

HSBC Global Asset Management (USA) Inc.

HSBC Funds

Annual Report

October 31, 2017

MONEY MARKET FUNDS	Class A	Class C	Class D	Class E	Class I	Intermediary Class	Intermediary Service Class	Class Y
HSBC U.S. Government Money Market Fund	FTRXX	HUMXX	HGDXX	HGEXX	HGIXX	HGGXX	HGFXX	RGYXX
HSBC U.S. Treasury Money Market Fund	HWAXX	HUCXX	HTDXX	HTEXX	HBIXX	HTGXX	HTFXX	HTYXX

HSBC Family of Funds

Annual Report - October 31, 2017

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Bloomberg Barclays Global Aggregate Bond Index is an index that is a measure of global investment-grade debt from 24 local currency markets, which include treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers.

Gross Domestic Product ("GDP") is the value of goods and services produced in a given country in a given year.

J.P. Morgan Emerging Markets Bond Index Global tracks returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities, Brady bonds, loans, Eurobonds, and local market instruments.

ISM Manufacturing Index is based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production, inventories, new orders, and supplier deliveries. A composite diffusion index monitors conditions in national manufacturing and is based on the data from these surveys.

Lipper U.S. Government Money Market Funds Average is an equally weighted average of mutual funds that invest principally in financial instruments issued or guaranteed by the U.S. government, its agencies, or its instrumentalities, with dollar-weighted average maturities of less than 90 days. These funds intend to keep a constant net asset value.

Lipper U.S. Treasury Money Market Funds Average is an equally weighted average of mutual funds that invest principally in U.S. Treasury obligations with dollar-weighted average maturities of less than 90 days. These funds intend to keep a constant net asset value.

London Interbank Offered Rate (LIBOR) is a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money market.

MSCI Europe Australasia and Far East ("MSCI EAFE") Index is an equity index which captures the large- and mid-cap representation across the following developed markets countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.

MSCI Emerging Markets ("MSCI EM") Index is an index that captures the large- and mid-cap representation across 24 emerging markets countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Standard & Poor's 500 ("S&P 500") Index is an index that is widely regarded as a gauge of the U.S. equities market. This index includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 Index focuses on the large-cap segment of the market, with approximately 80% coverage of U.S. equities.

Lipper is an independent mutual fund performance monitor whose results are based on total return and do not reflect a sales charge.

Securities indices are unmanaged and assume reinvestment of all distributions and interest payments and do not take in account brokerage fees or expenses. Securities in the Funds do not match those in the indices and performance of the Funds will differ. Investors cannot invest directly in an index.

HSBC Global Asset Management (USA) Inc.

Global Economic Review

The global economy experienced broad growth over the 12-month period from November 1, 2016, through October 31, 2017. Although there was much geopolitical turmoil and uncertainty, investor sentiment was buoyed by healthy corporate profits, supportive monetary policy, tightening labor markets and other positive economic data. Major economies experienced improvements to credit and labor conditions and major central banks continued to normalize monetary policy at a gradual pace. A synchronized economic expansion in both developed and emerging economies helped lift major market indices around the world to near record highs by the end of the period.

Early in the period, global markets were shocked by the surprise results of the November U.S. presidential elections. Positive economic data had already been pushing markets along a positive trajectory in the final months of the previous period, but the election outcome triggered an intense rally as investors grew increasingly optimistic that the new administration would follow through on campaign promises perceived as accommodative for business. The prospect of tax reform, reduced regulations and streamlined fossil fuel energy production continued to drive significant market gains throughout the period.

A rising tide of nationalist populism throughout the U.S. and Europe raised concerns among global investors. The prospect of a new era of protectionist trade policies and political unpredictability remained top-of-mind for investors throughout the period. These concerns eased somewhat after the electoral victories of centrist candidates, including the May election victory of Emmanuel Macron in the French presidential elections and the September reelection of Chancellor Angela Merkel in Germany. Even so, the changing political dynamics remained as President Trump moved forward with policies that rattled global trade and mobility, including withdrawing the U.S. from the Trans-Pacific Partnership, renegotiating the terms of the North American Free Trade Agreement and restricting immigration.

Geopolitical developments were also a source of investor uncertainty during the period and a drag on certain economies and sectors. Among the most notable events were tensions over North Korea's continued efforts to develop its nuclear weapons capabilities, political turmoil in Turkey in April and an attempt by Catalans to declare independence from Spain in October.

The U.S. Federal Reserve (the Fed) increased its federal funds rate three times during the 12-month period, increasing its target range from 0.50% to 1.25%. The Fed also initiated its plan to scale back its monetary stimulus efforts adopted during the financial crisis in 2008.

Growth in the U.S. gross domestic product (GDP¹) slowed modestly in the first two quarters of the period but then picked up significantly near the end. Preliminary estimates suggest that faster growth continued through the third quarter of 2017. Economic data in the U.S. was generally strong during the period, showing robust corporate earnings, a healthy labor market and an increase in consumer discretionary spending. The domestic unemployment rate dropped to a 16-year low and the Institute of Supply Management Manufacturing Index¹ climbed to a 13-year high.

Contributors to economic growth in many economies, including in the U.S., were increases in manufacturing activity and exports. This was partly driven by an uptick in demand for imports from China.

China's economy continued to grow at a relatively slow pace in comparison to previous years. The meeting of China's National Congress indicated that the government was shifting from an emphasis on short-term growth objectives to a goal of sustainable economic development facilitated by political and economic reforms.

Eurozone economies also experienced solid growth as they continued to benefit from improving credit conditions and easing fiscal austerity by many of its component governments. The European Central Bank announced it would extend its quantitative easing program and implied that rates would remain low in the near term.

The Bank of Japan continued its extremely loose monetary policy and fiscal stimulus efforts with mixed results. GDP growth maintained its momentum, but declining exports and slow wage growth were among the signs indicating the Japanese economy continued to improve at a relatively sluggish pace.

Energy and metal prices climbed significantly during the period, while agricultural commodities generally slumped. Crude oil prices hit a two-year high late in the period, driven by declining global inventories and slower growth of U.S. production.

Global inflation increased very slightly during the period. The U.S. dollar weakened during the first several months of 2017 and ended the period lower than it had started. The weakening of the dollar provided a boost to U.S. exports and offered relief to countries such as Mexico, Turkey, and Indonesia that hold high levels of U.S. dollar-denominated debt.

Market Review

Global equity markets delivered strong returns during the period while showing exceptionally low volatility. Stocks rallied immediately after the election of President Trump and continued to rise somewhat steadily throughout 2017 with positive economic data adding to the momentum. Geopolitical tension and a lack of momentum in U.S. domestic policy initiatives eventually weighed on investor sentiment, but improving economic fundamentals in the Eurozone helped offset those growing concerns. The Fed's commitment to gradually scaling back its monetary stimulus, along with new proposals for tax reform legislation, also supported gains for stocks.

Emerging markets equities began the period with a selloff triggered by concerns over U.S. trade protectionism and a strengthening U.S. dollar. The tide turned in 2017, however, as the U.S. dollar weakened and fears about the impact of changing trade policy subsided. Moreover, demand for emerging markets equities was supported through the period by relatively cheap valuations compared to developed market stocks.

The MSCI Emerging Markets Index¹ (MSCI EM) hit a three-year high in September. However, emerging markets equities pulled back somewhat late in the period due to concerns that the proposed tax reform in the U.S. would repatriate dollars and draw capital out of developing countries. The MSCI EM Index returned 26.91% during the fiscal year compared to a 24.01% gain for the MSCI EAFE Index¹ of international stocks in developed markets, for the same period.

U.S. equities posted strong gains similar to those of other developed economies during the period. The S&P 500 Index¹ of large-cap stocks returned 23.63%.

Global fixed income markets posted modest gains during the period as investors favored equities in an environment of global economic expansion, perceived risk of inflation and gradual monetary policy normalization. Yields and credit spreads across bond sectors remained low relative to history. The Bloomberg Barclays Global Aggregate Bond Index¹, which tracks investment-grade debt in 24 local currency markets, returned 1.18% during the period while the J.P. Morgan Emerging Market Bond Index Global¹ returned 5.89%. Yields on U.S. government debt rose during the period.

1 For additional information, please refer to the Glossary of Terms.

HSBC U.S. Government Money Market Fund

(Class A Shares, Class C Shares, Class D Shares, Class E Shares, Class I Shares, Intermediary Class, Intermediary Service Class and Class Y Shares)

by John Chiodi
Senior Portfolio Manager

Moody's and Standard & Poor's have assigned an "Aaa-mf" and "AAAm" rating to the HSBC U.S. Government Money Market Fund.¹

Investment Concerns

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a deposit of HSBC Bank USA, N.A. and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

For a complete description of these and other risks associated with investment in a mutual fund, please refer to the Fund's prospectus.

Portfolio Performance

Yields on U.S. government money market securities rose during the 12 months ended October 31, 2017, as the Federal Reserve Board (the Fed) raised interest rates three times during the period.

As expected, the Fed raised its target range of its federal funds rate, a short-term interest rate that significantly influences Treasury bill yields, in December 2016 to a range of 0.50% to 0.75%. This was followed by an

increase in March 2017 to a range of 0.75% to 1.0%, and another increase in June 2017 to a range of 1.0% to 1.25%. The March rate increase, while not surprising, was not as anticipated as the December and June increases.

Treasury yields had largely priced in the rate increases in December and June, but did not fully price in the increase in March until a week or two before the Fed's March meeting. The Fund benefited from being positioned with an average weighted maturity shorter than that of its peers due to the Fund's expectation that the Fed would raise rates again in March.¹

During the period, investors shifted more than \$1 trillion in assets from prime-fund assets to government-fund assets. This shift was spurred by the compliance date of the SEC's amendments to Rule 2a-7 in October 2016, which drove institutional investors to seek relative security with U.S. government money market funds. In anticipation of this massive asset migration and the subsequent elevation of London Interbank Offered Rate (LIBOR)⁷ levels, the Fund bought floating rate notes pegged to LIBOR, which rose during the period thus providing higher yields to the Fund.[†]

[†] Portfolio composition is subject to change.

Fund Performance	Inception Date	Average Annual Total Return (%)				Yield (%) ²		Expense Ratio (%) ³	
		1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net	
As of October 31, 2017									
Class A	5/3/90	0.22	0.06	0.27	2.51	0.45	0.66	0.66	
Class C ⁴	11/20/06	—	—	—	—	—	1.26	1.26	
Class D	4/1/99	0.34	0.08	0.30	1.57	0.60	0.51	0.51	
Class E ⁵	7/12/16	—	—	—	—	—	0.26	0.25	
Class I ⁶	12/24/03	0.69	0.19	0.42	0.98	0.96	0.16	0.16	
Intermediary Class	7/12/16	0.63	—	—	0.56	0.90	0.31	0.31	
Intermediary Service Class	7/12/16	0.61	—	—	0.54	0.88	0.36	0.36	
Class Y	7/1/96	0.58	0.15	0.37	2.15	0.85	0.26	0.26	
Lipper U.S. Government Money Market Funds Average ⁷	—	0.24	0.06	0.31	2.57 ⁸	N/A	N/A	N/A	

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Total return figures include change in share price, reinvestment of dividends and capital gains and do not reflect taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. Investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call 1-800-782-8183.

