

HSBC Global Asset Management (USA) Inc.

HSBC Funds

Annual Report

October 31, 2016

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

HSBC Family of Funds

Annual Report - October 31, 2016

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Bloomberg Barclays Emerging Markets USD Aggregate Index is a flagship hard currency Emerging Markets debt benchmark that includes fixed and floating-rate US dollar-denominated debt issued from sovereign, quasi-sovereign, and corporate EM issuers.

Bloomberg Barclays Euro Aggregate Bond Index is a broad-based flagship benchmark that measures the investment-grade, euro-denominated, fixed-rate bond market, including treasuries, government-related, corporate, and securitized issues.

Bloomberg Barclays Global Aggregate Index is a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.

Bloomberg Barclays Global High Yield Index is a multi-currency flagship measure of the global high-yield debt market. The index represents the union of the U.S. High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive.

Bloomberg Barclays U.S. Corporate High-Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes Emerging Markets debt.

Bloomberg Barclays U.S. Aggregate Bond Index is an index generally representative of investment-grade, USD-denominated, fixed-rate debt issues, taxable bond market, including Treasuries, government-related and corporate securities, asset-backed, mortgage-backed and commercial mortgage-backed securities, with maturities of at least one year.

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

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 Brazil Index measures the performance of the large- and mid-cap segments of the Brazilian market. With 60 constituents, the index covers about 85% of the Brazilian equity universe.

MSCI Europe Australasia and Far East ("MSCI EAFE") Index is an equity index which captures the large- and mid-cap representation across 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 (excluding the US and Canada).

MSCI Emerging Markets ("MSCI EM") Index is an index that captures the large- and mid-cap representation across 23 emerging markets countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

MSCI Golden Dragon Index captures the equity market performance of large- and mid-cap China securities (H shares, B shares, Red-Chips and P-Chips) and non-domestic China securities listed in Hong Kong and Taiwan.

MSCI World Index is part of a broad global equity benchmark that represents large- and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI World benchmark does not offer exposure to emerging markets.

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 remained resilient over the 12 month period from November 1, 2015, through October 31, 2016, even as a wide range of developments challenged its stability and exposed weaknesses.

Concern about slowing global economic growth was a central theme early in the period, as low commodity prices and weak economic data in major developed economies dragged on equity markets. Conditions improved in mid-February 2016, however, as oil prices rose and the Chinese economy showed signs of stabilization. Supportive monetary policies from the European Central Bank (ECB) and several other central banks also helped send stocks higher. The U.K.'s June Brexit referendum shocked global markets, but a swift recovery reversed losses in most markets before the end of the period.

In December 2015, the U.S. Federal Reserve raised its federal funds rate 25 basis points (0.25%) from a target range of 0.00% to 0.25% to a range of 0.25% to 0.50%. The Fed then adopted a more "dovish" outlook in 2016, softening its rate-hiking stance and postponing further rate increases.

U.S. gross domestic product growth (GDP¹) slowed in the first three quarters of the period. Preliminary estimates point to more rapid but still modest growth in the third quarter of 2016. Economic data in the U.S. was mixed for much of the 12-month period, with positive signs of general health in the labor and housing markets.

European economies saw steady but slow growth. Quarterly GDP growth in the euro zone peaked at 0.5% during the period as improving labor markets, rising personal consumption and increasing manufacturing activity were offset by political uncertainty and weak global demand. The ECB maintained its accommodative monetary policy and implemented new stimulus measures that included broad interest rate cuts and incentives for banks to lend.

In the first few months of the period, Chinese industrial overcapacity drove down demand and prices for commodities, helping extend a multi-year slump in the asset class that began in 2014. Commodities-dependent countries such as Russia and Brazil were particularly vulnerable in this environment. However, this dynamic shifted early in 2016 as commodities began to recover and trended upwards for the remainder of the period.

The Bank of Japan shifted strategies in September after several years of quantitative easing, launching a new plan to maintain long-term interest rate targets. The new tactic was preceded one month earlier by President Shinzo Abe's announcement of new stimulus measures valued at \$276 billion.

Rising prices for oil and other commodities, such as iron ore, provided a boost to many emerging economies in early 2016, including Russia and Brazil. Yet the Russian economy continued to experience meager growth in the wake of heightened Western sanctions. Meanwhile, the Brazilian economy struggled with a recession and ongoing political turmoil and the impeachment trial of President Dilma Rousseff. Brazilian equities still managed to post strong gains in the final months of the period as Rousseff's successor, Michel Temer, introduced a market-friendly economic program.

Global inflation remained low during the period. A strong U.S. dollar encouraged U.S. imports and discouraged exports. The strong dollar also created a challenging environment for countries that hold high levels of debt denominated in the U.S. dollar, such as Mexico and Turkey.

Market Review

Global equity delivered mixed results for the period. Stocks lost ground twice early in the period: once during the first four months of the period and then again after the June Brexit vote. Equity markets rebounded after both market corrections, and by early September, some major equity indexes were hitting 52-week highs.

Emerging market equities outperformed developed market equities in three of the four quarters during the period and for the period overall. The strong performance for these stocks was fueled by rising commodity prices, accommodative monetary policy, and a return to risk-on sentiment among investors attracted by long-term growth prospects and attractive valuations. The MSCI Emerging Market Index¹ returned 9.27% over the period while the MSCI EAFE Index¹ of international stocks in developed markets returned -3.23% and the MSCI World Index¹ returned 1.18%.

Brazilian stocks soared during the period, with the MSCI Brazil Index¹ gaining more than 71.23% on that nation's new economic plan. Asian emerging market gains were less dramatic, with the MSCI Golden Dragon Index¹ of large- and mid-cap securities in China, Hong Kong, and Taiwan climbing 6.96%.

U.S. equities posted modest gains during the period; the S&P 500 Index¹ of large-company stocks returned 4.51%. U.S. economic fundamentals generally improved throughout the period.

Japanese stocks declined during the first half of the period and plummeted after the June Brexit vote, only to rebound strongly enough to end the period with a modest gain. European stocks lost ground overall during the period.

The low-rate environment supported prices on U.S. government and corporate issues for much of the 12-month period. Rates on U.S. Treasuries rose modestly from early July 2016 through the end of the period in response to improving economic data and increasingly hawkish commentary from the Fed.

The Bloomberg Barclays U.S. Aggregate Bond Index¹, which tracks the broad U.S. investment-grade fixed income market, returned 4.37% for the 12-month period through October 31, 2016. Meanwhile the Bloomberg Barclays U.S. Corporate High-Yield Index¹ gained 10.14% during the same time.

Global fixed income markets posted significant gains during the period as well. The Bloomberg Barclays Global Aggregate Index¹ gained 6.44% for the 12-month period through October 31, 2016, while the Bloomberg Barclays Global High Yield Index¹ gained 9.83%.

