

Fixed Income Investments

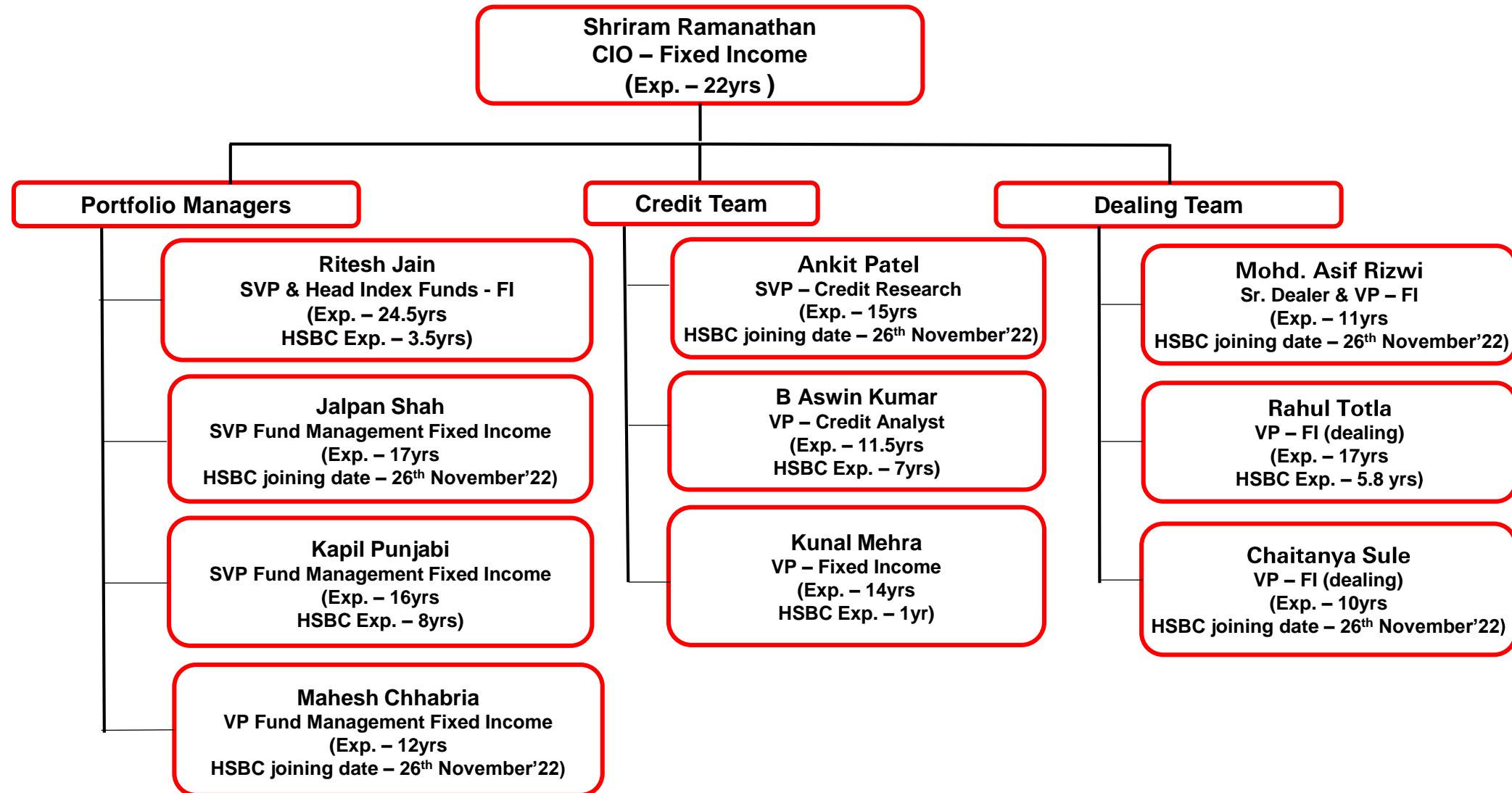
Process and Product suite

January 2023



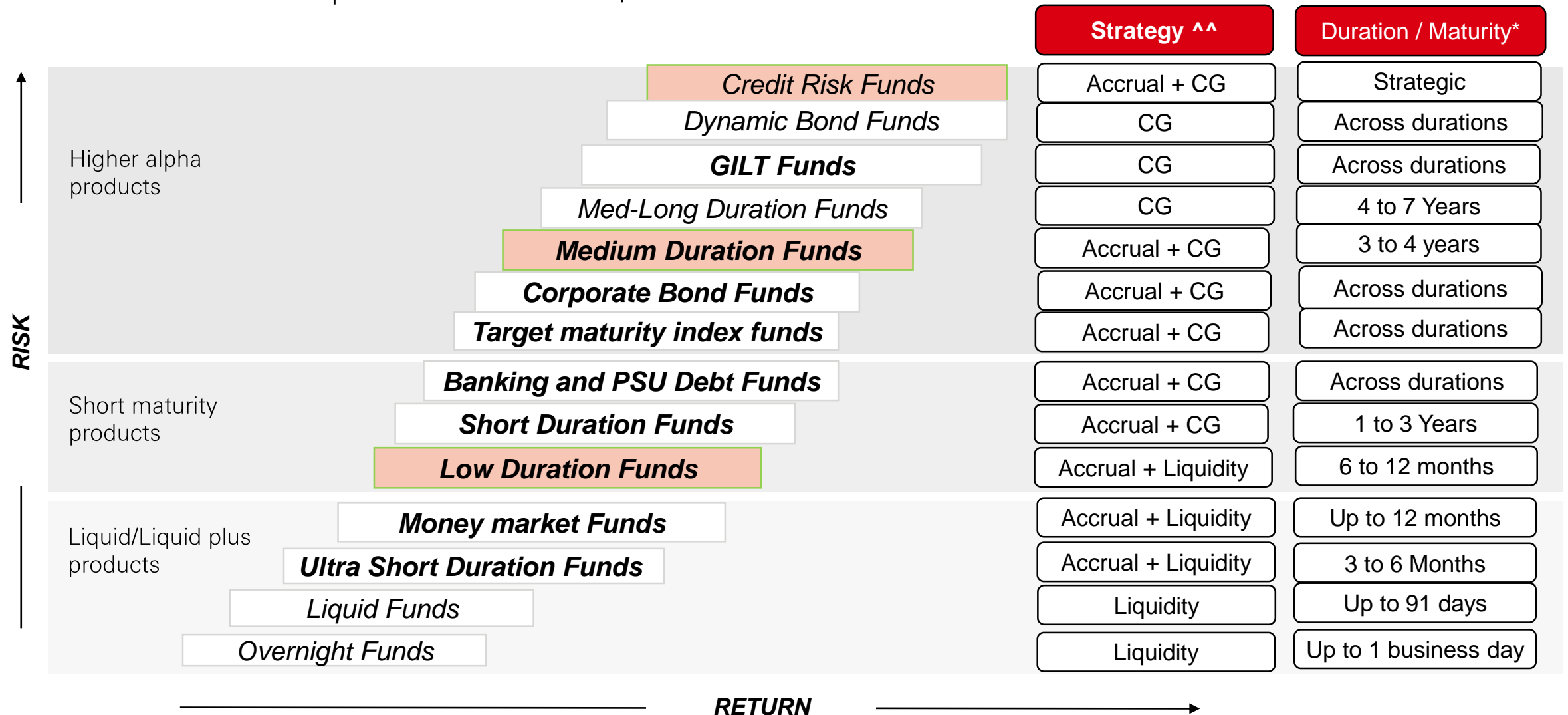
HSBC Mutual Fund | Opening up a world of opportunity

Fixed Income Investment team



Fixed Income Fund Universe

Some of the diverse options based on risk, return and investment horizon



 Indicates Credit-Oriented products

AUM-Index, International and Hybrid Funds

Scheme Name	Category	AUM (INR Cr)	AUM (USD mn)
HSBC Liquid Fund	Debt	10,987	1,333
HSBC Overnight Fund	Debt	2,414	293
HSBC Dynamic Bond Fund	Debt	215	26
HSBC Short Duration Fund	Debt	3,616	439
HSBC Ultra Short Duration Fund	Debt	2,376	288
HSBC Low Duration Fund	Debt	518	63
HSBC Corporate Bond Fund	Debt	7,235	878
HSBC Medium Duration Fund	Debt	664	81
HSBC Banking and PSU Debt Fund	Debt	4,574	555
HSBC Credit Risk Fund	Debt	138	17
HSBC Money Market Fund	Debt	680	83
HSBC Gilt Fund	Debt	239	29
HSBC Medium to Long Duration Fund	Debt	41	5
Debt Total		33,697	4,089

Scheme Name	Category	AUM (INR Cr)	AUM (USD mn)
HSBC CRL IBX 50 50 GI SDL Ap28 Indx Fund	Index	1,720	209