The performance above reflects any fee waivers that have been in effect during the applicable periods, as well as any expense reimbursements that have periodically been made. Absent such waivers and reimbursements, returns would have been lower.

Certain returns shown include monies received by the Fund in respect of a one-time payment in respect of a class action settlement and a one-time reimbursement from HSBC Global Asset Management (USA) Inc. related to past marketing arrangements. As a result, the Fund's total returns for those periods were higher than they would have been had the Fund not received the payments.

1 The "Aaa-mf" and "AAAm" money market fund rating is historical and reflects Moody's and Standard & Poor's opinion as to the quality of the Fund's investments, liquidity management, and operations and trading support. Periodic reviews are conducted to ensure a secure operations environment. Moody's and Standard & Poor's ratings represent an opinion only, not a recommendation to buy or sell. Obligations rated A-1+, A-1 or P-1 are rated in the highest short-term rating category by Standard & Poor's (A-1+ or A-1) or Moody's Investor Service (P-1). The obligor's capacity to meet its financial commitments on these obligations is regarded to be "extremely strong" (A-1+), "strong" (A-1) or "superior" (P-1).

2 The seven-day yield quotation more closely reflects the current earnings of the money market fund than the total return quotation. The seven-day yield reflects voluntary fee waivers/expense reimbursements. Without the voluntary fee waivers/expense reimbursements, the yields would have been 0.44%, 0.59%, 0.94%, 0.79%, 0.74%, and 0.84% for Class A Shares, Class D Shares, Class I Shares, Intermediary Class, Intermediary Service Class and Class Y Shares, respectively.

3 Reflects the expense ratio as reported in the prospectus dated February 28, 2017, as supplemented November 16, 2017. Additional information pertaining to the October 31, 2017 expense ratios can be found in the financial highlights.

4 Reflects the applicable contingent deferred sales charge, maximum of 1.00%, for returns presented. Class C Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 346, 362 and 351 days during the years ended October 31, 2006, 2009 and 2010, respectively. The Class was not operational during the entire fiscal years ended October 31, 2007, 2008, 2011, 2012, 2013, 2014, 2015, 2016 and 2017. No returns are presented for the one-year, five-year and 10-year periods with non-continuous operations.

5 Class E Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 112 and 283 days during the years ended October 31, 2016 and 2017, respectively. No returns are presented for the one-year period with non-continuous operations.

6 Class I Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 10, 89, 136 and 357 days during the years ended October 31, 2004, 2005, 2006 and 2007, respectively. The Class was operational during the entire years ended October 31, 2008 through 2017.

7 For additional information, please refer to the Glossary of Terms.

8 Return for the period April 30, 1990 to October 31, 2017.

HSBC U.S. Treasury Money Market Fund

(Class A Shares, Class C Shares, Class D Shares, Class E Shares, Class I Shares, Intermediary Class, Intermediary Service Class and Class Y Shares)

by John Chiodi
Senior Portfolio Manager

Moody's and Standard & Poor's have assigned an "Aaa-mf" and "AAAm" rating to the HSBC U.S. Treasury Money Market Fund.¹

Investment Concerns

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a deposit of HSBC Bank USA, N.A. and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

For a complete description of these and other risks associated with investment in a mutual fund, please refer to the Fund's prospectus.

Portfolio Performance

The Federal Reserve Board (the Fed) raised the target range of its federal funds rate, a short-term interest rate that significantly influences Treasury bill yields, in December 2016, March 2017, and June 2017. As a result, Treasury bill yields increased during the 12-month period ended October 31, 2017.

Toward the end of 2016, demand for Treasuries from institutional investors rose as the government restricted supply. This annual tension typically depresses yields on Treasury bills. However, the Fed's December rate increase caused yields to spike, which benefited the Fund through its shorter-than-usual weighted average maturity.[†]

Much of the period was marked by concerns over an extension of the debt ceiling. In the ongoing absence of a debt ceiling resolution, the U.S. Treasury reduced bill issuance and yields suffered as demand exceeded supply. However, yields on some Treasury bills spiked in early September amid slumping demand for bonds and ongoing worries about the U.S. Treasury's ability to meet its financial obligations. An agreement in September between the Trump Administration and Congressional leaders to suspend the borrowing limit until December pushed yields down.

The Fund benefited from its exposure to floating rate bonds, which performed well immediately after the Fed raised the target range in mid-March.[†]

† Portfolio composition is subject to change.

Fund Performance	Inception Date	Average Annual Total Return (%)				Yield (%) ²		Expense Ratio (%) ³	
		1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net	
As of October 31, 2017									
Class A ⁴	5/24/01	—	—	—	—	—	0.68	0.68	
Class C ⁵	12/24/03	—	—	—	—	—	1.28	1.28	
Class D	5/14/01	0.29	0.06	0.19	0.94	0.58	0.53	0.53	
Class E ⁶	7/12/16	—	—	—	—	—	0.28	0.25	
Class I ⁷	12/30/03	0.64	0.15	0.28	1.09	0.94	0.18	0.18	
Intermediary Class	7/12/16	0.44	—	—	0.42	0.73	0.33	0.33	
Intermediary Service Class	7/12/16	0.58	—	—	0.52	0.88	0.38	0.38	
Class Y	5/11/01	0.53	0.11	0.24	1.07	0.83	0.28	0.28	
Lipper U.S. Treasury Money Market Funds Average ⁹	—	0.26	0.06	0.20	1.00 ⁹	N/A	N/A	N/A	

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Total return figures include change in share price, reinvestment of dividends and capital gains and do not reflect taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. Investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call 1-800-782-8183.

The performance above reflects any fee waivers that have been in effect during the applicable periods, as well as any expense reimbursements that have periodically been made. Absent such waivers and reimbursements, returns would have been lower.

Certain returns shown include monies received by the Fund in respect of a class action settlement and a one-time reimbursement from HSBC Global Asset Management (USA) Inc. related to past marketing arrangements. As a result, the Fund's total returns for those periods were higher than they would have been had the Fund not received the payments.

1 The "Aaa-mf" and "AAAm" money market fund rating is historical and reflects Moody's and Standard & Poor's opinion as to the quality of the Fund's investments, liquidity management, and operations and trading support. Periodic reviews are conducted to ensure a secure operations environment. Moody's and Standard & Poor's ratings represent an opinion only, not a recommendation to buy or sell. Obligations rated A-1+, A-1 or P-1 are rated in the highest short-term rating category by Standard & Poor's (A-1+ or A-1) or Moody's Investor Service (P-1). The obligor's capacity to meet its financial commitments on these obligations is regarded to be "extremely strong" (A-1+), "strong" (A-1) or "superior" (P-1).

2 The seven-day yield quotation more closely reflects the current earnings of the money market fund than the total return quotation. Without the voluntary fee waivers/expense reimbursements, the yields would have been 0.57%, 0.92%, 0.72, 0.72% and 0.82% for Class D Shares, Class I Shares, Intermediary Class, Intermediary Service Class and Class Y Shares, respectively.

3 Reflects the expense ratio as reported in the prospectus dated February 28, 2017, as supplemented November 16, 2017. Additional information pertaining to the October 31, 2017 expense ratios can be found in the financial highlights.

4 Class A Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 201 days during the year ended October 31, 2014. The Class was operational during the entire years ended October 31, 2001 through 2013. The Class was not operational during the entire years ended October 31, 2015 through 2017. No returns are presented for the one-year, five-year and 10-year periods with non-continuous operations.

5 Reflects the applicable contingent deferred sales charge, maximum of 1.00%, for returns presented. Class C Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 26 and 351 days during the years ended October 31, 2008 and 2010, respectively. The Class was operational during the entire years ended October 31, 2005, 2006, 2007 and 2009. The Class was not operational during the entire years ended October 31, 2011 through 2017. No returns are presented for the one-year, five-year and 10-year periods with non-continuous operations.

6 Class E Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 112 and 283 days during the years ended October 31, 2016 and 2017, respectively. No returns are presented for the one-year period with non-continuous operations.

7 Class I Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 13 and 280 days during the years ended October 31, 2004 and 2005, respectively. The Class was operational during the entire years ended October 31, 2006 through 2017.

8 For additional information, please refer to the Glossary of Terms.

9 Return for the period April 30, 2001 to October 31, 2017.

Portfolio Reviews

Portfolio Composition*

October 31, 2017 (Unaudited)

HSBC U.S. Government Money Market Fund

Investment Allocation	Percentage of Investments at Value (%)
U.S. Government and Government Agency Obligations	50.2
Repurchase Agreements	48.5
U.S. Treasury Obligation	1.3
Total	100.0

HSBC U.S. Treasury Money Market Fund

Investment Allocation	Percentage of Investments at Value (%)
U.S. Treasury Obligations	100.0
Total	100.0

* Portfolio composition is subject to change.

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Schedule of Portfolio Investments—as of October 31, 2017

U.S. Government and Government Agency Obligations – 47.9%

	Principal Amount (\$)	Amortized Cost (\$)
Federal Farm Credit Bank – 6.3%		
1.17% (FCPR DLY - 308 bps), 3/11/19(a)	150,000,000	149,989,856
1.17% (FEDL01 + 1 bps), 4/24/19(a)	75,000,000	74,988,881
1.19% (FEDL01 + 3 bps), 4/25/19(a)	100,000,000	100,000,000
1.21% (FEDL01 + 5 bps), 11/1/18(a)	50,000,000	49,997,483
1.22% (US0001M - 2 bps), 4/20/18(a)	50,000,000	49,998,757
1.22% (US0001M - 2 bps), 4/16/18(a)	84,000,000	83,998,054
1.25% (US0001M + 2 bps), 10/3/18(a)	175,000,000	175,000,000
1.35% (FCPR DLY - 290 bps), 12/22/17(a)	66,000,000	65,999,067
		<u>749,972,098</u>
Federal Home Loan Bank – 41.6%		
0.97%, 11/16/17(b)	50,000,000	49,978,438
0.97%, 11/22/17(b)	92,790,000	92,734,790
0.98%, 11/15/17(b)	279,000,000	278,886,114
0.99%, 11/24/17(b)	75,000,000	74,950,454
0.99%, 11/29/17(b)	40,000,000	39,968,111
1.00%, 12/14/17(b)	200,000,000	199,755,139
1.03% (US0001M - 21 bps), 11/1/17(a)	175,000,000	175,000,000
1.05%, 12/28/17(b)	100,000,000	99,830,583
1.06% (US0003M - 30 bps), 1/19/18(a)	150,000,000	150,000,000
1.06% (US0001M - 18 bps), 2/9/18(a)	75,000,000	74,999,304
1.06% (US0001M - 18 bps), 2/13/18(a)	100,000,000	100,000,000
1.07% (US0001M - 17 bps), 1/19/18(a)	100,000,000	100,000,000
1.07% (US0001M - 16 bps), 4/25/18(a)	100,000,000	100,000,000
1.07% (US0001M - 17 bps), 4/27/18(a)	85,000,000	85,000,000
1.07% (US0001M - 16 bps), 5/11/18(a)	130,000,000	130,000,000
1.08% (US0001M - 16 bps), 2/8/18(a)	250,000,000	250,000,000
1.08%, 1/9/18(b)	100,000,000	99,790,125
1.08%, 1/12/18(b)	200,000,000	199,564,000
1.08% (US0001M - 16 bps), 2/1/18(a)	150,000,000	150,000,000
1.08% (US0001M - 16 bps), 2/28/18(a)	220,000,000	220,000,000
1.08% (US0001M - 16 bps), 1/25/18(a)	100,000,000	100,000,000
1.09%, (US0001M - 15 bps), 10/24/18 (a)	150,000,000	150,000,000
1.09%, (US0001M - 15 bps), 10/23/18 (a)	100,000,000	100,000,000
1.09%, 1/19/18(b)	100,000,000	99,758,611
1.10%, (US0001M - 13.5 bps), 5/9/18 (a)	100,000,000	100,000,000
1.11%, 2/21/18(b)	33,825,000	33,707,139