Fixed income markets in Europe posted modest gains for the period. Increased monetary stimulus from the ECB supported demand for high-yield bonds, helping fixed income markets stabilize in the aftermath of the Brexit vote. The Bloomberg Barclays Euro Aggregate Bond Index¹ returned 3.72%.

Emerging markets debt rallied during the period as investors became increasingly tolerant of risk in search of yield and returns. The Bloomberg Barclays Emerging Markets USD Aggregate Index¹ returned 10.23% during the 12-month period.

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

HSBC U.S. Government Money Market Fund

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

by John Chioldi
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

An investment in the Fund is not insured or guaranteed by the FDIC or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

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 period ended October 31, 2016.

Early in the period (December 2015), the Federal Reserve Board (the Fed) raised the target range for its key short-term interest rate for the first time in almost a decade. That rate rose from a range of 0.00% to 0.25% to a range of 0.25% to 0.50%. The Fed noted that the small increase was likely the first in a series of modest interest rate hikes, pending signs of improvement in the domestic and global economies. However, less-than-impressive economic performance through October

2016 convinced the Fed to leave interest rates unchanged for the duration of the period.

Treasury yields had already priced in the first December rate hike, along with additional rate increases that they assumed would follow. The Fund benefited from a steepening of the yield curve during the first half of the period. We added Treasury coupons that matured in July and August; those securities earned a rate of interest that priced in at least two additional rate hikes, though those increases never ultimately happened.

In the second half of the period, pending money market reforms led to increased demand for government bonds, which kept yields artificially low. As a response, the Fund bought floating rate notes pegged to LIBOR⁷, which rose during the period, thus providing higher yields to the Fund. This barbell-like strategy reduced the impact of those pending reforms on the Fund.[†]

The HSBC U.S. Prime Money Market Fund merged with and into the Fund in the last month of the reporting period. The move had no material effect on the Fund's performance.[†]

† 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, 2016									
Class A	5/3/90	0.02	0.02	0.70	2.60	0.01	0.68	0.68	
Class B ⁴	9/11/98	-3.99	0.02	0.65	1.47	0.01	1.28	1.28	
Class C ⁵	11/20/06	—	—	—	1.39	—	1.28	1.28	
Class D	4/1/99	0.02	0.02	0.73	1.64	0.01	0.53	0.53	
Class E	7/12/16	—	—	—	0.11	0.18	0.28	0.28	
Class I ⁶	12/24/03	0.21	0.06	—	1.01	0.31	0.18	0.18	
Intermediary Class	7/12/16	—	—	—	0.11	0.25	0.33	0.33	
Intermediary Service Class	7/12/16	—	—	—	0.10	0.25	0.38	0.38	
Class Y	7/1/96	0.12	0.04	0.81	2.23	0.18	0.28	0.28	
Lipper U.S. Government Money Market Funds Average ⁷	—	0.03	0.02	0.74	2.66 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 -0.29%, -0.89%, -0.14%, 0.11%, 0.21%, 0.06%, 0.01% and 0.11% for Class A Shares, Class B Shares, Class D Shares, Class E 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, 2016. Additional information pertaining to the October 31, 2016 expense ratios can be found in the financial highlights.
- ⁴ Reflects the applicable contingent deferred sales charge, maximum of 4.00%, for returns presented.
- 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 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 and 2016. No returns are presented for the one-year, five-year and 10-year periods 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 2016. No returns are presented for the 10-year period with non-continuous operations.
- ⁷ For additional information, please refer to the Glossary of Terms.
- ⁸ Return for the period April 30, 1990 to October 31, 2016.

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 Chioldi
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

An investment in the Fund is not insured or guaranteed by the FDIC or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. The Fund's income may be subject to the federal alternative minimum tax and to certain state and local taxes.

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 for its federal funds rate (a short-term interest rate that significantly influences Treasury bill yields) in December 2015. As a result, Treasury bill yields increased during the reporting period ended October 31, 2016.

Following that rate increase, the Fed implied that there may be additional increases to come. However, less-than-impressive economic performance, caused the Fed to leave the rate unchanged for the rest of the reporting period.

The typical year-end demand—and the resulting dip in yield—for Treasury bills from hedge funds and other institutional investors did not materialize at the end of 2015. This allowed the Fund to benefit in the first half of the period from the improving performance on its shorter-term issues. The Fund also benefited from the addition of floating rate bonds throughout the reporting period, as these issues performed well in a rising rate environment.

In the second half of the period, regulatory money market reforms led some investors out of the market, which in turn led to an increased supply of short-term Treasury bills. As a result, yields rose, which benefited the Fund during the latter half of the period[†]

[†] 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, 2016								
Class A ⁴	5/24/01	—	—	—	1.08	—	0.69	0.69
Class C ⁵	12/24/03	—	—	—	0.04	—	1.29	1.29
Class D	5/14/01	0.00	0.00	0.59	0.98	0.00	0.54	0.54
Class E	7/12/16	—	—	—	0.11	0.36	0.29	0.29
Class I ⁶	12/30/03	0.13	0.03	0.68	1.11	0.19	0.19	0.19
Intermediary Class	7/12/16	—	—	—	0.11	0.36	0.34	0.34
Intermediary Service Class	7/12/16	—	—	—	0.10	0.13	0.39	0.39
Class Y	5/11/01	0.04	0.01	0.64	1.11	0.08	0.29	0.29
Lipper U.S. Treasury Money Market Funds Average ⁷	—	0.03	0.01	0.61	1.05 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 -0.25%, 0.00%, 0.10%, -0.05%, -0.10% and 0.00% for Class D Shares, Class E 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, 2016. Additional information pertaining to the October 31, 2016 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 and 2016. 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 2015 and 2016. No returns are presented for the one-year, five-year and 10-year periods 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 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 2016.
- ⁷ For additional information, please refer to the Glossary of Terms.
- ⁸ Return for the period April 30, 2001 to October 31, 2016.

Portfolio Reviews

Portfolio Composition*

October 31, 2016 (Unaudited)

HSBC U.S. Government Money Market Fund

Investment Allocation	Percentage of Investments at Value (%)
Repurchase Agreements	42.8
U.S. Government and Government Agency Obligations	32.8
U.S. Treasury Obligations	24.4
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, 2016