Scheme Name	Category	AUM (INR Cr)	AUM (USD mn)
HSBC Aggressive Hybrid Fund	Hybrid	4,882	592
HSBC Balanced Advantage Fund	Hybrid	1,664	202
HSBC Conservative Hybrid Fund	Hybrid	129	16
HSBC Equity Savings Fund	Hybrid	170	21
HSBC Arbitrage Fund	Hybrid	2,453	298
Hybrid Total		9,298	1,128

Data as at 30 December 2022, USD INR = 82.41

Fund Manager-Debt and Fund of Funds

No.	Debt Funds	Fund Manager	Co Fund Manager
1	HSBC Overnight Fund	Kapil Lal Punjabi	Mahesh Chhabria
2	HSBC Liquid Fund	Kapil Lal Punjabi	Shriram Ramanathan
3	HSBC Money Market Fund	Kapil Lal Punjabi	Shriram Ramanathan
4	HSBC Ultra Short Duration Fund	Mahesh Chhabria	Jalpan Shah
5	HSBC Banking and PSU Debt Fund	Mahesh Chhabria	Jalpan Shah
6	HSBC Low Duration Fund	Shriram Ramanathan	Mahesh Chhabria
7	HSBC Medium Duration Fund	Shriram Ramanathan	Kapil Lal Punjabi
8	HSBC Credit Risk Fund	Shriram Ramanathan	Kapil Lal Punjabi
9	HSBC Dynamic Bond Fund	Jalpan Shah	Shriram Ramanathan
10	HSBC Short Duration Fund	Jalpan Shah	Shriram Ramanathan
11	HSBC Gilt Fund	Jalpan Shah	Shriram Ramanathan
12	HSBC Corporate Bond Fund	Jalpan Shah	Shriram Ramanathan
13	HSBC Medium to Long Duration Fund	Jalpan Shah	Shriram Ramanathan
No.	Hybrid Funds	Fund Manager	Co Fund Manager
1	HSBC Balanced Advantage Fund	Ritesh Jain (Debt)	Neelotpal Sahai (Equity)
2	HSBC Conservative Hybrid Fund	Cheenu Gupta (Equity)	Ritesh Jain (Debt)
3	HSBC Equity Savings Fund	Cheenu Gupta (Equity)	Ritesh Jain (Debt)
4	HSBC Aggressive Hybrid Fund	Shriram Ramanathan (Debt)	Cheenu Gupta (Equity)
5	HSBC Arbitrage Fund	Ritesh Jain (Debt)	Praveen Ayathan
No.	Index Funds	Fund Manager	Co Fund Manager
1	HSBC CRISIL IBX 50:50 Gilt Plus SDL Apr 2028 Index Fund	Ritesh Jain	Kapil Lal Punjabi