U.S. Government and Government Agency Obligations, continued

	Principal Amount (\$)	Amortized Cost (\$)
1.11%, 2/23/18(b)	76,000,000	75,730,453
1.11% (US0001M - 12 bps), 8/1/18(a)	100,000,000	100,000,000
1.12% (US0003M - 19 bps), 11/8/17(a)	175,000,000	175,001,478
1.12% (US0001M - 12 bps), 10/10/18(a)	140,000,000	140,000,000
1.13%, (US0001M - 11.5 bps), 4/26/19 (a)	100,000,000	100,000,000
1.13%, (US0001M - 11.5 bps), 4/26/19 (a)	100,000,000	100,000,000
1.13%, 1/26/18(b)	150,000,000	149,592,575
1.14% (US0001M - 9.5 bps), 4/18/19(a)	150,000,000	150,000,000
1.16% (US0001M - 8 bps), 12/21/18(a)	100,000,000	100,000,000
1.16% (US0001M - 8 bps), 3/21/18(a)	100,000,000	100,000,000
1.17% (US0001M - 7 bps), 2/25/19(a)	100,000,000	100,000,000
1.17% (US0001M - 7 bps), 11/22/17(a)	75,000,000	75,004,378
1.22% (US0003M - 9 bps), 11/2/17(a)	50,000,000	49,999,942
1.24%, 4/5/18(b)	200,000,000	198,927,917
1.27% (US0001M + 4 bps), 5/25/18(a)	75,000,000	75,000,000
1.31% (US0003M - 4 bps), 1/8/18(a)	50,000,000	50,000,000
		<u>4,993,179,551</u>
TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS (Cost \$5,743,151,649)		
		5,743,151,649
U.S. Treasury Obligation – 1.3%		
U.S. Treasury Note – 1.3%		
0.75%, 12/31/17	150,000,000	149,901,951
TOTAL U.S. Treasury Obligation (Cost \$149,901,951)		
		149,901,951
Repurchase Agreements – 46.3%		
BNP Paribas, 1.04%, 11/1/17, Purchased on 10/31/17, with maturity value of \$1,170,033,800, collateralized by U.S. Treasury Obligations, 0.00%-8.75%, 1/31/19-2/15/46, fair value \$1,193,400,000	1,170,000,000	1,170,000,000
BNP Paribas, 1.05%, 11/1/17, Purchased on 10/31/17, with maturity value of \$100,002,917, collateralized by various U.S. Government and Government Agency Obligations, 0.00%-7.25%, 5/30/18-2/20/47, fair value \$102,000,000	100,000,000	100,000,000

See notes to financial statements.

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Schedule of Portfolio Investments—as of October 31, 2017 (continued)

Repurchase Agreements, continued		
	Principal Amount (\$)	Amortized Cost (\$)
Citigroup Global Markets, 1.07%, 11/1/17, Purchased on 10/31/17, with maturity value of \$100,002,972, collateralized by various U.S. Government and Government Agency Obligations, 1.35%-3.13%, 2/3/21-5/15/21, fair value \$102,000,066	100,000,000	100,000,000
Credit Agricole Cib NY, 1.05%, 11/1/17, Purchased on 10/31/17, with maturity value of \$1,000,029,167, collateralized by U.S. Treasury Obligations, 1.38%-2.38%, 9/30/23-5/15/27, fair value \$1,020,000,055	1,000,000,000	1,000,000,000
Deutsche Bank Securities, Inc., 1.06%, 11/1/17, Purchased on 10/31/17, with maturity value of \$75,002,208, collateralized by U.S. Treasury Obligations, 1.25%, 8/31/19, fair value \$76,500,033	75,000,000	75,000,000
Federal Reserve Bank NY, 1.00%, 11/1/17, Purchased on 10/31/17, with maturity value of \$1,200,033,333, collateralized by U.S. Treasury Obligations, 1.38%-8.50%, 2/15/20-2/15/43, fair value \$1,200,033,437	1,200,000,000	1,200,000,000
Goldman Sachs & Co., 1.03%, 11/1/17, Purchased on 10/25/17, with maturity value of \$150,030,042, collateralized by various U.S. Government and Government Agency Obligations, 2.92%-9.50%, 7/1/18-8/1/47, fair value \$153,000,000	150,000,000	150,000,000
Goldman Sachs & Co., 1.03%, 11/1/17, Purchased on 10/31/17, with maturity value of \$100,002,861, collateralized by various U.S. Government and Government Agency Obligations, 2.09%-8.50%, 8/1/18-11/1/47, fair value \$102,000,000	100,000,000	100,000,000
Merrill Lynch Pierce Fenner & Smith, Inc., 1.05%, 11/1/17, Purchased on 10/31/17, with maturity value of \$100,002,917 collateralized by U.S. Treasury Obligations, 0.00%-2.25%, 2/22/18-2/15/27, fair value \$102,000,064	100,000,000	100,000,000

Repurchase Agreements, continued		
	Principal Amount (\$)	Amortized Cost (\$)
Royal Bank of Canada, 1.02%, 11/1/17, Purchased on 10/31/17, with maturity value of \$250,007,083, collateralized by U.S. Treasury Obligations, 0.00%-3.50%, 11/15/17-8/15/47, fair value \$255,000,027	250,000,000	250,000,000
RBS Securities, Inc., 1.03%, 11/1/17, Purchased on 10/31/17, with maturity value of \$500,014,306, collateralized by U.S. Treasury Obligations, 0.00%-4.5%, 11/2/17-5/15/42, fair value \$510,002,062	500,000,000	500,000,000
Societe' Generale, 1.10%, 11/1/17, Purchased on 10/31/17, with maturity value of \$400,012,222, collateralized by various U.S. Government and Government Agency Obligations, 0.00%-7.00%, 3/1/18-8/20/67, fair value \$408,000,100	400,000,000	400,000,000
Toronto Dominion Bank NY, 1.04%, 11/1/17, Purchased on 10/31/17, with maturity value of \$400,011,556, collateralized by U.S. Treasury Obligations, 0.88%-2.75%, 10/15/18-2/15/27, fair value \$408,000,064	400,000,000	400,000,000
TOTAL REPURCHASE AGREEMENTS (Cost \$5,545,000,000)		5,545,000,000
TOTAL INVESTMENTS IN SECURITIES (Cost \$11,438,053,600) – 95.5%		11,438,053,600
Other Assets (Liabilities) – 4.5%		541,713,982
NET ASSETS – 100%		\$11,979,767,582

- (a) Floating or variable rate security. The rate presented represents the rate in effect on October 31, 2017. These securities are deemed to have a maturity remaining until the next adjustment of the interest rate or the longer of the demand period or time to the next readjustment.
- (b) Discount note. Rate presented represents the effective yield at time of purchase.

bps – Basis Points
 FCPR DLY – Federal Reserve Bank Prime Loan Rate US
 FEDL01 – Effective Federal Funds Rate
 US0001M – 1 Month US Dollar LIBOR
 US0003M – 3 Month US Dollar LIBOR

HSBC U.S. TREASURY MONEY MARKET FUND

Schedule of Portfolio Investments— as of October 31, 2017

U.S. Treasury Obligations – 107.8%

	Principal Amount (\$)	Amortized Cost (\$)
U.S. Treasury Bills – 83.2%		
0.48%, 11/2/17(a)	292,000,000	291,992,151
0.87%, 11/9/17(a)	200,000,000	199,956,373
0.90%, 11/16/17(a)	295,000,000	294,881,397
0.96%, 11/30/17(a)	150,000,000	149,879,505
0.97%, 12/8/17(a)	50,000,000	49,948,875
0.98%, 12/14/17(a)	171,000,000	170,795,637
0.98%, 12/21/17(a)	177,000,000	176,754,717
1.00%, 11/24/17(a)	30,000,000	29,980,048
1.01%, 1/4/18(a)	50,000,000	49,909,156
1.05%, 1/18/18(a)	75,000,000	74,827,046
1.06%, 1/11/18(a)	50,000,000	49,893,895
1.08%, 1/25/18(a)	100,000,000	99,742,167
1.11%, 2/1/18(a)	50,000,000	49,857,181
1.21%, 4/5/18(a)	40,000,000	39,790,750
1.23%, 4/12/18(a)	90,000,000	89,503,425
1.24%, 4/26/18(a)	50,000,000	49,696,767
		<u>1,867,409,090</u>
U.S. Treasury Notes – 24.6%		
1.17% (USBMMY3M + 6 bps), 7/31/19(b)	70,000,000	70,008,335
1.25% (USBMMY3M + 14 bps), 1/31/19(b)	25,000,000	25,049,941
1.28% (USBMMY3M + 17 bps), 10/31/18(b)	25,000,000	25,046,995
1.28% (USBMMY3M + 17 bps), 7/31/18(b)	100,000,000	100,144,367
1.30% (USBMMY3M + 19 bps), 4/30/18(b)	185,000,000	185,152,730
1.38% (USBMMY3M + 27 bps), 1/31/18(b)	145,000,000	145,097,217
		<u>550,499,585</u>
TOTAL U.S. TREASURY OBLIGATIONS (Cost \$2,417,908,675)		<u>2,417,908,675</u>
TOTAL INVESTMENTS IN SECURITIES (Cost \$2,417,908,675) – 107.8%		<u>2,417,908,675</u>
Other Assets (Liabilities) – (7.8%)		<u>(175,666,712)</u>
NET ASSETS – 100%		<u>\$2,242,241,963</u>

(a) Discount note. Rate presented represents the effective yield at time of purchase.