U.S. Government and Government Agency Obligations – 31.1%

	Principal Amount (\$)	Amortized Cost (\$)
Federal Farm Credit Bank – 3.8%		
0.47%, 12/28/16(a)	41,000,000	40,968,840
0.50%, 10/25/17(b)	100,000,000	100,000,000
0.51%, 4/20/18(b)	50,000,000	49,996,088
0.52%, 4/10/17(b)	50,000,000	49,997,786
0.53%, 4/28/17(b)	50,000,000	49,999,455
0.56%, 4/26/17(b)	10,175,000	10,172,558
0.58%, 4/17/17(b)	20,604,000	20,605,049
0.59%, 6/27/17(a)	10,000,000	9,960,994
0.60%, 12/22/17(b)	66,000,000	65,992,389
		<u>397,693,159</u>
Federal Home Loan Bank – 20.2%		
0.25%, 11/10/16(a)	50,000,000	49,996,500
0.28%, 11/14/16(a)	200,000,000	199,978,333
0.35%, 11/25/16(a)	72,610,000	72,592,330
0.40%, 3/22/17(b)	100,000,000	100,000,000
0.41%, 4/21/17(b)	130,000,000	130,000,000
0.43%, 3/16/17(b)	30,000,000	30,001,851
0.48%, 1/9/17(b)	85,000,000	85,000,000
0.50%, 11/18/16(b)	200,000,000	200,000,000
0.51%, 9/12/17(b)	100,000,000	100,003,711
0.51%, 11/3/16(b)	63,000,000	63,000,000
0.51%, 8/21/17(b)	100,000,000	100,000,000
0.53%, 11/16/16(a)	30,000,000	29,993,000
0.54%, 4/25/17(b)	14,850,000	14,857,410
0.57%, 9/7/17(b)	190,000,000	190,017,401
0.58%, 8/22/17(b)	16,000,000	16,008,675
0.58%, 5/30/17(a)	50,000,000	49,992,692
0.58%, 1/19/18(b)	150,000,000	150,000,000
0.60%, 11/8/17(b)	175,000,000	175,078,519
0.67%, 11/2/17(b)	50,000,000	49,978,811
0.80%, 10/10/17(b)	100,000,000	100,000,000
0.81%, 10/27/17(b)	8,000,000	8,000,176
0.81%, 10/27/17(b)	8,000,000	8,000,176
0.83%, 1/8/18(b)	100,000,000	100,000,000
0.83%, 9/29/17(b)	100,000,000	100,053,050
		<u>2,122,552,635</u>
Federal Home Loan Mortgage Corp. – 3.6%		
0.43%, 4/28/17(b)	100,000,000	100,000,000
0.54%, 1/13/17(b)	232,500,000	232,495,409
0.58%, 4/27/17(b)	16,000,000	15,996,157
0.75%, 7/14/17	20,900,000	20,919,548
		<u>369,411,114</u>
Federal National Mortgage Association – 3.5%		
0.54%, 10/5/17(b)	100,000,000	99,990,601
0.54%, 8/16/17(b)	150,000,000	149,968,165
0.55%, 1/26/17(b)	100,000,000	99,997,599
0.81%, 12/20/17(b)	27,800,000	27,810,133
		<u>377,766,498</u>
TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS (Cost \$3,267,423,406)		<u>3,267,423,406</u>

U.S. Treasury Obligations – 23.2%

	Principal Amount (\$)	Amortized Cost (\$)
U.S. Treasury Bill – 2.6%		
0.32%, 1/12/17(a)	50,000,000	49,967,900
0.43%, 2/2/17(a)	225,000,000	224,748,803
		<u>274,716,703</u>
U.S. Treasury Notes – 20.6%		
0.50%, 2/28/17	75,000,000	74,997,972
0.50%, 4/30/17	120,000,000	119,975,371
0.63%, 12/31/16	280,000,000	280,112,576
0.63%, 2/15/17	125,000,000	125,072,731
0.63%, 5/31/17	50,000,000	50,025,231
0.75%, 1/15/17	100,000,000	100,082,486
0.75%, 3/15/17	100,000,000	100,106,626
0.75%, 6/30/17	50,000,000	50,050,645
0.88%, 12/31/16	350,000,000	350,277,066
0.88%, 2/28/17	75,000,000	75,116,211
0.88%, 4/30/17	180,000,000	180,318,626
1.00%, 3/31/17	375,000,000	375,784,211
3.00%, 2/28/17	150,000,000	151,224,269
3.25%, 12/31/16	50,000,000	50,231,540
4.75%, 8/15/17	90,000,000	92,900,596
		<u>2,176,276,157</u>
TOTAL U.S. TREASURY OBLIGATIONS (Cost \$2,450,992,860)		<u>2,450,992,860</u>
Repurchase Agreements – 40.5%		
BNP Paribas, 0.32%, 11/1/16, Purchased on 10/31/16, with maturity value of \$200,001,778, collateralized by U.S. Treasury Obligations, 2.25%-8.75%, 8/15/20-3/31/21, fair value \$204,000,037	200,000,000	200,000,000
BNP Paribas, 0.34%, 11/1/16, Purchased on 10/31/16, with maturity value of \$100,000,944, collateralized by various U.S. Government and Government Agency Obligations, 2.50%-7.50%, 7/1/18-9/1/46, fair value \$102,000,001	100,000,000	100,000,000
Citigroup Global Markets, 0.34%, 11/1/16, Purchased on 10/31/16, with maturity value of \$100,000,944, collateralized by U.S. Treasury Obligations, 0.00%-2.38%, 1/15/17-5/15/44, fair value \$102,000,000	100,000,000	100,000,000
Federal Reserve Bank, N.Y., 0.25%, 11/1/16, Purchased on 10/31/16, with maturity value of \$2,275,015,799, collateralized by U.S. Treasury Obligations, 2.00%-5.00%, 3/31/21-2/15/43, fair value \$2,275,015,855	2,275,000,000	2,275,000,000

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Schedule of Portfolio Investments—as of October 31, 2016 (continued)

Repurchase Agreements, continued		
	Principal Amount (\$)	Amortized Cost (\$)
Goldman Sachs & Co., 0.32%, 11/1/16, Purchased on 10/31/16, with maturity value of \$100,000,889, collateralized by various U.S. Government and Government Agency Obligations, 3.00%-4.50%, 5/1/28-8/1/44, fair value \$102,000,000	100,000,000	100,000,000
Goldman Sachs & Co., 0.33%, 11/3/16, Purchased on 10/27/16, with maturity value of \$300,019,250, collateralized by various U.S. Government and Government Agency Obligations, 2.00%-6.50%, 12/1/18-9/1/46, fair value \$306,000,000	300,000,000	300,000,000
Merrill Lynch Pierce Fenner & Smith, Inc., 0.31%, 11/1/16, Purchased on 10/31/16, with maturity value of \$150,001,292, collateralized by U.S. Treasury Obligations, 0.13%, 1/15/23, fair value \$153,000,023	150,000,000	150,000,000
RBS Securities, Inc., 0.28%, 11/1/16, Purchased on 10/31/16, with maturity value of \$400,003,111, collateralized by U.S. Treasury Obligations, 0.13%, 4/15/17-7/15/26, fair value \$408,004,466	400,000,000	400,000,000
Societe' Generale, 0.33%, 11/1/16, Purchased on 10/31/16, with maturity value of \$300,002,750, collateralized by various U.S. Government and Government Agency Obligations, 0.00%-8.00%, 11/3/16-2/15/45, fair value \$306,000,001	300,000,000	300,000,000
Societe' Generale, 0.38%, 11/15/16, Purchased on 10/12/16, with maturity value of \$250,089,722, collateralized by various U.S. Government and Government Agency Obligations, 0.00%-4.00%, 11/3/16-05/1/46, fair value \$255,000,000	250,000,000	250,000,000
Toronto Dominion Bank NY, 0.28%, 11/1/16, Purchased on 10/31/16, with maturity value of \$100,000,778, collateralized by U.S. Treasury Obligations, 0.00%-2.50%, 9/14/17- 2/15/45, fair value \$102,000,083	100,000,000	100,000,000

