HSBC Global Asset Management (USA) Inc.

HSBC Funds

Annual Report

October 31, 2018

EQUITY FUNDS	Class A	Class B	Class C	Class I
HSBC Opportunity Fund	HSOAX	HOPBX	HOPCX	RESCX

HSBC

Global Asset Management

HSBC Family of Funds
Annual Report - October 31, 2018

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

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

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

Lipper Mid-Cap Growth Funds Average is an equally weighted average of mutual funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) below Lipper's large-cap floor. Mid-cap growth funds typically have an above-average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P MidCap 400 Index.

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.

MSCI Frontier Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The index consists of 29 frontier markets country indices.

Russell 2500™ Growth Index is an index that measures the performance of the small- to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

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 transitioned away from a period of synchronized growth during the 12-month period from November 1, 2017, through October 31, 2018, and entered a period characterized by divergence and diversity. While both developed and emerging markets economies were lifted up by broad economic expansion throughout 2017, growth was much less consistent in 2018 amid concerns surrounding inflation, trade policy, monetary policy and country-specific issues. Some economies and sectors were affected much more negatively than others and experienced higher levels of volatility in their financial markets. This divergence and volatility weighed on investor sentiment, leading to a shift away from risk assets that resulted in losses for international equities and more modest returns for U.S. equities. Despite this mixed picture, fundamentals of the global economy appeared relatively strong throughout the period, and corporate profits remained robust.

During the first several months of the period economic data generally showed low inflation, healthy corporate fundamentals and strong activity in manufacturing and global trade. In the U.S., regulatory rollbacks, positive earnings growth and the passage of business-friendly tax reform stirred optimism among investors, eventually driving stocks to record highs in a January rally.

The less-consistent macroeconomic environment that came to define the period emerged in February, as stocks took a sharp dive and became more volatile. First, U.S. economic data showed prices rising faster than expected, signaling a period of low inflation was ending, second, the outcome of tumultuous trade diplomacy between the U.S. and several key trading partners became increasingly unpredictable and concerning. Third, economic data began to show slowing growth in some regions, particularly Europe and Japan. Fourth, signs of slowing growth and rising inflation helped strengthen the U.S. dollar against other currencies, producing headwinds for emerging markets.

The impact of rising interest rates rippled through the global economy during the period and contributed to a weaker appetite for risk assets such as equities. The U.S. Federal Reserve (the Fed) increased its federal funds rate four times during the 12-month period, lifting it by a total of 100 basis points (1.00%). The Fed signaled that it would continue its campaign of gradually raising interest rates as long as the U.S. economy continues to show broad strength. The theme of divergence also played out globally in terms of monetary policy. Unlike the Fed, central banks in some other developed economies pursued looser monetary policy.

Economic data continued to indicate that the U.S economy was on sound footing. Gross domestic product[1] (GDP) growth peaked during the period under review at a rate of 4.2% during the second quarter of 2018 after growing 2.3% during the fourth quarter of 2017 and 2.2% during the first quarter of 2018. GDP grew at a rate of 3.5% during the third quarter of 2018, according to preliminary estimates. The tax reform legislation passed by Congress late in 2017 provided a tailwind for businesses, boosting corporate profits and helping to offset pressures caused by rising wages and a tight labor market. Data showed that industrial production picked up and activity in the services sector increased. A new trade deal between the U.S., Mexico and Canada removed some of the uncertainty surrounding President Trump's trade policy.

The unemployment rate was 3.7%—its lowest level since 1969—at the close of the period under review. The continuing strength of the labor market helped boost consumer confidence and consumer spending. The housing market presented a more mixed picture than other aspects of the economy, as declining home sales and housing permits suggested emerging weaknesses.

China's economy continued to be weakened by an industrial slowdown and its increasing reliance on consumption as a driver of economic growth. Amid this difficult long-term transition, China faced during the period the additional challenge of steeply rising trade barriers with the U.S. As part of a broader tightening of trade policy, President Donald Trump ratcheted up pressure on China by threatening tariffs on virtually all Chinese exports to the U.S. The escalating rhetoric and faltering diplomacy between China and U.S. sent ripple effects through global markets. The yuan devalued significantly during the period, making Chinese goods more competitive on global markets. But in a notable change the Chinese government suggested it would prevent its currency from devaluing further.

China's troubles spilled over into other emerging markets, especially those in Asia and in other regions heavily dependent on demand from Chinese industries. Other factors stalling the momentum of emerging market growth were rising U.S. interest rates and higher oil prices.

Argentina had a very volatile year as its currency depreciated more than 50% during 2018. The decline forced the country to reach out to the International Monetary Fund for financial support and triggered a recession in the country.

Eurozone economies experienced the most severe slowdown among developed economies during the period. Increasing trade tensions between Europe and the U.S. further weighed on the outlook of the region. Unsuccessful negotiations over the United Kingdom's exit from the Eurozone (commonly referred to as Brexit) continued to sow uncertainty and led to a steep decline in the value of the British pound. Brexit has resulted in volatility in European and global markets and could have significant negative impacts on financial markets in the United Kingdom and throughout Europe. The extent of the impact of Brexit in the United Kingdom and in global markets as well as any associated adverse consequences remain unclear. Economic growth in Japan also slowed significantly amid lower private consumption and weak export demand. Data suggested that both wages and inflation in Japan may be ticking upwards, however, and the labor market improved.

Prices of many key commodities such as soybeans and silver slumped during much of the period under review, partly as a result of rising trade tensions between the U.S. and its key economic partners. Crude oil prices hit four-year highs late in the period, driven up in part by expectations that U.S. sanctions on Iran would curb the nation's oil exports. However, oil prices began to fall sharply during the final weeks of the period.

Market review

Global equity markets delivered mixed results during the period. Stocks performed very well during the first three months. But, by February of 2018, concerns of an impending economic slowdown began to weigh on investors and fueled an uptick in volatility. Still, equities in many economies and sectors zig-zagged upward until October, when much of the period's earlier gains were lost during a sharp sell-off.

U.S. stocks ended the period with modest gains, even after entering into correction territory in October. The S&P 500 Index[1] of large-capitalization U.S. stocks returned 7.35%. Equities in other developed economies showed losses during the 12 months under review, while emerging markets equities suffered even greater losses amid concerns about U.S. trade protectionism and a strengthening U.S. dollar. The MSCI Frontier Markets Index[1] returned -11.84% during the period, compared to a -6.39% return for the MSCI EAFE Index[1] of developed market international stocks.

Global fixed income markets lost ground amid rising interest rates. Investors saw the onset of full employment and rising inflation in Germany and the U.S., nations that have a major impact on bond markets, as an indication that further increases in interest rates were on the horizon. Yields on U.S. government debt rose during the period. The U.S. Treasury curve flattened and global high-yield and investment- grade credit spreads widened. Emerging market debt performed especially poorly during the period, amid shrinking demand and growing supply. The Bloomberg Barclays Global Aggregate Bond Index[1], which tracks investment grade debt in 24 local currency markets, returned -2.05% during the period, while the JP Morgan Emerging Markets Bond Index Global[1] returned -5.27%.

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

HSBC Opportunity Fund

(Class A Shares, Class B Shares, Class C Shares and Class I Shares)

by William A. Muggia, Committee Lead/Portfolio Manager
Richard D. Lee, CFA, Portfolio Manager
Ethan J. Myers, CFA, Portfolio Manager
John M. Montgomery, Portfolio Manager
Westfield Capital Management Company, L.P.

The HSBC Opportunity Fund (the "Fund") seeks long-term growth of capital by investing, under normal market conditions, primarily in equity securities of small- and mid-cap companies. Small- and mid-cap companies generally are defined as those that have market capitalizations within the range of market capitalizations represented in the Russell 2500™ Growth Index[1]. The Fund may also invest in equity securities of larger, more established companies and may invest up to 20% of its assets in securities of foreign companies. The Fund employs a two-tier structure, commonly referred to as a "master-feeder" structure, in which the Fund invests all of its investable assets in the HSBC Opportunity Portfolio (the "Portfolio"). The Portfolio employs Westfield Capital Management Company, L.P. as its subadviser.

Investment Concerns

There is no assurance that a portfolio will achieve its investment objective or will work under all market conditions. The value of investments may go down as well as up and you may not get back the amount originally invested. Portfolios may be subject to certain additional risks, which should be considered carefully along with their investment objectives and fees. **Equity** investments fluctuate in value based on changes to an individual company's financial condition and overall market conditions. Investments in **foreign markets** entail special risks such as currency, political, economic, and market risks. Fluctuations in exchange rates between the U.S. dollar and foreign currencies, or between various foreign currencies, may negatively affect the Fund's performance. Investing in **smaller companies** is more risky and volatile than investing in large companies. **Growth investment** style may fall out of favor in the marketplace and result in significant declines in the value of the Portfolio's securities. Securities of companies considered growth investments may have rapid price swings in the event of earnings disappointments or during periods of market, political, regulatory, and economic uncertainty.

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

Market Commentary

For the year ended October 31, 2018, the Class I Shares of the HSBC Opportunity Fund produced a 6.96% total return, and the Class A Shares of the Fund produced a 6.46% total return (without sales charge). The Russell 2500™ Growth Index[1], the Fund's primary performance benchmark, and the Lipper Mid-Cap Growth Funds Average[1] returned 5.52% and 6.34%, respectively.