(b) Floating or variable rate security. The rate presented represents the rate in effect on October 31, 2017. These securities are deemed to have a maturity remaining until the next adjustment of the interest rate or the longer of the demand period or time to the next readjustment.

bps - Basis Points

USBMMY3M - 3 Month Treasury Bill Rate

HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities—as of October 31, 2017

	HSBC U.S. Government Money Market Fund	HSBC U.S. Treasury Money Market Fund
Assets:		
Investments in securities, at amortized cost	\$ 5,893,053,600	\$2,417,908,675
Repurchase agreements, at amortized cost	5,545,000,000	—
Cash	544,286,085	—
Interest receivable	3,406,312	19,816
Prepaid expenses and other assets	253,704	59,741
Total Assets	<u>11,985,999,701</u>	<u>2,417,988,232</u>
Liabilities:		
Distributions payable	3,820,227	383,924
Payable to custodian	—	53,283
Payable for investments purchased	—	174,746,964
Accrued expenses and other liabilities:		
Investment Management	984,280	251,421
Administration	342,509	68,387
Shareholder Servicing	358,970	55,348
Accounting	8,309	7,453
Custodian fees	42,017	19,136
Transfer Agent	7,829	6,504
Trustee	27,194	9,170
Other	640,784	144,679
Total Liabilities	<u>6,232,119</u>	<u>175,746,269</u>
Net Assets	<u>\$11,979,767,582</u>	<u>\$2,242,241,963</u>
Composition of Net Assets:		
Capital	11,979,736,983	2,242,243,967
Accumulated net investment income/(distributions in excess of net investment income)	18,318	4,515
Accumulated net realized gains/(losses) from investments	12,281	(6,519)
Net Assets	<u>\$11,979,767,582</u>	<u>\$2,242,241,963</u>
Net Assets:		
Class A Shares	\$ 1,998,307	\$ —
Class D Shares	1,645,221,739	257,062,336
Class I Shares	7,853,457,183	861,943,662
Intermediary Class Shares	19,694,488	1,005
Intermediary Service Class Shares	57,042,223	22,015,515
Class Y Shares	2,402,353,642	1,101,219,445
	<u>\$11,979,767,582</u>	<u>\$2,242,241,963</u>
Shares Outstanding:		
(\$0.001 par value, unlimited number of shares authorized):		
Class A Shares	1,998,287	—
Class D Shares	1,645,020,372	257,096,323
Class I Shares	7,853,600,801	861,945,899
Intermediary Class Shares	19,695,044	1,005
Intermediary Service Class Shares	57,045,231	22,015,639
Class Y Shares	2,402,393,595	1,101,190,068

HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities—as of October 31, 2017 (continued)

	HSBC U.S. Government Money Market Fund	HSBC U.S. Treasury Money Market Fund
Net Asset Value, Offering Price and Redemption Price per share:		
Class A Shares	\$ 1.00	\$ —
Class D Shares	\$ 1.00	\$ 1.00
Class I Shares	\$ 1.00	\$ 1.00
Intermediary Class Shares	\$ 1.00	\$ 1.00
Intermediary Service Class Shares	\$ 1.00	\$ 1.00
Class Y Shares	\$ 1.00	\$ 1.00

HSBC FAMILY OF FUNDS

Statements of Operations—For the year ended October 31, 2017

	U.S. Government Money Market Fund	U.S. Treasury Money Market Fund
Investment Income:		
Interest	\$ 87,690,056	\$ 14,505,599
Total Investment Income	<u>87,690,056</u>	<u>14,505,599</u>
Expenses:		
Investment Management	10,854,052	1,825,974
Operational Support:		
Class A Shares	1,770	—
Class B Shares*	28	—
Class D Shares	1,762,793	262,074
Intermediary Class Shares	51,130	—
Intermediary Service Class Shares	23,861	18,853
Class Y Shares	2,457,756	908,708
Administration:		
Class A Shares	689	—
Class B Shares*	11	—
Class D Shares	686,193	102,031
Class I Shares	2,549,048	247,448
Intermediary Class Shares	19,800	—
Intermediary Service Class Shares	9,275	7,331
Class Y Shares	957,522	353,219
Distribution:		
Class B Shares*	214	—
Shareholder Servicing:		
Class A Shares	7,007	—
Class B Shares*	71	—
Class D Shares	4,407,021	655,191
Class E Shares	3	—
Intermediary Class Shares	25,566	—
Intermediary Service Class Shares	23,860	18,853
Accounting	85,721	74,384
Compliance Services	259,293	42,618
Custodian	874,275	92,251
Printing	477,370	51,112
Professional	1,221,594	246,324
Transfer Agent	222,926	88,904
Trustee	654,726	105,387
Registration fees	180,484	107,233
Other	<u>1,000,160</u>	<u>202,285</u>
Total expenses before fee and expense reductions	28,814,219	5,410,180
Fees voluntarily reduced/reimbursed by Investment Adviser	(5,273,888)	(788,342)
Fees voluntarily reduced by Administrator	(655,678)	(63,634)
Fees voluntarily reduced by Distributor	(172)	—
Fees voluntarily reduced by Shareholder Servicing Agent	(227,064)	(47,987)
Fees voluntarily reduced by Sub-Administrator	(5,659)	(4,243)
Custody earnings credits	<u>(686,172)</u>	<u>(22,550)</u>
Net Expenses	<u>21,965,586</u>	<u>4,483,424</u>
Net Investment Income	<u>65,724,470</u>	<u>10,022,175</u>
Realized/Unrealized Gains/(Losses) from Investments:		
Net realized gains/(losses) from investment securities	16,147	(6,519)
Net realized/unrealized gains (losses) on investments	16,147	(6,519)
Change in Net Assets Resulting from Operations	<u>\$ 65,740,617</u>	<u>\$ 10,015,656</u>

Amounts designated as "—" are \$0.00 or have been rounded to \$0.00.

* Class B Shares were liquidated on June 15, 2017 and are no longer offered.

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets

	HSBC U.S. Government Money Market Fund		HSBC U.S. Treasury Money Market Fund	
	Year Ended October 31, 2017	Year Ended October 31, 2016	Year Ended October 31, 2017	Year Ended October 31, 2016
Investment Activities:				
Operations:				
Net investment income	\$ 65,724,470	\$ 7,180,525	\$ 10,022,175	\$ 829,895
Net realized gains/(losses) from investments	16,147	106,704	(6,519)	15,357
Change in net assets resulting from operations	<u>65,740,617</u>	<u>7,287,229</u>	<u>10,015,656</u>	<u>845,252</u>
Distributions:				
Net investment income:				
Class A Shares	(4,031)	(167)	—	—
Class B Shares*	(4)	(7)	—	—
Class D Shares	(5,633,122)	(157,507)	(771,011)	(16)
Class E Shares	(5)	(1)	(3)	(1)
Class I Shares	(46,468,106)	(3,240,578)	(4,077,583)	(517,995)
Intermediary Class Shares	(334,084)	(429)	(5)	(1)
Intermediary Service Class Shares	(149,565)	(1,568)	(108,766)	(1,541)
Class Y Shares	(13,117,235)	(3,780,275)	(5,060,292)	(310,662)
Net realized gains:				
Class A Shares	(16)	—	—	—
Class D Shares	(19,535)	(1,011)	(2,175)	(2,318)
Class I Shares	(54,230)	(1,073)	(5,252)	(3,554)
Intermediary Class Shares	(127)	—	—	—
Intermediary Service Class Shares	(319)	—	(139)	—
Class Y Shares	(36,343)	(4,002)	(5,686)	(8,118)
Change in net assets from distributions:	<u>(65,816,722)</u>	<u>(7,186,618)</u>	<u>(10,030,912)</u>	<u>(844,206)</u>
Change in net assets resulting from capital transactions	<u>1,435,225,862</u>	<u>4,286,595,666</u>	<u>965,841,130</u>	<u>(151,452,006)</u>
Change in net assets	<u>1,435,149,757</u>	<u>4,286,696,277</u>	<u>965,825,874</u>	<u>(151,450,960)</u>
Net Assets:				
Beginning of period	10,544,617,825	6,257,921,548	1,276,416,089	1,427,867,049
End of period	<u>\$ 11,979,767,582</u>	<u>\$ 10,544,617,825</u>	<u>\$ 2,242,241,963</u>	<u>\$ 1,276,416,089</u>
Accumulated net investment income/(distributions in excess of net investment income)	<u>\$ 18,318</u>	<u>\$ —</u>	<u>\$ 4,515</u>	<u>\$ —</u>

* Class B Shares were liquidated on June 15, 2017 and are no longer offered.

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets (continued)

	HSBC U.S. Government Money Market Fund		HSBC U.S. Treasury Money Market Fund	
	Year Ended October 31, 2017	Year Ended October 31, 2016	Year Ended October 31, 2017	Year Ended October 31, 2016
CAPITAL TRANSACTIONS*:				
Class A Shares				
Proceeds from shares issued	\$ 1,250,433	\$ 1,205,234	\$ —	\$ —
Proceeds from merger (Note 7)	—	340,856	—	—
Dividends reinvested	4,023	167	—	—
Value of shares redeemed	(976,253)	(755,634)	—	—
Class A Shares capital transactions	<u>278,203</u>	<u>790,623</u>	<u>—</u>	<u>—</u>
Class B Shares**				
Proceeds from shares issued	833	—	—	—
Dividends reinvested	4	7	—	—
Value of shares redeemed	(49,611)	—	—	—
Class B Shares capital transactions	<u>(48,774)</u>	<u>7</u>	<u>—</u>	<u>—</u>
Class D Shares				
Proceeds from shares issued	3,439,557,773	3,682,762,518	1,725,188,294	900,175,290
Proceeds from merger (Note 7)	—	1,668,424	—	—
Dividends reinvested	3,741,527	46,636	452,304	1,271
Value of shares redeemed	(3,747,291,178)	(2,623,349,427)	(1,682,583,070)	(966,167,073)
Class D Shares capital transactions	<u>(303,991,878)</u>	<u>1,061,128,151</u>	<u>43,057,528</u>	<u>(65,990,512)</u>
Class E Shares				
Proceeds from shares issued	—	1,000	—	1,000
Proceeds from merger (Note 7)	—	1,001	—	—
Dividends reinvested	5	1	3	1
Value of shares redeemed	(2,007)	—	(1,004)	—
Class E Shares capital transactions	<u>(2,002)</u>	<u>2,002</u>	<u>(1,001)</u>	<u>1,001</u>
Class I Shares				
Proceeds from shares issued	129,309,701,797	16,374,346,788	8,144,761,629	3,707,312,527
Proceeds from merger (Note 7)	—	516,688,873	—	—
Dividends reinvested	17,104,301	1,765,424	1,676,610	135,888
Value of shares redeemed	(126,160,507,607)	(13,794,885,625)	(7,630,922,394)	(3,745,412,945)
Class I Shares capital transactions	<u>3,166,298,491</u>	<u>3,097,915,460</u>	<u>515,515,845</u>	<u>(37,964,530)</u>
Intermediary Class Shares				
Proceeds from shares issued	406,593,674	10,119,999	11	1,000
Proceeds from merger (Note 7)	—	1,001	—	—
Dividends reinvested	61,962	429	4	1
Value of shares redeemed	(397,082,021)	—	(11)	—
Intermediary Class Shares capital transactions	<u>9,573,615</u>	<u>10,121,429</u>	<u>4</u>	<u>1,001</u>
Intermediary Service Class Shares				
Proceeds from shares issued	1,407,115,250	5,001,000	29,200,010	18,706,393
Proceeds from merger (Note 7)	—	1,001	—	—
Dividends reinvested	139,084	1,567	108,710	1,541
Value of shares redeemed	(1,355,215,341)	—	(25,401,015)	(600,000)
Intermediary Service Class Shares capital transactions	<u>52,038,993</u>	<u>5,003,568</u>	<u>3,907,705</u>	<u>18,107,934</u>
Class Y Shares				
Proceeds from shares issued	13,932,449,680	25,082,584,192	2,041,622,527	1,130,575,987
Proceeds from merger (Note 7)	—	3,036,134	—	—
Dividends reinvested	12,442,356	3,515,422	4,982,199	317,857
Value of shares redeemed	(15,433,812,822)	(24,977,501,322)	(1,643,243,677)	(1,196,500,744)
Class Y Shares capital transactions	<u>(1,488,920,786)</u>	<u>111,634,426</u>	<u>403,361,049</u>	<u>(65,606,900)</u>
Change in net assets resulting from capital transactions	<u>\$ 1,435,225,862</u>	<u>\$ 4,286,595,666</u>	<u>\$ 965,841,130</u>	<u>\$ (151,452,006)</u>

* Share transactions are at net asset value of \$1.00 per share.

