

This notice addresses the permanent extension of important tax exemptions for certain dividends paid to non-U.S. persons invested in certain HSBC Funds after October 31, 2015.

On December 18, 2015 President Obama signed The Protecting Americans from Tax Hikes (PATH) Act which contains a provision that extends and **makes permanent** the exemption from Nonresident Alien ("NRA") tax (including withholding tax) for dividends paid by U.S. mutual funds that are designated as **interest-related dividends and short-term capital gain dividends**.

The provision applies to dividends paid with respect to any taxable year of a U.S. mutual fund beginning after December 31, 2014. Accordingly, the provision is retroactive and will exempt from tax any of the aforementioned dividends paid by affected HSBC Funds after October 31, 2015, the date that the exemption had expired for those Funds under the prior law.

As the exemption is retroactive, non-U.S. investors may claim any tax refunds directly from the IRS and should consult their tax advisers if they have questions.

The HSBC Funds affected are:

Money Market Funds:

HSBC Prime Money Market Fund*
HSBC U.S. Government Money Market Fund
HSBC U.S. Treasury Money Market Fund

Fixed Income Funds:

HSBC Emerging Markets Debt Fund
HSBC Emerging Markets Local Debt Fund
HSBC Total Return Fund
HSBC Global High Income Fund
HSBC Global High Yield Fund

World Selection Funds:

HSBC World Selection Income Strategy Fund
HSBC World Selection Conservative Strategy Fund
HSBC World Selection Moderate Strategy Fund
HSBC World Selection Balanced Strategy Fund
HSBC World Selection Aggressive Strategy Fund

***IMPORTANT NOTE:** Due to some of the underlying investments in the HSBC Prime Money Market Fund (the "Fund"), the income distributed by the Fund has not been 100% exempt from NRA withholding tax and therefore may not be a suitable vehicle for non-U.S. investors.

HSBC Global Asset Management (USA) Inc. offers a wide range of investment vehicles for offshore investors. Please contact your HSBC Global Asset Management Institutional Sales Representative for more information. HSBC Global Asset Management is a group of companies in many countries and territories throughout the world that are engaged in investment advisory and fund management activities, which are ultimately owned by HSBC Holdings Plc. HSBC Global Asset Management is the brand name for the asset management business of HSBC Group. HSBC Global Asset Management (USA) Inc. is an investment adviser registered with the US Securities and Exchange Commission.

An investment in the funds is not insured or guaranteed by the FDIC or any other government agency. Although the funds will attempt to maintain a stable NAV of \$1.00 per share, you may lose money investing in money market funds.

HSBC Global Asset Management (USA) Inc. serves as the investment adviser to the HSBC Funds. Foreside Distribution Services, L.P., member FINRA, is the distributor of the HSBC Funds and is not affiliated with the Adviser. HSBC Securities (USA) Inc., member NYSE, FINRA and SIPC, is a sub-distributor of the HSBC Funds. Affiliates of HSBC Global Asset Management (USA) Inc. receive fees for providing various services to the funds.

This notification must be preceded or accompanied by an effective prospectus for the HSBC Funds.

Investments products:

• ARE NOT A BANK DEPOSIT OR OBLIGATION OF THE BANK OR ANY OF ITS AFFILIATES	• ARE NOT FDIC INSURED	• ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY	• ARE NOT GUARANTEED BY THE BANK OR ANY OF ITS AFFILIATES	• MAY LOSE VALUE
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All decisions regarding the tax implications of your investment(s) should be made in connection with your independent tax advisor.