Repurchase Agreements, continued		
	Principal Amount (\$)	Amortized Cost (\$)
TOTAL REPURCHASE AGREEMENTS (Cost \$4,275,000,000)		<u>4,275,000,000</u>
TOTAL INVESTMENT SECURITIES (Cost \$9,993,416,266) – 94.8%		<u>9,993,416,266</u>
Other Assets (Liabilities) – 5.2%		<u>551,201,559</u>
NET ASSETS – 100%		<u><u>\$10,544,617,825</u></u>

- (a) Discount note. Rate presented represents the effective yield at time of purchase.
- (b) Variable rate security. The rate presented represents the rate in effect on October 31, 2016. 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.

HSBC U.S. TREASURY MONEY MARKET FUND

Schedule of Portfolio Investments— as of October 31, 2016

U.S. Treasury Obligations – 100.0%

	Principal Amount (\$)	Amortized Cost (\$)
U.S. Treasury Bills – 63.1%		
0.08%, 11/3/16(a)	131,000,000	130,999,158
0.22%, 11/17/16(a)	300,000,000	299,969,068
0.23%, 11/10/16(a)	225,000,000	224,985,669
0.31%, 1/5/17(a)	150,000,000	149,915,500
		805,869,395
U.S. Treasury Notes – 36.9%		
0.41%, 4/30/17(b)	110,000,000	109,995,501
0.42%, 7/31/17(b)	55,000,000	54,994,051
0.42%, 1/31/17(b)	85,000,000	85,002,867
0.51%, 10/31/17(b)	55,000,000	55,000,351
0.53%, 4/30/18(b)	40,000,000	40,019,709
0.61%, 1/31/18(b)	25,000,000	25,012,926
0.63%, 2/15/17	50,000,000	50,021,868
0.75%, 6/30/17	25,000,000	25,030,865
0.88%, 2/28/17	25,000,000	25,033,112
		470,111,250
TOTAL U.S. TREASURY OBLIGATIONS (Cost \$1,275,980,645)		1,275,980,645
TOTAL INVESTMENT SECURITIES (Cost \$1,275,980,645) – 100.0%		1,275,980,645
Other Assets (Liabilities) – 0.0%		435,444
NET ASSETS – 100%		\$1,276,416,089

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

(b) Variable rate security. The rate presented represents the rate in effect on October 31, 2016. 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.

HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities—as of October 31, 2016

	HSBC U.S. Government Money Market Fund	HSBC U.S. Treasury Money Market Fund
Assets:		
Investments, at amortized cost	\$ 5,718,416,266	\$ 1,275,980,645
Repurchase agreements, at cost	4,275,000,000	—
Total Investments	<u>9,993,416,266</u>	<u>1,275,980,645</u>
Cash	546,287,084	429,345
Interest receivable	6,464,602	171,577
Prepaid expenses and other assets	293,575	77,245
Total Assets	<u>10,546,461,527</u>	<u>1,276,658,812</u>
Liabilities:		
Dividends payable	442,104	43,888
Accrued expenses and other liabilities:		
Investment Management	345,878	63,455
Administration	286,433	42,579
Shareholder Servicing	299,261	15,302
Accounting	7,563	4,133
Custodian fees	16,000	2,840
Transfer Agent	4,399	3,978
Other	442,064	66,548
Total Liabilities	<u>1,843,702</u>	<u>242,723</u>
Net Assets	<u>\$ 10,544,617,825</u>	<u>\$ 1,276,416,089</u>
Composition of Net Assets:		
Capital	10,544,511,121	1,276,402,837
Accumulated net investment income/(distributions in excess of net investment income)	—	0
Accumulated net realized gains/(losses) from investments	106,704	13,252
Net Assets	<u>\$ 10,544,617,825</u>	<u>\$ 1,276,416,089</u>
Net Assets:		
Class A Shares	\$ 1,720,091	\$ —
Class B Shares	48,774	—
Class D Shares	1,949,225,350	214,041,232
Class E Shares	2,002	1,001
Class I Shares	4,687,197,461	346,398,881
Intermediary Class Shares	10,121,428	1,001
Intermediary Service Class Shares	5,003,408	18,107,928
Class Y Shares	<u>3,891,299,311</u>	<u>697,866,046</u>
	<u>\$ 10,544,617,825</u>	<u>\$ 1,276,416,089</u>
Shares Outstanding:		
(\$0.001 par value, unlimited number of shares authorized):		
Class A Shares	1,720,084	—
Class B Shares	48,761	—
Class D Shares	1,949,012,249	214,038,795
Class E Shares	2,002	1,001
Class I Shares	4,687,299,004	346,430,056
Intermediary Class Shares	10,121,429	1,001
Intermediary Service Class Shares	5,003,568	18,107,934
Class Y Shares	<u>3,891,314,380</u>	<u>697,829,019</u>

HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities— as of October 31, 2016 (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 B Shares(a)	\$ 1.00	\$ —
Class D Shares	\$ 1.00	\$ 1.00
Class E 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

(a) Redemption price per share varies by length of time shares are held.

HSBC FAMILY OF FUNDS

Statements of Operations—For the year ended October 31, 2016

	U.S. Government Money Market Fund	U.S. Treasury Money Market Fund
Investment Income:		
Interest	\$ 20,717,712	\$ 4,095,614
Total Investment Income	<u>20,717,712</u>	<u>4,095,614</u>
Expenses:		
Investment Management	5,930,144	1,446,940
Operational Support:		
Class A Shares	1,048	—
Class B Shares	48	—
Class D Shares	1,005,360	225,525
Intermediary Class Shares	166	—
Intermediary Service Class Shares	656	1,140
Class Y Shares	3,485,538	826,671
Administration:		
Class A Shares	442	—
Class B Shares	21	—
Class D Shares	421,546	95,565
Class E Shares	—	—
Class I Shares	601,457	164,425
Intermediary Class Shares	66	—
Intermediary Service Class Shares	284	451
Class Y Shares	1,485,809	348,303
Distribution:		
Class B Shares	366	—
Shareholder Servicing:		
Class A Shares	4,193	—
Class B Shares	121	—
Class D Shares	2,513,433	563,819
Class E Shares	—	—
Intermediary Class Shares	83	—
Intermediary Service Class Shares	656	1,140
Accounting	64,266	59,189
Compliance Services	119,663	21,381
Custodian	318,936	85,410
Printing	389,054	35,134
Professional	1,185,981	271,220
Transfer Agent	41,766	40,642
Trustee	237,924	63,911
Registration fees	121,066	125,192
Other	202,405	118,756
Total expenses before fee and expense reductions	18,132,498	4,494,814
Fees voluntarily reduced/reimbursed by Investment Adviser	(2,657,359)	(653,195)
Fees voluntarily reduced by Administrator	(223,048)	(55,040)
Fees voluntarily reduced by Distributor	(366)	—
Fees voluntarily reduced by Shareholder Servicing Agent	(1,443,022)	(479,108)
Custody earnings credits	(271,516)	(41,752)
Net Expenses	<u>13,537,187</u>	<u>3,265,719</u>
Net Investment Income	<u>7,180,525</u>	<u>829,895</u>
Realized/Unrealized Gains/(Losses) from Investments:		
Net realized gains/(losses) from investment securities	106,704	15,357
Net realized/unrealized gains (losses) on investments	106,704	15,357
Change in Net Assets Resulting from Operations	<u>\$ 7,287,229</u>	<u>\$ 845,252</u>

