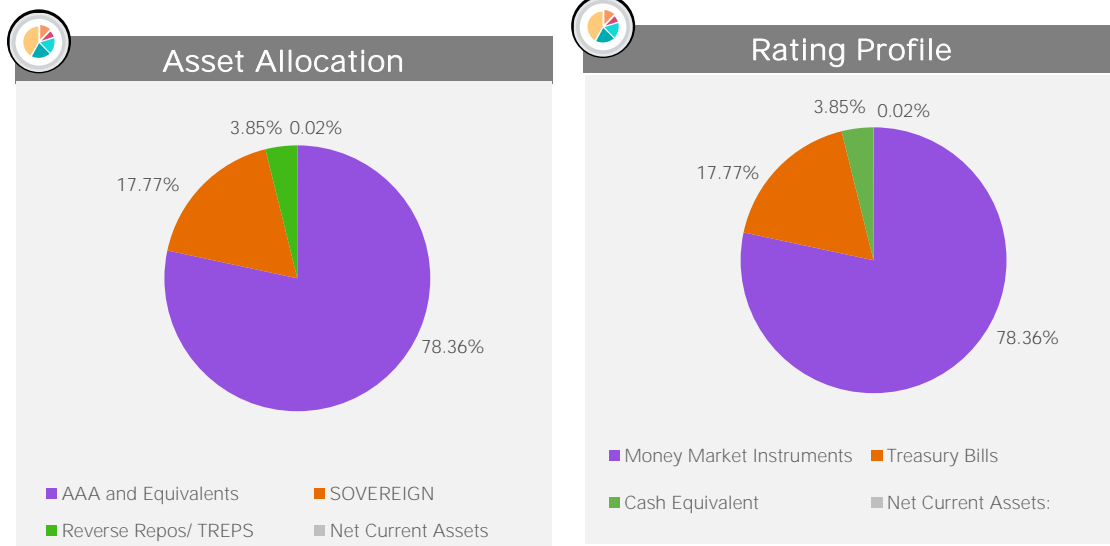
³ AUM is as on 31 July 2023

Portfolio

Issuer	Rating	% to Net Assets
Money Market Instruments		
Certificate of Deposit		22.56%
Bank of Baroda	IND A1+ / ICRA A1+	5.05%
Canara Bank	CRISIL A1+	4.93%
IDFC First Bank Limited	CRISIL A1+	3.17%
Axis Bank Limited	ICRA A1+ / CRISIL A1+	3.04%
Bank of Maharashtra	CRISIL A1+	1.73%
HDFC Bank Limited	CARE A1+	1.45%
Punjab National Bank Limited	CRISIL A1+	1.45%
The Federal Bank Limited	CRISIL A1+	1.16%
Small Industries Development Bank of India	CRISIL A1+	0.58%
Commercial Paper		55.80%
Small Industries Development Bank of India	CARE A1+	5.48%
National Bank for Agriculture & Rural Development	ICRA A1+	4.36%
Tata Steel Limited	ICRA A1+	4.33%
Reliance Retail Ventures Limited	CARE A1+ / CRISIL A1+	4.07%
HDFC Securities Limited	CRISIL A1+	2.90%
Bajaj Finance Limited	CRISIL A1+	2.90%
Kotak Securities Limited	CRISIL A1+	2.89%
ICICI Securities Limited	CRISIL A1+	2.88%
HDFC Bank Limited	CRISIL A1+	2.61%
Aditya Birla Housing Finance Limited	ICRA A1+	2.33%
Tata Power Renewable Energy Limited	CRISIL A1+	2.30%
ICICI Home Finance Company Limited	ICRA A1+	2.17%
Sikka Ports & Terminals Limited	CRISIL A1+	2.01%
Tata Power Company Limited	CRISIL A1+	1.74%
LIC Housing Finance Limited	CRISIL A1+	1.46%
Birla Group Holdings Private Limited	ICRA A1+	1.45%
Can Fin Homes Limited	ICRA A1+	1.44%
Coromandel International Limited	IND A1+	1.16%
SBICAP Securities Limited	ICRA A1+	1.16%
Ultratech Cement Limited	CRISIL A1+	1.16%
National Housing Bank	CRISIL A1+	1.15%
Berger Paints India Limited	CARE A1+	1.10%
HDB Financial Services Limited	CARE A1+	0.87%
Network 18 Media & Investments Limited	IND A1+	0.72%
Grasim Industries Limited	ICRA A1+	0.72%
Aditya Birla Finance Limited	ICRA A1+	0.44%
Treasury Bills		17.77%
182 DAYS T-BILL 31AUG23	SOVEREIGN	3.45%
91 DAYS T-BILL 26Oct23	SOVEREIGN	2.87%
182 DAYS T-BILL 14SEP23	SOVEREIGN	2.29%
182 DAYS T-BILL - 03AUG2023	SOVEREIGN	1.55%
91 DAYS T-BILL 03Aug23	SOVEREIGN	1.25%
91 DAYS T-BILL 24Aug23	SOVEREIGN	1.16%
182 DAYS T-BILL 07SEP23	SOVEREIGN	1.16%
91 DAYS T-BILL - 07SEP2023	SOVEREIGN	1.01%
91 DAYS T-BILL - 17AUG2023	SOVEREIGN	0.93%
91 DAYS T-BILL 29Sep23	SOVEREIGN	0.58%
364 DAYS T-BILL - 07SEP2023	SOVEREIGN	0.58%



91 DAYS T-BILL 14Sep23	SOVEREIGN	0.50%
91 DAYS T-BILL 91 DAYS T 10AUG23	SOVEREIGN	0.29%
91 DAYS T-BILL - 31AUG2023	SOVEREIGN	0.15%
Cash Equivalent		3.87%
TREPS*		3.85%
Net Current Assets:		0.02%
Total Net Assets as on 31-JULY-2023		100.00%

*TREPS : Tri-Party Repo



Investment Objective

To provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of money market and debt securities. However, there can be no assurance that the Scheme objective can be realised.

HSBC Liquid Fund (Erstwhile HSBC Cash Fund)		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>Liquid Fund - An open-ended Liquid Scheme. 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"> • Overnight liquidity over short term • Investment in Money Market Instruments 	<p>Benchmark Index: Nifty Liquid Index B-I</p> 
	<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p>Note on Risk-o-meters: Riskometer is as on 31 July 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</p>	

Potential Risk Class (HSBC Liquid Fund)

Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
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 is not an indicator of future returns. Source: HSBC Mutual Fund, data as on 31 July 2023,

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