HSBC Mutual Fund

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)

August 2023

Fund Category	Fund Manager	Benchmark [1]	Inception Date	AUM
Conservative Hybrid Fund	Mahesh Chhabria and Cheenu Gupta	NIFTY 50 Hybrid Composite Debt 15:85 Index	24 Feb 2004	Rs. 113.80 Cr

Quantitative Data	
Average Maturity	3.09 year
Modified Duration	2.59 year
Macaulay Duration	2.68 year
Yield to Maturity	7.16%

Entry / Exit Load
NA / NIL

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
- Aims to create a corpus through generating inflation-adjusted returns

Note : Please refer to Asset Allocation table in Scheme Information Document (SID) of the Scheme for more details

Fund Strategy

- While so far Indian bond markets have been somewhat de-linked from the volatile US Treasuries market, correlation between the two can potentially increase going forward– especially given the recent spike in food inflation, as well as oil prices.
- In such a backdrop, our bond markets may see sentiment turning negative, with yields possibly inching higher over the coming few months. Such an upmove in yields, if it were to materialize, would be an opportunity to add duration in our view and for investors also, provide a good entry point into longer duration bond funds.
- From a medium term perspective, despite some volatility in bond yields over the coming few months both globally and in India, we continue to believe we are close to the peak of the rate hiking cycle.
- The risk–reward has turned in favor of careful deployment into certain areas which offer risk adjusted returns.
- We intend to take advantage of any opportunities that may arise on the longer end of the curve depending on market conditions.

Source - HSBC Mutual Fund, Data as of 31 July 2023

[1] As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, 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.

Portfolio

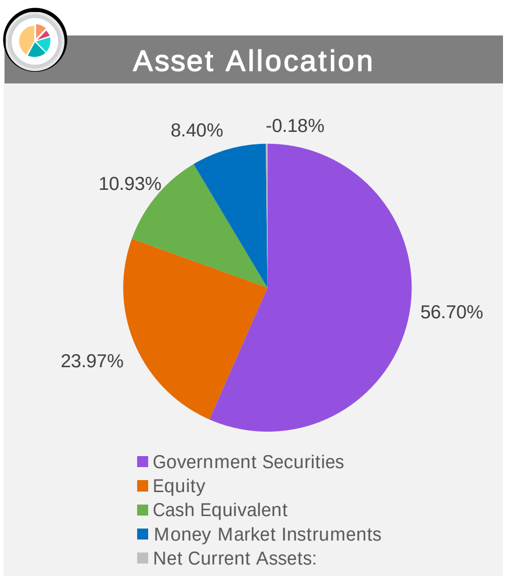
Issuer	Rating	% to Net Assets
EQUITY		23.97%
Larsen & Toubro Limited	Construction	1.88%
KPIT Technologies Limited	IT - Software	1.62%
ICICI Bank Limited	Banks	1.40%
TVS Motor Company Limited	Automobiles	1.27%
Siemens Limited	Electrical Equipment	1.23%
Sun Pharmaceutical Industries Limited	Pharmaceuticals & Biotechnology	1.09%
HDFC Bank Limited	Banks	1.06%
KEI Industries Limited	Industrial Products	0.99%
TD Power Systems Limited	Electrical Equipment	0.92%
IndusInd Bank Limited	Banks	0.82%
Titan Company Limited	Consumer Durables	0.77%
VRL Logistics Limited	Transport Services	0.74%
ABB India Limited	Electrical Equipment	0.72%
GMM Pfaudler Limited	Industrial Manufacturing	0.69%
Mahindra & Mahindra Financial Services Limited	Finance	0.65%
Godrej Consumer Products Limited	Personal Products	0.65%
Gujarat Fluorochemicals Limited	Chemicals & Petrochemicals	0.60%
The Indian Hotels Company Limited	Leisure Services	0.60%
Cholamandalam Investment & Finance Company Limited	Finance	0.58%
Safari Industries India Limited	Consumer Durables	0.55%
Hindustan Aeronautics Limited	Aerospace & Defense	0.52%
Power Mech Projects Limited	Construction	0.51%
PI Industries Litmited	Fertilizers & Agrochemicals	0.48%
State Bank of India	Banks	0.44%
Persistent Systems Limited	IT - Software	0.42%
Infosys Limited	IT - Software	0.38%
Shoppers Stop Limited	Retailing	0.35%
Hindustan Unilever Limited	Diversified FMCG	0.34%
Bharat Electronics Limited	Aerospace & Defense	0.34%
Westlife Development Limited	Leisure Services	0.33%
SBI Life Insurance Company Limited	Insurance	0.30%
Schaeffler India Limited	Auto Components	0.27%
Mayur Uniquoters Limited	Consumer Durables	0.27%
Navin Fluorine International Limited	Chemicals & Petrochemicals	0.19%

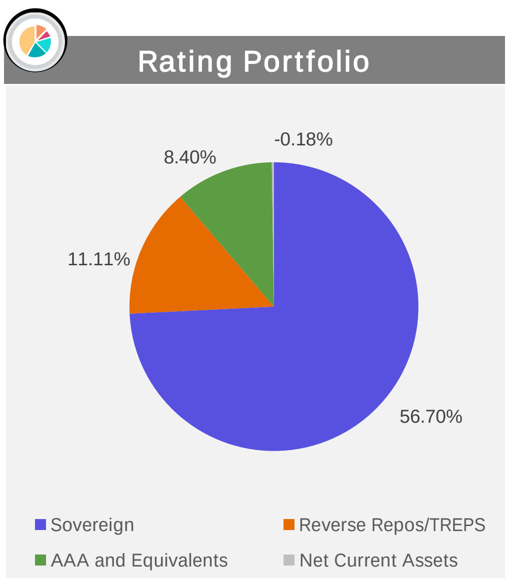
Source: HSBC Mutual Fund, data as on 31 July 2023

Portfolio

Issuer	Rating	% to Net Assets
Money Market Instruments		
Certificate of Deposit		8.40%
HDFC Bank Limited	CARE A1+	8.40%
Government Securities		56.70%
5.63% GOI 12APR2026	SOVEREIGN	15.08%
7.10% GOVERNMENT OF INDIA 18APR29	SOVEREIGN	13.40%
7.38% GOI 20JUN2027	SOVEREIGN	13.39%
GOI 07.17% 08JAN28	SOVEREIGN	4.85%
5.22% GOVERNMENT OF INDIA 15JUN25 G-SEC	SOVEREIGN	4.28%
5.74% GOI 15NOV2026	SOVEREIGN	3.41%
7.76% MAHARASHTRA 04Oct2030 SDL	SOVEREIGN	2.29%
Cash Equivalent		10.93%
TREPS*		11.11%
Net Current Assets:		-0.18%
Total Net Assets as on 31-July-2023		100.00%

*TREPS : Tri-Party Repo



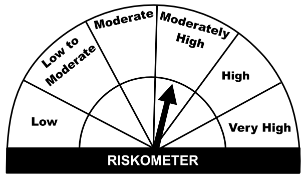


Source: HSBC Mutual Fund, data as on 31 July 2023

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)		
 Investors understand that their principal will be at Moderately High risk	**Conservative Hybrid Fund–** An open ended hybrid scheme investing predominantly in debt instruments. **This product is suitable for investors who are seeking*:** • Investment in fixed income (debt and money market instruments) as well as equity and equity related securities • Capital appreciation over medium to long term * Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	**Benchmark Index: NIFTY 50 Hybrid Composite Debt 15:85 Index** 

Note on Risk-o-meters: Riskometer is as on 31 July 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

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