Amounts designated as “—” are \$0 or have been rounded to \$0.

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, 2016	Year Ended October 31, 2015	Year Ended October 31, 2016	Year Ended October 31, 2015
Investment Activities:				
Operations:				
Net investment income	\$ 7,180,525	\$ 1,915,453	\$ 829,895	\$ —
Net realized gains/(losses) from investments	106,704	58,725	15,357	36,870
Change in net assets resulting from operations	<u>7,287,229</u>	<u>1,974,178</u>	<u>845,252</u>	<u>36,870</u>
Distributions:				
Net investment income:				
Class A Shares	(167)	(109)	—	—
Class B Shares	(7)	(15)	—	—
Class D Shares	(157,507)	(233,083)	(16)	—
Class E Shares	(1)	—	(1)	—
Class I Shares	(3,240,578)	(487,824)	(517,995)	—
Intermediary Class Shares	(429)	—	(1)	—
Intermediary Service Class Shares	(1,568)	—	(1,541)	—
Class Y Shares	(3,780,275)	(1,194,417)	(310,662)	—
Net realized gains:				
Class A Shares	—	—	—	—
Class B Shares	—	—	—	—
Class D Shares	(1,011)	—	(2,318)	—
Class I Shares	(1,073)	—	(3,554)	—
Class Y Shares	(4,002)	—	(8,118)	—
Change in net assets from distributions	<u>(7,186,618)</u>	<u>(1,915,448)</u>	<u>(844,206)</u>	<u>—</u>
Change in net assets resulting from capital transactions	<u>4,286,595,666</u>	<u>660,883,397</u>	<u>(151,452,006)</u>	<u>(431,134,675)</u>
Change in net assets	<u>4,286,696,277</u>	<u>660,942,127</u>	<u>(151,450,960)</u>	<u>(431,097,805)</u>
Net Assets:				
Beginning of period	6,257,921,548	5,596,979,421	1,427,867,049	1,858,964,854
End of period	<u>\$ 10,544,617,825</u>	<u>\$ 6,257,921,548</u>	<u>\$ 1,276,416,089</u>	<u>\$ 1,427,867,049</u>
Accumulated net investment income/(distributions in excess of net investment income)	\$ —	\$ 7	\$ —	\$ —

Amounts designated as "—" are \$0 or have been rounded to \$0.

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, 2016	Year Ended October 31, 2015	Year Ended October 31, 2016	Year Ended October 31, 2015
CAPITAL TRANSACTIONS*:				
Class A Shares				
Proceeds from shares issued	\$ 1,205,234	\$ 940,017	\$ —	\$ —
Proceeds from merger	340,856	—	—	—
Dividends reinvested	167	108	—	—
Value of shares redeemed	(755,634)	(164,851)	—	—
Class A Shares capital transactions	790,623	775,274	—	—
Class B Shares				
Proceeds from shares issued	—	—	—	—
Dividends reinvested	7	15	—	—
Class B Shares capital transactions	7	15	—	—
Class C Shares				
Class C Shares capital transactions	—	—	—	—
Class D Shares				
Proceeds from shares issued	3,682,762,518	2,487,351,997	900,175,290	1,120,322,048
Proceeds from merger	1,668,424	—	—	—
Dividends reinvested	46,636	67,153	1,271	—
Value of shares redeemed	(2,623,349,427)	(2,326,630,455)	(966,167,073)	(1,479,236,109)
Class D Shares capital transactions	1,061,128,151	160,788,695	(65,990,512)	(358,914,061)
Class E Shares				
Proceeds from shares issued	1,000	—	1,000	—
Proceeds from merger	1,001	—	—	—
Dividends reinvested	1	—	1	—
Class E Shares capital transactions	2,002	—	1,001	—
Class I Shares				
Proceeds from shares issued	16,374,346,788	10,758,223,000	3,707,312,527	4,050,846,479
Proceeds from merger	516,688,873	—	—	—
Dividends reinvested	1,765,424	287,532	135,888	—
Value of shares redeemed	(13,794,885,625)	(10,580,351,583)	(3,745,412,945)	(3,930,207,887)
Class I Shares capital transactions	3,097,915,460	178,158,949	(37,964,530)	120,638,592
Intermediary Class Shares				
Proceeds from shares issued	10,119,999	—	1,000	—
Proceeds from merger	1,001	—	—	—
Dividends reinvested	429	—	1	—
Intermediary Class Shares capital transactions	10,121,429	—	1,001	—
Intermediary Service Class Shares				
Proceeds from shares issued	5,001,000	—	18,706,393	—
Proceeds from merger	1,001	—	—	—
Dividends reinvested	1,567	—	1,541	—
Value of shares redeemed	—	—	(600,000)	—
Intermediary Service Class Shares capital transactions	5,003,568	—	18,107,934	—
Class Y Shares				
Proceeds from shares issued	25,082,584,192	21,862,447,049	1,130,575,987	1,145,300,679
Proceeds from merger	3,036,134	—	—	—
Dividends reinvested	3,515,422	1,192,843	317,857	—
Value of shares redeemed	(24,977,501,322)	(21,542,479,428)	(1,196,500,744)	(1,338,159,885)
Class Y Shares capital transactions	111,634,426	321,160,464	(65,606,900)	(192,859,206)
Change in net assets resulting from capital transactions	\$ 4,286,595,666	\$ 660,883,397	\$ (151,452,006)	\$ (431,134,675)

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

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, 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%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.01%	238	0.14%	0.01%	0.69%
CLASS B SHARES													
Year Ended October 31, 2016	\$1.00	—	—	—	—	—	—	\$1.00	0.01%	\$ 49	0.33%	0.01%	1.13%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	0.03%	49	0.07%	0.03%	1.27%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.02%	49	0.07%	0.02%	1.28%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	0.01%	49	0.14%	0.01%	1.28%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.01%	76	0.16%	0.01%	1.29%
CLASS D SHARES													
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%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.01%	614,499	0.16%	0.01%	0.54%
CLASS E SHARES													
July 12, 2016(c) through October 31, 2016	\$1.00	—	—	—	—	—	—	\$1.00	0.11%	\$ 2	0.06%	0.32%	0.31%
CLASS I SHARES													
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%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.02%	1,873,166	0.16%	0.01%	0.19%