Portfolio Performance

U.S. equity markets posted strong returns throughout much of the 12-month period under review, shrugging off investor concerns about trade wars between the U.S. and China. Much of those early gains were erased in October 2018, however, as worries of an impending economic slowdown weighed on investor risk appetite. From a sector standpoint, health care, consumer staples and energy stocks delivered the bulk of the Fund's positive absolute returns, while materials, communication services and consumer discretionary detracted.[†]

Class I Shares outperformed the Fund's primary benchmark. Stock selection in the industrials sector drove much of the outperformance. Exposure to aerospace and defense names contributed positively to relative results, most notably shares in a provider of electronic and communication products for wireless and satellite systems, which rose after the company delivered better-than-expected quarterly earnings and sales in August. Investments in the health care sector also benefited the Fund on a relative basis. Shares in a clinical-stage biopharmaceutical developer rose at the end of 2017 after the company posted strong clinical data for its immuno-oncology compound and then again in early 2018 after the company announced a collaboration agreement. The Fund locked in gains from the initial investment by selling the position in October 2018 as the stock began to show signs of weakness. The Fund's holdings in the energy sector also boosted relative results, driven primarily by the acquisition of one of the Fund's refining holdings.[†]

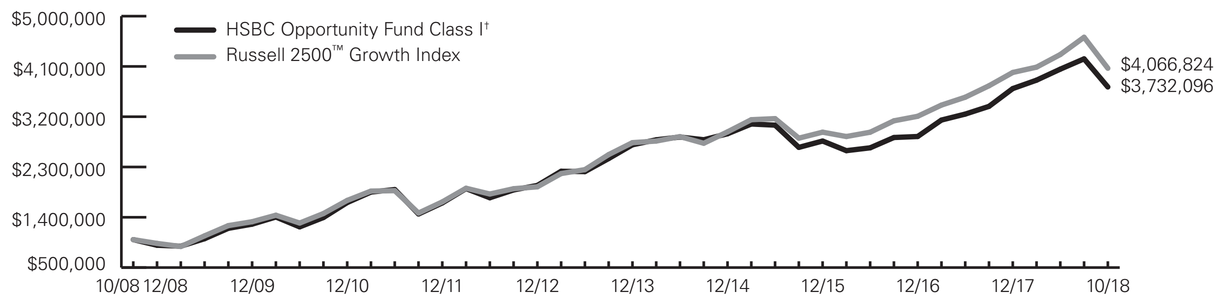
Stock selection in the consumer discretionary sector weighed on relative results. Investments in a manufacturer of electrical, powertrain and safety vehicle components negatively affected relative performance as tariffs on steel and aluminum drove up costs within the automotive industry. The Fund's holdings of a retailer of hard surface flooring also dragged on relative results after the company posted disappointing quarterly results in August. Investments in the materials sector also negatively impacted relative performance, most notably shares of a construction materials provider, which fell after the company lowered its 2018 guidance.[†]

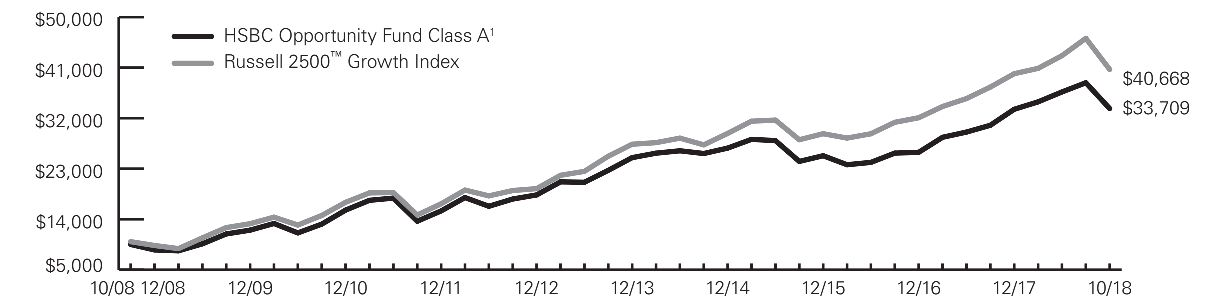
† Portfolio composition is subject to change.
1 For additional information, please refer to the Glossary of Terms.

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.

HSBC Opportunity Fund

Value of an Investment





The charts above represent a historical 10-year performance comparison of a hypothetical investment in the indicated share class versus a similar investment in the Fund's benchmark and represents the reinvestment of dividends and capital gains in the Fund.

Fund Performance		Average Annual Total Return (%)			Expense Ratio (%)[5]	
As of October 31, 2018	**Inception Date**	**1 Year**	**5 Year**	**10 Year**	**Gross**	**Net**
HSBC Opportunity Fund Class A[1]	9/23/96	1.15	6.48	12.92	5.87	1.65
HSBC Opportunity Fund Class B[2]	1/6/98	1.99	6.75	12.98	6.62	2.40
HSBC Opportunity Fund Class C[3]	11/4/98	4.63	6.75	13.08	6.62	2.40
HSBC Opportunity Fund Class I†	9/3/96	6.96	8.12	14.08	1.31	1.10
Russell 2500™ Growth Index[4]	—	5.52	9.53	15.06	N/A	N/A
Lipper Mid-Cap Growth Funds Average[4]	—	6.34	9.00	13.41	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 the 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. Currently, contractual fee waivers and/or expense reimbursements are in effect for the Fund through March 1, 2019.

Certain returns shown include monies received by the Portfolio, in which the Fund invests, in respect of one-time class action settlements and monies received by the Fund from a one-time reimbursement from HSBC Global Asset Management (USA) Inc. (the "Adviser") 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 Portfolio and the Fund not received the payments.

† The Class I Shares are issued by a separate series of the HSBC Funds.
1 Reflects the maximum sales charge of 5.00%.
2 Reflects the applicable contingent deferred sales charge, maximum of 4.00%.
3 Reflects the applicable contingent deferred sales charge, maximum of 1.00%.
4 For additional information, please refer to the Glossary of Terms.
5 Reflects the expense ratio as reported in the prospectus dated February 28, 2018. HSBC Global Asset Management (USA) Inc., the Adviser, has entered into a contractual expense limitation agreement with the Fund under which it will limit total expenses of the Fund (excluding interest, taxes, brokerage commissions, extraordinary expenses and estimated indirect expenses attributable to the Fund's investments in investment companies other than the Portfolio) to an annual rate of 1.65%, 2.40%, 2.40% and 1.10% for Class A Shares, Class B Shares, Class C and Class I Shares, respectively. The expense limitation shall be in effect until March 1, 2019. Additional information pertaining to the October 31, 2018 expense ratios can be found in the financial highlights.

The Fund's performance is measured against the Russell 2500™ Growth Index, an unmanaged index that measures the performance of the small- to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. The performance for the index does not reflect the deduction of expenses associated with a mutual fund, such as investment management and fund accounting fees. The Fund's performance reflects the deduction of fees for these value-added services. Investors cannot invest directly in an index.

HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities—as of October 31, 2018

	HSBC Opportunity Fund	HSBC Opportunity Fund (Class I)
Assets:		
Investments in Affiliated Portfolio	$9,507,807	$136,677,586
Receivable for capital shares issued	143	44,619
Receivable from Investment Adviser	28,701	38,469
Prepaid expenses and other assets	7,078	16,632
Total Assets	9,543,729	136,777,306
Liabilities:		
Payable for capital shares redeemed	—	61,781
Accrued expenses and other payables:		
Administration	162	2,349
Distribution fees	91	—
Shareholder Servicing	1,926	—
Accounting	2,417	1,584
Printing	4,312	14,167
Professional	32,388	31,617
Transfer Agent	13,072	19,282
Trustee	4,500	4,500
Other	496	2,257
Total Liabilities	59,364	137,537
Net Assets	$9,484,365	$136,639,769
Composition of Net Assets:		
Paid in capital	$7,304,815	$107,129,852
Total distributable earnings/(loss)	2,179,550	29,509,917
Net Assets	$9,484,365	$136,639,769
Net Assets:		
Class A Shares	$9,351,711	$ —
Class B Shares	17,023	—
Class C Shares	115,631	—
Class I Shares	—	136,639,769
Total	$9,484,365	$136,639,769
Shares Outstanding:		
($0.001 par value, unlimited number of shares authorized):		
Class A Shares	874,039	—
Class B Shares	2,762	—
Class C Shares	17,695	—
Class I Shares	—	9,501,052
Net Asset Value, Offering Price and Redemption Price per share:		
Class A Shares	$ 10.70	$ —
Class B Shares(a)	$ 6.16	$ —
Class C Shares(a)	$ 6.53	$ —
Class I Shares	$ —	$ 14.38
Maximum Sales Charge:		
Class A Shares	5.00%	—%
Maximum Offering Price per share (Net Asset Value / (100%-maximum sales charge))		
Class A Shares	$ 11.26	$ —
Investments in Affiliated Portfolio, at Cost	$8,846,210	$128,304,890

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

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

See notes to financial statements.

