

HSBC Income Plus Arbitrage Active FOF

(Erstwhile HSBC Managed Solutions India – Conservative Plan)

(An open-ended Income plus Arbitrage Active Fund of Fund scheme)

Product Note | July 2026

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM ² &
Hybrid FoF - Income plus Arbitrage FoF	Mohd Asif Rizwi, Mahesh Chhabria	65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index	30-Apr-14	Rs 537.57 Cr

Portfolio

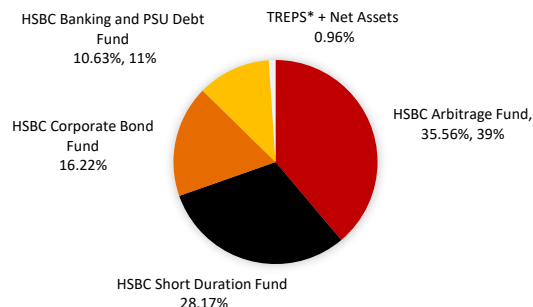
Issuer **% to Net Assets**

Mutual Fund Units	99.04%
HSBC Arbitrage Fund - Direct Growth	36.30%
HSBC Short Duration Fund - Direct Growth	31.40%
HSBC Corporate Bond Fund - Direct Growth	15.74%
HSBC Banking and PSU Debt Fund - Direct Growth	15.60%
TREPS* + Net Assets	0.96%
Total Net Assets as on 30-June-2026	100.00%

*TREPS : Tri-Party Repo fully collateralized by G-Sec



Asset Allocation



Asset Type	Equity	Fixed Income	Fixed Income			Fixed Income	
Strategies	Arbitrage Strategy	Defensive Strategy	Core Fixed Income Strategy			Alpha Generating Strategy	
Fund Allocations	HSBC Arbitrage Fund + Cash	HSBC Ultra Short Duration Fund	HSBC Banking and PSU Debt Fund	HSBC Corporate Bond Fund	HSBC Short Duration Fund	HSBC Gilt Fund	HSBC Dynamic Bond Fund
Allocation	35.56%	-	10.63%	16.22%	28.17%	-	-
Mod Duration (Years)	-	0.46	2.59	2.00	2.57	9.05	6.03

Data as on 30 June 2026

A scheme with an active mix of Arbitrage and Actively managed exposure across high quality debt funds.

HSBC Income Plus Arbitrage Active FoF*

(An open-ended Income plus Arbitrage Active Fund of Fund scheme)

Arbitrage (35-45%)	Active Debt allocation (55-65%)
100% Hedged Equity Exposure	- High Asset quality (100% Sovereign / AAA) - Active allocation across debt fund categories across maturities depending on the macro view and interest rate scenario

¹ As per clause 7.22 of the SEBI Master Circular for Mutual Funds, dated March 20, 2026, 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.

² AUM is as on 30 June 2026.

*For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investorresources/information-library/#accordion1446811090=4>

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[Click here](#) to refer to the notice of 'Categorization of HSBC Managed Solutions Fund' * Fund positioning is effective from 13 March 2025

Source – HSBC Mutual Fund, Data as of 30 June 2026. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Fund of Fund (FOF) Note - The investors are bearing the recurring expenses of the scheme, in addition to the expenses of other schemes in which the Fund of Funds Scheme makes investments. Note : Please refer to Scheme Information Document for more details on Asset Allocation of the scheme.

SEBI Registered Name/Number-HSBC Mutual Fund/MF/046/02/5.

- HSBC Income Plus Arbitrage Active FoF allows the Fund Manager to switch between debt schemes without any tax incidence to adapt to market conditions – thereby optimizing capital gains for investors
- Aims to offer reasonable returns compared to an only debt-strategy with better tax-efficiency (12.5% with a 2-year investment horizon)

Investment Objective

- The investment objective is to generate income / long-term capital appreciation by investing in units of debt-oriented and arbitrage schemes and money market instruments. However, there is no assurance that the investment objective of the Scheme will be achieved.