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	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)
INTERMEDIARY CLASS SHARES													
July 12, 2016(c) through													
October 31, 2016	\$1.00	\$—	\$—	\$—	\$—	\$—	\$—	\$1.00	0.11%	\$ 10,121	0.18%	0.26%	0.37%
INTERMEDIARY SERVICE CLASS SHARES													
July 12, 2016(c) through													
October 31, 2016	\$1.00	—	—	—	—	—	—	\$1.00	0.10%	\$ 5,003	0.18%	0.22%	0.42%
CLASS Y SHARES													
Year Ended October 31, 2016													
Year Ended October 31, 2015	\$1.00	—	—	—	—	—	—	\$1.00	0.12%	\$3,891,299	0.23%	0.11%	0.28%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.03%	3,779,595	0.07%	0.03%	0.28%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	0.02%	3,458,399	0.06%	0.02%	0.29%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.01%	2,404,867	0.13%	0.01%	0.28%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.01%	2,505,448	0.17%	0.01%	0.29%

(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) 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)	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 A SHARES												
Period Ended October 31, 2014(c)	\$1.00	\$—	\$—	\$—	\$—	\$—	\$—	\$1.00	—%	—%	—%	—%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	0.10%	—%	0.69%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	—%	0.05%	—%	0.70%
CLASS D SHARES												
Year Ended October 31, 2016	\$1.00	—	—	—	—	—	—	\$1.00	—%	0.28%	—%	0.55%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	—%	0.06%	—%	0.54%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.01%	0.06%	—%	0.54%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	0.09%	—%	0.53%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	—%	0.08%	—%	0.54%
CLASS E SHARES												
July 12, 2016(d) through October 31, 2016	\$1.00	—	—	—	—	—	—	\$1.00	0.11%	—%	0.37%	0.33%
CLASS I SHARES												
Year Ended October 31, 2016	\$1.00	—	—	—	—	—	—	\$1.00	0.13%	0.16%	0.13%	0.20%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	—%	0.05%	—%	0.19%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.01%	0.06%	0.01%	0.19%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	0.09%	—%	0.18%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	—%	0.08%	—%	0.19%
INTERMEDIARY CLASS SHARES												
July 12, 2016(d) through October 31, 2016	\$1.00	—	—	—	—	—	—	\$1.00	0.11%	—%	0.37%	0.38%

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)	Ratio of Net Expenses to Average Net Assets(b)	Ratio of Net Investment Income to Assets(b)	Ratio of Net Expenses to Average Net Assets (Excluding Fee Reductions)(b)
INTERMEDIARY SERVICE CLASS SHARES												
July 12, 2016(d) through												
October 31, 2016	\$1.00	—	—	—	—	—	—	\$1.00	0.10%	0.20%	0.14%	0.48%
CLASS Y SHARES												
Year Ended October 31, 2016	\$1.00	\$—	\$—	\$—	\$—	\$—	\$—	\$1.00	0.04%	0.25%	0.04%	0.30%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	—%	0.06%	—%	0.29%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.01%	0.06%	0.01%	0.29%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	0.09%	—%	0.28%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	—%	0.09%	—%	0.29%

(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) 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 series of HSBC Funds, a Massachusetts business trust, reorganized with and into corresponding series of the Trust (each, a “Reorganization”). The series of the Trust into which the Funds reorganized had no assets, liabilities, or operations prior to the 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, 2016, the Trust is composed of 19 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 money market funds 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. The Funds are authorized to issue nine classes of shares: Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class I Shares, Intermediary Class Shares, Intermediary Service Class Shares and Class Y Shares. The Class B Shares of the Funds are offered without any front-end sales charge but will be subject to a contingent deferred sales charge (“CDSC”) ranging from a maximum of 4.00% if redeemed less than one year after purchase to 0.00% if redeemed more than four years after purchase. 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 may no longer be purchased or acquired by any new or existing Class B shareholder, except through dividend and/or capital gains reinvestment.

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 may enter 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 any future claims that may be made against the Funds. However, based on experience, the Trust expects 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. Dividend income is recorded on the ex-dividend date.

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 ("Board"). Therefore, not all restricted securities are considered illiquid. At October 31, 2016, 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 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 proportionately among the applicable series within the Trust in relation to the net assets of each fund or on another reasonable 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 paid 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.

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.

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, prepayment 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 disclosure 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 between levels as of October 31, 2016, from the valuation input levels used on October 31, 2015. 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 that 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.

Investments in other money market funds are priced at net asset value as reported by such companies and are typically categorized as Level 1 in the fair value hierarchy.

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

For the year ended October 31, 2016, there were no Level 3 investments for which significant unobservable inputs were used to determine fair value. As of October 31, 2016, 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 as Investment Adviser, 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 B 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 as Administrator to the Trust. Effective April 1, 2016, under the terms of the Administration 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

Prior to April 1, 2016, for these services, HSBC received 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	0.0550
In excess of \$10 billion but not exceeding \$20 billion	0.0350
In excess of \$20 billion but not exceeding \$50 billion	0.0275
In excess of \$50 billion	0.0250

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, 2016, the effective annualized rate was 0.04%, 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 of the Trust 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 Agreement with HSBC, Citi Fund Services Ohio, Inc. (“Citi”), a wholly-owned subsidiary of Citigroup, Inc., serves as the Trust’s Sub-Administrator, subject to the general supervision by the Trust’s Board and HSBC. 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 \$304,597 for the year ended October 31, 2016, 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:

Foreside Distribution Services, L.P. (“Foreside”), a wholly-owned subsidiary of Foreside Financial Group LLC, 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%, 1.00% and 0.25% of the average daily net assets of Class A Shares (currently not being charged), Class B Shares (currently charging 0.75%), 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, 2016, Foreside, as Distributor, also received \$64,049 in commissions from sales of the Trust, of which \$97 was reallocated to HSBC-affiliated brokers and dealers.

Expenses reduced during the year ended October 31, 2016 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 primarily consist of HSBC and its affiliates) for providing various shareholder services. As disclosed in the Statement 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. For performing these services, the shareholder servicing agents receive a fee that is computed daily and paid monthly up to 0.60%, 0.25%, 0.25%, 0.25%, 0.10%, 0.05% and 0.10% of the average daily net assets of Class A Shares (currently charging 0.40%), Class B Shares, Class C Shares, Class D Shares, Class E Shares, Intermediary Class Shares and Intermediary Service Class Shares of the Funds, respectively. 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, 0.60%, 1.00%, 1.00%, 0.25%, 0.10%, 0.05% and 0.10% annually of each Fund's average daily net assets of Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Intermediary Class Shares and Intermediary Service Class Shares, respectively. Expenses reduced during the year ended October 31, 2016 are reflected on the Statements of Operations as "Fees voluntarily reduced by Shareholder Servicing Agent."