Statements of Operations—For the year ended October 31, 2018

	HSBC Opportunity Fund	HSBC Opportunity Fund (Class I)
Investment Income:		
Investment Income from Affiliated Portfolio	$ 74,269	$ 1,013,881
Expenses from Affiliated Portfolio	(109,991)	(1,505,733)
Total Investment Income/(Loss)	(35,722)	(491,852)
Expenses:		
Administration:		
Class A Shares	1,992	—
Class B Shares	7	—
Class C Shares	45	—
Class I Shares	—	28,071
Distribution:		
Class B Shares	255	—
Class C Shares	1,721	—
Shareholder Servicing:		
Class A Shares	23,771	—
Class B Shares	85	—
Class C Shares	476	—
Accounting	21,086	11,081
Administrative Services	6,401	2,201
Compliance Services	28,431	28,431
Printing	7,795	24,578
Professional	135,843	135,033
Transfer Agent	109,421	143,524
Trustee	72,368	72,445
Registration fees	23,325	22,293
Other	23,126	29,513
Total expenses before fee and expense reductions	456,148	497,170
Fees voluntarily reduced/reimbursed by Investment Adviser	(10,513)	—
Fees contractually reduced/reimbursed by Investment Adviser	(390,697)	(414,357)
Net Expenses	54,938	82,813
Net Investment Income/(Loss)	(90,660)	(574,665)
Realized/Unrealized Gains/(Losses) from Investments:		
Net realized gains/(losses) from investments from Affiliated Portfolio	1,711,715	22,339,913
Change in unrealized appreciation/depreciation on investments from Affiliated Portfolio	(934,014)	(12,911,260)
Net realized/unrealized gains/(losses) on investments from Affiliated Portfolio	777,701	9,428,653
Change in Net Assets Resulting from Operations	$ 687,041	$ 8,853,988

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

See notes to financial statements.

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets

	HSBC Opportunity Fund		HSBC Opportunity Fund (Class I)	
	For the year ended October 31, 2018	For the year ended October 31, 2017	For the year ended October 31, 2018	For the year ended October 31, 2017
Investment Activities:				
Operations:				
Net investment income/(loss)	$ (90,660)	$ (82,641)	$ (574,665)	$ (454,613)
Net realized gains/(losses) from investments	1,711,715	1,383,534	22,339,913	19,709,152
Change in unrealized appreciation/depreciation on investments	(934,014)	1,222,544	(12,911,260)	15,692,968
Change in net assets resulting from operations	687,041	2,523,437	8,853,988	34,947,507
Distributions to shareholders:				
Class A Shares	(1,047,996)	(1,128,826)	—	—
Class B Shares	(7,279)	(12,613)	—	—
Class C Shares	(71,416)	(79,223)	—	—
Class I Shares	—	—	(17,639,612)	(14,495,106)
Change in net assets resulting from distributions to shareholders	(1,126,691)	(1,220,662)	(17,639,612)	(14,495,106)
Change in net assets resulting from capital transactions	4,054	(1,208,010)	17,564,892	(33,653,038)
Change in net assets	(435,596)	94,765	8,779,268	(13,200,637)
Net Assets:				
Beginning of period	9,919,961	9,825,196	127,860,501	141,061,138
End of period	$ 9,484,365	$ 9,919,961	$136,639,769	$127,860,501

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

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	HSBC Opportunity Fund		HSBC Opportunity Fund (Class I)	
	For the year ended October 31, 2018	For the year ended October 31, 2017	For the year ended October 31, 2018	For the year ended October 31, 2017
CAPITAL TRANSACTIONS:				
Class A Shares:				
Proceeds from shares issued	$ 582,737	$ 490,391	$ —	$ —
Dividends reinvested	1,020,798	1,096,861	—	—
Value of shares redeemed	(1,265,078)	(2,703,036)	—	—
Class A Shares capital transactions	338,457	(1,115,784)	—	—
Class B Shares:				
Proceeds from shares issued	—	7,643	—	—
Dividends reinvested	7,279	12,613	—	—
Value of shares redeemed	(31,516)	(53,986)	—	—
Class B Shares capital transactions	(24,237)	(33,730)	—	—
Class C Shares:				
Proceeds from shares issued	6,582	9,094	—	—
Dividends reinvested	71,416	79,223	—	—
Value of shares redeemed	(388,164)	(146,813)	—	—
Class C Shares capital transactions	(310,166)	(58,496)	—	—
Class I Shares:				
Proceeds from shares issued	—	—	18,679,912	9,067,442
Dividends reinvested	—	—	17,448,749	14,367,761
Value of shares redeemed	—	—	(18,563,769)	(57,088,241)
Class I Shares capital transactions	—	—	17,564,892	(33,653,038)
Change in net assets resulting from capital transactions	$ 4,054	$(1,208,010)	$ 17,564,892	$ (33,653,038)
SHARE TRANSACTIONS:				
Class A Shares:				
Issued	50,934	47,663	—	—
Reinvested	95,491	118,452	—	—
Redeemed	(110,424)	(260,788)	—	—
Change in Class A Shares	36,001	(94,673)	—	—
Class B Shares:				
Issued	—	1,202	—	—
Reinvested	1,174	2,167	—	—
Redeemed	(4,677)	(8,201)	—	—
Change in Class B Shares	(3,503)	(4,832)	—	—
Class C Shares:				
Issued	998	1,383	—	—
Reinvested	10,870	12,966	—	—
Redeemed	(55,691)	(20,791)	—	—
Change in Class C Shares	(43,823)	(6,442)	—	—
Class I Shares:				
Issued	—	—	1,176,332	656,336
Reinvested	—	—	1,219,340	1,137,590
Redeemed	—	—	(1,195,712)	(4,121,773)
Change in Class I Shares	—	—	1,199,960	(2,327,847)

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

See notes to financial statements.

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/ (Loss)(a)	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(b)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets	Ratio of Net Investment Income/ (Loss) to Average Net Assets	Ratio of Expenses to Average Net Assets (Excluding Fee Reductions)	Portfolio Turnover(c)
Class A Shares														
Year Ended October 31, 2018	$11.24	$(0.10)	$ 0.82	$ 0.72	$—	$(1.26)	$(1.26)	$10.70	6.46%	$ 9,352	1.55%	(0.84)%	5.37%	77%
Year Ended October 31, 2017	9.94	(0.08)	2.68	2.60	—	(1.30)	(1.30)	11.24	29.00%	9,422	1.55%	(0.79)%	2.98%	80%
Year Ended October 31, 2016	10.34	(0.07)	(0.33)	(0.40)	—	—	—	9.94	(3.87)%	9,276	1.55%	(0.66)%	2.11%	96%
Year Ended October 31, 2015	12.83	(0.10)	(0.07)	(0.17)	—	(2.32)	(2.32)	10.34	(2.21)%	16,593	1.55%	(0.86)%	1.84%	63%
Year Ended October 31, 2014	12.78	(0.13)	1.53	1.40	—	(1.35)	(1.35)	12.83	11.57%	16,110	1.55%	(1.04)%	1.86%	66%
Class B Shares														
Year Ended October 31, 2018	7.03	(0.11)	0.50	0.39	—	(1.26)	(1.26)	6.16	5.50%	17	2.30%	(1.57)%	6.14%	77%
Year Ended October 31, 2017	6.72	(0.10)	1.71	1.61	—	(1.30)	(1.30)	7.03	28.05%	44	2.30%	(1.52)%	3.73%	80%
Year Ended October 31, 2016	7.04	(0.09)	(0.23)	(0.32)	—	—	—	6.72	(4.55)%	75	2.30%	(1.41)%	2.86%	96%
Year Ended October 31, 2015	9.51	(0.13)	(0.02)	(0.15)	—	(2.32)	(2.32)	7.04	(2.90)%	178	2.30%	(1.61)%	2.60%	63%
Year Ended October 31, 2014	9.87	(0.16)	1.15	0.99	—	(1.35)	(1.35)	9.51	10.74%	334	2.30%	(1.74)%	2.60%	66%
Class C Shares														
Year Ended October 31, 2018	7.38	(0.11)	0.52	0.41	—	(1.26)	(1.26)	6.53	5.52%	116	2.30%	(1.60)%	6.08%	77%
Year Ended October 31, 2017	6.99	(0.11)	1.80	1.69	—	(1.30)	(1.30)	7.38	28.11%	454	2.30%	(1.54)%	3.71%	80%
Year Ended October 31, 2016	7.32	(0.10)	(0.23)	(0.33)	—	—	—	6.99	(4.51)%	475	2.30%	(1.41)%	2.88%	96%
Year Ended October 31, 2015	9.80	(0.13)	(0.03)	(0.16)	—	(2.32)	(2.32)	7.32	(2.93)%	825	2.30%	(1.61)%	2.62%	63%
Year Ended October 31, 2014	10.14	(0.17)	1.18	1.01	—	(1.35)	(1.35)	9.80	10.64%	822	2.30%	(1.77)%	2.61%	66%

* The per share amounts and percentages reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the HSBC Opportunity Portfolio. Amounts designated as "—" are $0.00 or have been rounded to $0.00.

