

**INSTRUCTIONS FOR FILING**

REPORT OF ORGANIZATIONAL ACTIONS

AFFECTING BASIS OF SECURITIES

(FORM 8937)

**Name of taxpayer:** HSBC FUNDS - HSBC EURO HIGH YIELD BOND FUND (USD HEDGED)

**File with:** Do not file with IRS

For online posting only

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
HSBC FUNDS - HSBC EURO HIGH YIELD BOND FUND (USD HEDGED)		81-0725974	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
HSBC FUNDS	(800) 782-8183	WWW.INVESTORFUNDS.US.HSBC.COM	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
CITI FUND SERVICES OHIO, INC., 4400 EASTON COMMONS, SUITE 200		COLUMBUS, OH 43219	
<b>8</b> Date of action		<b>9</b> Classification and description	
SEE ATTACHED		REGULATED INVESTMENT COMPANY (RIC) SHARES - CLASS A, I	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
SEE ATTACHED	N/A	SEE ATTACHED	N/A

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ HSBC Funds - HSBC Euro High Yield Bond Fund (USD Hedged) paid distributions to shareholders on the record dates per the attached statement, a portion of which represents a return of capital. As a result of the non-taxable distributions, the shareholders of record will be required to reduce the basis in their common shares of this fund by amounts designated as a return of capital. See attached schedule.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The shareholders' basis in their shares of the RIC are reduced by the distributions paid during calendar year 2017 which have been determined to be a return of capital. The impact to the shareholders' basis, on a per share basis, can be found on the attached schedule.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The tax basis of the shareholders' shares are decreased by the Box 14, per share amount of the non-taxable return of capital on the attached schedule, multiplied by the number of shares the shareholder owns.

**Part II** Organizational Action (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
IRC Section 301(c)(2) - Basis reduction for distributions in excess of earnings and profits.  
IRC Section 316(b)(4) - Special rule for allocation of distributions in excess of earnings and profits for a fiscal year RIC.

**18** Can any resulting loss be recognized? ▶  
N/A

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
See attached.

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Print your name ▶ A signed copy is maintained by the issuer Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

HSBC FUNDS - HSBC EURO HIGH YIELD BOND FUND (USD HEDGED)

EIN: 81-0725974

FISCAL YEAR ENDED: OCTOBER 31, 2017

Supplemental Attachment to Form 8937

Fund - Share Class	Box 10		Box 12		Box 14		
	Cusip	Ticker Symbol	Record Date	Ex Date	Payable Date	Per Share Distribution	Per Share Non-Taxable Return of Capital
HSBC Euro High Yield Bond Fund - Class A	44330V597	HEYAX	1/30/17	1/31/17	2/1/17	0.029195	0.009819
HSBC Euro High Yield Bond Fund - Class A	44330V597	HEYAX	2/27/17	2/28/17	3/1/17	0.049095	0.016365
HSBC Euro High Yield Bond Fund - Class A	44330V597	HEYAX	3/30/17	3/31/17	4/3/17	0.049044	0.016365
HSBC Euro High Yield Bond Fund - Class A	44330V597	HEYAX	4/27/17	4/28/17	5/1/17	0.049015	0.016365
HSBC Euro High Yield Bond Fund - Class A	44330V597	HEYAX	6/29/17	6/30/17	7/3/17	0.028918	0.009819
				Total:		0.205267	0.068734
HSBC Euro High Yield Bond Fund - Class I	44330V589	HEYIX	1/30/17	1/31/17	2/1/17	0.030000	0.009819
HSBC Euro High Yield Bond Fund - Class I	44330V589	HEYIX	2/27/17	2/28/17	3/1/17	0.050000	0.016365
HSBC Euro High Yield Bond Fund - Class I	44330V589	HEYIX	3/30/17	3/31/17	4/3/17	0.050000	0.016365
HSBC Euro High Yield Bond Fund - Class I	44330V589	HEYIX	4/27/17	4/28/17	5/1/17	0.050000	0.016365
HSBC Euro High Yield Bond Fund - Class I	44330V589	HEYIX	6/29/17	6/30/17	7/3/17	0.030000	0.009819
				Total:		0.210000	0.068734