

HSBC FUNDS

HSBC U.S Government Money Market Fund HSBC U.S. Treasury Money Market Fund (each, a “Fund,” and collectively, the “Funds”)

Supplement dated November 16, 2017
to the Prospectus dated February 28, 2017 (as supplemented from time to time)
(the “Prospectus”)

Effective on November 1, 2017, the Funds began using a “straight line” method to allocate certain expenses that are not directly attributable to a particular Fund across the entire HSBC Family of Funds.

Accordingly, the following changes are being made to the Funds’ prospectus effective immediately:

The following replaces in its entirety the “Fees and Expenses of the Fund” table and its related footnotes in the “HSBC U.S. Government Money Market Fund—Summary Section” of the Prospectus:

| Shareholder Fees | | | | | |
|---|----------------|----------------|-----------------|----------------|-----------------|
| (fees paid directly from your investment) | Class A | Class B | Class C | Class D | Class E |
| Maximum Sales Charge (load) Imposed on Purchases (as a % of offering price) | None | None | None | None | None |
| Maximum Deferred Sales Charge (load) (as a % of amount redeemed) | None | 4.00 | 1.00% | None | None |
| Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment) | Class A | Class B | Class C* | Class D | Class E* |
| Management Fee | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% |
| Distribution (12b-1) Fee | 0.00% | 0.75% | 0.75% | 0.00% | 0.00% |
| Other Expenses: | | | | | |
| Shareholder Servicing Fee | 0.40% | 0.25% | 0.25% | 0.25% | 0.10% |
| Other Operating Expenses | 0.16% | 0.16% | 0.16% | 0.16% | 0.06% |
| Total Other Expenses | 0.56% | 0.41% | 0.41% | 0.41% | 0.16% |
| Total Annual Fund Operating Expenses** | 0.66% | 1.26% | 1.26% | 0.51% | 0.26% |
| Fee Waiver and /or Expense Reimbursement*** | - | - | - | - | 0.01% |
| Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement | 0.66% | 1.26% | 1.26% | 0.51% | 0.25% |

| Shareholder Fees | | | | |
|--|----------------|---------------------------|-----------------------------------|----------------|
| (fees paid directly from your investment) | Class I | Intermediary Class | Intermediary Service Class | Class Y |
| Maximum Sales Charge (load) Imposed on Purchases (as a % of offering price) | None | None | None | None |
| Maximum Deferred Sales Charge (load) (as a % of amount redeemed) | None | None | None | None |

| Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment) | Intermediary | | Intermediary | |
|--|--------------|--------|----------------|---------|
| | Class I | Class* | Service Class* | Class Y |
| Management Fee | 0.10% | 0.10% | 0.10% | 0.10% |
| Distribution (12b-1) Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Other Expenses: | | | | |
| Shareholder Servicing Fee | 0.00% | 0.05% | 0.10% | 0.00% |
| Other Operating Expenses | 0.06% | 0.16% | 0.16% | 0.16% |
| Total Other Expenses | 0.06% | 0.21% | 0.26% | 0.16% |
| Total Annual Fund Operating Expenses** | 0.16% | 0.31% | 0.36% | 0.26% |
| Fee Waiver and /or Expense Reimbursement*** | - | - | - | - |
| Total Annual Fund Operating Expenses After Fee | | | | |
| Waiver and/or Expense Reimbursement | 0.16% | 0.31% | 0.36% | 0.26% |

* During the Fund's prior fiscal year, Class C Shares were not operational, and Class E Shares, Intermediary Shares and Intermediary Service Shares were operational only for a portion of the period. Therefore, these amounts have been estimated.