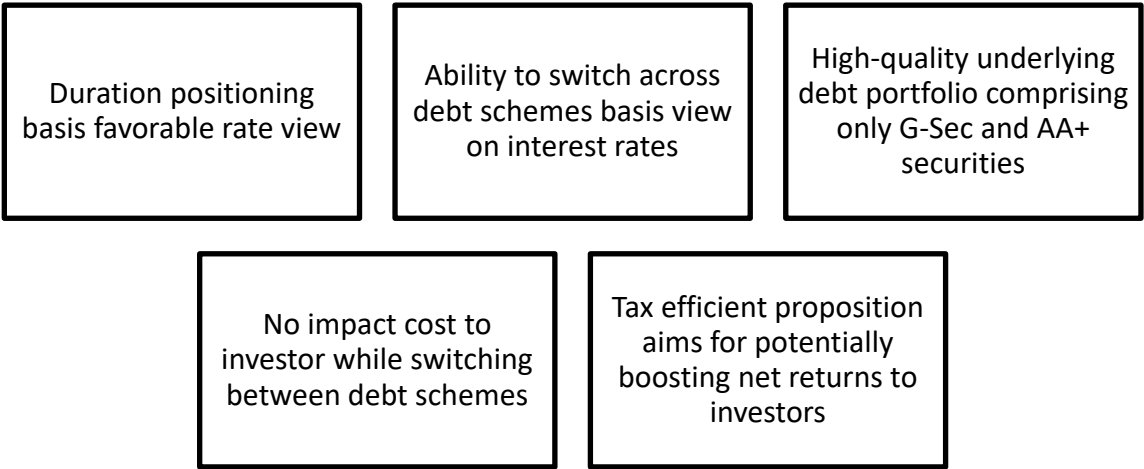
Our Philosophy

- Focus on investors' risk profile to meet the needs and preference of investors
- Deliver solutions through Fund of Funds (FoF) feeding into HSBC/third party funds
- Active investment opportunity supported by variety of debt schemes across maturity, credits and investment strategies

Why HSBC Income Plus Arbitrage Active FoF?

- To benefit from exposure to arbitrage and debt-oriented schemes with the aim to capture the opportunities offered by Indian debt markets
- True to label fund – The fund will stay true to its objective in keeping with the mandate reposed by the investor whilst investing in the fund
- Dynamic management of maturity through underlying scheme selection to generate alpha and capture accrual opportunities

Key takeaways: HSBC Income Plus Arbitrage Active FoF



Quantitative Data (Debt Portion Only)	
YTM _s	7.12%
Average Maturity	2.88 Years
Modified Duration	2.39 Years
Macauley Duration [^]	2.52 Years

Data as on 30 June 2026, Source – HSBC Mutual Fund, Bloomberg, RBI, CCIL, Please refer Scheme Information Document (SID) for more details on scheme.

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Fund Manager - Mahesh Chhabria Effective 13 Mar 2025. Total Schemes Managed - 14;
Fund Manager - Mohd Asif Rizwi Effective 13 Mar 2025. Total Schemes Managed - 15

Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		10 Years		Since Inception		Inception Date
	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	Amount in Rs	Returns %	
HSBC Income Plus Arbitrage Active FOF - Regular Plan ~~~	10519	5.19	12241	6.97	13271	5.82	18272	6.21	22551	6.91	30-Apr-14
Scheme Benchmark (65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index)	10600	6.00	12341	7.26	13566	6.29	18783	6.50	22489	6.88	
Additional Benchmark (Nifty 50 TRI)	9458	-5.42	12882	8.80	16097	9.98	32501	12.50	41404	12.38	
Additional Benchmark (CRISIL 10 Year Gilt Index)	10247	2.47	12210	6.88	12857	5.15	18247	6.20	22875	7.03	
HSBC Income Plus Arbitrage Active FOF - Direct Plan ~~~	10556	5.56	12459	7.60	13714	6.52	19328	6.81	23985	7.45	30-Apr-14
Scheme Benchmark (65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index)	10600	6.00	12341	7.26	13566	6.29	18783	6.50	22489	6.88	
Additional Benchmark (Nifty 50 TRI)	9458	-5.42	12882	8.80	16097	9.98	32501	12.50	41404	12.38	
Additional Benchmark (CRISIL 10 Year Gilt Index)	10247	2.47	12210	6.88	12857	5.15	18247	6.20	22875	7.03	

Data as on 30 June 2026. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** The performance details provided herein are of Regular as well as Direct 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 June 2026 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 6.9.1 of the SEBI Master Circular for Mutual Funds, dated March 20, 2026 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 14.3 of the SEBI Master Circular for Mutual Funds dated March 20, 2026., 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