Fixed Income investment Philosophy

◆ 'True to Label' products

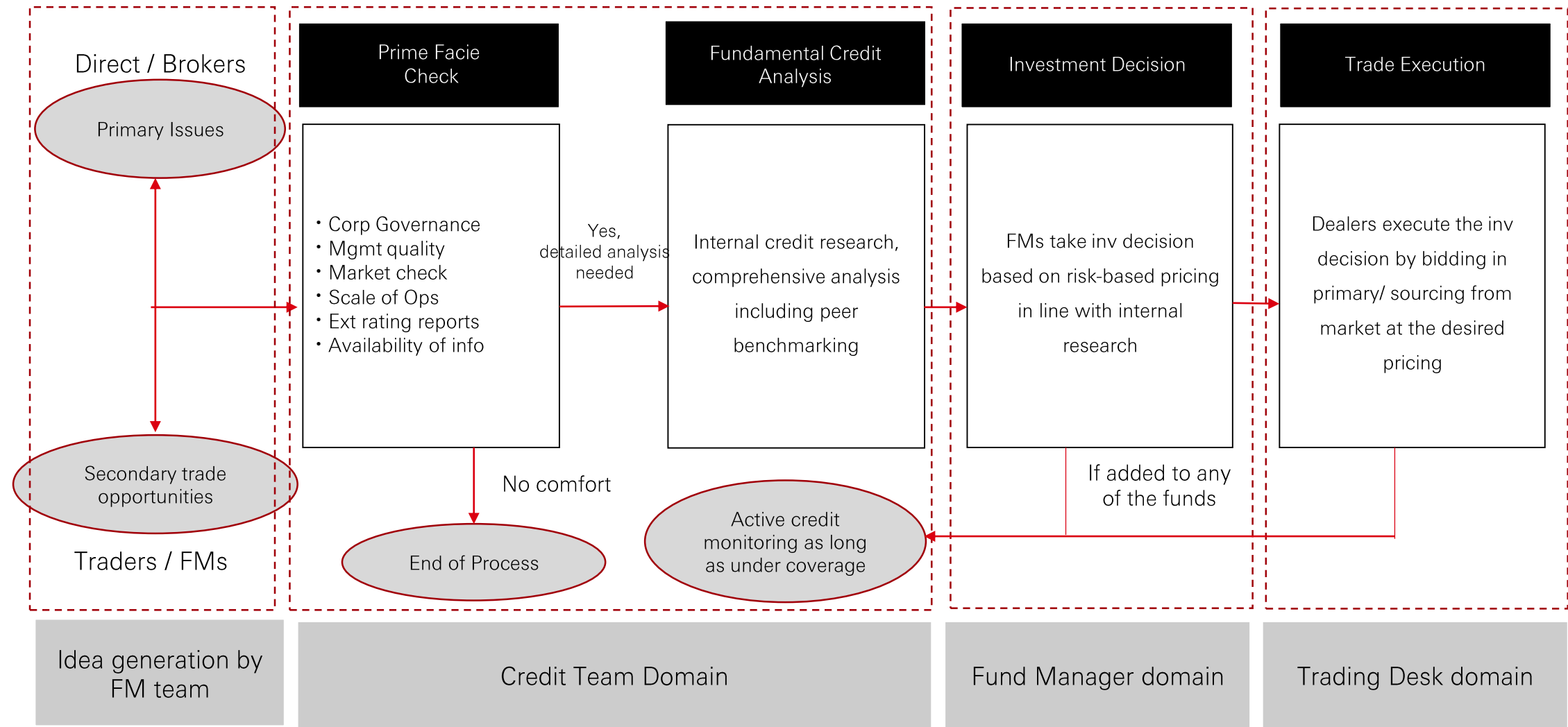
- Duration and credit strategies are 'true to label'
- We do not use 'proxy' for credit quality
- Our duration strategy is played out using a combination of instruments rather than concentrated securities

◆ Balanced approach to credit

- To achieve optimal risk adjusted returns
- Fundamental credit research based investing, based on internal ratings
- External rating is used only as a filter rather than an active criteria

◆ Preserve long term credibility of funds across categories that has been built over many years and through cycles

Overall Process Flow



Overview: An Internal Credit Rating Process

Long-established, structured and comprehensive credit process

One of the pioneers in undertaking credit assessment through internal ratings; been using the same since 2012

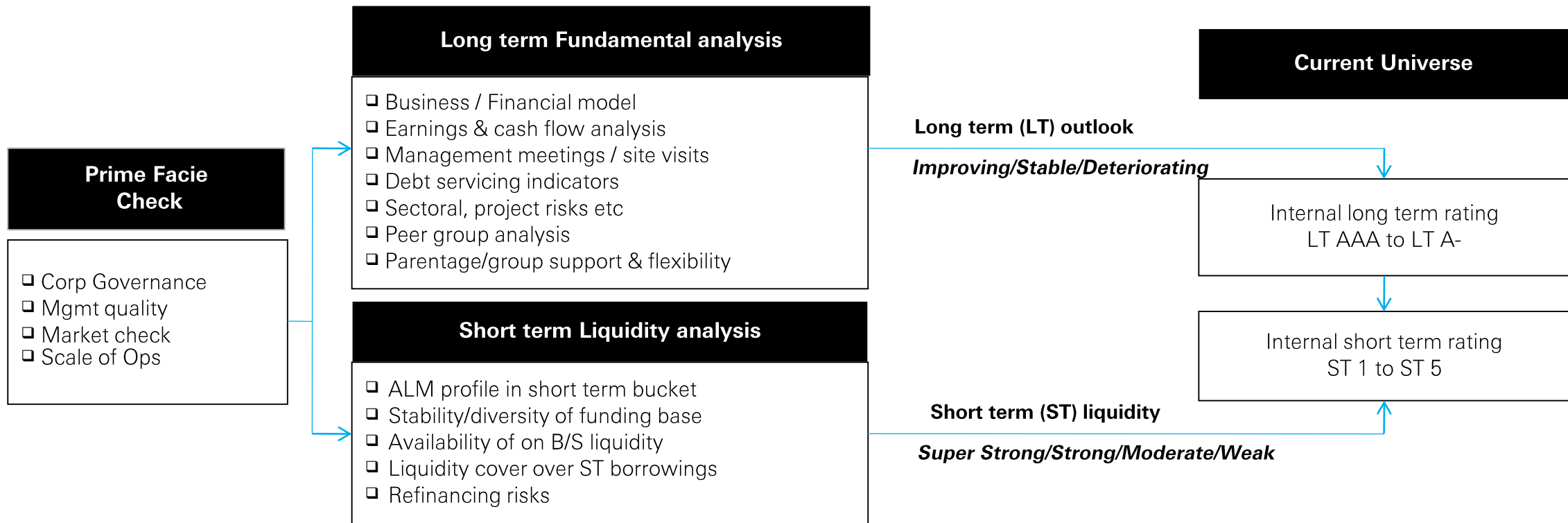
Focus is on a bottom-up analytical approach for credit evaluation