** The Total Annual Fund Operating Expenses have been restated to reflect current expenses.

*** HSBC Global Asset Management (USA) Inc., the Fund's investment adviser ("Adviser"), has entered into a contractual expense limitation agreement with the Fund ("Expense Limitation Agreement") under which it will limit total expenses of the Fund (excluding interest, taxes, brokerage commissions, extraordinary expenses and estimated indirect expenses attributable to the Fund's investments in investment companies) to an annual rate of 0.25% for Class E Shares. Any amounts contractually waived or reimbursed by the Adviser will be subject to repayment by the Fund to the Adviser within three years to the extent that the repayment will not cause the Fund's operating expenses to exceed the contractual expense limit that was in effect at the time of such waiver or reimbursement. The expense limitation shall be in effect until March 1, 2018. The Expense Limitation Agreement shall terminate upon the termination of the Investment Advisory Contract between HSBC Funds (the "Trust") and the Adviser, or it may be terminated upon written notice to the Adviser by the Trust's Board of Trustees.

The following replaces in its entirety the "HSBC U.S. Government Money Market Fund—Summary Section—Example" section of the Prospectus:

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The Example takes the Expense Limitation Agreement into account until its expiration on March 1, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------------|--------|---------|---------|----------|
| Class A Shares | \$67 | \$211 | \$368 | \$822 |
| Class B Shares | \$528 | \$600 | \$692 | \$1,205 |
| Class C Shares | \$228 | \$400 | \$692 | \$1,133 |
| Class D Shares | \$52 | \$164 | \$285 | \$640 |
| Class E Shares | \$26 | \$83 | \$145 | \$330 |
| Class I Shares | \$16 | \$52 | \$90 | \$205 |
| Intermediary Shares | \$32 | \$100 | \$174 | \$393 |
| Intermediary Service Shares | \$37 | \$116 | \$202 | \$456 |
| Class Y Shares | \$27 | \$84 | \$146 | \$331 |

For the share classes listed below, you would pay the following expenses if you did not redeem your shares:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------|--------|---------|---------|----------|
| Class B Shares | \$128 | \$400 | \$692 | \$1,205 |
| Class C Shares | \$128 | \$400 | \$692 | \$1,133 |

The following replaces in its entirety the “Fees and Expenses of the Fund” table and its related footnotes in the “HSBC U.S. Treasury Money Market Fund—Summary Section” of the Prospectus:

| Shareholder Fees | | | | |
|---|-----------------|-----------------|----------------|-----------------|
| (fees paid directly from your investment) | Class A | Class C | Class D | Class E |
| Maximum Sales Charge (load) Imposed on Purchases (as a % of offering price) | None | None | None | None |
| Maximum Deferred Sales Charge (load) (as a % of amount redeemed) | None | 1.00% | None | None |
| Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment) | Class A* | Class C* | Class D | Class E* |
| Management Fee | 0.10% | 0.10% | 0.10% | 0.10% |
| Distribution (12b-1) Fee | 0.00% | 0.75% | 0.00% | 0.00% |
| Other Expenses: | | | | |
| Shareholder Servicing Fee | 0.40% | 0.25% | 0.25% | 0.10% |
| Other Operating Expenses | 0.18% | 0.18% | 0.18% | 0.08% |
| Total Other Expenses | 0.58% | 0.43% | 0.43% | 0.18% |
| Total Annual Fund Operating Expenses** | 0.68% | 1.28% | 0.53% | 0.28% |
| Fee Waiver and /or Expense Reimbursement*** | - | - | - | 0.03% |
| Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement | 0.68% | 1.28% | 0.53% | 0.25% |

| Shareholder Fees | | | | |
|---|----------------|----------------------------|------------------------------------|----------------|
| (fees paid directly from your investment) | Class I | Intermediary Class | Intermediary Service Class | Class Y |
| Maximum Sales Charge (load) Imposed on Purchases (as a % of offering price) | None | None | None | None |
| Maximum Deferred Sales Charge (load) (as a % of amount redeemed) | None | None | None | None |
| Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment) | Class I | Intermediary Class* | Intermediary Service Class* | Class Y |
| Management Fee | 0.10% | 0.10% | 0.10% | 0.10% |
| Distribution (12b-1) Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Other Expenses: | | | | |
| Shareholder Servicing Fee | 0.00% | 0.05% | 0.10% | 0.00% |
| Other Operating Expenses | 0.08% | 0.18% | 0.18% | 0.18% |
| Total Other Expenses | 0.08% | 0.23% | 0.28% | 0.18% |
| Total Annual Fund Operating Expenses** | 0.18% | 0.33% | 0.38% | 0.28% |
| Fee Waiver and /or Expense Reimbursement*** | - | - | - | - |
| Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement | 0.18% | 0.33% | 0.38% | 0.28% |

