

Product Note

HSBC Low Duration Fund (HLDF) (Erstwhile L&T Low Duration Fund)

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.

(HSBC Low Duration Fund has merged into L&T Low Duration Fund and the surviving scheme has been renamed)

January 2023

Fund Category	Fund Manager	Benchmark ^{1, 2}	Inception Date	AUM
Low Duration	Shriram Ramanathan and Mahesh Chhabria	NIFTY Low Duration Debt Index B-I	04 Dec 2010	Rs. 513.80 Cr

Quantitative Data		Minimum Investment		
Average Maturity	8.23 Months	Lumpsum	SIP	Additional Purchase
Modified Duration	7.14 Months	₹ 5,000	₹ 500	₹ 1,000
Macaulay Duration [^]	7.45 Months	Exit Load / Entry Load		
Yield to Maturity	7.35%	NA / NIL		

Fund Strategy

- Focus on generating returns through a yield-oriented and accrual based strategy
- Strong portfolio quality with a diversified mix of assets and adequate liquidity
- The fund has been positioned as an 85:15 rating mix strategy between AAA and non-AAA names.
- Relatively lower interest rate volatility at present due to moderate duration, while providing yield pickup.

Why HSBC Low Duration Fund?

- Appropriately positioned to provide a higher carry over the traditional money market category funds while maintaining adequate liquidity
- Rigorous credit selection process to spot mispriced credit opportunities.
- Given the portfolio quality, ample liquidity and carry over other funds, the fund is well positioned in the current market environment.

¹ 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 ² Fund's benchmark has changed with effect from April 01, 2022. Data as on 31 Dec 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>.

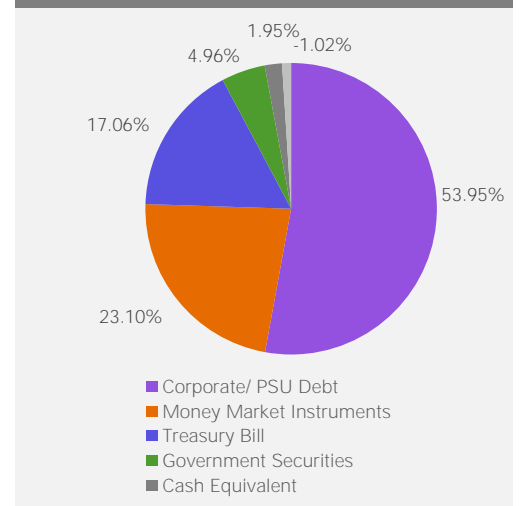
Portfolio

Issuer	Rating	% to Net Assets
Corporate/ PSU Debt		
Corporate Bonds / Debentures		53.95%
National Bank for Agriculture & Rural Development	ICRA AAA	9.95%
REC Limited	CRISIL AAA	9.74%
Muthoot Finance Limited	CRISIL AA+	5.19%
Shriram Finance Limited (Erstwhile Shriram Transport Finance Company Limited)	IND AA +	5.06%
Bharti Telecom Limited	CRISIL AA+	4.91%
Embassy Office Parks REIT	CRISIL AAA	4.79%
Power Grid Corporation of India Limited	CRISIL AAA	3.55%
ONGC Petro Additions Limited (Letter of comfort from Oil & Natural Gas Corporation Limited)	ICRA AAA (CE)	3.07%
LIC Housing Finance Limited	CRISIL AAA	2.98%
L & T Finance Ltd.	CRISIL AAA	2.07%
Tata Steel Limited	CARE AA+	2.05%
NIIF Infrastructure Finance Limited	ICRA AAA	0.59%
Money Market Instruments		
Certificate of Deposit		17.60%
Kotak Mahindra Bank Limited	CRISIL A1+	4.65%
Bank of Baroda	IND A1+	4.55%
HDFC Bank Limited	ICRA A1+	2.83%
Export Import Bank of India	CRISIL A1+	2.79%
Small Industries Development Bank of India	CRISIL A1+	2.78%
Commercial Paper		5.50%
Housing Development Finance Corporation Limited	CRISIL A1+	5.50%
Government Securities		4.96%
07.32% GS 28JAN2024	SOVEREIGN	3.02%
6.69% GOI 27JUN2024	SOVEREIGN	1.94%
Treasury Bill		17.06%
182 DAYS T-BILL 12JAN23	SOVEREIGN	4.86%
182 DAYS T-BILL 08JUN23	SOVEREIGN	4.73%
364 DAYS T-BILL 30NOV23	SOVEREIGN	4.58%
182 DAYS T-BILL 23FEB23	SOVEREIGN	1.93%
182 DAYS T-BILL 23MAR23	SOVEREIGN	0.96%
Cash Equivalent		0.93%
TREPS*		1.95%
Net Current Assets		-1.02%
Total Net Assets as on 31-DECEMBER-2022		100.00%

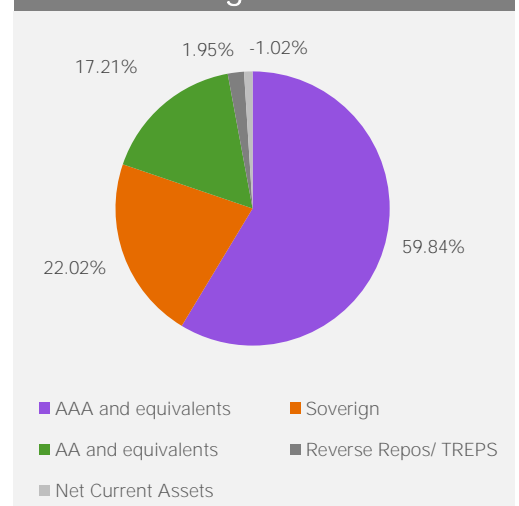
*TREPS : Tri-Party Repo



Asset Allocation



Rating Portfolio



Investment Objective

The investment objective is to provide liquidity and reasonable returns by investing primarily in a mix of short term debt and money market instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

HSBC Low Duration Fund (Erstwhile L&T Low Duration Fund)		
 <p>Investors understand that their principal will be at Low to Moderate risk</p>	<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><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 Low Duration Debt Index B-I</p> 

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.			

Note - Sonal Gupta shall be dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Past performance is not an indicator of future returns. Source: HSBC Asset Management India, data as at 31 Dec 2022,

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