Granular ratings assigned on both LT and ST rating scales which in-turn are used to determine the internal limits

Amidst challenging credit environment, up-to-date internal ratings and limits aid in managing and correctly pricing credit risks

Credit Process: Rigorous Internal Assessment

Coverage initiation and assignment of internal ratings



- FMs can take exposure only in names added to the coverage as per defined LT and ST limits
- While all ratings/ limits are continuously monitored, detailed updates are periodically shared basis criticality
- Relative benchmarking based forced ranking is also undertaken for similar externally rated credits
- Rationale for notch difference with external ratings, if any, needs to be provided by the credit team

...to assign internal ratings as per framework

Internal Rating Framework								
Company's LT fundamental profile assessed to assign appropriate LT rating								
Internal Long-Term Rating		LT AAA	LT AA+	LT AA	LT AA-	LT A+	LT A	LT A-
Company's ST liquidity profile assessed to assign appropriate ST rating	Internal Short-Term Rating*							
	Super Strong	ST 1	ST 1*	ST 2	ST 2	ST 3	ST 3	ST 4
	Strong	ST 1	ST 2	ST 2	ST 3	ST 3	ST 4	ST 5
	Moderate	ST 2	ST 2	ST 3	ST 3	ST 4	ST 5	ST 5
	Weak	ST 3	ST 3	ST 4	ST 4	ST 5	ST 5	ST 5

**Exceptions from this mapping can be taken based on individual credit assessment and adequate justification*

- Both LT and ST ratings are assigned irrespective of potential investment in only LT or only ST instruments
- In rare cases of extreme credit deterioration in the issuer's profile or default by the issuer on any of the instrument, the LT ratings below A- are used (such as LT BBB, LT D etc.)

Our rating approach to be more standardized, granular...

External Rating Agencies Approach

External ratings are all over the places with 5 rating agencies operating in a highly competitive space. Different approach across rating agencies.

External ratings are very broad based in nature.

Most of the times, external ratings lag the credit curve. Issuers re-pricing happens much in advance.

External short-term ratings do not differentiate among issuers' liquidity risks but are rather formulaic in the way they are assigned based on long term ratings mappings.

HSBC MF Internal Rating Approach

Internal ratings are more focused with standard process followed for all the credits.

Internal ratings are based on relative benchmarking of relevant credits under current universe.

Active monitoring of internal rating helps in identifying early indicators of any change in credit metrics, which helps the FMs in acting accordingly.

Our ratings are more granular – the same A1- A1+ ratings can have a range of ST ratings (ST 1 to ST 5), and amount guideline.

...and conservative relative to external ratings

Difference in Internal LT and External LT Ratings								
Notch difference	Corp	HFC	NBFC	PFI	PSB	Pvt Bank	Total	% Sep 22
0	19	1	6	5	1	3	35	22%
-1	24	4	14	3	3	3	51	31%
-2	31	7	23			2	63	38%
-3	4	2	3		3		12	7%
-4	2	1					3	2%
-5							0	0%
Total	80	15	46	8	7	8	164	100%

External vs Internal Rating Distribution							
Internal Rating	AAA/AAA (SO)	AA+	AA/AA(SO)	AA-	A+	A & below	Total
LT AAA	29						29
LT AA+	22	1					23
LT AA	30	7	2				39
LT AA-	6	15	16	2			39
LT A+	2	3	19	5	2		31
LT A		1	1	1			3
LT A- & below							0
Total	89	27	38	8	2	0	164

- Internal ratings continue to be conservative than external ratings (even if some ext rating revisions reduced the diff)
- Differences in internal vs external ratings due to internal approach being more focused on standalone metrics
- Higher number of differences in NBFCs' ratings capture their current stressed operating environment and relatively higher sensitivity to market volatility

