

INSTRUCTIONS FOR FILING

REPORT OF ORGANIZATIONAL ACTIONS

AFFECTING BASIS OF SECURITIES

(FORM 8937)

Name of taxpayer: HSBC Funds – HSBC Emerging Markets Local Debt Fund

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

1 Issuer's name HSBC FUNDS - HSBC EMERGING MARKETS LOCAL DEBT FUND		2 Issuer's employer identification number (EIN) 27-1777303	
3 Name of contact for additional information HSBC FUNDS	4 Telephone No. of contact (800) 782-8183	5 Email address of contact WWW.INVESTORFUNDS.US.HSBC.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact C/O CITI FUND SERVICES OHIO INC., 4400 EASTON COMMONS, SUITE 200		7 City, town, or post office, state, and Zip code of contact COLUMBUS, OH 43219-8000	
8 Date of action 04/10/2017	9 Classification and description REGULATED INVESTMENT COMPANY FUND MERGER		
10 CUSIP number SEE ATTACHED	11 Serial number(s) N/A	12 Ticker symbol SEE ATTACHED	13 Account number(s) 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 ▶ IN ACCORDANCE WITH THE PLAN OF REORGANIZATION, ON APRIL 10, 2017, ALL OF THE ASSETS AND LIABILITIES OF HSBC FUNDS - HSBC EMERGING MARKETS LOCAL DEBT FUND (EIN: 27-1777303) WERE EXCHANGED FOR AN EQUAL VALUE OF SHARES OF HSBC FUNDS - HSBC EMERGING MARKES DEBT FUND (EIN: 27-4844926) WITH ALL VALUES BEING DETERMINED AS OF THE CLOSE OF BUSINESS ON THE NEW YORK STOCK EXCHANGE ON APRIL 7, 2017.

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 ▶ SEE ATTACHMENT

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 AGGREGATE TAX BASIS OF THE SHARES OF THE SURVIVING FUND RECEIVED BY THE SHAREHOLDERS WILL BE THE SAME AS THE AGGREGATE TAX BASIS OF THE SHARES OF THE ACQUIRED FUND. FOR ADDITIONAL DETAILS SEE ATTACHMENT.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
THE MERGER IS INTENDED TO BE A TAX-FREE REORGANIZATION PURSUANT TO SECTION 368(a)(1).

18 Can any resulting loss be recognized? ►
TAX-FREE REORGANIZATION UNDER IRC SECTION 368(a)(1). NO GAIN OR LOSS IS RECOGNIZED.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
THE REPORTABLE TAX YEAR IS 2017.

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.

Sign Here

Signature ► _____ Date ► _____

Print your name ► A signed copy is maintained by the issuer Title ► _____

Paid Preparer Use Only

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 Emerging Markets Local Debt Fund
 EIN: 27-177303
 Attachment to Form 8937

Form 8937 Part II Line 15

HSBC Emerging Markets Local Debt Fund (Acquired Fund)				HSBC Emerging Markets Debt Fund (Surviving Fund)			
Ticker	CUSIP	Class	NAV	Ticker	CUSIP	Class	NAV
HBMAX	44330V-829	A	7.11	HCGAX	40428X-388	A	10.21
HBMIK	44330V-811	I	7.13	HCGIX	40428X-370	I	10.16
							Merger Ratio
							0.69638
							0.70177

NAVs shown are as of April 7, 2017

Merger Ratio is the number of Surviving Fund Shares received per one Acquired Fund Share surrendered.

Effect on Basis

Each shareholder has an aggregate basis in HSBC Emerging Markets Debt Fund shares received in the merger equal to the aggregate basis of that shareholder's HSBC Emerging Markets Local Debt Fund shares surrendered in the merger.

The number of HSBC Emerging Markets Debt Fund shares received for each share of HSBC Emerging Markets Local Debt Fund shares given up in the exchange is as follows:

- .69638 shares of HSBC Emerging Markets Debt Fund Class A shares for one HSBC Emerging Markets Local Debt Fund Class A share;
- .70177 shares of HSBC Emerging Markets Debt Fund Class I shares for one HSBC Emerging Markets Local Debt Fund Class I share.