- * During the Fund’s prior fiscal year, Class A Shares and Class C Shares were not operational, and Class E Shares, Intermediary Shares and Intermediary Service Shares were operational only for a portion of the period. Therefore, these amounts have been estimated.
- ** The Total Annual Fund Operating Expenses have been restated to reflect current expenses.
- *** HSBC Global Asset Management (USA) Inc., the Fund’s investment adviser (“Adviser”), has entered into a contractual expense limitation agreement with the Fund (“Expense Limitation Agreement”) under which it will limit total expenses of the Fund (excluding interest, taxes, brokerage commissions, extraordinary expenses and estimated indirect expenses attributable to the Fund’s investments in investment companies) to an annual rate of 0.25% for Class E Shares. Any amounts contractually waived or reimbursed by the Adviser will be subject to repayment by the Fund to the Adviser within three years to the extent that the repayment will not cause the Fund’s operating expenses to exceed the contractual expense limit that was in effect at the time of such waiver or reimbursement. The expense limitation shall be in effect until March 1, 2018. The Expense Limitation Agreement shall terminate upon the termination of the Investment Advisory Contract between HSBC Funds (the “Trust”) and the Adviser, or it may be terminated upon written notice to the Adviser by the Trust’s Board of Trustees.

The following replaces in its entirety the “HSBC U.S. Treasury Money Market Fund—Summary Section—Example” section of the Prospectus:

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. The Example takes the Expense Limitation Agreement into account until its expiration on March 1, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|------------------------------------|---------------|----------------|----------------|-----------------|
| Class A Shares | \$69 | \$218 | \$379 | \$847 |
| Class C Shares | \$230 | \$406 | \$702 | \$1,157 |
| Class D Shares | \$54 | \$170 | \$296 | \$665 |
| Class E Shares | \$26 | \$87 | \$154 | \$353 |
| Class I Shares | \$18 | \$58 | \$101 | \$230 |
| Intermediary Shares | \$34 | \$106 | \$185 | \$418 |
| Intermediary Service Shares | \$39 | \$122 | \$213 | \$480 |
| Class Y Shares | \$29 | \$90 | \$157 | \$356 |

For the share classes listed below, you would pay the following expenses if you did not redeem your shares:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------|---------------|----------------|----------------|-----------------|
| Class C Shares | \$130 | \$406 | \$702 | \$1,157 |

The following is inserted as a footnote to the table in the “The Investment Adviser” section of the Prospectus:

- * The Adviser has entered into a contractual expense limitation agreement with each Fund (“Expense Limitation Agreement”) under which it will limit the total expenses of each Fund (excluding interest, taxes, brokerage commissions, extraordinary expenses and estimated indirect expenses attributable to each Fund’s investments in investment companies) to an annual rate of 0.25% and 0.20% for Class E Shares and Class I Shares, respectively. Any amounts contractually waived or reimbursed by the Adviser will be subject to repayment by the Funds to the Adviser within three years to the extent that the repayment will not cause the Fund’s operating expenses to exceed the contractual expense limit that was in effect at the time of such waiver or reimbursement. The expense limitations shall be in effect until March 1, 2018. The Expense Limitation Agreement shall

terminate upon the termination of the Investment Advisory Agreement between the Trust and the Adviser, or it may be terminated upon written notice to the Adviser by the Trust's Board of Trustees.

**INVESTORS SHOULD RETAIN THIS SUPPLEMENT WITH THE PROSPECTUS FOR
FUTURE REFERENCE.**