

## Product Note

### HSBC Conservative Hybrid Fund (HCHF) (Erstwhile HSBC Regular Savings Fund)

Conservative Hybrid Fund- An open ended Hybrid Scheme investing predominantly in debt instruments.

L&T Conservative Hybrid Fund has merged into HSBC Regular Savings Fund and the surviving scheme has been renamed)

July 2023

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM
Conservative Hybrid	Ritesh Jain and Cheenu Gupta	NIFTY 50 Hybrid Composite Debt 15:85 Index	24 Feb 2004	Rs. 114.37 Cr

Quantitative Data		Entry / Exit Load
Average Maturity	3.32 year	NA / NIL
Modified Duration	2.80 year	
Macaulay Duration	2.89 year	
Yield to Maturity	7.19%	

### Why HSBC Conservative Hybrid Fund?

- The Scheme shall invest in debt and money market instruments and would seek to generate regular returns
- The scheme may also invest in equity and equity related instruments to seek capital appreciation
- A top down and bottom up approach will be used to invest in equity and equity related instruments
- To create a corpus through generating inflation-adjusted returns

### Fund Strategy

- While 2H borrowing calendar was on expected lines, the bond supply as such remains heavy and absorption of this bond supply in remainder of FY 23 may exercise upward pressure on yields at the belly and longer end of the curve.
- The segment may stay volatile based on global cues.
- And hence as such, we intend to position with an underweight stance in the long bond portfolios versus the index and intend to take advantage tactically of any opportunities that may arise on the longer end of the curve depending on market conditions.

Source - HSBC AMC India and Bloomberg, Data as of 30 June 2023

<sup>1</sup> SEBI vide its circular no. SEBI/HO/IMD/IMD-II DF3/P/CIR/2021/652 dated October 27, 2021, 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. Furthermore, the same is effective from 01 December 2021 <sup>2</sup> Fund's benchmark has changed with effect from April 01, 2022.

The fund has undergone merger/consolidation along with changes to its fundamental attributes as per the notice published on 15 Oct '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-of-lt-mutual-fund>.

Document Date: 14 July 2023

## Portfolio

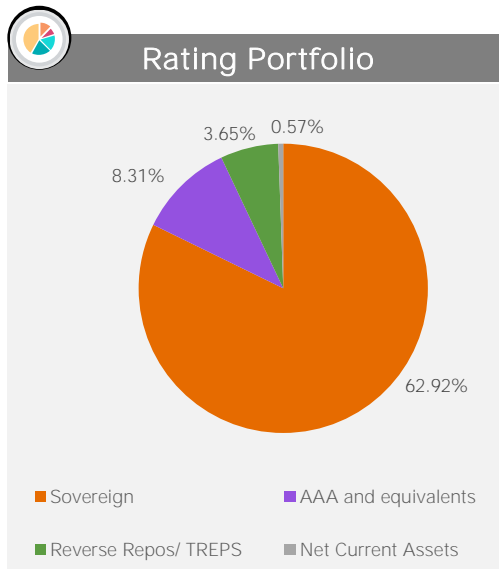
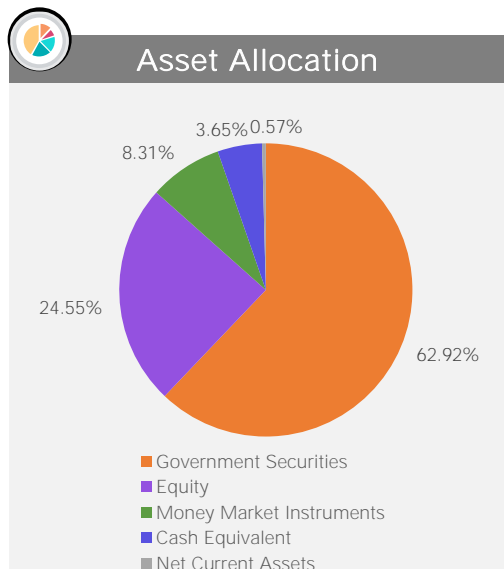
Issuer	Rating	% to Net Assets
<b>Money Market Instruments</b>		
Certificate of Deposit		8.31%
HDFC Bank Limited	CARE A1+	8.31%
<b>Government Securities</b>		
5.63% GOI 12APR2026	SOVEREIGN	14.95%
7.10% GOI 18APR29	SOVEREIGN	13.29%
7.38% GOI 20JUN2027	SOVEREIGN	10.62%
07.59% GOI 11JAN26	SOVEREIGN	9.17%
07.17% GOI 08JAN28	SOVEREIGN	4.99%
5.22% GOI 15JUN25 G-SEC	SOVEREIGN	4.24%
5.74% GOI 15NOV2026	SOVEREIGN	3.39%
7.76% MAHARASHTRA 04Oct2030 SDL	SOVEREIGN	2.27%
<b>EQUITY</b>		<b>24.55%</b>
HDFC Bank Limited	Banks	2.23%
Larsen & Toubro Limited	Construction	1.73%
KPIT Technologies Limited	IT - Software	1.62%
ICICI Bank Limited	Banks	1.31%
TVS Motor Company Limited	Automobiles	1.22%
Siemens Limited	Electrical Equipment	1.15%
Sun Pharmaceutical Industries Limited	Pharmaceuticals & Biotechnology	1.00%
KEI Industries Limited	Industrial Products	0.94%
TD Power Systems Limited	Electrical Equipment	0.86%
IndusInd Bank Limited	Banks	0.79%
Titan Company Limited	Consumer Durables	0.77%
Mahindra & Mahindra Financial Services Limited	Finance	0.74%
VRL Logistics Limited	Transport Services	0.71%
ABB India Limited	Electrical Equipment	0.70%
GMM Pfaudler Limited	Industrial Manufacturing	0.69%
Godrej Consumer Products Limited	Personal Products	0.67%
Gujarat Fluorochemicals Limited	Chemicals & Petrochemicals	0.64%
The Indian Hotels Company Limited	Leisure Services	0.59%
Cholamandalam Investment & Finance Company Limited	Finance	0.58%
Safari Industries India Limited	Consumer Durables	0.57%
PI Industries Limited	Fertilizers & Agrochemicals	0.51%
Hindustan Aeronautics Limited	Aerospace & Defense	0.50%

