

HSBC Fixed Term Series – 134

(A close ended Income Scheme)

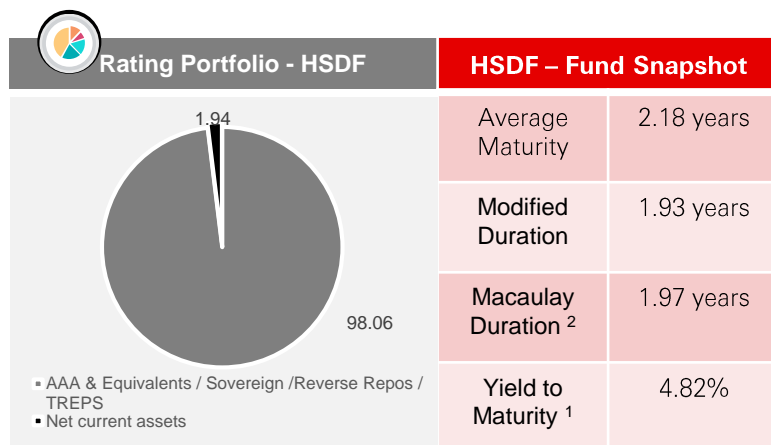
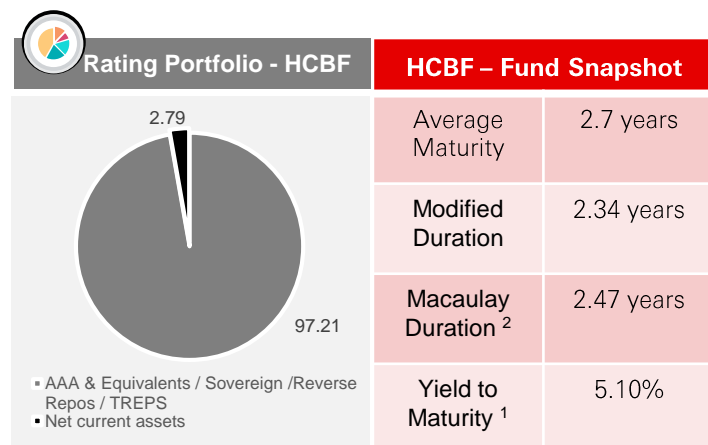
Plan to invest your maturity proceeds

25 June 2021

Dear Investor,

Thank you for investing with HSBC Mutual Fund. We hope you had a fulfilling experience through your investments in HSBC Fixed Term Series 134. As the scheme is about to mature, you can look at reinvesting the maturity proceeds effectively.

To continue your association with us, we would like to showcase two funds having similar range of duration, which one can consider for investments, HSBC Corporate Bond Fund (HCBF)[^] and HSBC Short Duration Fund (HSDF)^{^^}.



Portfolio - HCBF		
Issuer	Rating	% to Net Assets
Corporate/ PSU Debt		
Corporate Bonds / Debentures		85.42%
Reliance Industries	CRISIL AAA	9.28%
HDB Financial Services	CRISIL AAA	9.14%
REC	CRISIL AAA	7.85%
Power Finance Corporation	CRISIL AAA	7.56%
Indian Railway Finance Corporation	CRISIL AAA	7.52%
Indian Oil Corporation	[ICRA]AAA	7.51%
LIC Housing Finance	CRISIL AAA	7.43%
Small Industries Development Bk of India	[ICRA]AAA	7.34%
Sundaram Finance	CRISIL AAA	7.28%
National Bk for Agriculture & Rural Dev.	[ICRA]AAA	7.26%
Housing & Urban Development Corp	CARE AAA	7.25%
Government Securities		5.91%
5.15% GOVT OF INDIA RED 09-11-2025	SOVEREIGN	4.33%
8.21% Haryana SDL RED 31-03-2026	SOVEREIGN	1.58%
Cash Equivalent		8.67%
TREPS*		0.81%
Reverse Repos		5.07%
Net Current Assets:		2.79%
Total Net Assets		100.00%

