

## Product Note

### HSBC Medium to Long Duration Fund (HMLF)

(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. (Please refer Page No. 11 of SID for explanation on Macaulay's duration). Relatively High interest rate risk and relatively Low credit risk.)

January 2025

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM <sup>3</sup> &
Medium to Long Duration Fund	Kapil Lal Punjabi and Shriram Ramanathan	NIFTY Medium to Long Duration Debt Index A-III	10 Dec 2002	Rs. 49.13 Cr
Quantitative Data		Minimum Investment		
Average Maturity	11.33 Years	Lumpsum	SIP	Additional Purchase
Modified Duration	6.46 Years	₹ 10,000	₹ 500	₹ 1,000
Macaulay Duration <sup>^</sup>	6.71 Years			
Yield to Maturity	7.01%			

### Why HSBC Medium to Long Duration Fund?

- Investing in instruments such that the Macaulay Duration of the portfolio is between 4 years to 7 years
- 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 Approach

- Actively managed fund investing across the yield curve in Govt. Securities and high quality AAA rated credits to generate alpha
- Dynamic duration management to seize potential upsides when interest rates are expected to soften while also reducing risks in an uncertain environment
- The major portion of the portfolio is invested in Gsecs due to favourable scenario
- Investments in a liquid portfolio to enable positioning changes based on evolving market scenario
- Managing duration through allocation in 7 -10 year part of the yield curve

**Exit Load:** NIL, No entry load will be charged to the investor.

**Month End Total Expenses Ratios (Annualized)<sup>4</sup> – Regular<sup>5</sup>:** 1.90%, Direct: 0.67%

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated June 27, 2024, 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> AUM is as on 31 December 2024.

<sup>3</sup> TER Annualized TER including GST on Investment Management Fees

<sup>4</sup> Continuing plans .

<sup>5</sup> For 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>

<sup>^</sup> 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:** The above information is for illustrative purposes only. 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 31 December 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

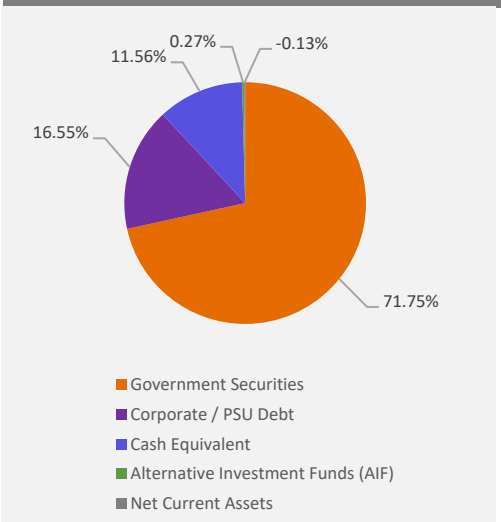
Portfolio

Issuer	Rating	% to Net Assets
<b>Corporate Bonds / Debentures</b>		<b>16.55%</b>
National Bank for Agriculture & Rural Development	CRISIL AAA	8.29%
Small Industries Development Bank of India	CRISIL AAA	8.26%
<b>Government Securities</b>		<b>71.75%</b>
7.18% GOI 24-Jul-2037	SOVEREIGN	21.49%
6.79% GOI 07OCT2034 GSEC	SOVEREIGN	20.72%
7.30% GOI 19JUN53	SOVEREIGN	19.00%
7.32% GOI 13NOV2030	SOVEREIGN	10.54%
<b>Alternative Investment Funds (AIF)</b>		<b>0.27%</b>
CDMDF CLASS A2	AIF	0.27%
<b>Cash Equivalent</b>		<b>11.43%</b>
<b>TREPS*</b>		<b>11.56%</b>
<b>Net Current Assets</b>		<b>-0.13%</b>
<b>Total Net Assets as on 31-December-2024</b>		<b>100.00%</b>

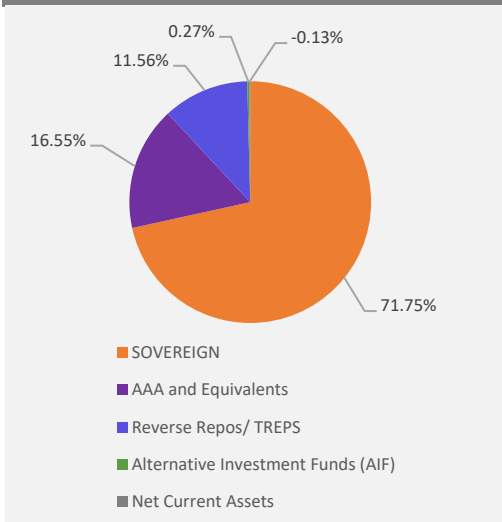
\*TREPS : Tri-Party Repo



Asset Allocation



Rating Portfolio



Investment Objective

To provide a reasonable income through a diversified portfolio of fixed income securities such that the Macaulay duration of the portfolio is between 4 years to 7 years.

Fund Manager - Kapil Lal Punjabi Effective 15 Jul 2023. Total Schemes Managed - 17  
Fund Manager - Shriram Ramanathan Effective 26 Nov 2022. Total Schemes Managed - 11

Lump Sum Investment Performance								Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception	
	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %
HSBC Medium to Long Duration Fund - Regular Plan <sup>3~</sup>	10761	7.55	11433	4.56	12696	4.88	40434	6.53
Scheme Benchmark (NIFTY Medium to Long Duration Debt Index A-III) <sup>1</sup>	10900	8.92	11876	5.89	13907	6.81	43716	6.91
Additional Benchmark (CRISIL 10 year Gilt Index)	10960	9.51	11868	5.87	13143	5.61	36945	6.10

**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 December 2024 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 June 27, 2024, the scheme returns vis-à-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 June 27, 2024, 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. ~ Face value Rs 10



Returns for Debt schemes has been calculated as on last business day NAV provided as on 31 December 2024.

<sup>1</sup> HSBC Medium to Long Duration Fund - Effective September 04, 2023 the Benchmark has been changed from NIFTY Medium to Long Duration Debt Index B-III to NIFTY Medium to Long Duration Debt Index A-III.

Source: HSBC Mutual Fund, Data as on 31 December 2024

[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 (as applicable)
<b>HSBC Medium to Long Duration Fund</b> (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. (Please refer Page No. 11 of SID for explanation on Macaulay’s duration). Relatively High interest rate risk and relatively Low credit risk.)  <b>This product is suitable for investors who are seeking*:</b> <ul style="list-style-type: none"><li>Regular income over medium to long term</li><li>Investment in diversified portfolio of fixed income securities such that the Macaulay^ duration of the portfolio is between 4 year to 7 years</li></ul>	 <p>The risk of the scheme is Moderate Risk</p>	<p>As per AMFI tier 1 Benchmark Index: <b>NIFTY Medium to Long Duration Debt Index A- III</b></p>  <p>The risk of the benchmark is Moderate Risk</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 December 2024, 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 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)	A-III		
A Scheme with Relatively High 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 31 December 2024

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