

## Important Information Regarding the Liquidation of the HSBC World Selection Funds

March 27, 2017

Dear Client,

We would like to inform you that the HSBC World Selection Funds (the "Funds") are undergoing a plan of liquidation and will cease investment operations by May 5, 2017 (the "liquidation date"). The World Selection Funds include: the Aggressive Strategy, the Balanced Strategy, the Moderate Strategy, the Conservative Strategy and the Income Strategy Funds.

### **Rationale**

We've undertaken a regular review of our funds to ensure they are meeting client needs and have recently decided to close the HSBC World Selection Funds. We do not take these decisions lightly and are working closely with our clients to ensure we address their financial objectives.

### **Liquidation of the Fund**

Each of the World Selection Funds will close down its business and affairs, and will cease investing its assets in accordance with its investment policies. Prior to the liquidation date, all Fund securities will be converted to cash, cash equivalents or other liquid assets. Following this liquidation, each Fund client on record will receive a liquidating distribution. The distribution amount will equal your proportionate interest in the net assets of your Fund, once all Fund charges, expenses and liabilities have been paid.

### **Closure of the Funds to new investments, reinvestments and exchanges**

Effective immediately, each World Selection Fund will no longer offer any shares to new investors or existing clients. Of course, clients will be able to redeem their shares in accordance with the policies in the Prospectus. Clients may also exchange their Fund shares for shares of the same class in any other HSBC Fund, subject to any procedures discussed in the Prospectus under "*Shareholder Information – Exchanging Your Shares.*"

Redemptions (including all liquidating distributions) and exchanges may be treated as a taxable event. Shareholders should contact their tax advisers to discuss any tax implications. Costs of liquidating the Fund (such as brokerage costs) may affect Fund performance and will be borne by shareholders subject to fund expense limits.

If you have any questions about your investment, please call your financial advisor who can provide you with additional information, including other potential investments. Alternatively, you can speak to a fund representative at 1-800-782-8183.

We value all our Fund shareholders and apologize in advance for any inconvenience that you may encounter.

The enclosed prospectus supplement provides additional information about this liquidation.

Sincerely yours,



Richard A. Fabietti  
President  
HSBC Funds

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