

## Product Note

### HSBC Conservative Hybrid Fund (HCHF)

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

January 2024

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM <sup>&amp;</sup>
Conservative Hybrid Fund	Mahesh Chhabria and Cheenu Gupta	NIFTY 50 Hybrid Composite Debt 15:85 Index	24 Feb 2004	Rs. 111.03 Cr
Quantitative Data		Entry / Exit Load		
Average Maturity	3.32 year	NA / NIL		
Modified Duration	2.80 year			
Macaulay Duration	2.90 year			
Yield to Maturity	7.21%			

### 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 in long run through generating inflation-adjusted returns

### Fund Strategy

- 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 may offer risk adjusted returns in long term.
- We intend to take advantage of any opportunities that may arise on the longer end of the curve depending on market conditions.

Entry Load\*: Not Applicable, Exit Load: NIL

Month End Total Expenses Ratios (Annualized)<sup>2</sup> – Regular<sup>3</sup>: 2.18%, Direct: 1.35%

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

<sup>1</sup>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.

<sup>2</sup>TER Annualized TER including GST on Investment Management Fees

<sup>3</sup>Continuing plans

YTM is annualized & Yield to maturity should not be construed as minimum return offered by the Scheme

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

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Source – HSBC Mutual Fund, Data as of 31 December 2023. Past performance may or may not be sustained in the future and is not indicative of future results.

Portfolio		
Issuer	Rating	% to Net Assets
EQUITY		22.97%
Larsen & Toubro Limited	Construction	2.54%
TVS Motor Company Limited	Automobiles	1.49%
Siemens Limited	Electrical Equipment	1.27%
KPIT Technologies Limited	IT - Software	1.23%
Aditya Vision Limited	Retailing	1.02%
IndusInd Bank Limited	Banks	0.95%
Kaynes Technology India Ltd	Industrial Manufacturing	0.94%
TD Power Systems Limited	Electrical Equipment	0.94%
ICICI Bank Limited	Banks	0.90%
HDFC Bank Limited	Banks	0.82%
VRL Logistics Limited	Transport Services	0.79%
Safari Industries India Limited	Consumer Durables	0.77%
ABB India Limited	Electrical Equipment	0.76%
Polycab India Limited	Industrial Products	0.74%
Persistent Systems Limited	IT - Software	0.67%
Cholamandalam Investment & Finance Company Limited	Finance	0.66%
Universal Cables Limited	Industrial Products	0.65%
Mankind Pharma Limited	Pharmaceuticals & Biotechnology	0.62%
CG Power and Industrial Solutions Limited	Electrical Equipment	0.61%
Sundaram Finance Limited	Finance	0.54%
The Indian Hotels Company Limited	Leisure Services	0.50%
Bharat Electronics Limited	Aerospace & Defense	0.50%
KEI Industries Limited	Industrial Products	0.48%
Power Mech Projects Limited	Construction	0.48%
Infosys Limited	IT - Software	0.45%
Titan Company Limited	Consumer Durables	0.41%
SBI Life Insurance Company Limited	Insurance	0.35%
Sun Pharmaceutical Industries Limited	Pharmaceuticals & Biotechnology	0.32%
Schaeffler India Limited	Auto Components	0.29%
Eureka Forbes Limited	Consumer Durables	0.28%

Source: HSBC Mutual Fund, data as on 31 December 2023  
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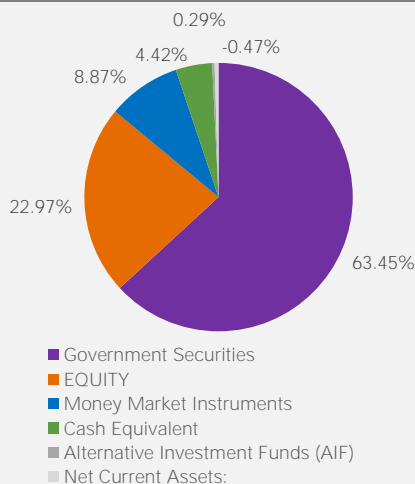
## Portfolio

Issuer	Rating	% to Net Assets
<b>Money Market Instruments</b>		
<b>Certificate of Deposit</b>		<b>8.87%</b>
HDFC Bank Limited	CARE A1+	8.87%
<b>Government Securities</b>		<b>63.45%</b>
7.10% GOI 18APR29	SOVEREIGN	13.68%
7.38% GOI 20JUN2027	SOVEREIGN	13.66%
5.63% GOI 12APR2026	SOVEREIGN	13.27%
7.06% GOI 10APR28	SOVEREIGN	11.88%
7.17% GOI 08JAN28	SOVEREIGN	5.13%
5.74% GOI 15NOV2026	SOVEREIGN	3.51%
7.76% MAHARASHTRA 04Oct2030 SDL	SOVEREIGN	2.32%
<b>Alternative Investment Funds (AIF)</b>		<b>0.29%</b>
CDMDF CLASS A2		0.29%
<b>Cash Equivalent</b>		<b>4.42%</b>
<b>TREPS*</b>		<b>4.89%</b>
<b>Net Current Assets:</b>		<b>-0.47%</b>
<b>Total Net Assets as on 31-December-2023</b>		<b>100.00%</b>

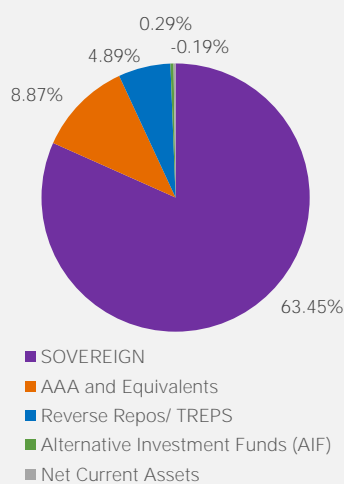
\*TREPS : Tri-Party Repo



### Asset Allocation



### Rating Portfolio



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

Note : Please refer to Scheme Information Document for more details on Asset Allocation of the scheme.

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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.

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter
<p><b>HSBC Conservative Hybrid Fund</b></p> <p>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>• Capital appreciation over medium to long term</li><li>• Investment in fixed income (debt and money market instruments) as well as equity and equity related securities</li></ul>	<p>Investors understand that their principal will be at Very High risk</p>	<p>Benchmark Index: NIFTY 50 Hybrid Composite Debt 15:85 Index</p>

\* 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 31 December 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 may or may not be sustained in the future and is not indicative of future results. Source: HSBC Mutual Fund, data as on 31 December 2023

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HSBC Mutual Fund, 9-11th Floor, NESCO - IT Park Bldg. 3, Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063. Maharashtra.  
GST - 27AABCH0007N1ZS, Email: investor.line@mutualfunds.hsbc.co.in | Website: www.assetmanagement.hsbc.co/in

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