** Class B Shares were liquidated on June 15, 2017 and are no longer offered.

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Financial Highlights

Selected data for a share outstanding throughout the periods indicated.

	Investment Activities					Distributions			Ratios/Supplementary Data				
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized Gains/(Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Distributions	Net Asset Value, End of Period	Total Return(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets(b)	Ratio of Net Investment Income to Average Net Assets(b)	Ratio of Net Expenses to Average Net Assets (Excluding Fee Reductions)(b)
CLASS A SHARES													
Year Ended October 31, 2017	\$1.00	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$1.00	0.22%	\$ 1,998	0.59%	0.23%	0.68%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.02%	1,720	0.34%	0.02%	0.69%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	0.03%	929	0.08%	0.03%	0.69%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.02%	154	0.07%	0.02%	0.69%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	0.01%	428	0.17%	0.01%	0.68%
CLASS D SHARES													
Year Ended October 31, 2017	\$1.00	—	—	—	—	—	—	\$1.00	0.34%	\$1,645,222	0.47%	0.32%	0.54%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.02%	1,949,225	0.34%	0.02%	0.54%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	0.03%	888,084	0.07%	0.03%	0.53%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.02%	727,290	0.06%	0.02%	0.54%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	0.01%	670,893	0.13%	0.01%	0.53%
CLASS E SHARES													
October 31, 2016 through August 10, 2017(c)	\$1.00	—	—	—	—	—	—	\$1.00	0.26%	\$ —	0.23%	0.33%	0.29%
July 12, 2016(d) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.11%	2	0.06%	0.32%	0.31%
CLASS I SHARES													
Year Ended October 31, 2017	\$1.00	0.01	—	0.01	(0.01)	—	—	\$1.00	0.69%	\$7,853,457	0.12%	0.71%	0.18%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.21%	4,687,197	0.14%	0.23%	0.19%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	0.03%	1,589,264	0.07%	0.03%	0.18%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.02%	1,411,088	0.06%	0.02%	0.19%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	0.01%	1,156,894	0.13%	0.02%	0.18%
INTERMEDIARY CLASS SHARES													
Year Ended October 31, 2017	\$1.00	0.01	—	0.01	(0.01)	—	—	\$1.00	0.63%	\$ 19,694	0.18%	0.65%	0.33%
July 12, 2016(d) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.11%	10,121	0.18%	0.26%	0.37%
INTERMEDIARY SERVICE CLASS SHARES													
Year Ended October 31, 2017	\$1.00	0.01	—	0.01	(0.01)	—	—	\$1.00	0.61%	\$ 57,042	0.20%	0.63%	0.39%
July 12, 2016(d) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.10%	5,003	0.18%	0.22%	0.42%

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Financial Highlights (continued)

	Investment Activities				Distributions			Ratios/Supplementary Data				
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains/(Losses) from Investments		Net Realized Gains from Investment Transactions	Total Distributions	Net Asset Value, End of Period	Total Return(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets(b)	Ratio of Net Investment Income to Average Net Assets(b)	Ratio of Expenses to Average Net Assets (Excluding Fee Reductions)(b)
			Investment Income	Net Investment Income								
CLASS Y SHARES												
Year Ended October 31, 2017	\$1.00	\$ 0.01	\$—	\$ 0.01	\$ (0.01)	\$—	\$ (0.01)	0.58%	\$2,402,354	0.23%	0.53%	0.29%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	0.12%	3,891,299	0.23%	0.11%	0.28%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	0.03%	3,779,595	0.07%	0.03%	0.28%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	0.02%	3,458,399	0.06%	0.02%	0.29%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	0.01%	2,404,867	0.13%	0.01%	0.28%

(a) Not annualized for periods less than one year. Total return calculations do not include any sales or redemption charges.

(b) Annualized for periods less than one year.

(c) Closed operations on August 10, 2017.

(d) Commencement of operations on July 12, 2016.

Amounts designated as “—” are \$0.00 or have been rounded to \$0.00.

HSBC U.S. TREASURY MONEY MARKET FUND

Financial Highlights

Selected data for a share outstanding throughout the periods indicated.

	Investment Activities					Distributions			Ratios/Supplementary Data				
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains/(Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Distributions	Net Asset Value, End of Period	Total Return(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets(b)	Ratio of Net Investment Income to Average Net Assets(b)	Ratio of Net Expenses to Average Net Assets (Excluding Fee Reductions)(b)
CLASS A SHARES													
Year Ended October 31, 2014(c)	\$1.00	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$1.00	—%	\$ —	—%	—%	—%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	5	0.10%	—%	0.69%
CLASS D SHARES													
Year Ended October 31, 2017	1.00	—	—	—	—	—	—	\$1.00	0.29%	\$ 257,062	0.49%	0.28%	0.55%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	—%	214,041	0.28%	—%	0.55%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	—%	280,032	0.06%	—%	0.54%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.01%	638,939	0.06%	—%	0.54%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	517,845	0.09%	—%	0.53%
CLASS E SHARES													
October 31, 2016 through August 10, 2017(d)	1.00	—	—	—	—	—	—	\$1.00	0.29%	\$ —	0.25%	0.37%	0.29%
July 12, 2016(e) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.11%	1	—%	0.37%	0.33%
CLASS I SHARES													
Year Ended October 31, 2017	1.00	0.01	—	0.01	(0.01)	—	(0.01)	\$1.00	0.64%	\$ 861,944	0.14%	0.65%	0.19%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.13%	346,399	0.16%	0.13%	0.20%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	—%	384,363	0.05%	—%	0.19%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.01%	263,714	0.06%	0.01%	0.19%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	1,086,181	0.09%	—%	0.18%
INTERMEDIARY CLASS SHARES													
Year Ended October 31, 2017	1.00	—	—	—	—	—	—	\$1.00	0.44%	\$ 1	0.18%	0.44%	0.34%
July 12, 2016(e) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.11%	1	—%	0.37%	0.38%
INTERMEDIARY SERVICE CLASS SHARES													
Year Ended October 31, 2017	1.00	0.01	—	0.01	(0.01)	—	(0.01)	\$1.00	0.58%	\$ 22,016	0.20%	0.58%	0.40%
July 12, 2016(e) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.10%	18,108	0.20%	0.14%	0.48%

HSBC U.S. TREASURY MONEY MARKET FUND

Financial Highlights (continued)

	Investment Activities				Distributions			Ratios/Supplementary Data					
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains/(Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Distributions	Net Asset Value, End of Period	Total Return(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets(b)	Ratio of Net Investment Income to Average Net Assets(b)	Ratio of Expenses to Average Net Assets (Excluding Fee Reductions)(b)
CLASS Y SHARES													
Year Ended October 31, 2017	\$1.00	\$ 0.01	\$—	\$ 0.01	\$ (0.01)	—	\$ (0.01)	\$1.00	0.53%	\$ 1,101,219	0.25%	0.56%	0.29%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.04%	697,866	0.25%	0.04%	0.30%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	—%	763,473	0.06%	—%	0.29%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.01%	956,312	0.06%	0.01%	0.29%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	968,290	0.09%	—%	0.28%

(a) Not annualized for periods less than one year. Total return calculations do not include any sales or redemption charges.

(b) Annualized for periods less than one year.

(c) Class A Shares were operational during a portion of the year only. Amounts reflect performance for a period of time the class had operations, which was 201 days during the period.

The net asset value reflected represents the last day the class had operations.

(d) Closed operations on August 10, 2017.

(e) Commencement of operations on July 12, 2016.

Amounts designated as "—" are \$0.00 or have been rounded to \$0.00.

1. Organization:

The HSBC Funds (the “Trust”), a Delaware statutory trust organized on March 2, 2016, is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. Effective June 24, 2016, the Funds (as defined below), which were previously series of HSBC Funds, a Massachusetts business trust, reorganized with and into corresponding series of the Trust (each, a “Reorganization”). Upon completion of each Reorganization, the respective share classes of each Fund assumed the performance, financial and other historical information of those of the corresponding predecessor series. As of October 31, 2017, the Trust is composed of 13 separate operational funds, each a series of the HSBC Family of Funds. The accompanying financial statements are presented for the following two funds (individually a “Fund”, collectively the “Funds”) of the Trust:

<u>Fund</u>	<u>Short Name</u>
HSBC U.S. Government Money Market Fund	U.S. Government Money Market Fund
HSBC U.S. Treasury Money Market Fund	U.S. Treasury Money Market Fund

Both of the Funds are diversified funds. Financial statements for all other funds of the Trust are published separately.

Both of the Funds are government money market funds (as defined in Rule 2a-7) and seek to maintain a stable net asset value of \$1.00 per share, although it is possible to lose money by investing in the Funds. The Funds are authorized to issue an unlimited number of shares of beneficial interest with a par value of \$ 0.001 per share. Each of the Funds has eight classes of shares: Class A Shares, Class C Shares, Class D Shares, Class E Shares, Class I Shares, Intermediary Class Shares, Intermediary Service Class Shares and Class Y Shares. Class C Shares of the Funds are offered without any front-end sales charge but will be subject to a maximum CDSC of 1.00% if redeemed less than one year after purchase. No sales charges are assessed with respect to Class A, Class D, Class E, Class I, Intermediary Class, Intermediary Service Class or Class Y Shares of the Funds. Each class of shares in each Fund has identical rights and privileges, except with respect to arrangements pertaining to shareholder servicing and/or distribution, class-related expenses, voting rights on matters affecting a single class of shares, and exchange privileges. Class B Shares of the U.S. Government Money Market Fund were operational during the year but were liquidated and are no longer offered as of October 31, 2017.

Under the Trust’s organizational documents, the Trust’s officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Trust enters into contracts with its service providers, which also provide for indemnifications by the Funds. The Funds’ maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds. However, based on experience, the Trust believes the risk of loss to be remote.