(a) Calculated based on average shares outstanding.

(b) Total return calculations do not include any sales or redemption charges.

(c) Portfolio turnover rate is calculated on the basis of the Portfolio in which the Fund invests all of its investable assets. Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

See notes to financial statements.

HSBC OPPORTUNITY FUND (CLASS I)

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/ (Loss)(a)	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(b)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets	Ratio of Net Investment Income/ (Loss) to Average Net Assets	Ratio of Expenses to Average Net Assets (Excluding Fee Reductions)	Portfolio Turnover(c)
Class I Shares														
Year Ended October 31, 2018	$15.40	$(0.06)	$ 1.12	$ 1.06	$ —	$(2.08)	$(2.08)	$14.38	6.96%	$136,640	1.10%	(0.40)%	1.39%	77%
Year Ended October 31, 2017	13.27	(0.05)	3.65	3.60	—	(1.47)	(1.47)	15.40	29.53%	127,861	1.10%	(0.34)%	1.12%	80%
Year Ended October 31, 2016	13.72	(0.02)	(0.43)	(0.45)	—	—	—	13.27	(3.28)%	141,061	1.03%	(0.15)%	1.03%	96%
Year Ended October 31, 2015	17.47	(0.05)	(0.08)	(0.13)	—	(3.62)	(3.62)	13.72	(1.69)%	219,846	0.99%	(0.30)%	0.99%	63%
Year Ended October 31, 2014	17.27	(0.08)	2.07	1.99	(0.04)	(1.75)	(1.79)	17.47	12.16%	205,237	1.00%	(0.49)%	1.00%	66%

* The per share amounts and percentages reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the HSBC Opportunity Portfolio. Amounts designated as "—" are $0.00 or have been rounded to $0.00.

(a) Calculated based on average shares outstanding.

(b) Total return calculations do not include any sales or redemption charges.

(c) Portfolio turnover rate is calculated on the basis of the Portfolio in which the Fund invests all of its investable assets. Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

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. As of October 31, 2018, the Trust is composed of 10 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:

Fund	Short Name
HSBC Opportunity Fund	Opportunity Fund
HSBC Opportunity Fund (Class I)	Opportunity Fund (Class I)

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

Each Fund is a feeder fund in a master-feeder fund structure and seeks to achieve its investment objectives by investing all of its investable assets in the HSBC Opportunity Portfolio (the "Portfolio"), which is a diversified series of the Trust. The Portfolio operates as the master fund in a master-feeder arrangement in which the feeder funds invest all or part of their investable assets in the Portfolio. The Funds' proportionate ownership of the Portfolio as of October 31, 2018 was as follows:

Fund	Proportionate Ownership Interest on October 31, 2018 (%)
Opportunity Fund	6.5
Opportunity Fund (Class I)	93.5

The financial statements of the Portfolio, including the Schedule of Portfolio Investments, are included elsewhere in this report. The financial statements of the Portfolio should be read in conjunction with the financial statements of 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 Opportunity Fund offers three classes of shares: Class A Shares, Class B Shares, and Class C Shares. The Opportunity Fund (Class I) offers one class of shares: Class I Shares. Class A Shares of the Opportunity Fund have a maximum sales charge of 5.00% as a percentage of the offering price. Class B Shares of the Opportunity Fund 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 Opportunity Fund 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 I Shares of the Opportunity Fund (Class I). Each class of shares in the Funds 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 of each class of shares. Class B Shares of the Opportunity Fund 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 enters into contracts with its service providers, which also provide for indemnifications by the Funds. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds. However, based on experience, the Trust believes the risk of loss to be remote.

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

2. Significant Accounting Policies:

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

Securities Valuation:

The Funds record their investments at 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:

The Funds record investments to the Portfolio on a trade date basis. The Funds record daily their proportionate share of income, expenses, changes in unrealized appreciation and depreciation and realized gains and losses derived from the Portfolio. In addition, the Funds accrue their own expenses daily as incurred.

Allocations:

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

Distributions to Shareholders:

Dividends distributed to shareholders of the Funds from net investment income, if any, are declared and distributed semiannually.

The Funds' net realized gains, if any, are declared and paid at least annually. Additional distributions are also made to the Funds' shareholders to the extent necessary to avoid the federal excise tax on certain undistributed income and net realized gains of regulated investment companies.

Federal Income Taxes:

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

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

3. Investment Valuation Summary

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the fair value hierarchy. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

The Funds record their investments in the Portfolio at fair value, which represents their proportionate ownership of the value of the Portfolios' net assets. These investments are typically categorized as Level 2 in the fair value hierarchy. The underlying securities of the Portfolio are recorded at fair value, as discussed more fully in the Notes to Financial Statements of the Portfolio included elsewhere in this report.

As of October 31, 2018, all investments were categorized as Level 2 in the fair value hierarchy.

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 Portfolio pursuant to an Investment Advisory Contract. As Investment Adviser, HSBC manages the investments of the Portfolio and continuously reviews, supervises, and administers the Portfolios' investments. The Funds are not directly charged any investment management fees.

Administration, Fund Accounting and Other Services:

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

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

The fee rates and breakpoints are determined on the basis of the aggregate average daily net assets of the Trust. For the year ended October 31, 2018, the effective annualized rate was 0.038%, prior to any fee waivers or expense reimbursements, based on the average daily net assets of the Trust. The total administration fee paid to HSBC is allocated to each series based upon its proportionate share of the aggregate net assets of the Trust. For assets invested in the Portfolio by the Funds, the Portfolio pays half of the administration fee and the Funds pay half, for a combination of the total fee rate set forth above.

Pursuant to a Sub-Administration Services Agreement with HSBC, Citi Fund Services Ohio, Inc. ("Citi"), a wholly-owned subsidiary of Citigroup, Inc., serves as the Trust's Sub-Administrator. For these services, Citi is entitled to a fee, payable by HSBC, at an annual rate equivalent to the fee rates set forth below:

Based on Average Daily Net Assets of	Fee Rate (%)
Up to $10 billion	0.0200
In excess of $10 billion but not exceeding $20 billion	0.0150
In excess of $20 billion but not exceeding $50 billion	0.0065
In excess of $50 billion	0.0045

Under a Services Agreement between the Trust and Citi (the "Services Agreement"), Citi makes an individual available to serve as the Trust's Chief Compliance Officer (the "CCO"). 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 Services Agreement, the Trust paid Citi $313,915 for the year ended October 31, 2018, 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.

In addition, Citi provides fund accounting services for each Fund under the Services Agreement. 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.

Distribution Arrangements:

Foreside Distribution Services, L.P. ("Foreside") serves the Trust as Distributor (the "Distributor"). The Trust has adopted a non-compensatory Distribution Plan and Agreement (the "Distribution Plan") pursuant to Rule 12b-1 of the Act. The Distribution Plan provides for reimbursement of expenses incurred by the Distributor related to distribution and marketing, at a rate not to exceed 0.25%, 1.00%, and 1.00% 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%) of the Opportunity Fund, respectively. For the year ended October 31, 2018, Foreside, as Distributor, also received $1,976 in commissions from sales of the Trust.

Shareholder Servicing:

The Trust has adopted a Shareholder Services Plan, which provides for payments to shareholder servicing agents for providing various shareholder services. For performing these services, the shareholder servicing agents receive a fee that is computed daily and paid monthly up to 0.25% of the average daily net assets of Class A Shares, Class B Shares, and Class C Shares of the Opportunity Fund. The 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 0.50% annually of the average daily net assets of Class A Shares, and 1.00% of the average daily net assets of Class B Shares and Class C Shares.

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.

Transfer Agency:

On April 16, 2018, DST Asset Manager Solutions, Inc. ("DST") (formerly, Boston Financial Data Services, Inc.) announced that SS&C Technologies completed its acquisition of DST Systems, Inc., the parent of DST. DST provides transfer agency services for each Fund. As transfer agent, DST receives a fee based on the number of funds and shareholder accounts, subject to certain minimums, and reimbursement of certain expenses.

Independent Trustees:

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

Other:

The Funds pay fees to certain intermediaries or financial institutions for record keeping, sub-accounting services, transfer agency and other administrative services as reflected on the Statements of Operations as "Administrative Services."

Fee Reductions:

The Investment Adviser has agreed to contractually limit through March 1, 2019 the total annual expenses of the Funds, exclusive of interest, taxes, brokerage commissions, extraordinary expenses, and estimated indirect expenses attributable to the Fund's investments in investment companies. Each Fund Class has its own expense limitations based on the average daily net assets for any full fiscal year as follows:

Fund	Class	Contractual Expense Limitations (%)
Opportunity Fund	A	1.65
Opportunity Fund	B	2.40
Opportunity Fund	C	2.40
Opportunity Fund (Class I)	I	1.10

Any amounts contractually waived or reimbursed by the Investment Adviser will be subject to repayment by the respective Fund to the Investment Adviser within three years calculated monthly from when the waiver or reimbursement is recorded to the extent that the repayment will not cause the Fund's operating expenses to exceed the contractual expense limit that was in effect at the time of such waiver or reimbursement. During the year ended October 31, 2018, the Investment Adviser did not recapture any of its prior contractual waivers or reimbursements. As of October 31, 2018, the repayments that may potentially be made by the Funds are as follows:

	Amount Eligible Through			
Fund	2021 ($)	2020 ($)	2019 ($)	Total ($)
Opportunity Fund	390,697	131,244	62,736	584,677
Opportunity Fund (Class I)	414,357	28,269	—	442,626

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 eliminated or changed at any time. Amounts waived/reimbursed by the Investment Adviser, Administrator and Citi as Sub-Administrator are reported separately on the Statements of Operations, as applicable.