Source: HSBC Asset Management India, data as on 30 June 2023

## Portfolio

Issuer	Rating	% to Net Assets
Persistent Systems Limited	IT - Software	0.44%
State Bank of India	Banks	0.40%
Infosys Limited	IT - Software	0.38%
Power Mech Projects Limited	Construction	0.37%
Shoppers Stop Limited	Retailing	0.36%
Hindustan Unilever Limited	Diversified FMCG	0.35%
Bharat Electronics Limited	Aerospace & Defense	0.33%
SBI Life Insurance Company Limited	Insurance	0.31%
Westlife Development Limited	Leisure Services	0.30%
Schaeffler India Limited	Auto Components	0.27%
Mayur Uniquoters Limited	Consumer Durables	0.27%
Navin Fluorine International Limited	Chemicals & Petrochemicals	0.20%
Housing Development Finance	Finance	0.05%
<b>Cash Equivalent</b>		<b>4.22%</b>
<b>TREPS*</b>		<b>3.65%</b>
<b>Net Current Assets</b>		<b>0.57%</b>
<b>Total Net Assets as on 30-JUNE-2023</b>		<b>100.00%</b>

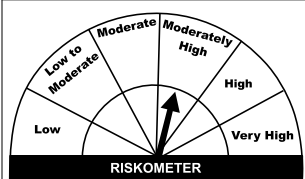
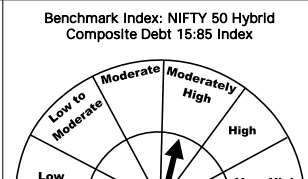
\*TREPS : Tri-Party Repo



## Investment Objective

To seek generation of reasonable returns through investments in debt and money market Instruments.

The secondary objective of the Scheme is to invest in equity and equity related instruments to seek capital appreciation. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

HSBC Conservative Hybrid Fund (Erstwhile HSBC Regular Savings Fund)		
 <p>Investors understand that their principal will be at Moderately High risk</p>	<p><b>Conservative Hybrid Fund</b>– An open ended hybrid scheme investing predominantly in debt instruments.</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>Investment in fixed income (debt and money market instruments) as well as equity and equity related securities</li> <li>Capital appreciation over medium to long term</li> </ul> <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p><b>Benchmark Index: NIFTY 50 Hybrid Composite Debt 15:85 Index</b></p> 

**Note on Risk-o-meters:** Riskometer is as on 30 June 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

Past performance is not an indicator of future returns. Source: HSBC Asset Management India, data as on 30 June 2023,

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