

**NFO Review**  
18-Apr-13

## HSBC Capital Protection Oriented Fund – Series I Capital Protection Oriented Scheme (Close ended scheme)

### SCHEME FEATURES

Launch Date	NA
Close Date	02/05/2013
Options	Growth/Dividend
Fund Manager	Sanjay Shah, Ruchir Parekh, Amaresh Mishra
Benchmark	CRISIL MIP Blended Index
Min. Investment	5000
Min SIP Investment	NA

### LOAD STRUCTURE

Entry Load is 0%. Exit Load is 0%.

### MANDATED ASSET ALLOCATION

Debt and Money Market Instruments- 80% - 100%.  
Equity through NIFTY Index Call Options- 0% - 20%

### AUM GROWTH



### HIGHLIGHTS

As the name suggests, the scheme is oriented towards protection of capital and will be predominantly invest in debt securities (including money market instruments). Investment in debt securities will be restricted to AAA or equivalent rated papers. It also seeks to provide capital appreciation by investing in equities through NIFTY (Index) Call Options. It is a close-ended scheme with a maturity period of 790 days from the date of allotment and is proposed to be listed on NSE. No entry and exit loads are applicable. The scheme shall not participate in repo in corporate debt securities. It shall not have any exposure to securitized debt and foreign overseas investments and floating rate instruments. If any investment is made in floating rate securities, it necessarily has to be swapped into fixed rate. The sectors into which the scheme will not invest include the Real Estate, Gems & Jewellery and Airline.

### FUND THEME

To seek protection of capital by investing a portion of the portfolio in high quality debt securities and money market instruments and also to provide capital appreciation by investing in equities through NIFTY (Index) Call Options.

### PEDIGREE

HSBC Asset Management (India) Private Limited is the Investment Manager to HSBC Mutual Fund, set up locally by the HSBC Group. It offers optimum investment performance, institutionalised investment management process, efficient service and a flexible product range to create wealth in the long term for individual and institutional investors. HSBC Group is one of the largest banking and financial services organisations in the world.

### WHY THIS THEME?

Besides prolonged Euro zone debt crisis and global growth concerns, markets also remain concerned about high inflation, bleak investment climate and sluggish economic growth on the domestic front. Recent political tension in India has also added to woes. In such a scenario the possibility of capital erosion emerges as a potential threat. Given this, it makes sense to opt for capital protection funds which allow investors to enjoy the benefits of investing in stocks without putting the principal at risk. Capital protection funds are close-ended debt funds, which invest a majority of their corpus in debt and the balance in equity. The debt investment constitutes highly rated debt papers which face little risk of default. At the same time, a small allocation to index options provides potential for capital appreciation, thereby boosting the portfolio return.

### QUARTILE PERFORMANCE OF DEBT SCHEMES OF HSBC MUTUAL FUND (%)

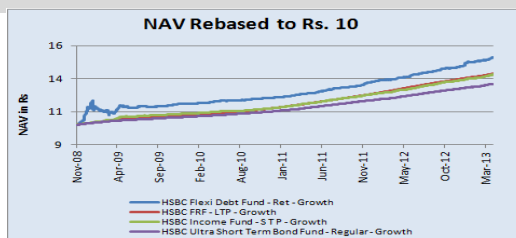
	Q1	Q2	Q3	Q4
HSBC Flexi Debt Fund - Ret - Growth	10.86	10.76	8.81	11.56
HSBC FRF - LTP - Growth	10.31	9.03	8.36	7.87
HSBC Income Fund - S T P - Growth	9.48	10.62	7.81	8.02
HSBC Ultra Short Term Bond Fund - Regular	8.87	8.10	7.33	7.09

Crisil MIP Blended Index

7.31 13.52 9.13 4.69

Q-o-Q performance as of 31 March 2013

Returns less than 1 year, simple annualised and greater than 1 year CAGR



### PERFORMANCE OF SCHEMES WITH SIMILAR OBJECTIVES (%)

	NAV	Launch Date	YTD	3 M	6 M	1 Yr	3 Yr	5 Yr	Till Date
ICICI Prudential CPO Fund II - Series XII - 12M	10.77	05-Jun-12	7.93	7.82	7.63	-	-	-	8.89
Sundaram CPO Fund - Series 1 - 2 Yrs	11.34	01-Jul-11	5.95	5.18	6.08	6.92	-	-	7.25
Canara CPO Fund - Series 1- 36M (Plan A)	11.86	07-Mar-11	5.79	4.92	7.04	9.38	-	-	8.41
JPMorgan India CPO Fund	11.32	03-Dec-10	4.23	3.16	4.95	7.30	-	-	5.35
Birla Sun Life CPO Fund - Series 11	10.31	15-Oct-12	4.53	2.28	5.95	-	-	-	6.14

### Indices

Crisil MIP Blended Index

7.75 4.04 8.14 9.58 7.15 7.07 8.21

Returns less than 1 year, simple annualised and greater than 1 year CAGR

### RECOMMENDATION

Investors who want to protect the downside risk and capture the upside in equities with a long-term perspective can consider this scheme in their portfolio.

**DISCLAIMER:**The information contained in this report has been obtained from sources considered to be authentic and reliable. However, ICRA Online Ltd. is not responsible for any error or inaccuracy or for any losses suffered on account of information contained in this report. This report does not purport to be an offer for purchase and sale of mutual fund units. © ICRA Online Ltd. 2013. All rights reserved.

**An ICRA Online Report**