5. Affiliated Investment Transactions:

A summary of each Fund's investment in the affiliated Portfolio for the year ended October 31, 2018 is as follows:

	Value 10/31/2017 ($)	Contributions ($)	Withdrawals ($)	Net Realized Gains/ (Losses) ($)	Change in Unrealized Appreciation/ Depreciation ($)	Value 10/31/2018 ($)	Net Income/ (Loss) ($)
Opportunity Fund							
Opportunity Portfolio	9,931,067	451,089	(1,616,328)	1,711,715	(934,014)	9,507,807	(35,722)
Total	9,931,067	451,089	(1,616,328)	1,711,715	(934,014)	9,507,807	(35,722)
Opportunity Fund (Class I)							
Opportunity Portfolio	127,926,102	19,391,958	(19,577,275)	22,339,913	(12,911,260)	136,677,586	(491,852)
Total	127,926,102	19,391,958	(19,577,275)	22,339,913	(12,911,260)	136,677,586	(491,852)

6. Federal Income Tax Information:

At October 31, 2018, the cost basis of investments for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation/depreciation were as follows:

	Tax Cost ($)	Tax Unrealized Appreciation ($)	Tax Unrealized Depreciation ($)	Net Unrealized Appreciation/ (Depreciation) ($)*
Opportunity Fund	8,908,204	599,603	—	599,603
Opportunity Fund (Class I)	128,361,594	8,315,992	—	8,315,992

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

The tax character of distributions paid by the Funds for the tax year ended October 31, 2018, was as follows:

	Distributions paid from			
	Ordinary Income ($)	Net Long Term Capital Gains ($)	Total Taxable Distributions ($)	Total Distributions Paid ($)(1)
Opportunity Fund	468,858	657,833	1,126,691	1,126,691
Opportunity Fund (Class I)	8,359,597	9,280,015	17,639,612	17,639,612

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

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

	Distributions paid from		
	Net Long Term Capital Gains ($)	Total Taxable Distributions ($)	Total Distributions Paid ($)(1)
Opportunity Fund	1,220,662	1,220,662	1,220,662
Opportunity Fund (Class I)	14,495,106	14,495,106	14,495,106

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

As of the tax year ended October 31, 2018, the components of accumulated earnings/(deficit) on a tax basis for the Funds were as follows:

	Undistributed Ordinary Income ($)	Undistributed Long Term Capital Gains ($)	Accumulated Earnings ($)	Unrealized Appreciation/ (Depreciation) ($)[1]	Total Accumulated Earnings/ (Deficit) ($)
Opportunity Fund	214,513	1,365,435	1,579,948	599,603	2,179,551
Opportunity Fund (Class I)	3,258,490	17,935,433	21,193,923	8,315,992	29,509,915

(1) The differences between book-basis and tax-basis unrealized appreciation/depreciation are attributable primarily to: tax deferral of losses on wash sales, and the return of capital adjustments from real estate investment trusts.

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, 2018, the Funds had no deferred losses.

The amount and character of net investment income and net realized gains distributed are determined in accordance with federal income tax regulations which may differ from GAAP. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature (e.g., reclassification of market discounts, certain gain/loss, and certain distributions), such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences (e.g., wash losses and post-October loss deferrals) do not require reclassification. The Funds may utilize equalization accounting for tax purposes and designate earnings and profits, including net realized gains distributed to shareholders on redemption of shares, as a part of the dividends paid deduction for income tax purposes. 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 ($)
Opportunity Fund	90,660	(89,736)	(924)
Opportunity Fund (Class I)	574,665	(562,441)	(12,224)

* These components of capital are presented together as "Total distributable earnings/(loss)" on the Statements of Assets and Liabilities.

The reclassification for the Funds primarily relate to net investment loss.

7. Significant Shareholders:

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

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

Fund	Number of shareholders with ownership of voting securities of the Portfolio greater than 10% and less than 25% of the total Portfolio's outstanding voting securities	% owned in aggregate by 10% - 25% shareholders	Number of shareholders with ownership of voting securities of the Portfolio greater than 25% of the total Portfolio's outstanding voting securities	% owned in aggregate by greater than 25% shareholders
Opportunity Fund	—	—	1	71%
Opportunity Fund (Class I). . .	3	49%	1	27%

8. Investment Risks:

Currency Risk: Fluctuations in exchange rates between the U.S. dollar and foreign currencies, or between various foreign currencies, may negatively affect the Funds' performance. The Funds may seek to reduce currency risk by hedging part or all of its exposure to various foreign currencies; however, even if such hedging techniques are employed, there is no assurance that they will be successful.

Equity Securities Risk: The prices of equity securities fluctuate from time to time based on changes in a company's financial condition or overall market and economic conditions. As a result, the value of equity securities may fluctuate drastically from day to day.

Foreign Securities Risk: Investments in foreign securities are generally considered riskier than investments in U.S. securities. Foreign securities, including those of emerging and frontier market issuers, are subject to additional risks, including international trade, political and regulatory risks.

Market Risk: The value of the Funds' investments may decline due to changing economic, political, social, regulatory or market conditions. Market risk may affect a single issuer, industry or sector of the economy or it may affect the economy as a whole. Moreover, the conditions in one country or geographic region could adversely affect the Funds' investments in a different country or geographic region.

9. Recent Accounting Pronouncements:

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurements" ("ASU 2018-13"). This update makes certain removals from, changes to and additions to existing disclosure requirements for fair value measurements. ASU 2018-13 does not change fair value measurements already required or permitted by existing standards. ASU 2018-13 is effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. As permitted, the Funds have early adopted ASU 2018-13 with the financial statements prepared as of October 31, 2018.

In August 2018, the Securities and Exchange Commission ("SEC") adopted amendments to certain financial statement disclosure requirements to conform them to GAAP for investment companies. These amendments made certain removals from, changes to and additions to existing disclosure requirements under Regulation S-X. The Funds' adoption of these amendments, effective with the financial statements prepared as of October 31, 2018 had no effect on the Funds' net assets or results of operations. As a result of adopting these amendments, the distributions to shareholders in the October 31, 2017 Statements of Changes in Net Assets presented herein have been reclassified to conform to the current year presentation, which includes all distributions to each class of shareholders, other than tax basis return of capital distributions, in one line item per share class. Prior to adoption of this amendment, the distributions to shareholders in the October 31, 2017 Statements of Changes in Net Assets appeared as follows:

	Opportunity Fund For the year ended October 31, 2017 ($)	Opportunity Fund (Class I) For the year ended October 31, 2017 ($)
Distributions:		
Net Realized Gains:		
Class A Shares	(1,128,826)	—
Class B Shares	(12,613)	—
Class C Shares	(79,223)	—
Class I Shares	—	(14,495,106)
Total	(1,220,662)	(14,495,106)

10. 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, 2018.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of HSBC Funds and Shareholders of HSBC Opportunity Fund and HSBC Opportunity Fund (Class I)

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities of HSBC Opportunity Fund and HSBC Opportunity Fund (Class I) (two of the funds constituting HSBC Funds, hereafter collectively referred to as the "Funds") as of October 31, 2018, the related statements of operations for the year ended October 31, 2018, the statements of changes in net assets for each of the two years in the period ended October 31, 2018, including the related notes, and the financial highlights for each of the four years in the period ended October 31, 2018 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of October 31, 2018, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended October 31, 2018 and each of the financial highlights for each of the four years in the period ended October 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

The financial statements and financial highlights as of and for the year ended October 31, 2014 (not presented herein, other than the financial highlights) were audited by other auditors whose report dated December 23, 2014 expressed an unqualified opinion on those financial statements and financial highlights.

Basis for Opinions

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Report of Independent Registered Public Accounting Firm (continued)

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of October 31, 2018 by correspondence with the fund accounting agent for the HSBC Opportunity Portfolio, the master fund in which the Funds invest. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP
New York, New York
December 20, 2018

We have served as the auditor of one or more investment companies in the HSBC Funds since 2015.

Other Federal Income Tax Information—as of October 31, 2018 (Unaudited)

During the year ended October 31, 2018, the following Funds declared capital gain distributions:

	Short Term Capital Gain Distributions ($)	Long Term Capital Gain Distributions ($)
Opportunity Fund	468,858	657,833
Opportunity Fund (Class I)	8,359,597	9,280,015

For the year ended October 31, 2018, the following percentages of the total ordinary income dividends paid by the Fund qualify for the corporate dividends received deduction available to corporate shareholders:

	Dividends Received Deduction (%)
Opportunity Fund (Class I)	11.27%

For the year ended October 31, 2018, dividends paid by the Funds may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund intends to designate the maximum amount allowable as taxed at a maximum rate of 15%. Complete information will be reported in conjunction with your 2018 Form 1099-DIV:

	Qualified Dividend Income %
Opportunity Fund (Class I)	11.81%

Table of Shareholder Expenses—as of October 31, 2018 (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 /or shareholder servicing fees and other Fund expenses (including expenses allocated from the Portfolios). These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these 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, 2018 through October 31, 2018.