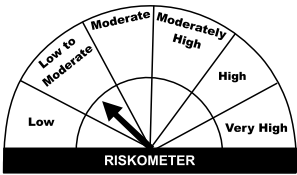
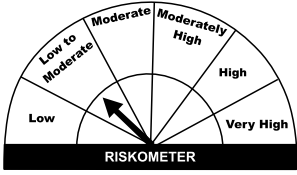
Tools used and process followed

Activity	Tools used/ Data sources
Company credit assessment	<ul style="list-style-type: none">• Company presentations/ financial reports• Rating agency research reports• Bloomberg• Ace Equity• CRISIL Quantix• Sell side research reports• Management/ CRA/ Arranger interactions
Industry exposure check, IM terms and spread analysis	<ul style="list-style-type: none">• MFI Explorer; Internal excel tool for exposure analysis (updated monthly)• Issuer IM/Term sheet/DTD and other IMs for comparison• Internal excel tool for spread analysis (updated daily)
Process followed	
<ul style="list-style-type: none">• Any addition/ deletion of credit to current universe is done with approval of Head- Fixed Income	
<ul style="list-style-type: none">• Details are circulated to all relevant teams (IO, Risk, Compliance; includes IC members)	
<ul style="list-style-type: none">• Limits are setup on Quantis system and only post this, FM team will be able to take any exposure	
<ul style="list-style-type: none">• All additions/ deletions to current universe along with any rating/ limit changes are presented to IC on a quarterly basis	

Continuous Credit Monitoring through EWS alerts

- Subscribed to SaveRisk database and alerts to assist in EWS alert generation
- Credit team subjectively evaluates potential early warning signals (listed below) from various sources and those deemed material are communicated to the FM team immediately
 - ❑ Corporate governance/ litigations (such as auditor/board member resignations, legal cases)
 - ❑ News/ credit events/ market rumors
 - ❑ Sharp share price movements
 - ❑ Sharp yield/ spread movements
 - ❑ External rating actions
- Credit team may present a detailed update based on the materiality of the above alerts and accordingly, take a timely and appropriate rating action. The issuer limit may also be placed on hold for incremental exposure.
- On a weekly basis, a summary update of the alerts during the previous week are shared with the FM team.
- This monitoring is in addition to the regular issuer updates carried out based on ABC classification of issuers
- **Such continuous and active monitoring approach is effective in right pricing of the security.**

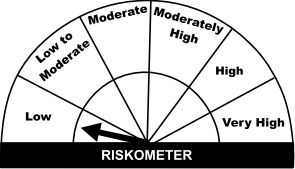

Product Label

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>^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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.			

All data as of December 31, 2022.



Product Label

HSBC Overnight Fund		
 <p>Investors understand that their principal will be at Low risk</p>	<p>Overnight fund – An open ended debt scheme investing in overnight securities. Relatively Low interest rate risk and relatively Low credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">• Income over short term and high liquidity• Investment in debt & money market instruments with overnight maturity	<p>Benchmark Index: NIFTY 1D Rate Index</p> 
	<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p>^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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 Overnight Fund)			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)	A-I		
Moderate (Class II)			
Relatively High (Class III)			
A Scheme with Relatively Low interest rate risk and Low credit risk.			

All data as of December 31, 2022.



Product Label

HSBC Dynamic Bond Fund (Erstwhile L&T Flexi Bond Fund)		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Dynamic Bond Fund - An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and relatively low 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 medium to long term• Investment in fixed income securities <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them. ^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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>	<p>Benchmark Index: NIFTY Composite Debt Index A-III</p> 

Potential Risk Class (HSBC Dynamic Bond 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.			

All data as of December 31, 2022.

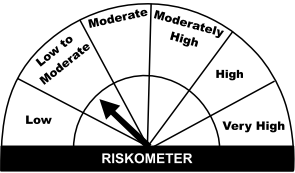

Product Label

HSBC Short Duration Fund (Erstwhile L&T Short Term Bond Fund)		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>Short Duration Fund - An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years for details on Macaulay's Duration please refer to SID under the section "Asset Allocation Pattern"). A moderate 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 regular returns over short term• Investment in fixed income securities of shorter term maturity. <p><small>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them. ^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</small></p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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>	<p>Benchmark Index: Nifty Short Duration Debt Index B-II</p> 

Potential Risk Class (HSBC Short Duration Fund)			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)		B-II	
Relatively High (Class III)			
A Scheme with Relatively Moderate interest rate risk and Moderate credit risk.			

All data as of December 31, 2022.