The Funds are investment companies and follow accounting and reporting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, “Financial Services-Investment Companies.”

2. Significant Accounting Policies:

The following is a summary of the significant accounting policies followed by the Funds in the preparation of their financial statements. The policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”). The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Securities Valuation:

Investments of the Funds are valued using the amortized cost method pursuant to Rule 2a-7 under the Act, which approximates fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation techniques used to determine fair value are further described in Note 3 below.

Investment Transactions and Related Income:

Investment transactions are accounted for no later than one business day after trade date. However, for financial reporting purposes, investment transactions are accounted for on trade date. Investment gains and losses are calculated on the identified cost basis. Interest income is recognized on the accrual basis and includes, where applicable, the amortization or accretion of premium or discount based on effective yield. Dividend income is recorded on the ex-dividend date.

Restricted Securities:

The Funds may invest in restricted securities. A restricted security is a security which has been purchased through a private offering and cannot be resold to the general public without prior registration under the Securities Act of 1933 (the "1933 Act") or pursuant to the resale limitations provided by Rule 144 under the 1933 Act, or another exemption from the registration requirements of the 1933 Act. Certain restricted securities may be resold in transactions exempt from registration, normally to qualified institutional buyers, and may be deemed liquid by the Investment Adviser (as defined in Note 4) based on procedures established by the Board of Trustees (the "Board"). Therefore, not all restricted securities are considered illiquid. To the extent that a Fund purchases securities that are restricted as to resale or for which current market quotations are not available, such securities will be valued based upon all relevant factors as outlined in SEC Financial Reporting Release No. 1. Disposal of restricted securities may involve time consuming negotiations and expense. Prompt sale at the current valuation may be difficult and could adversely affect the net assets of the Funds. At October 31, 2017, there were no restricted securities held by the Funds.

Repurchase Agreements:

The U.S. Government Money Market Fund may enter into repurchase agreements with an entity which is a member of the Federal Reserve System or which is a "primary dealer" (as designated by the Federal Reserve Bank of New York) in U.S. government obligations. The U.S. Treasury Money Market Fund may temporarily invest in repurchase agreements collateralized by U.S. Treasury Obligations. The repurchase price generally equals the price paid by a Fund plus interest negotiated on the basis of current short-term rates, which may be more or less than the rate on the underlying portfolio securities. The seller, under a repurchase agreement, is required to maintain the collateral held pursuant to the agreement, with a fair value equal to or greater than the repurchase price (including accrued interest). Securities subject to repurchase agreements are held by the Funds' custodian or another qualified custodian or in the Federal Reserve/Treasury book-entry system. Master Repurchase Agreements ("MRA") permit the Fund, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset receivables under the MRA with collateral posted by the counterparty and create one net payment due to or from the Fund. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty's bankruptcy or insolvency. Pursuant to terms of the MRA, the Fund receives securities as collateral with a market value in excess of the repurchase price to be received by the Fund upon the maturity of the transaction. Upon bankruptcy or insolvency of the MRA counterparty, the Fund would recognize a liability with respect to such excess collateral to reflect the Fund's obligation under bankruptcy law to return the excess to the counterparty. There is potential for loss to a Fund in the event the Fund is delayed or prevented from exercising its rights to dispose of the collateral securities, including the risk of a possible decline in the fair value of the underlying securities during the period while the Fund seeks to assert its rights.

Cash:

Cash is held in deposit accounts at the Funds' custodian bank, The Northern Trust Company, and is a significant portion of the net assets, which may exceed the amount insured by the Federal Deposit Insurance Corporation ("FDIC"). To the extent that such balances exceed FDIC insurance limits, the Funds are subject to the creditworthiness of the custodian bank.

Allocations:

Expenses directly attributable to a Fund are charged to that Fund. Expenses not directly attributable to a Fund are allocated among the applicable series within the Trust in relation to the net assets of each fund, equally to each fund, or another appropriate basis. Class specific expenses are charged directly to the class incurring the expense. In addition, income, expenses (other than class specific expenses), and unrealized and realized gains and losses are allocated to each class based on relative net assets on a daily basis.

Distributions to Shareholders:

Dividends to shareholders from net investment income, if any, are declared daily and distributed monthly from each Fund. Distributions from net realized gains, if any, are declared and paid at least annually by the Funds. Additional distributions are also made to the Funds' shareholders to the extent necessary to avoid the federal excise tax on certain undistributed income and net realized gains of regulated investment companies.

Federal Income Taxes:

Each Fund is a separate taxable entity for federal income tax purposes. Each Fund has qualified and intends to continue to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code, as amended, and to distribute substantially all of its taxable net investment income and net realized gains, if any, to its shareholders. Accordingly, no provision for federal income or excise tax is required for the Funds, although shareholders may be taxed on distributions they receive.

Management of the Funds has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the last four tax year ends and the interim tax period since then, as applicable). Management believes that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken. Management's conclusions may be subject to future review based on changes in, or interpretation of, accounting standards or tax laws and regulations.

Recent Accounting Pronouncements:

In October 2016, the Securities and Exchange Commission (SEC) released its Final Rules on Investment Company Reporting Modernization (the "Rules"). The Rules introduce two new regulatory reporting forms for investment companies - Form N-PORT and Form N-CEN - and also contain amendments to Regulation S-X which require standardized, enhanced disclosures about derivatives in investment company financial statements, as well as other amendments. Money market funds, including the Funds, will not be required to report on Form N-PORT. The amendments to Regulation S-X became effective for filings made with the SEC after August 1, 2017. The Funds' adoption of these amendments, effective with the financial statements prepared as of October 31, 2017, required additional disclosures reflected herein, but had no effect on the Funds' net assets or results of operations.

3. Investment Valuation Summary

The valuation techniques employed by the Funds, as described below, maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. The Funds' investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The inputs used for valuing the Funds' investments are summarized in the three broad levels listed below:

- Level 1—quoted prices in active markets for identical assets
- Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayments speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the fair value hierarchy. The Trust's policy is to disclose transfers between fair value hierarchy levels based on valuations at the end of the reporting period. There were no transfers during the year ended October 31, 2017. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Investments of the Funds are valued using the amortized cost method pursuant to Rule 2a-7 under the Act, which approximates fair value, and are typically categorized as Level 2 in the fair value hierarchy. The amortized cost method involves valuing an instrument at its cost initially and thereafter assuming a constant amortization to maturity of any discounts or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. The amortized cost method may result in periods during which value, as determined by amortized cost, is higher or lower than the price a Fund holding the instrument would receive if it sold the instrument. The fair value of securities in the Funds can be expected to vary with changes in prevailing interest rates.

Repurchase agreements are valued at original cost and are typically categorized as Level 2 in the fair value hierarchy.

For the period ended October 31, 2017, there were no Level 3 investments for which significant unobservable inputs were used to determine fair value. As of October 31, 2017, all investments were categorized as Level 2 in the fair value hierarchy. The breakdown of investment categorization is disclosed in the Schedule of Portfolio Investments for each Fund.

4. Related Party Transactions and Other Agreements and Plans:

Investment Management:

HSBC Global Asset Management (USA) Inc. ("HSBC" or the "Investment Adviser"), a wholly owned subsidiary of HSBC Bank USA, N.A., a national bank organized under the laws of the United States, acts as Investment Adviser to the Funds. As Investment Adviser, HSBC manages the investments of the Funds and continuously reviews, supervises and administers the Funds' investments pursuant to an Investment Advisory Contract. For its services in this capacity, HSBC receives a fee from each Fund, accrued daily and paid monthly, based on the average daily net assets of each respective Fund, at an annual rate of 0.10%.

HSBC also provides operational support services to the Funds pursuant to an Operational Support Services Agreement. For its services in this capacity, HSBC is entitled to receive a fee, accrued daily and paid monthly, based on the average daily net assets of Class A Shares, Class C Shares, Class D Shares, Intermediary Class Shares, Intermediary Service Class Shares and Class Y Shares, at an annual rate of 0.10%.

The Bank of New York Mellon (the "Servicer") provides recordkeeping, reporting and processing services to the Class I Shares of the Funds. The Servicer is paid by the Investment Adviser and not by the Funds, for these services.

Administration:

HSBC also serves the Funds as Administrator. Under the terms of the Administration Services Agreement, HSBC receives from the Funds (as well as other funds in the Trust combined) a fee, accrued daily and paid monthly, at an annual rate of:

<u>Based on Average Daily Net Assets of</u>	<u>Fee Rate(%)</u>
Up to \$10 billion	0.0400
In excess of \$10 billion but not exceeding \$20 billion	0.0350
In excess of \$20 billion but not exceeding \$50 billion	0.0265
In excess of \$50 billion	0.0245

The fee rates and breakpoints are determined on the basis of the aggregate average daily net assets of the Trust. For the year ended October 31, 2017, the effective annualized rate was 0.039%, prior to any fee waivers or expense reimbursements, based on the average daily net assets of the Trust. The total administration fee paid to HSBC is allocated to each series based upon its proportionate share of the aggregate net assets of the Trust, subject to certain allocations in cases where one fund invests some or all of its assets in another fund.

Pursuant to a Sub-Administration Services Agreement with HSBC, Citi Fund Services Ohio, Inc. (“Citi”), a wholly-owned subsidiary of Citigroup, Inc., serves as the Trust’s Sub-Administrator. For these services, Citi is entitled to a fee, payable by HSBC, at an annual rate equivalent to the fee rates set forth above subject to certain reductions associated with services provided to new funds, minus 0.02% which is retained by HSBC.

Under a Compliance Services Agreement between the Trust and Citi (the “CCO Agreement”), Citi makes an employee available to serve as the Trust’s Chief Compliance Officer (the “CCO”). Under the CCO Agreement, Citi also provides infrastructure and support in implementing the written policies and procedures comprising the Trust’s compliance program, including support services to the CCO. For the services provided under the CCO Agreement, the Trust paid Citi \$312,739 for the year ended October 31, 2017, plus reimbursement of certain out-of-pocket expenses. Expenses incurred by each Fund are reflected on the Statements of Operations as “Compliance Services.” Citi pays the salary and other compensation earned by individuals performing these services, as employees of Citi.

Distribution Arrangements:

On May 31, 2017, Foreside Distribution Services, L.P. (“Foreside”) announced that Lovell Minnick Partners, LLC completed its acquisition of a majority interest in Foreside Financial Group, LLC, an indirect parent of Foreside. Foreside serves the Trust as Distributor (the “Distributor”). The Trust has adopted a non-compensatory Distribution Plan and Agreement (the “Distribution Plan”) pursuant to Rule 12b-1 of the Act. The Distribution Plan provides for reimbursement of expenses incurred by the Distributor related to distribution and marketing, at a rate not to exceed 0.25%, 1.00% and 0.25% of the average daily net assets of Class A Shares (currently not being charged), Class C Shares (currently charging 0.75%) and Class D Shares (currently not being charged) of the Funds, respectively. For the year ended October 31, 2017, Foreside, as Distributor, also received \$4,154 in commissions from sales of the Trust, of which \$3 were reallocated to HSBC-affiliated brokers and dealers.