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 5/1/18	Ending Account Value 10/31/18	Expenses Paid During Period* 5/1/18 - 10/31/18	Annualized Expense Ratio During Period 5/1/18 - 10/31/18
Opportunity Fund	Class A Shares	$1,000.00	$957.90	$ 7.65	1.55%
	Class B Shares	1,000.00	953.60	11.33	2.30%
	Class C Shares	1,000.00	953.30	11.32	2.30%
Opportunity Fund (Class I).	Class I Shares	1,000.00	960.60	5.44	1.10%

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

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 5/1/18	Ending Account Value 10/31/18	Expenses Paid During Period* 5/1/18 - 10/31/18	Annualized Expense Ratio During Period 5/1/18 - 10/31/18
Opportunity Fund	Class A Shares	$1,000.00	$1,017.39	$ 7.88	1.55%
	Class B Shares	1,000.00	1,013.61	11.67	2.30%
	Class C Shares	1,000.00	1,013.61	11.67	2.30%
Opportunity Fund (Class I).	Class I Shares	1,000.00	1,019.66	5.60	1.10%

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

Portfolio Composition*
October 31, 2018 (Unaudited)

HSBC Opportunity Portfolio

Investment Allocation	Percentage of Investments at Value (%)
IT Services	10.8
Software	8.6
Biotechnology	5.8
Hotels, Restaurants & Leisure	4.9
Capital Markets	4.8
Oil, Gas & Consumable Fuels	4.3
Semiconductors & Semiconductor Equipment	4.3
Pharmaceuticals	3.7
Aerospace & Defense	3.5
Life Sciences Tools & Services	3.5
Machinery	3.5
Road & Rail	3.4
Equity Real Estate Investment Trusts	3.2
Chemicals	3.0
Professional Services	2.9
Health Care Equipment & Supplies	2.8
Specialty Retail	2.6
Diversified Consumer Services	2.6
Insurance	2.6
Entertainment	2.6
Building Products	2.2
Thrifts & Mortgage Finance	2.0
Health Care Providers & Services	1.9
Containers & Packaging	1.8
Investment Companies	1.7
Electronic Equipment, Instruments & Components	1.7
Media	1.4
Construction & Engineering	1.1
Banks	1.0
Communications Equipment	0.9
Construction Materials	0.8
Technology Hardware, Storage & Peripherals	0.1
Total	100.0

* Portfolio composition is subject to change.

HSBC OPPORTUNITY PORTFOLIO

Schedule of Portfolio Investments—as of October 31, 2018

Common Stocks — 97.8%

	Shares	Value ($)
Aerospace & Defense — 3.5%		
Teledyne Technologies, Inc. (a)	12,545	2,775,958
TransDigm Group, Inc. (a)	7,176	2,369,874
		5,145,832
Banks — 1.0%		
East West BanCorp, Inc.	28,170	1,477,235
Biotechnology — 5.6%		
Acceleron Pharma, Inc. (a)	45,060	2,287,695
Agios Pharmaceuticals, Inc. (a)	23,800	1,500,828
Alnylam Pharmaceuticals, Inc. (a)	18,960	1,524,953
Blueprint Medicines Corp. (a)	21,880	1,329,648
Sarepta Therapeutics, Inc. (a)	11,950	1,598,432
		8,241,556
Building Products — 2.2%		
Lennox International, Inc.	15,275	3,221,345
Capital Markets — 4.8%		
BGC Partners, Inc.	212,180	2,246,986
LPL Financial Holdings, Inc.	36,600	2,254,560
Raymond James Financial, Inc.	32,910	2,523,867
		7,025,413
Chemicals — 2.9%		
Orion Engineered Carbons SA	80,010	2,065,058
W.R. Grace & Co.	34,535	2,237,523
		4,302,581
Communications Equipment — 0.9%		
CommScope Holding Co., Inc. (a)	55,000	1,323,300
Construction & Engineering — 1.1%		
MasTec, Inc. (a)	37,520	1,632,495
Construction Materials — 0.8%		
Summit Materials, Inc., Class A (a)	88,501	1,194,764
Containers & Packaging — 1.8%		
Avery Dennison Corp.	29,180	2,647,210
Diversified Consumer Services — 2.6%		
Frontdoor, Inc. (a)	49,765	1,694,498
Servicemaster Global Holdings, Inc. (a)	48,260	2,069,389
		3,763,887
Electronic Equipment, Instruments & Components — 1.7%		
FLIR Systems, Inc.	53,560	2,480,364
Entertainment — 2.6%		
Lions Gate Entertainment, Class B	80,710	1,435,831
Madison Square Garden Co., Class A (a)	8,343	2,307,841
		3,743,672
Equity Real Estate Investment Trusts — 3.1%		
QTS Realty Trust, Inc.	55,000	2,107,600
Sun Communities, Inc.	24,810	2,492,661
		4,600,261
Health Care Equipment & Supplies — 2.8%		
Haemonetics Corp. (a)	13,960	1,458,401
STERIS plc	24,375	2,664,431
		4,122,832

Common Stocks, continued

	Shares	Value ($)
Health Care Providers & Services — 1.9%		
Quest Diagnostics, Inc.	29,860	2,810,125
Hotels, Restaurants & Leisure — 4.9%		
Jack in the Box, Inc.	33,230	2,622,844
Penn National Gaming, Inc. (a)	60,890	1,478,409
Vail Resorts, Inc.	12,290	3,088,722
		7,189,975
Insurance — 2.6%		
Arthur J. Gallagher & Co.	50,610	3,745,646
IT Services — 10.8%		
Black Knight, Inc. (a)	68,550	3,343,183
Gartner, Inc. (a)	14,990	2,211,325
Godaddy, Inc., Class A (a)	40,330	2,950,946
Total System Services, Inc.	45,340	4,132,740
Twilio, Inc. (a)	10,290	774,014
WEX INC (a)	12,610	2,218,856
		15,631,064
Life Sciences Tools & Services — 3.5%		
BIO-RAD Laboratories, Inc., Class A (a)	9,000	2,455,650
Mettler-Toledo International, Inc. (a)	4,884	2,670,669
		5,126,319
Machinery — 3.5%		
Crane Co.	31,750	2,763,520
Flowserve Corp.	51,230	2,351,457
		5,114,977
Media — 1.4%		
Nexstar Media Group, Inc., Class A	26,980	2,020,532
Oil, Gas & Consumable Fuels — 4.3%		
Diamondback Energy, Inc.	23,770	2,670,796
PBF Energy, Inc.	42,510	1,779,044
WPX Energy, Inc. (a)	116,290	1,865,292
		6,315,132
Pharmaceuticals — 3.8%		
Catalent, Inc. (a)	23,850	962,109
Jazz Pharmaceuticals plc (a)	18,949	3,009,480
The Medicines Co. (a)	63,460	1,476,080
		5,447,669
Professional Services — 2.9%		
CoStar Group, Inc. (a)	5,585	2,018,531
Transunion	33,260	2,186,845
		4,205,376
Road & Rail — 3.4%		
J.B. Hunt Transportation Services, Inc.	32,085	3,548,922
Old Dominion Freight Line, Inc.	10,340	1,348,543
		4,897,465

See notes to financial statements.

Common Stocks, continued	Shares	Value ($)
Semiconductors & Semiconductor Equipment — 4.2%		
Marvell Technology Group, Ltd.	126,810	2,080,952
MKS Instruments, Inc.	21,330	1,571,808
On Semiconductor Corp. (a)	149,850	2,547,450
		6,200,210
Software — 8.5%		
Envestnet, Inc. (a)	27,950	1,453,959
Fortinet, Inc. (a)	32,620	2,680,712
Guidewire Software, Inc. (a)	31,110	2,767,857
New Relic, Inc. (a)	8,020	715,785
RealPage, Inc. (a)	54,080	2,866,239
Splunk, Inc. (a)	18,555	1,852,531
		12,337,083
Specialty Retail — 2.6%		
Burlington Stores, Inc. (a)	18,640	3,196,573
Floor & Decor Holdings, Inc., Class A (a)	25,210	644,872
		3,841,445
Technology Hardware, Storage & Peripherals — 0.1%		
NCR Corp. (a)	7,290	195,737
Thrifts & Mortgage Finance — 2.0%		
Essent Group, Ltd. (a)	74,680	2,943,886
TOTAL COMMON STOCKS (COST $133,906,371)		**142,945,388**

Investment Company — 1.7%		
Northern Institutional Government Select Portfolio, Institutional Shares, 1.92% (b)	2,505,718	2,505,718
TOTAL INVESTMENT COMPANY (Cost $2,505,718)		**2,505,718**
TOTAL INVESTMENTS IN SECURITIES (Cost $136,412,089) — 99.5%		**145,451,106**
Other Assets (Liabilities) — 0.5%		**734,287**
NET ASSETS — 100%		**$146,185,393**

(a) Represents non-income producing security.
(b) The rate represents the annualized one day yield that was in effect on October 31, 2018.

