

## Product Note

### HSBC Banking and PSU Debt Fund (HBPF)

(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.)

September 2024

Fund Category	Fund Manager	Benchmark <sup>1, 2</sup>	Inception Date	AUM <sup>3&amp;</sup>
Banking and PSU Fund	Maresh Chhabria and Mohd. Asif Rizwi <sup>@</sup>	Nifty Banking & PSU Debt Index A-II	12 Sep 2012	Rs. 4,600.16 Cr

Quantitative Data		Minimum Investment		
Average Maturity	1.62 years	Lumpsum	SIP	Additional Purchase
Modified Duration	1.43 year	₹ 5,000	₹ 500	₹ 1,000
Macauley Duration	1.52 year			
Yield to Maturity	7.48%			

### Why HSBC Banking and PSU Debt Fund?

- The scheme is ideally suited for investors who are seeking a quality portfolio investing in higher rated instruments
- The fund offers a prudent portfolio considering the risk appetite whilst seeking optimal returns
- Markets have seen a sharp rise in short to medium term yields over the last few months; the about 3-year point on the curve aims to offer value
- HSBC Banking and PSU Debt Fund is predominantly positioned in the about 3-year segment to seek opportunity from this move

### Fund Approach

- The Fund follows a passive roll-down strategy
- The strategy offers flexibility of an open-ended structure
- Continues to maintain the high credit quality with the portfolio in AAA or equivalent securities

**Exit Load:** NIL, No entry load will be charged to the investor.

**Month End Total Expenses Ratios (Annualized)<sup>4</sup>** – Regular<sup>5</sup>: 0.61%, Direct: 0.23%.

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated June 27, 2024, 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> Fund's benchmark has changed with effect from May 01, 2024.

<sup>3</sup> AUM is as on 30 August 2024.

<sup>4</sup> TER Annualized TER including GST on Investment Management Fees

<sup>5</sup> Continuing plans. <sup>@</sup> Managing since from May 1, 2024, Please refer notice cum addendum dated April 30, 2024

<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>

**Note:** The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

Source – HSBC Mutual Fund, Data as of 30 August 2024.

**Past performance may or may not be sustained in the future and is not indicative of future results.**

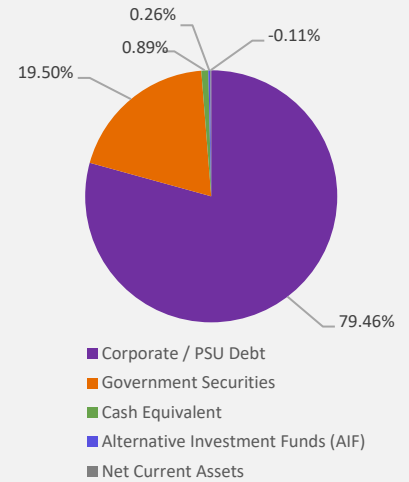
## Portfolio

Issuer	Rating	% to Net Assets
<b>Corporate Bonds / Debentures</b>		<b>79.46%</b>
National Bank for Agriculture & Rural Development	CRISIL AAA	9.61%
Small Industries Development Bank of India	ICRA AAA	9.45%
National Housing Bank	CRISIL AAA	8.45%
NTPC Limited	CRISIL AAA	7.58%
Indian Railway Finance Corporation Limited	CRISIL AAA	7.46%
Power Finance Corporation Limited	CRISIL AAA	7.07%
Rec Limited	CRISIL AAA / CARE AAA	6.43%
Export Import Bank of India	CRISIL AAA	4.42%
Power Grid Corporation of India Limited	CRISIL AAA	3.55%
HDFC Bank Limited	CARE AAA / CRISIL AAA	4.42%
Bajaj Housing Finance Limited	CRISIL AAA	2.82%
Axis Bank Limited	CRISIL AAA	2.27%
Bajaj Finance Limited	CRISIL AAA	1.73%
Indian Oil Corporation Limited	ICRA AAA / CRISIL AAA	2.99%
Housing and Urban Development Corporation Limited	ICRA AAA	1.11%
Kotak Mahindra Bank Limited	CRISIL AAA	0.11%
<b>Government Securities</b>		<b>19.50%</b>
5.63% GOI 12APR2026	SOVEREIGN	6.44%
7.38% GOI 20JUN2027	SOVEREIGN	5.82%
5.74% GOI 15NOV2026	SOVEREIGN	4.11%
6.99% GOI 17APR26	SOVEREIGN	3.13%
<b>Alternative Investment Funds (AIF)</b>		<b>0.26%</b>
CDMDF CLASS A2	AIF	0.26%
<b>Cash Equivalent</b>		<b>0.78%</b>
<b>TREPS*</b>		<b>0.89%</b>
<b>Net Current Assets</b>		<b>-0.11%</b>
<b>Total Net Assets as on 31-August-2024</b>		<b>100.00%</b>