Expenses reduced during the year ended October 31, 2017 are reflected on the Statements of Operations as “Fees voluntarily reduced by Distributor.”

Shareholder Servicing:

The Trust has adopted a Shareholder Services Plan, which provides for payments to shareholder servicing agents (which includes HSBC and its affiliates) for providing various shareholder services. As disclosed in the Statements of Operations, for the current fiscal period certain amounts of the Shareholder Servicing Fees have been waived by those shareholder servicing agents, including HSBC and its affiliates. Expenses reduced during the year ended October 31, 2017 are reflected on the Statements of Operations as “Fees voluntarily reduced by Shareholder Servicing Agent.” For performing these services, the shareholder servicing agents receive a fee that is computed daily and paid monthly up to the following:

<u>Share Class</u>	<u>Fee Rate(%)</u>
Class A Shares	0.60%*
Class C Shares	0.25%
Class D Shares	0.25%
Class E Shares	0.10%
Intermediary Class Shares	0.05%
Intermediary Service Class Shares.....	0.10%

* Currently charging 0.40%

The aggregate fees paid to the Distributor pursuant to the Distribution Plan and to shareholder servicing agents pursuant to the Shareholder Services Plan may not exceed, in the aggregate, the following:

<u>Share Class</u>	<u>Fee Rate(%)</u>
Class A Shares	0.60%
Class C Shares	1.00%
Class D Shares	0.25%
Class E Shares	0.10%
Intermediary Class Shares	0.05%
Intermediary Service Class Shares.....	0.10%

The Trust has entered into shareholder services contracts with affiliated and unaffiliated financial intermediaries who provide shareholder services and other related services to their clients or customers who invest in the Funds under which the Funds will pay all or a portion of such fees earned to financial intermediaries for performing such services.

Fund Accounting and Transfer Agency:

Citi provides fund accounting services for each Fund. As fund accountant, Citi receives an annual fee per Fund and share class, subject to certain minimums and reimbursements of certain expenses. Citi receives additional fees paid by the Trust for regulatory administration services and money market fund reporting services. Boston Financial Data Services, Inc. (“BFDS”) provides transfer agency services for each Fund. As transfer agent, BFDS receives a fee based on the number of funds and shareholder accounts, subject to certain minimums, and reimbursement of certain expenses.

Independent Trustees:

The Trust pays an annual retainer to each Independent Trustee, plus additional annual retainers to each Committee Chair and the Chairman of the Board. The Independent Trustees also receive a fee for each regular, special in-person, and telephonic meeting of the Board attended. The aggregate amount of the fees and expenses of the Independent Trustees are allocated amongst all the funds in the Trust and are presented in the Statements of Operations.

Fee Reductions:

The Investment Adviser has agreed to contractually limit through March 1, 2018 the total annual expenses, exclusive of interest, taxes, brokerage commissions and extraordinary expenses, of certain classes of the Funds. Each Fund Class has its own expense limitations based on the average daily net assets for any full fiscal year as follows:

<u>Fund</u>	<u>Class</u>	<u>Contractual Expense Limitations(%)</u>
U.S. Government Money Market Fund	E	0.25
U.S. Government Money Market Fund	I	0.20
U.S. Treasury Money Market Fund	E	0.25
U.S. Treasury Money Market Fund	I	0.20

Any amounts contractually waived or reimbursed by the Investment Adviser will be subject to repayment by the respective Fund to the Investment Adviser within three years calculated monthly from when the waiver or reimbursement is recorded 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. Effective December 14, 2017, the Investment Adviser has agreed to contractually limit through March 1, 2019, the total annual expenses of each Fund, exclusive of interest, taxes, brokerage commissions, extraordinary expenses and estimated indirect expenses attributable to each Fund’s investments in investment companies, to an annual rate of 0.18% and 0.20% for Intermediary Shares and Intermediary Service Shares, respectively. At October 31, 2017, there were no remaining contractual reimbursements that are subject to repayment by the Funds in subsequent years.

The Administrator and Citi may voluntarily waive/reimburse fees to help support the expense limits of the Funds. In addition, HSBC, in its role as Investment Adviser and Administrator, may waive/reimburse additional fees at its discretion. Any voluntary fee waivers/reimbursements are not subject to recoupment in subsequent fiscal periods. Voluntary waivers/reimbursements may be stopped at any time. Amounts waived/reimbursed by the Investment Adviser Administrator and Citi as Sub-Administrator are reported separately on the Statements of Operations, as applicable.

During the year ended October 31, 2017, the following amounts of expenses were waived:

<u>Fund</u>	<u>Class A (\$)</u>	<u>Class B (\$)</u>	<u>Class C (\$)</u>	<u>Class D (\$)</u>	<u>Class E (\$)</u>	<u>Class I (\$)</u>	<u>Class Y (\$)</u>	<u>Intermediary Class (\$)</u>	<u>Intermediary Service Class (\$)</u>
U.S. Government Money Market Fund	1,449	185	—	1,036,313	2	3,797,795	1,207,632	75,418	43,667
U.S. Treasury Money Market Fund	—	—	—	146,117	—	337,032	384,505	—	36,552

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce the Funds’ custodian expenses. Expenses reduced during the year ended October 31, 2017 are reflected on the Statements of Operations as “Custody earnings credits,” as applicable.

Overdraft Facility:

The Funds have entered into an arrangement with their custodian bank (The Northern Trust Company) whereby an uncommitted, secured overdraft facility is made available to meet unanticipated end-of-day liquidity needs of the Funds which cannot be fulfilled by trading activities. The interest rate on overdraft amounts is calculated at an annual rate of 0.50% plus the Federal Funds Rate. The overdraft facility is limited to \$750,000,000 and \$50,000,000 for the U.S. Government Money Market Fund and the U.S. Treasury Money Market Fund, respectively.

HSBC FAMILY OF FUNDS

Notes to Financial Statements—as of October 31, 2017 (continued)

5. Federal Income Tax Information:

At October 31, 2017, the cost basis of investments for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation/depreciation were as follows:

	Tax Cost (\$)	Tax Unrealized Appreciation (\$)	Tax Unrealized Depreciation (\$)	Net Unrealized Appreciation/Depreciation (\$)
U.S. Government Money Market Fund	11,438,053,600	—	—	—
U.S. Treasury Money Market Fund	2,417,908,675	—	—	—

The tax character of distributions paid by the Funds for the tax year ended October 31, 2017, was as follows:

	Distributions paid from				
	Ordinary Income (\$)	Net Long Term Capital Gains (\$)	Total Taxable Distributions (\$)	Return of Capital (\$)	Total Distributions Paid (\$) ⁽¹⁾
U.S. Government Money Market Fund	62,438,599	—	62,438,599	—	62,438,599
U.S. Treasury Money Market Fund	9,690,876	—	9,690,876	—	9,690,876

(1) Total distributions paid may differ from the amount reported in the Statement of Changes in Net Assets because distributions are recognized when actually paid for tax purposes.

The tax character of distributions paid by the Funds for the tax year ended October 31, 2016, was as follows:

	Distributions paid from				
	Ordinary Income (\$)	Net Long Term Capital Gains (\$)	Total Taxable Distributions (\$)	Return of Capital (\$)	Total Distributions Paid (\$) ⁽¹⁾
U.S. Government Money Market Fund	6,777,535	5,589	6,783,124	—	6,783,124
U.S. Treasury Money Market Fund	800,318	—	800,318	—	800,318

(1) Total distributions paid may differ from the amount reported in the Statement of Changes in Net Assets because distributions are recognized when actually paid for tax purposes.

As of the tax year ended October 31, 2017, the components of accumulated earnings/(deficit) on a tax basis for the Funds were as follows:

	Undistributed Ordinary Income (\$)	Undistributed Long Term Capital Gains (\$)	Accumulated Earnings (\$)	Distributions Payable (\$)	Accumulated Capital and Other Losses (\$)	Unrealized Appreciation/Depreciation (\$)	Total Accumulated Earnings/Deficit (\$)
U.S. Government Money Market Fund	3,838,545	12,281	3,850,826	(3,820,227)	—	—	30,599
U.S. Treasury Money Market Fund	388,439	—	388,439	(383,924)	(6,519)	—	(2,004)

As of the tax year ended October 31, 2017, the U.S. Treasury Money Market Fund has net capital loss carryforwards (“CLCFs”) not subject to expiration as summarized in the table below. The Board does not intend to authorize a distribution of any realized gain for the Fund until any applicable CLCF has been offset or expires.

	Short Term Amount (\$)	Long Term Amount (\$)	Total (\$)
U.S. Treasury Money Market Fund	6,519	—	6,519

Under current law, capital losses and specified ordinary losses realized after October 31 and non-specified ordinary losses incurred after December 31 (ordinary losses collectively known as “late year ordinary loss”) may be deferred and treated as occurring on the first business day of the following fiscal year. As of the tax year ended October 31, 2017, the Funds had no deferred losses.

The amount and character of net investment income and net realized gains distributed are determined in accordance with federal income tax regulations, which may differ from GAAP. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature (e.g., reclassification of market discounts, certain gain/loss, and certain distributions), such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences (e.g., wash losses and post-October loss deferrals) do not require reclassification. To the extent distributions to shareholders from net investment income and net realized gains exceed net investment income and net realized gains for tax purposes, they are reported as distributions of capital.

6. Significant Shareholders:

Shareholders, including other funds, individuals, and accounts, as well as the Fund’s investment manager(s) and/or investment personnel, may from time to time own (beneficially or of record) a significant percentage of the Fund’s Shares and can be considered to “control” the Fund when that ownership exceeds 25% of the Fund’s assets (and which may differ from control as determined in accordance with GAAP).

The following list includes the Funds which had individual shareholder accounts with ownership of voting securities greater than 10% of the total outstanding voting securities but less than 25% and/or accounts with ownership of voting securities greater than 25% of the total outstanding voting securities. Significant transactions by these shareholder accounts may negatively impact the Funds’ performance.

Fund	Number of shareholders with ownership of voting securities of the Portfolio greater than 10% and less than 25% of the total Portfolio’s outstanding voting securities	% owned in aggregate by 10% - 25% shareholders	Number of shareholders with ownership of voting securities of the Portfolio greater than 25% of the total Portfolio’s outstanding voting securities	% owned in aggregate by greater than 25% shareholders
U.S. Government Money Market Fund	—	—	2	50% ^(a)
U.S. Treasury Money Market Fund	—	—	1	81% ^(b)

(a) 25% owned by the Investment Adviser or an affiliate

(b) 81% owned by the Investment Adviser or an affiliate

7. Business Combinations:

On October 7, 2016, the U.S. Government Money Market Fund acquired all of the assets and assumed all of the liabilities of the HSBC Prime Money Market Fund (“Prime Money Market Fund”), an open-end investment company, pursuant to a plan of reorganization approved by the Board on September 7, 2016. The purpose of the transaction was to combine two funds with substantially similar investment policies and strategies. The acquisition was accomplished by a tax-free exchange of 521,737,290 shares of the U.S. Government Money Market Fund, valued at \$521,737,290, for all of the assets and the assumption of the liabilities (net assets of \$521,737,290) of the Prime Money Market Fund on October 7, 2016. The investment portfolio of the Prime Money Market Fund, with an amortized cost of \$430,000,000, which approximates the fair value at October 7, 2016, was the principal asset acquired by the U.S. Government Money Market Fund. For financial reporting purposes, assets received and shares issued by the U.S. Government Money Market Fund were recorded at amortized cost which approximates fair value; and the amortized cost basis of the investments received from the Prime Money Market Fund was carried forward to align ongoing reporting of the U.S. Government Money Market Fund. Immediately prior to the merger, the net assets of the U.S. Government Money Market Fund were \$8,728,801,871.