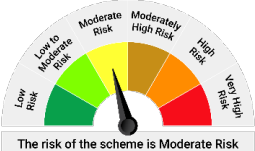
HSBC Income Plus Arbitrage Active FOF - Regular Plan					Inception Date: 30-Apr-14
Total amount invested (₹)	120000	360000	600000	1460000	
Market Value as on June 30, 2026 (₹)	1,23,578	3,95,540	7,04,426	21,56,952	
Scheme Returns (%)	5.62	6.23	6.36	6.20	
65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index - Scheme Benchmark(₹)	1,23,928	4,00,135	7,13,714	22,09,436	
65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index - Scheme Benchmark Returns (%)	6.17	7.01	6.89	6.57	
Nifty 50 TRI - Additional Benchmark (₹)	1,16,339	3,78,805	7,25,730	30,95,848	
Nifty 50 TRI - Additional Benchmark Returns (%)	-5.65	3.34	7.55	11.70	
CRISIL 10 Year Gilt Index - Additional Benchmark (₹)	1,22,937	3,95,680	7,05,628	21,57,561	
CRISIL 10 Year Gilt Index - Additional Benchmark Returns (%)	4.60	6.25	6.43	6.20	
HSBC Income Plus Arbitrage Active FOF - Direct Plan					Inception Date: 30-Apr-14
Total amount invested (₹)	120000	360000	600000	1460000	
Market Value as on June 30, 2026 (₹)	1,23,801	3,98,647	7,15,552	22,45,813	
Scheme Returns (%)	5.97	6.75	6.99	6.82	
65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index - Scheme Benchmark(₹)	1,23,928	4,00,135	7,13,714	22,09,436	
65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index - Scheme Benchmark Returns (%)	6.17	7.01	6.89	6.57	
Nifty 50 TRI - Additional Benchmark (₹)	1,16,339	3,78,805	7,25,730	30,95,848	
Nifty 50 TRI - Additional Benchmark Returns (%)	-5.65	3.34	7.55	11.70	
CRISIL 10 Year Gilt Index - Additional Benchmark (₹)	1,22,937	3,95,680	7,05,628	21,57,561	
CRISIL 10 Year Gilt Index - Additional Benchmark Returns (%)	4.60	6.25	6.43	6.20	

Past performance may or may not be sustained in future and is not a guarantee of any future returns. For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. Load is not taken into consideration. Mayank Chaturvedi shall be the fund manager for investments in foreign securities (wherever applicable) for all the schemes of HSBC Mutual Fund. w.e.f. October 01, 2025.

Source: HSBC Mutual Fund, data as on 30 June 2026

[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 Riskometer (as applicable)
HSBC Income Plus Arbitrage Active FOF (Erstwhile HSBC Managed Solutions India - Conservative) (An open-ended Income plus Arbitrage Active Fund of Fund scheme) This product is suitable for investors who are seeking*: - To provide income over the long-term. - Investing predominantly in schemes of debt mutual funds, Arbitrage Funds and money market instruments. Benchmark Index : 65% NIFTY Short Duration Debt Index + 35% NIFTY 50 Arbitrage Index	 The risk of the scheme is Moderate Risk	Benchmark Index : Composite index constituting 65% NIFTY Short Duration Debt Index  The risk of the benchmark is Low to Moderate Risk Nifty 50 Arbitrage Index  The risk of the benchmark is Low Risk

Scheme name and Type of scheme	*Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
HSBC Arbitrage Fund (An open ended scheme investing in arbitrage opportunities) This product is suitable for investors who are seeking*: - 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	 The risk of the scheme is Low Risk	As per AMFI Tier I Benchmark i.e. Benchmark Index: Nifty 50 Arbitrage Index  The risk of the benchmark is Low Risk

Scheme name and Type of scheme	*Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
HSBC 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) This product is suitable for investors who are seeking*: - Generation of regular and stable income over medium to long term - Investment predominantly in AA+ and above rated corporate bonds and money market instruments	 The risk of the scheme is Moderate Risk	As per AMFI Tier 1. Benchmark Index: NIFTY Corporate Bond Index A-II  The risk of the benchmark is Moderate Risk

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.			

\$YTM is annualized ^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.

Data as on 30 June 2026, Please refer Scheme Information Document (SID) for more details on scheme.

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Scheme name and Type of scheme	*Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
HSBC Banking and PSU Debt 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 risk.) This product is suitable for investors who are seeking*: • 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	The risk of the scheme is Moderate Risk	As per AMFI Tier 1. Benchmark Index: NIFTY Banking & PSU Debt Index A-II The risk of the benchmark is Low to Moderate Risk

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.			

Scheme name and Type of scheme	*Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
HSBC 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 (please refer to page no. 11 of SID for details on Macaulay's Duration). A Moderate interest rate risk and Relatively Low credit risk.) This product is suitable for investors who are seeking*: • Generation of regular returns over short term • Investment in fixed income securities of shorter-term maturity.	The risk of the scheme is Moderate Risk	As per AMFI Tier 1. Benchmark Index: NIFTY Short Duration Debt Index A-II The risk of the benchmark is Low to Moderate Risk

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)	A-II		
Relatively High (Class III)			
A Scheme with Relatively Moderate interest rate risk and Relatively Low Credit Risk.			

* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note on Risk-o-meters: Riskometer is as on 30 June 2026, 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 ("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.

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Past performance may or may not be sustained in future and is not a guarantee of any future returns. Source: HSBC Mutual Fund, data as on 30 June 2026

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