HSBC FAMILY OF FUNDS

Statement of Assets and Liabilities—as of October 31, 2018

	HSBC Opportunity Portfolio
Assets:	
Investment in securities, at value	$145,451,106
Dividends receivable	14,239
Receivable for investments sold	1,082,220
Prepaid expenses and other assets	2,180
Total Assets	146,549,745
Liabilities:	
Payable for investments purchased	202,165
Accrued expenses and other liabilities:	
Investment Management	32,595
Sub-Advisory	71,707
Administration	2,513
Accounting	5,913
Custodian	4,968
Printing	2,105
Professional	35,890
Trustee	4,500
Other	1,996
Total Liabilities	$ 364,352
Net Assets Applicable to investors' beneficial interest	$146,185,393
Investments in securities, at cost	$136,412,089

See notes to financial statements.

Statement of Operations—For the year ended October 31, 2018

	HSBC Opportunity Portfolio
Investment Income:	
Dividends	$ 1,100,379
Foreign tax withholding	(12,230)
Total Investment Income	1,088,149
Expenses:	
Investment Management Fees	387,585
Sub-Advisory Fees	852,690
Administration	30,127
Accounting	48,239
Compliance Services	28,431
Custodian	25,375
Printing	3,115
Professional	145,234
Trustee	72,225
Other	22,703
Total Expenses	1,615,724
Net Investment Income/(Loss)	$ (527,575)
Net Realized/Unrealized Gains/(Losses) from Investments:	
Net realized gains/(losses) from investment securities	24,051,438
Change in unrealized appreciation/depreciation on investment securities	(13,845,082)
Net realized/unrealized gains/(losses) on investments	10,206,356
Change in Net Assets Resulting from Operations	$ 9,678,781

See notes to financial statements.

Statements of Changes in Net Assets

	HSBC Opportunity Portfolio	
	For the year ended October 31, 2018	For the year ended October 31, 2017
Investment Activities:		
Operations:		
Net investment income/(loss)	$ (527,575)	$ (209,643)
Net realized gains/(losses) from investments	24,051,438	21,092,686
Change in unrealized appreciation/depreciation on investments	(13,845,082)	16,915,512
Change in net assets resulting from operations	9,678,781	37,798,555
Proceeds from contributions	19,843,046	4,637,280
Value of withdrawals	(21,193,603)	(55,806,665)
Change in net assets resulting from transactions in investors' beneficial interest	(1,350,557)	(51,169,385)
Change in net assets	8,328,224	(13,370,830)
Net Assets:		
Beginning of period	137,857,169	151,227,999
End of period	$146,185,393	$137,857,169

See notes to financial statements.

HSBC OPPORTUNITY PORTFOLIO

Financial Highlights

	Total Return	Net Assets at End of Period (000's)	Ratios/Supplementary Data: Ratio of Net Expenses to Average Net Assets	Ratio of Net Investment Income/(Loss) to Average Net Assets	Portfolio Turnover
HSBC OPPORTUNITY PORTFOLIO					
Year Ended October 31, 2018	6.99%	$146,185	1.04%	(0.34)%	77%
Year Ended October 31, 2017	29.79%	137,857	0.91%	(0.15)%	80%
Year Ended October 31, 2016	(3.14)%	151,228	0.89%	(0.01)%	96%
Year Ended October 31, 2015	(1.57)%	237,595	0.88%	(0.19)%	63%
Year Ended October 31, 2014	12.26%	222,581	0.88%	(0.37)%	66%

See notes to financial statements.

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. As of October 31, 2018, the Trust is composed of 10 separate operational funds, each a series of the HSBC Family of Funds. The accompanying financial statements are presented for the HSBC Opportunity Portfolio (the "Portfolio").

The Portfolio operates as a master fund in a master-feeder arrangement, in which the two feeder funds invest all or part of their investable assets in the Portfolio. The Agreement and Declaration of Trust permits the Board of Trustees (the "Board") to issue an unlimited number of beneficial interests in the Portfolio.

The Portfolio is a diversified series of the Trust. Financial statements for all other funds of the Trust are published separately.

The following represents each feeder fund's proportionate ownership interest in the Portfolio:

Feeder Fund	Proportionate Ownership Interest on October 31, 2018 (%)
Opportunity Fund	6.5
Opportunity Fund (Class I)	93.5

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 Portfolio. 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 Portfolio. The Portfolio's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolio. However, based on experience, the Trust believes the risk of loss to be remote.

The Portfolio is an investment company and follows 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 Portfolio in the preparation of its 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:

The Portfolio records its investments at 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 determined on the basis of coupon interest accrued using the effective interest method which adjusts for amortization of premiums and accretion of discounts. Dividend income is recorded on the ex-dividend date.

The Portfolio makes an allocation of its investment income, expenses and realized gains and losses from securities transactions to its investors in proportion to their investment in the Portfolio on the date of such accrual or gain/loss.

Restricted Securities and Illiquid Securities:

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

Allocations:

Expenses directly attributable to the Portfolio are charged to the Portfolio. Expenses not directly attributable to the Portfolio are allocated among the applicable series within the Trust equally to each fund, in relation to their net assets, or another appropriate basis.

Federal Income Taxes:

The Portfolio is treated as a partnership for U.S. federal income tax purposes. Accordingly, the Portfolio passes through all of its net investment income and gains and losses to its feeder funds, and is therefore not subject to U.S. federal income tax. As such, feeder funds are allocated for tax purposes their respective share of the Portfolio's ordinary income and realized gains or losses. It is intended that the Portfolio will continue to be managed in such a way that its feeder funds will be able to satisfy the requirements of the Internal Revenue Code, as amended, applicable to regulated investment companies.

Management of the Portfolio 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 Portfolio, as described below, maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. The Portfolio's 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 Portfolio's investments are summarized in the three broad levels listed below:

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the fair value hierarchy. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Exchange traded domestic equity securities are valued at the last sale price on a national securities exchange (except the NASDAQ Stock Market), or in the absence of recorded sales, at the readily available closing bid price on such exchanges. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ Official Closing Price on the date of valuation. Domestic equity securities that are not traded on an exchange are valued at the quoted bid price in the over-the-counter market. These securities are typically categorized as Level 1 in the fair value hierarchy.

Shares of exchange traded and closed-end registered investment companies are valued in the same manner as other equity securities and are typically categorized as Level 1 in the fair value hierarchy. Investments in other mutual funds are valued at their net asset values ("NAVs"), as reported by such mutual funds and are typically categorized as Level 1 in the fair value hierarchy.

Securities or other assets for which market quotations or an independent pricing service evaluation are not readily available, or are deemed unreliable due to a significant event or otherwise, are valued pursuant to procedures adopted by the Board ("Procedures"). Depending on the source and relative significance of valuation inputs, these instruments may be classified as Level 2 or Level 3 in the fair value hierarchy. Examples of potentially significant events that could affect the value of an individual security and thus require pricing under the Procedures include corporate actions by the issuer, announcements by the issuer relating to its earnings or products, regulatory news, natural disasters, and litigation. Examples of potentially significant events that could affect multiple securities held by the Portfolio include governmental actions, natural disasters, and armed conflicts. Fair value pricing may require subjective determinations about the value of a security. While the Trust's policy is intended to result in a calculation of the Portfolio's NAV that fairly reflects security values as of the time of pricing, the Trust cannot ensure that fair values determined would accurately reflect the price that the Portfolio could obtain for a security if it were to dispose of that security as of the time of pricing. The prices used by the Portfolio may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements.

As of October 31, 2018, all investments were categorized as Level 1 in the fair value hierarchy. The breakdown of investment categorization is disclosed in the Schedule of Portfolio Investments.

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 Portfolio. As Investment Adviser, HSBC manages the investments of the Portfolio and continuously reviews, supervises, and administers the Portfolio's investments pursuant to an Investment Advisory Contract. Westfield Capital Management Company, L.P. ("Westfield") serves as subadviser for the Portfolio and is paid for its services directly by the Portfolio.

For their services, the Investment Adviser and Westfield receive in aggregate, a fee, accrued daily and paid monthly, at an annual rate of 0.80% of the Portfolio's average daily net assets. Currently, the Investment Adviser's contractual fee is 0.25% and Westfield's contractual fee is 0.55%.

Administration, Fund Accounting and Other Services:

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

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

The fee rates and breakpoints are determined on the basis of the aggregate average daily net assets of the Trust, however, the assets of the funds of the HSBC Funds that invest in the Portfolio are not double-counted. For the year ended October 31, 2018, the effective annualized rate was 0.038%, prior to any fee waivers or expense reimbursements, based on the average daily net assets of the Trust. The total administration fee paid to HSBC is allocated to each series based upon its proportionate share of the aggregate net assets of the Trust. For assets invested in the Portfolio by the HSBC Funds, the Portfolio pays half of the administration fee and the feeder funds pay half of the administration fee, for a combination of the total fee rate set forth above.