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 reimbursement of certain expenses. Citi receives additional fees paid by the Trust for regulatory administration services and money market fund reporting services. Effective July 16, 2016, the transfer agency services were converted from FIS Investor Services, LLC ("FIS") (formerly SunGard Investor Services LLC) to Boston Financial Data Services, Inc. ("BFDS") under a separate transfer agency services agreement. 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. Prior to July 16, 2016, transfer agent services were provided under the terms of a separate transfer agency services agreement with Citi. Citi's rights and obligations under the transfer agency services agreement, in turn, were assigned to FIS. As transfer agent, FIS received a fee based on the number of funds and shareholder accounts, subject to certain minimums, reductions associated with services provided to new funds, blue sky exemption services 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 of Trustees 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 contractually agreed to limit through March 1, 2017 the annual total expenses, exclusive of interest, taxes, brokerage commissions, and extraordinary expenses, of certain classes of the Funds. Each affected 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 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. At October 31, 2016, 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 and Administrator are reported separately on the Statements of Operations, as applicable. During the year ended October 31, 2016, Citi voluntarily reduced its sub-administration fees by \$86,656 and \$20,014 for U.S. Government Money Market Fund and U.S. Treasury Money Market Fund, respectively. HSBC also voluntarily reduced its administration fees by \$143,673 and \$39,347 for U.S. Government Money Market Fund and U.S Treasury Money Market Fund, respectively.

During the year ended October 31, 2016, 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.	3,609	456	—	1,939,762	—	768,444	1,609,784	328	1,412
U.S. Treasury Money Market Fund.	—	—	—	614,275	—	156,409	413,476	—	3,183

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds’ custodian expenses. Expenses reduced during the year ended October 31, 2016 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 whereby an, uncommitted, unsecured 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 \$500,000,000 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, 2016 (continued)

5. Federal Income Tax Information:

At October 31, 2016, the cost basis of securities for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation/depreciation were as follows:

	<u>Tax Cost (\$)</u>	<u>Tax Unrealized Appreciation (\$)</u>	<u>Tax Unrealized Depreciation (\$)</u>	<u>Net Unrealized Appreciation/ Depreciation (\$)*</u>
U.S. Government Money Market Fund . . .	9,993,420,132	—	(3,866)	(3,866)
U.S. Treasury Money Market Fund	1,275,980,645	—	—	—

* The differences between book-basis unrealized appreciation/(depreciation) is attributable primarily to tax deferral of losses on wash sales.

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

	<u>Dividends paid from</u>				
	<u>Ordinary Income (\$)</u>	<u>Net Long Term Capital Gains (\$)</u>	<u>Total Taxable Dividends (\$)</u>	<u>Tax Exempt Distributions (\$)</u>	<u>Total Dividends Paid (\$)⁽¹⁾</u>
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

The tax character of dividends paid by the Funds as of the tax year ended October 31, 2015, was as follows:

	<u>Dividends paid from</u>				
	<u>Ordinary Income (\$)</u>	<u>Net Long Term Capital Gains (\$)</u>	<u>Total Taxable Dividends (\$)</u>	<u>Tax Exempt Distributions (\$)</u>	<u>Total Dividends Paid (\$)⁽¹⁾</u>
U.S. Government Money Market Fund	1,911,422	—	1,911,422	—	1,911,422
U.S. Treasury Money Market Fund	—	—	—	—	—

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

As of the tax year ended October 31, 2016, the components of accumulated earnings/(deficit) on a tax basis for the Funds were as follows:

	Undistributed Ordinary Income (\$)	Undistributed Tax Exempt Income (\$)	Undistributed Long Term Capital Gains (\$)	Accumulated Earnings (\$)	Dividends Payable (\$)	Accumulated Capital and Other Losses (\$)	Unrealized Appreciation/ (Depreciation) (\$)	Total Accumulated Earnings/ (Deficit) (\$)
U.S. Government Money Market Fund	552,674	—	—	552,674	(442,104)	—	(3,866)	106,704
U.S. Treasury Money Market Fund	57,140	—	—	57,140	(43,888)	—	—	13,252

Capital loss carryforwards (“CLCFs”) subject to expiration are applied as short-term capital loss regardless of whether the originating capital loss was short-term or long-term. CLCFs that are not subject to expiration must be utilized before those that are subject to expiration. The Board does not intend to authorize a distribution of any realized gain for the Funds until any applicable CLCF has been offset or expires. As of the tax year ended October 31, 2016, the Funds had no CLCFs.

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, 2016, 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, paydowns, and 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.

On the Statements of Assets and Liabilities, as a result of permanent book-to-tax differences, reclassification adjustments were made as follows:

	Accumulated Net Investment Income/(Distributions in Excess of Net Investment Income) (\$)	Accumulated Net Realized Gains/(Losses) (\$)	Paid-In Capital (\$)
U.S. Treasury Money Market Fund	321	(321)	—

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 accounting principles generally accepted in the United States of America).

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	Number of shareholders with ownership of voting securities of the Portfolio greater than 25% of the total Portfolio's outstanding voting securities
U.S. Government Money Market Fund	—	1
U.S. Treasury Money Market Fund	1	1

7. Business Combinations:

On October 7, 2016, the U.S. Government Money Market Fund acquired all of the net assets 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.

Assuming the acquisition had been completed on November 1, 2015, the beginning of the annual reporting period of the U.S. Government Money Market Fund, the U.S. Government Money Market Fund's pro forma results of operations for the year ended October 31, 2016, would have been as follows:

Net investment income	\$29,664,336
Net realized gain (loss) on investments	\$398,295
Net increase (decrease) in net assets resulting from operations	\$30,062,631

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Prime Money Market Fund that have been included in U.S. Government Money Market Fund's Statement of Operations since October 7, 2016.

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, 2016.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of HSBC Funds

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 (each a portfolio of HSBC Funds, and hereafter collectively referred to as the "Funds") as of October 31, 2016, the results of each of their operations for the year then ended and the changes in each of their net assets and the financial highlights for each of the two 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 Funds' 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, 2016 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The accompanying financial highlights for each of the years ended on or prior to October 31, 2014 were audited by other auditors whose report dated December 23, 2014 expressed an unqualified opinion on those financial highlights.

PricewaterhouseCoopers LLP
New York, New York
December 23, 2016

HSBC FAMILY OF FUNDS

Other Federal Income Tax Information— as of October 31, 2016 (Unaudited)

During the year ended October 31, 2016, 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	497	5,589
U.S. Treasury Money Market Fund	14,311	—

Table of Shareholder Expenses—as of October 31, 2016 (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, 2016 through October 31, 2016.