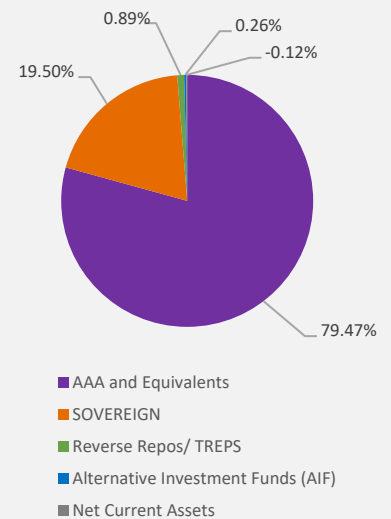
\*TREPS : Tri-Party Repo



### Asset Allocation



### Rating Portfolio



Currently HBPF has invested ~79.47% in instruments (AAA and equivalent), while ~19.50% held in Sovereign.

Investment Objective

The investment objective of the Scheme is to generate reasonable returns by primarily investing in debt and money market securities that are issued by Banks, Public Sector Undertakings (PSUs) and Public Financial Institutions (PFIs) in India. There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

Fund Manager - Mahesh Chhabria Effective 26 Nov 2022. Total Schemes Managed - 11  
Fund Manager - Mohd. Asif Rizwi Effective 01 September 2024. Total Schemes Managed - 5

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	Amount in ₹	Returns %	
HSBC Banking and PSU Debt Fund - Regular Plan~~	10697	6.97	11401	4.47	13243	5.77	22679	7.08	12-Sep-12
Scheme Benchmark (Nifty Banking & PSU Debt Index A-II)	10744	7.44	11629	5.16	13537	6.24	23682	7.47	
Additional Benchmark (CRISIL 10 year Gilt Index)	10882	8.82	11592	5.05	12939	5.28	21699	6.68	

**Past performance may or may not be sustained in the future and is not indicative of future results.** The performance details provided herein are of Regular 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 August 2024 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 5.9.1 of the SEBI Master Circular dated June 27, 2024, 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 13.4 of the SEBI Master Circular dated June 27, 2024, 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

Source: HSBC Mutual Fund, data as on 30 August 2024

[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 Risk-o-meter (as applicable)
<p><b>HSBC Banking and PSU Debt Fund</b></p> <p>(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.)</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"><li>• Generation of reasonable returns and liquidity over short term</li><li>• Investment predominantly in securities issued by Banks, Public Sector Undertakings and Public Financial Institutions and municipal corporations in India</li></ul>	<p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>As per AMFI Tier I.</p> <p><b>Benchmark Index : Nifty Banking &amp; PSU Debt Index A-II</b></p> <p><b>RISKOMETER</b></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 30 August 2024, 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 (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.			

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.

**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 30 August 2024

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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](mailto:investor.line@mutualfunds.hsbc.co.in) | Website: [www.assetmanagement.hsbc.co/in](http://www.assetmanagement.hsbc.co/in)

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