Pursuant to a Sub-Administration Services Agreement with HSBC, Citi Fund Services Ohio, Inc. ("Citi"), a wholly-owned subsidiary of Citigroup, Inc., serves as the Trust's Sub-Administrator. For these services, Citi is entitled to a fee, payable by HSBC, at an annual rate equivalent to the fee rates set forth below:

Based on Average Daily Net Assets of	Fee Rate (%)
Up to $10 billion	0.0200
In excess of $10 billion but not exceeding $20 billion	0.0150
In excess of $20 billion but not exceeding $50 billion	0.0065
In excess of $50 billion	0.0045

Under a Services Agreement between the Trust and Citi (the "Services Agreement"), Citi makes an individual available to serve as the Trust's Chief Compliance Officer (the "CCO"). 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 Services Agreement, the Trust paid Citi $313,915 for the year ended October 31, 2018, plus reimbursement of certain out-of-pocket expenses. Expenses incurred by the Portfolio 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.

In addition, Citi provides fund accounting services for the Portfolio under the Services Agreement. For its services to the Portfolio, Citi receives an annual fee per portfolio, subject to certain minimums and reimbursement of certain expenses. Citi receives additional fees paid by the Trust for regulatory administration services.

Independent Trustees:

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

Other:

The Portfolio may purchase securities from an underwriting syndicate in which the principal underwriter or members of the syndicate are affiliated with the Adviser. For the year ended October 31, 2018, the Portfolio did not purchase any such securities.

The Adviser and its affiliates may have lending, banking, brokerage, underwriting, or other business relationships with the issuers of the securities in which the Portfolio invest.

5. Investment Transactions:

Cost of purchases and proceeds from sales of securities (excluding securities maturing less than one year from acquisition) for the year ended October 31, 2018 were as follows:

	Purchases ($)	Sales ($)
Opportunity Portfolio	116,001,916	121,590,304

6. Federal Income Tax Information:

At October 31, 2018, the cost basis of investments for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation/depreciation were as follows:

	Tax Cost ($)	Tax Unrealized Appreciation ($)	Tax Unrealized Depreciation ($)	Net Unrealized Appreciation/ (Depreciation) ($)*
Opportunity Portfolio	136,809,683	18,600,863	(9,959,440)	8,641,423

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

7. Investment Risks:

Currency Risk: Fluctuations in exchange rates between the U.S. dollar and foreign currencies, or between various foreign currencies, may negatively affect the Portfolio's performance. The Portfolio may seek to reduce currency risk by hedging part or all of its exposure to various foreign currencies; however, even if such hedging techniques are employed, there is no assurance that they will be successful.

Equity Securities Risk: The prices of equity securities fluctuate from time to time based on changes in a company's financial condition or overall market and economic conditions. As a result, the value of equity securities may fluctuate drastically from day to day.

Foreign Securities Risk: Investments in foreign securities are generally considered riskier than investments in U.S. securities. Foreign securities, including those of emerging and frontier market issuers, are subject to additional risks, including international trade, political and regulatory risks.

Market Risk: The value of the Portfolio's investments may decline due to changing economic, political, social, regulatory or market conditions. Market risk may affect a single issuer, industry or sector of the economy or it may affect the economy as a whole. Moreover, the conditions in one country or geographic region could adversely affect the Portfolio's investments in a different country or geographic region.

8. Recent Accounting Pronouncements:

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurements" ("ASU 2018-13"). This update makes certain removals from, changes to and additions to existing disclosure requirements for fair value measurements. ASU 2018-13 does not change fair value measurements already required or permitted by existing standards. ASU 2018-13 is effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. As permitted, the Portfolio has early adopted ASU 2018-13 with the financial statements prepared as of October 31, 2018.

In August 2018, the SEC adopted amendments to certain financial statement disclosure requirements to conform them to GAAP for investment companies. These amendments made certain removals from, changes to and additions to existing disclosure requirements under Regulation S-X. The Portfolio's adoption of these amendments, effective with the financial statements prepared as of October 31, 2018 had no effect on the Portfolio's net assets or results of operations.

9. 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, 2018.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of HSBC Funds and Shareholders of
HSBC Opportunity Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of portfolio investments, of HSBC Opportunity Portfolio (one of the funds constituting HSBC Funds, hereafter referred to as the "Fund") as of October 31, 2018, the related statement of operations for the year ended October 31, 2018, the statement of changes in net assets for each of the two years in the period ended October 31, 2018, including the related notes, and the financial highlights for each of the four years in the period ended October 31, 2018 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of October 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended October 31, 2018 and the financial highlights for each of the four years in the period ended October 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

The financial statements and financial highlights as of and for the year ended October 31, 2014 (not presented herein, other than the financial highlights) were audited by other auditors whose report dated December 23, 2014 expressed an unqualified opinion on those financial statements and financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Report of Independent Registered Public Accounting Firm (continued)

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of October 31, 2018 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
December 20, 2018

We have served as the auditor of one or more investment companies in the HSBC Funds since 2015.

Table of Shareholder Expenses—as of October 31, 2018 (Unaudited)

As a shareholder of the Portfolio, you incur ongoing costs, including management fees and other Fund expenses.

These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs 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, 2018 through October 31, 2018.

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 5/1/18	Ending Account Value 10/31/18	Expenses Paid During Period* 5/1/18 - 10/31/18	Annualized Expense Ratio During Period 5/1/18 - 10/31/18
Opportunity Portfolio	$1,000.00	$960.70	$5.24	1.06%

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

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio'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 5/1/18	Ending Account Value 10/31/18	Expenses Paid During Period* 5/1/18 - 10/31/18	Annualized Expense Ratio During Period 5/1/18 - 10/31/18
Opportunity Portfolio	$1,000.00	$1,019.86	$5.40	1.06%

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

MANAGEMENT OF THE TRUST

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

Name, Address, Age	Position(s) Held with Funds	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Portfolios in Fund Complex Overseen By Trustee*	Other Directorships Held by Trustee During Past 5 Years
NON-INTERESTED TRUSTEES					
MARCIA L. BECK P.O. Box 182845 Columbus, OH 43218-3035 Age: 63	Trustee	Indefinite; 2008 to present	Private Investor (1999 – present)	10	None
SUSAN C. GAUSE P.O. Box 182845 Columbus, OH 43218-3035 Age: 66	Trustee	Indefinite; 2013 to present	Private Investor (2003 - present)	10	Metropolitan Series Fund (2012 – present); and Met Investors Series Trust (2008 – present)
SUSAN S. HUANG P.O. Box 182845 Columbus, OH 43218-3035 Age: 64	Trustee	Indefinite; 2008 to present	Private Investor (2000 - present)	10	None
THOMAS F. ROBARDS P.O. Box 182845 Columbus, OH 43218-3035 Age: 72	Trustee and Chairman	Indefinite; 2005 to present	Private Investor (2003 - present)	10	Ellington Residential Mortgage REIT (NYSE listed real estate investment trust) (2013 – present); Ellington Financial LLC (NYSE listed financial services company) (2007 – present); and Overseas Shipholding Group (OSG) (NYSE listed company) (2005 – 2014)
INTERESTED TRUSTEE					
DEBORAH HAZELL 452 Fifth Avenue New York NY 10018 Age: 55	Trustee	Indefinite; 2011 to present	Director and Chief Executive Officer, HSBC Global Asset Management (USA) Inc. (2011 - present)	10	None

* Includes all series of the HSBC 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: 60	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: 55	Vice President	One year; 2014 to present	Vice President, Product Management, HSBC Global Asset Management (USA) Inc. (2014 – present); Vice President, Mutual Funds Product Development, GE Asset Management Inc. (2007 – 2014)
ALLAN SHAER* Prudential Center 800 Boylston Street, 24th Floor Boston, MA 02199 Age: 53	Treasurer	One year; 2017 to present	Senior Vice President, Citi Investor Services (2016 - present); Vice President, Mutual Fund Administration, JP Morgan Chase (2011 - 2016)
IOANNIS TZOUGANATOS* Prudential Center 800 Boylston Street, 24th Floor Boston, MA 02199 Age: 42	Secretary	One Year; 2015 to present	Vice President, Regulatory Administration, Citi Fund Services (2008 - present)
CHARLES BOOTH* 4400 Easton Commons, Suite 200 Columbus, OH 43219-3035 Age: 58	Chief Compliance Officer	One year; 2015 to present	Director and Compliance Officer, CCO Services, Citi Fund Services (1988 - present)

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

Other Information (Unaudited)

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

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

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

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HSBC FAMILY OF FUNDS:

INVESTMENT ADVISER AND ADMINISTRATOR

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

SUB-ADVISER

HSBC Opportunity Portfolio
Westfield Capital Management Company, L.P.
One Financial Center
Boston, MA 02111

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

DST Asset Manager Solutions, Inc.
2000 Crown Colony Drive
Quincy, MA 02169

DISTRIBUTOR

Foreside Distribution Services, L.P.
Three Canal Plaza, Suite 100
Portland, ME 04101

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

Investment products:

ARE NOT A BANK DEPOSIT OR OBLIGATION OF THE BANK OR ANY OF ITS AFFILIATES	ARE NOT FDIC INSURED	ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
ARE NOT GUARANTEED BY THE BANK OR ANY OF ITS AFFILIATES		MAY LOSE VALUE

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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.