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 5/1/16	Ending Account Value 10/31/16	Expenses Paid During Period* 5/1/16 - 10/31/16	Annualized Expense Ratio During Period 5/1/16 - 10/31/16
U.S. Government Money					
Market Fund	Class A Shares	\$1,000.00	\$1,000.10	\$2.01	0.40%
	Class B Shares	1,000.00	1,000.00	2.01	0.40%
	Class D Shares	1,000.00	1,000.10	2.01	0.40%
	Class E Shares**	1,000.00	1,001.10	0.18	0.06%
	Class I Shares	1,000.00	1,001.40	0.65	0.13%
	Intermediary Class Shares**	1,000.00	1,001.10	0.55	0.18%
	Intermediary Service Class Shares**	1,000.00	1,001.00	0.55	0.18%
	Class Y Shares	1,000.00	1,000.80	1.26	0.25%
U.S. Treasury Money					
Market Fund	Class D Shares	1,000.00	1,000.00	1.56	0.31%
	Class E Shares**	1,000.00	1,001.10	—	0.00%
	Class I Shares	1,000.00	1,000.80	0.70	0.14%
	Intermediary Class Shares**	1,000.00	1,001.10	—	0.00%
	Intermediary Service Class Shares**	1,000.00	1,001.00	0.61	0.20%
	Class Y Shares	1,000.00	1,000.30	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 184/366 (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 112/366 (to reflect the stub period July 12, 2016 to October 31, 2016).

HSBC FAMILY OF FUNDS

Table of Shareholder Expenses—as of October 31, 2016 (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 5/1/16	Ending Account Value 10/31/16	Expenses Paid During Period* 5/1/16 - 10/31/16	Annualized Expense Ratio During Period 5/1/16 - 10/31/16
U.S. Government Money					
Market Fund	Class A Shares	\$1,000.00	\$1,023.13	\$2.03	0.40%
	Class B Shares	1,000.00	1,023.13	2.03	0.40%
	Class D Shares	1,000.00	1,023.13	2.03	0.40%
	Class E Shares	1,000.00	1,024.83	0.31	0.06%
	Class I Shares	1,000.00	1,024.48	0.66	0.13%
	Intermediary Class Shares	1,000.00	1,024.23	0.92	0.18%
	Intermediary Service Class Shares	1,000.00	1,024.23	0.92	0.18%
	Class Y Shares	1,000.00	1,023.88	1.27	0.25%
U.S. Treasury Money					
Market Fund	Class D Shares	1,000.00	1,023.58	1.58	0.31%
	Class E Shares	1,000.00	1,025.14	—	0.00%
	Class I Shares	1,000.00	1,024.43	0.71	0.14%
	Intermediary Class Shares	1,000.00	1,025.14	—	0.00%
	Intermediary Service Class Shares	1,000.00	1,024.13	1.02	0.20%
	Class Y Shares	1,000.00	1,023.88	1.27	0.25%

* Expenses are equal to the average account value over the period, multiplied by the Fund's annualized expense ratio, multiplied by 184/366 (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: 61	Trustee	Indefinite; 2008 to present	Private Investor (June 1999 – present); Executive Vice President, Prudential Investments (1997 – 1999); President and Trustee, The Goldman Sachs Mutual Funds (1992 – 1996)	21	None
SUSAN C. GAUSE P.O. Box 182845 Columbus, OH 43218-3035 Age: 64	Trustee	Indefinite; 2013 to present	Private Investor (2003 - present); Chief Executive Officer, Dresdner RCM Global Investors and Allianz Dresdner Asset Management (2000 – 2002); Board Member of Dresdner Global Asset Management Board (2000 – 2002); Chief Operating Officer and Senior Managing Director of Dresdner RCM Global Investors (1998 – 2000); Global Chief Financial Officer, Dresdner RCM Global Investors (1996-1998)	21	Met Investors Series Trust and Metropolitan Series Fund
SUSAN S. HUANG P.O. Box 182845 Columbus, OH 43218-3035 Age: 62	Trustee	Indefinite; 2008 to present	Private Investor (2000- present); Senior Vice President, Schroder Investment Management (2001 – 2004); Managing Director, Chase Asset Management (1995-2000)	21	None
THOMAS F. ROBARDS P.O. Box 182845 Columbus, OH 43218-3035 Age: 70	Chairman and Trustee	Indefinite; 2005 to present	Private Investor (2003-present); Partner, Robards & Co. LLC (investment and advisory services) (2005-present); Chief Financial Officer, American Museum of Natural History (2003- 2004); Chief Financial Officer, Datek Online Holdings (2000-2003); Previously EVP and CFO Republic New York Corporation (1976-2000)	21	Ellington Financial LLC (NYSE listed financial services); Ellington Residential Mortgage REIT (NYSE listed real estate investment trust); Overseas Shipholding Group (OSG) (NYSE listed company)
INTERESTED TRUSTEE					
DEBORAH HAZELL 452 Fifth Avenue New York NY 10018 Age: 53	Trustee	Indefinite; 2011 to present	CEO, HSBC Global Asset Management (USA) Inc. (2011-present); President and CEO, Fisher Francis Trees & Watts (“FFTW”) (investment advisor) (2008-2011); Client Service, Business Development and Marketing Group, FFTW (1999-2008)	21	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: 58	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: 53	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)
SCOTT RHODES* 3435 Stelzer Road Columbus, OH 43219-3035 Age: 57	Treasurer	One year; 2014 to present	Senior Vice President, Citi Fund Services (2010 - present)
IOANNIS TZOUGANATOS* 100 Summer Street, Suite 1500 Boston, MA 02110 Age: 40	Secretary	One Year; 2015 to present	Vice President, Regulatory Administration, Citi Fund Services (2008-present)
CHARLES BOOTH* 3435 Stelzer Road Columbus, OH 43219-3035 Age: 56	Chief Compliance Officer	One year; 2015 to present	Director and Compliance Officer, CCO Services, Citi Fund Services (1988 - present)

* Mr. Rhodes, 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 Securities 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.

Each Fund discloses on its website at www.investorfunds.us.hsbc.com, within five business days after the end of each month, a complete schedule of portfolio holdings and information regarding the weighted average maturity of the Fund. In addition, each Fund files with the Commission on Form N-MFP, within five business days after the end of each month, more detailed portfolio holdings information. The Funds' Forms N-MFP are available on the Commission's website at <http://www.sec.gov> and the Funds' website also contains a link to these filings.

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

TRANSFER AGENT

Boston Financial Data Services, Inc.
2000 Crown Colony Drive
Quincy, MA 02169

DISTRIBUTOR

Foreside Distribution Services, L.P.
690 Taylor Road, Suite 150
Gahanna, Ohio 43230

CUSTODIAN

The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60603

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, NY 10017

LEGAL COUNSEL

Dechert LLP
1900 K Street, N.W.
Washington, D.C. 20006

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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.