8. Subsequent Events:

Management has evaluated subsequent events through the date these financial statements were issued. Based on the evaluation, no adjustments or additional disclosures were required to the financial statements as of October 31, 2017.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of HSBC Funds and Shareholders of HSBC U.S. Government Money Market Fund and HSBC U.S. Treasury Money Market Fund

In our opinion, the accompanying statements of assets and liabilities, including the schedules of portfolio investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of HSBC U.S. Government Money Market Fund and HSBC U.S. Treasury Money Market Fund (two of the portfolios constituting HSBC Funds, hereafter referred to as the "Fund") as of October 31, 2017, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of October 31, 2017 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The financial statements as of and for the year ended October 31, 2014 and the financial highlights for each of the periods ended on or prior to October 31, 2014 (not presented herein, other than the financial highlights) were audited by other auditors whose report dated December 23, 2014 expressed an unqualified opinion on those financial statements and financial highlights.

PricewaterhouseCoopers LLP
New York, New York
December 21, 2017

HSBC FAMILY OF FUNDS

Other Federal Income Tax Information— as of October 31, 2017 (Unaudited)

During the year ended October 31, 2017, the following Funds declared capital gain distributions:

	<u>Short Term Capital Gain Distributions (\$)</u>	<u>Long Term Capital Gain Distributions (\$)</u>
U.S. Government Money Market Fund	110,570	—
U.S. Treasury Money Market Fund	13,252	—

During the year ended October 31, 2017, the following Funds designated the maximum amount allowable as interest-related dividends for certain non-U.S. resident investors:

Qualified Interest Income (%)

U.S. Government Money Market Fund	100.00
U.S. Treasury Money Market Fund	100.00

Table of Shareholder Expenses— as of October 31, 2017 (Unaudited)

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchases, redemption fees and exchange fees; and (2) ongoing costs, including management fees, distribution fees and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare the cost with the ongoing costs of investing in other mutual funds.

These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from May 1, 2017 through October 31, 2017.

Actual Example

The table below provides information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

		Beginning Account Value 5/1/17	Ending Account Value 10/31/17	Expenses Paid During Period* 5/1/17 - 10/31/17	Annualized Expense Ratio During Period 5/1/17 - 10/31/17
U.S. Government Money					
Market Fund	Class A Shares	\$1,000.00	\$1,001.90	\$3.18	0.63%
	Class D Shares	1,000.00	1,002.70	2.42	0.48%
	Class E Shares**	1,000.00	1,001.30	0.64	0.23%
	Class I Shares	1,000.00	1,004.50	0.61	0.12%
	Intermediary Class Shares	1,000.00	1,004.20	0.91	0.18%
	Intermediary Service Class Shares	1,000.00	1,004.10	1.01	0.20%
	Class Y Shares	1,000.00	1,003.90	1.16	0.23%
U.S. Treasury Money					
Market Fund	Class D Shares	1,000.00	1,002.40	2.52	0.50%
	Class E Shares**	1,000.00	1,001.00	0.70	0.25%
	Class I Shares	1,000.00	1,004.20	0.71	0.14%
	Intermediary Class Shares	1,000.00	1,002.60	0.91	0.18%
	Intermediary Service Class Shares	1,000.00	1,003.90	1.01	0.20%
	Class Y Shares	1,000.00	1,003.60	1.26	0.25%

* Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratio, multiplied by 184/365 (to reflect the one half year period).

** Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratio, multiplied by 102/365 (to reflect the stub period May 1, 2017 to August 10, 2017).

HSBC FAMILY OF FUNDS

Table of Shareholder Expenses—as of October 31, 2017 (Unaudited) (continued)

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

		Beginning Account Value 5/1/17	Ending Account Value 10/31/17	Expenses Paid During Period* 5/1/17 - 10/31/17	Annualized Expense Ratio During Period 5/1/17 - 10/31/17
U.S. Government Money					
Market Fund	Class A Shares	\$1,000.00	\$1,022.03	\$3.21	0.63%
	Class D Shares	1,000.00	1,022.79	2.45	0.48%
	Class E Shares	1,000.00	1,024.60	1.17	0.23%
	Class I Shares	1,000.00	1,024.60	0.61	0.12%
	Intermediary Class Shares	1,000.00	1,024.30	0.92	0.18%
	Intermediary Service Class Shares	1,000.00	1,024.20	1.02	0.20%
	Class Y Shares	1,000.00	1,024.05	1.17	0.23%
U.S. Treasury Money					
Market Fund	Class D Shares	1,000.00	1,022.68	2.55	0.50%
	Class E Shares	1,000.00	1,023.95	1.28	0.25%
	Class I Shares	1,000.00	1,024.50	0.71	0.14%
	Intermediary Class Shares	1,000.00	1,024.30	0.92	0.18%
	Intermediary Service Class Shares	1,000.00	1,024.20	1.02	0.20%
	Class Y Shares	1,000.00	1,023.95	1.28	0.25%

* Expenses are equal to the average account value over the period, multiplied by the Fund's annualized expense ratio, multiplied by 184/365 (to reflect the one half year period).

MANAGEMENT OF THE TRUST

The following table contains information regarding the HSBC Family of Funds' Board of Trustees ("Trustees"). The HSBC Family of Funds' Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request by calling (888) 525-5757.

Name, Address, Age	Position(s) Held with Funds	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Portfolios in Fund Complex Overseen By Trustee*	Other Directorships Held by Trustee During Past 5 Years
NON-INTERESTED TRUSTEES					
MARCIA L. BECK P.O. Box 182845 Columbus, OH 43218-3035 Age: 62	Trustee	Indefinite; 2008 to present	Private Investor (1999 – present)	13	None
SUSAN C. GAUSE P.O. Box 182845 Columbus, OH 43218-3035 Age: 65	Trustee	Indefinite; 2013 to present	Private Investor (2003 - present)	13	Metropolitan Series Fund (2012 – present); and Met Investors Series Trust (2008 – present)
SUSAN S. HUANG P.O. Box 182845 Columbus, OH 43218-3035 Age: 63	Trustee	Indefinite; 2008 to present	Private Investor (2000 - present)	13	None
THOMAS F. ROBARDS P.O. Box 182845 Columbus, OH 43218-3035 Age: 71	Chairman and Trustee	Indefinite; 2005 to present	Private Investor (2003 - present)	13	Ellington Residential Mortgage REIT (NYSE listed real estate investment trust) (2013 – present); Ellington Financial LLC (NYSE listed financial services company) (2007 – present); and Overseas Shipholding Group (OSG) (NYSE listed company) (2005 – 2014)
INTERESTED TRUSTEE					
DEBORAH HAZELL 452 Fifth Avenue New York NY 10018 Age: 54	Trustee	Indefinite; 2011 to present	Director and Chief Executive Officer, HSBC Global Asset Management (USA) Inc. (2011 - present); President and Chief Executive Officer, Fisher Francis Trees & Watts ("FFTW") (investment adviser) (2008 - 2011)	13	None

* Includes all series of the HSBC Funds.

HSBC FAMILY OF FUNDS

Board of Trustees and Officers (Unaudited) (continued)

Name, Address, Age	Position(s) Held Funds	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
OFFICERS			
RICHARD A. FABIETTI 452 Fifth Avenue New York, NY 10018 Age: 59	President	One year; 2004 to present	Senior Vice President, HSBC Global Asset Management (USA) Inc. (1998 - present)
JAMES D. LEVY 452 Fifth Avenue New York, NY 10018 Age: 54	Vice President	One year; 2014 to present	Vice President, Product Management, HSBC Global Asset Management (USA) Inc. (2014 – present); Vice President, Mutual Funds Product Development, GE Asset Management Inc. (2007 – 2014)
ALLAN SHAER* Prudential Center 800 Boylston Street, 24th Floor Boston, MA 02199 Age: 52	Treasurer	One year; 2017 to present	Senior Vice President, Citi Investor Services (2016 - present); Vice President, Mutual Fund Administration, JP Morgan Chase (2011 - 2016)
IOANNIS TZOUGANATOS* Prudential Center 800 Boylston Street, 24th Floor Boston, MA 02199 Age: 41	Secretary	One Year; 2015 to present	Vice President, Regulatory Administration, Citi Fund Services (2008 - present)
CHARLES BOOTH* 4400 Easton Commons, Suite 200 Columbus, OH 43219-3035 Age: 57	Chief Compliance Officer	One year; 2015 to present	Director and Compliance Officer, CCO Services, Citi Fund Services (1988 - present)

* Mr. Shaer, Mr. Tzouganatos, and Mr. Booth also are officers of other investment companies of which Citi (or an affiliate) is the administrator or sub-administrator.

Other Information (Unaudited):

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30th is available (i) without charge, upon request, by calling 1-800-525-5757 for HSBC Bank USA and HSBC Brokerage (USA) Inc. clients and 1-800-782-8183 for all other shareholders; (ii) on the Funds' website at www.investorfunds.us.hsbc.com; and (iii) on the Security and Exchange Commission's ("Commission") website at <http://www.sec.gov>.

The Funds file their complete schedules of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the Commission's website at <http://www.sec.gov>. The Funds' Forms N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Funds' Schedules of Investments will be available no later than 60 days after each period end, without charge, on the Funds' website at www.investorfunds.us.hsbc.com.

An investment in a Fund is not a deposit of HSBC Bank USA, National Association, and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

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HSBC FAMILY OF FUNDS:**INVESTMENT ADVISER AND ADMINISTRATOR**

HSBC Global Asset Management (USA) Inc.
 452 Fifth Avenue
 New York, NY 10018

SHAREHOLDER SERVICING AGENTS

For HSBC Bank USA, N.A. and
 HSBC Securities (USA) Inc. Clients:
 HSBC Bank USA, N.A.
 452 Fifth Avenue
 New York, NY 10018
 1-888-525-5757

For All Other Shareholders:

HSBC Funds
 P.O. Box 8106
 Boston, MA 02266-8106
 1-800-782-8183

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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 300 Madison Avenue
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LEGAL COUNSEL

Dechert LLP
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Investors should consider the investment objectives, risks, charges, and expenses of the investment company carefully before investing. The prospectus contains this and other important information about the investment company. For clients of HSBC Securities (USA) Inc., please call 1-888-525-5757 for more information. For other investors and prospective investors, please call the Funds directly at 1-800-782-8183 or visit our website at www.investorfunds.us.hsbc.com. Investors should read the prospectus carefully before investing or sending money.