Portfolio - HSDF		
Issuer	Ratings	% to Net Assets
Corporate/ PSU Debt		
Corporate Bonds / Debentures		55.12%
Export Import Bank of India	CRISIL AAA	7.77%
National Bk for Agriculture & Rural Dev	[ICRA]AAA	7.53%
LIC Housing Finance	CRISIL AAA	7.43%
Kotak Mahindra Prime	CRISIL AAA	7.36%
Power Finance Corporation	CRISIL AAA	5.10%
Housing & Urban Development Corp Ltd.	CARE AAA	5.03%
HDB Financial Services	CRISIL AAA	4.90%
Sundaram Finance	CRISIL AAA	4.85%
Indian Railway Finance Corporation	CRISIL AAA	2.63%
Housing Development Finance Corp	CRISIL AAA	2.52%
Government Securities		30.12%
5.22% GOVT OF INDIA RED 15-06-2025	SOVEREIGN	9.68%
6.18% GOVT OF INDIA RED 04-11-2024	SOVEREIGN	5.04%
8.5% JAMMU & KASHMIR SDL RED 30-03-2025	SOVEREIGN	2.65%
8.58% GUJARAT SDL RED 23-01-2023	SOVEREIGN	2.59%
8.59% ANDHRA PRADESH SDL RED 23-01-2023	SOVEREIGN	2.59%
8.6% MADHYA PRADESH SDL RED 23-01-2023	SOVEREIGN	2.59%
8.65% UTTAR PRADESH SDL 10-03-2024	SOVEREIGN	2.12%
8.66% WEST BENGAL SDL RED 20-03-2023	SOVEREIGN	1.82%
8.73% UTTAR PRADESH SDL 31-12-2022	SOVEREIGN	1.04%
Cash Equivalent		14.76%
TREPS*		1.78%
Reverse Repos		11.04%
Net Current Assets		1.94%
Total Net Assets		100.00%

*TREPS : Tri-Party Repo, Portfolio and Fund data as at 18 June '21 unless otherwise mentioned, ¹ YTM based on investment amount

Source – HSBC Asset Management, India, [^] HSBC Corporate Bond Fund - An open ended debt scheme predominantly investing in AA+ and above corporate bonds


^{^^} HSBC Short Duration Fund - 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.

Why Invest in HSBC Short Duration Fund and Corporate Bond Fund?

- Investors in both schemes expected to benefit from attractive carry at short and medium part of the curve.
- It offers value for investors at current short-term yields over funding cost in terms of spread.
- The current portfolio comprises of 100% investments in AAA rated instruments and / or in sovereign instruments.
- With a steep yield curve and visibility of reasonable liquidity, the curve is likely to remain supported.
- Corporate supply somewhat low in the near term and gradually resuming in Q2, we expect stability in spreads over the near term.
- In addition, an absolute carry play still remains attractive.
- Overall, the pick-up versus overnight rate is attractive in the short-medium segment on the G-sec curve and on the corporate curve.

Source: HSBC Asset Management, India (HSBC AMC), Data as at 18 June '21 unless otherwise given.


@ 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. Please refer to the page no 9 of the Scheme Information Document on which the Macaulay duration concept has been explained .

Scheme Name
HSBC Fixed Term Series 134 This product is suitable for investors who are seeking* : <ul style="list-style-type: none"> ▶ Income over the term of the Plan; ▶ Investment in debt/money market instruments
 <p>Investors understand that their principal will be from Low to Moderate risk.</p>

HSBC Corporate Bond Fund

This product is suitable for investors who are seeking*:

- Income over medium term.
- Investment predominantly in corporate bond securities rated AA+ and above.



Investors understand that their principal will be at Moderate 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

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

HSBC Short Duration Fund

This product is suitable for investors who are seeking*:

- Regular Income over Medium term
- Investment in diversified portfolio of fixed income securities such that the Macaulay^ duration of the portfolio is between 1 year to 3 years



Investors understand that their principal will be at Low to Moderate 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

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

Note on Risk-o-meters: Please note that the above risk-o-meter is as per the product labelling of the scheme available as on the date of this communication/ disclosure. As per SEBI circular dated October 05, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. 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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Mutual fund investments are subject to market risks, read all scheme related documents carefully.

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