Product Label

HSBC Ultra Short Duration Fund		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>Ultra Short Duration Fund - An open ended ultra-short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 3 months to 6 months. Please refer Page No. 10 of the 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 seeking*:</p> <ul style="list-style-type: none">Income over short term with low volatility.Investment in debt & money market instruments such that the Macaulay Duration of the portfolio is between 3 months- 6 months.^ <p><small>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them. ^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</small></p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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>	<p>Benchmark Index: NIFTY Ultra Short Duration Debt Index B-I</p> 

Potential Risk Class (HSBC Ultra Short Duration 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.			

All data as of December 31, 2022.



Product Label

HSBC Low Duration Fund (Erstwhile L&T Low Duration Fund)		
	<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">• 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>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them. ^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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>	<p>Benchmark Index: NIFTY Low Duration Debt Index B-I</p> 
Investors understand that their principal will be at Low to Moderate risk		

Potential Risk Class (HSBC Low Duration 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.			

All data as of December 31, 2022.

Product Label

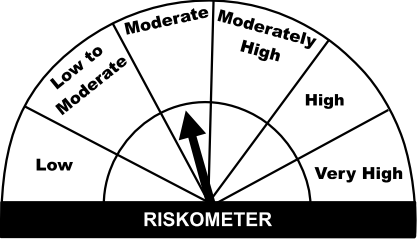
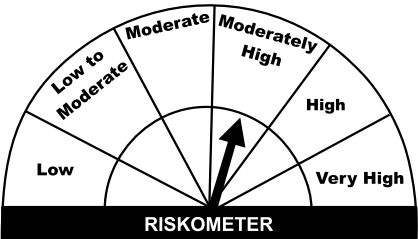
HSBC Corporate Bond Fund (Erstwhile L&T Triple Ace Bond Fund)		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Corporate Bond Fund - An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and relatively low credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">• Generation of regular and stable income over medium to long term• Investment predominantly in AA+ and above rated corporate bonds and money market instruments• Investors should consult their financial advisers if in doubt about whether the product is suitable for them. <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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>	<p>Benchmark Index: NIFTY Corporate Bond Index B-III</p> 

Potential Risk Class (HSBC Corporate Bond 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.			

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

All data as of December 31, 2022.



Product Label

HSBC Medium Duration Fund (Erstwhile L&T Resurgent India Bond Fund)		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Medium Duration Fund - An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years to 4 years (for details on Macaulay's Duration please refer to the SID under the section "Asset Allocation Pattern"). A relatively high 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 income over medium term• Investment primarily in debt and money market securities	<p>Benchmark Index: NIFTY Medium Duration Debt Index B-III</p> 
	<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them. ^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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 Medium Duration 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)		B-III	
A Scheme with Relatively High interest rate risk and Moderate credit risk.			

All data as of December 31, 2022.


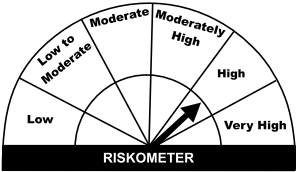
Product Label

HSBC Banking & PSU Debt Fund (Erstwhile L&T Banking and PSU Debt Fund)		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Banking and PSU Fund - An open-ended debt scheme primarily investing in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds. A relatively high interest rate risk and relatively low credit.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">• Generation of reasonable returns and liquidity over short term• Investment predominantly in securities issued by Banks, Public Sector Undertakings and Public Financial Institutions and municipal corporations in India <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 Dec 2022, 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>	<p>Benchmark Index: NIFTY Banking & PSU Debt Index</p> 

Potential Risk Class (HSBC Banking and PSU Debt 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.			

All data as of December 31, 2022.



Product Label

HSBC Credit Risk Fund (Erstwhile L&T Credit Risk Fund)		
 <p>Investors understand that their principal will be at Moderately High risk</p>	<p>Credit Risk Fund - An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+rated corporate bonds). A relatively high interest rate risk and relatively high credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">• Generation of regular returns and capital appreciation over medium to long term• Investment in debt instruments (including securitized debt), government and money market securities	<p>Benchmark Index: NIFTY Credit Risk Bond Index C-III</p> 
	<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p>^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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 Credit Risk 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)			C-III
A Scheme with Relatively High interest rate risk and High credit risk.			

All data as of December 31, 2022.

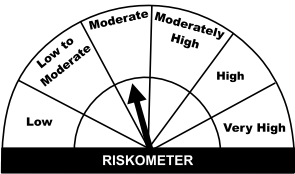

Product Label

HSBC Money Market Fund (Erstwhile L&T Money Market Fund)		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>An open ended debt scheme investing in money market instruments. 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 regular income over short to medium term• Investment in money market instruments <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them. ^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price. Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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>	<p>Benchmark Index: Nifty Money Market Index B-I</p> 

Potential Risk Class (HSBC Money Market 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.			

All data as of December 31, 2022.



Product Label

HSBC Gilt Fund (Erstwhile L&T Gilt Fund)		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>Gilt Fund - An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.</p> <p>This product is suitable for investors who are seeking[*]:</p> <ul style="list-style-type: none">• Generation of returns over medium to long term• Investment in Government Securities	<p>Benchmark Index: NIFTY All Duration G-Sec Index</p> 
	<p><small>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</small></p> <p><small>^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</small></p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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 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.			

All data as of December 31, 2022.



Product Label

HSBC Medium to Long Duration Fund (Erstwhile HSBC Debt Fund)		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Medium to Long Duration Fund - An open ended medium to long term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years to 7 years (for details on Macaulay's Duration please refer to SID under the section "Asset Allocation Pattern"). Relatively high 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">• Regular income over medium term• Investment in diversified portfolio of fixed income securities such that the Macaulay^ duration of the portfolio is between 4 year to 7 years <p><small>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them. ^ The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.</small></p> <p>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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>	<p>Benchmark Index: NIFTY Medium to Long Duration Debt Index B-III</p> 

Potential Risk Class (HSBC Medium to Long Duration 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)		B-III	
A Scheme with Relatively High interest rate risk and Moderate credit risk.			

All data as of December 31, 2022.

Product Label

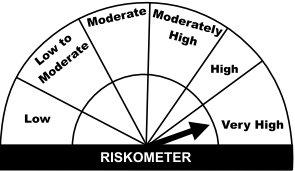



HSBC CRISIL IBX 50:50 Gilt Plus SDL Apr 2028 Index Fund		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Index Fund - An open-ended Target Maturity Index Fund tracking CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028. Relatively High interest rate risk and Low credit risk.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">• Income over target maturity period• Investment in constituents similar to the composition of CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028	<p>Benchmark Index: CRISIL IBX 50:50 Gilt Plus SDL Index – April 2028</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 Dec 2022, 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>	

HSBC CRISIL IBX 50:50 Gilt Plus SDL Apr 2028 Index 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)	AIII		
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.
Source: HSBC Asset Management India, Bloomberg, For illustration purpose only. For complete details on the index refer to SID. Past performance may or may not sustained in the future





All data as of December 31, 2022.

Product Label

HSBC Aggressive Hybrid Fund (Erstwhile L&T Hybrid Equity Fund)		
 <p>Investors understand that their principal will be at Very High risk</p>	<p>Aggressive Hybrid Fund - An open ended hybrid scheme investing predominantly in equity and equity related instruments..</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">• Long term wealth creation and income• Investment in equity and equity related securities and fixed income instruments. (Benchmark : : Nifty 50 Hybrid composite debt 65:35 Index) <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 Dec 2022, 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>	
HSBC Balanced Advantage Fund (Erstwhile L&T Balanced Advantage Fund)		
 <p>Investors understand that their principal will be at Moderately High risk</p>	<p>HSBC Balanced Advantage Fund – An open ended dynamic asset allocation fund.</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">• Long term capital appreciation and generation of reasonable returns• Investment in equity and equity related instruments, derivatives and debt and money market instruments <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 Dec 2022, 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>	<p>Benchmark Index: NIFTY 50 Composite Hybrid Debt 50:50 Index</p> 


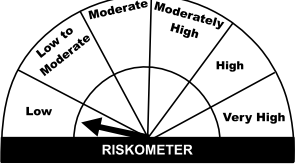
All data as of December 31, 2022.

Product Label

HSBC Equity Savings Fund (Erstwhile L&T Equity Savings Fund)		
 <p>Investors understand that their principal will be at Moderate risk</p>	<p>Equity Savings Fund – An open ended scheme investing in equity, arbitrage and debt.</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>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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>	<p>Benchmark Index: NIFTY Equity Savings Index</p> 
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>Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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>	<p>Benchmark Index: NIFTY 50 Hybrid Composite Debt 15:85 Index</p> 

All data as of December 31, 2022.

Product Label

HSBC Arbitrage Fund (Erstwhile L&T Arbitrage Opportunities Fund)		
 <p>Investors understand that their principal will be at Low risk</p>	<p>Arbitrage Fund – An open ended scheme investing in arbitrage opportunities.</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 predominantly in arbitrage opportunities in the cash and derivatives segments of the equity markets; and debt and money market instrument. <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Benchmark Index: Nifty 50 Arbitrage Index</p> 

Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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

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