HSBC Global High Income Bond Fund

Monthly Commentary

Total Return (%)	Fund performance ending November 30, 2018						Fund performance ending September 30, 2018	
	1 Month	3 Month	YTD	1 Year	3 Years	Since Inception	1 Year	Since Inception
Class A without sales charge	-0.71%	-1.35%	-3.24%	-2.88%	3.09%	2.35%	-0.75%	3.08%
Class A with maximum sales charge (4.75%)	-5.40%	-6.05%	-7.85%	-7.51%	1.42%	0.88%	-5.47%	1.53%
Class I	-0.59%	-1.30%	-2.91%	-2.61%	3.47%	2.72%	-0.41%	3.42%
Benchmark – Bloomberg Barclays High Income Bond Composite Index	-0.45%	-1.00%	-2.31%	-1.98%	4.31%	3.89%	0.21%	4.62%

Past performance is no guarantee of future results. The performance data quoted represents past performance and current returns may be lower or higher. The 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 data current to the most recent month-end and other information, please call 1-888-936-4722 or visit https://investorfunds.us.hsbc.com.

Expense Ratio[1]	Class A	Class I
Gross	2.79%	2.44%
Net	1.16%	0.81%

Inception date: July 14, 2015. Returns greater than one year are annualized. Returns include the reinvestment of dividends and income. Performance for other share classes will vary. 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.

[1] The Funds' investment adviser has entered into a contractual expense limitation agreement with the Funds under which it will limit total expenses of the Funds (excluding interest, tax, brokerage commissions, extraordinary expenses and estimated indirect expenses attributable to the Funds' investments in investment companies) to an annual rate of 1.15% for Class A Shares and 0.80% for Class I Shares. The expense limitation agreement is effective until March 1, 2019.

Performance

- The Global High Income Bond Fund Class A shares returned -0.71% in November, while the benchmark, the Bloomberg Barclays High Income Bond Composite Index returned -0.45%. Class I shares returned -0.59% for the period.

Attribution and Positioning

- The fund delivered negative performance on an absolute basis underperforming the reference benchmark in November gross of fees.
- Allocation effects were slightly positive for relative performance. The underweight to EUR bonds which was the worst performing region countered the negative effect from the overweight to US BBB (considered investment grade) bonds which were the second worst-performing asset class.
- Security selection was negative for relative performance with the US sleeves outperforming its benchmark, while the EUR and emerging markets (EM) sleeves outperformed.
- Regionally, the fund is overweight the US at the expense of EUR and EM. The overall portfolio beta is slightly below 1. The duration is 0.3 years below the benchmark.
- Our overall exposure to energy is 13% which is 3.5% above the benchmark. This exposure is mainly in USD and EM bonds.
- The main sector overweight is financials with 6% above the benchmark weight, predominantly in the US BBB and EUR sleeves, as well as energy. The main sector underweights remain telecommunications and retail.

Market Review

- Credit spreads widened in November as risk assets experienced volatility driven by investor nervousness around policy uncertainty, trade issues, weaker earnings guidance and continued concerns over a slowdown in global growth.

- US Treasury yields fell across the curve. The 2- and 5-year yields dropped by 8 and 16 basis points (bps) finishing at 2.79% and 2.81%, respectively, while the 10- and 30-year yields also dropped 15 and 10 bps to finish at 2.99% and 3.29%, respectively.

- Oil prices continued to slide as OPEC supply increased, the US granted waivers for Iranian exports and a fear of slowing global demand weighed on sentiment. Brent Crude finished at $58.71 per barrel after starting the month at $72.89 per barrel.

- In the US, the consumer price index (CPI) and personal consumption expenditures (CPE) fell in line with expectations at 2.1% and 2.0% year-on-year, respectively. The US Federal Reserve (Fed) is expected to follow through with its intention of another 25 bps rate hike during its December meeting. The recent market movements have investors questioning the three rate hikes the Fed have set out for 2019.

- Europe saw headwinds with Italy's budget standoff and tricky Brexit negotiations as growth momentum continues to ease in the EUR area as a whole. At its recent policy meeting, the European Central Bank concluded that incoming data, while weaker, still pointed to an ongoing expansion. It will likely end bond-buying by the end of 2018 with any potential rate hikes happening only in 2019. European headline inflation has eased to 2.0%, falling just below the estimated consensus of 2.1%.

- China GDP growth remains stable amid the ongoing US-China trade tensions and weakening credit growth. Japan looks to maintain expansionary policy as inflation remains well below 2%. The loose monetary positioning will likely remain for the foreseeable future.

- The monthly total return for the ICE BofAML Global High Yield Index USD Hedged Index was -0.95%. Regionally, US, EUR and EM spreads widened 48 bps, 67 bps and 45 bps, respectively. In high yield (HY), pharmaceuticals, media entertainment and supermarkets were the best-performing sectors while oil field services, chemicals and independent were the worst performing. From a quality perspective, higher-rated bonds outperformed lower-rated bonds. US HY new issue supply came in lower in November at $6 billion, while Euro HY new issue supply was €1.5 billion.

- The monthly total return for the Bloomberg Barclays Global Agg Corporates USD Hedged Index was -0.25%. Regionally, US, EUR, GBP and EM spreads widened 12, 14, 10 and 15 bps, respectively. The best-performing investment grade (IG) sectors were supranationals, government-guaranteed and consumer products, while the worst-performing sectors were oil field services, independent, energy and finance companies. From a ratings perspective higher-quality bonds outperformed lower-quality bonds. US IG new issue supply was $88.3 billion for November. EUR and Sterling IG new issuance was €48.6 billion and £2.4 billion, respectively.

Outlook

- Global economic growth has moderated. In particular, the Eurozone, UK and Japanese economies have shown signs of slowing down. The US, which is later on in the cycle, continues to grow at a stronger pace, still supporting an overall macroeconomic story.

- The US administration's protectionist trade stance continues as countries impose their own retaliatory actions. These escalating trade tensions warrant continued monitoring as investors look to understand the administration's end goal. We still view the balance of risks tilted toward the gradual build-up of cyclical inflation pressures. This is especially relevant to the US, which continues to add jobs at a healthy pace and is operating with little (or no) spare capacity.

- Although debt leverage ratios are higher for the cycle, they have stabilized. Default rates are low and are expected remain so. US investment grade issuance has remained strong with demand weakening somewhat. However, in high yield, supply has been historically low while demand has been weak. We expect credit spreads to continue to be volatile in the short term as investors try to gain some clarity in issues that are causing uncertainty in the markets at the moment, such as trade, global growth, Fed policy and Brexit.

- With the trend for yields is to still gradually rise, we continue to be slightly short duration relative to benchmarks. While credit metrics are somewhat benign at current spread levels, we remain selective especially in lower-rated credits.

Risks to Consider

- 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.
- Past performance is no guarantee of future results
- Fixed income is subject to credit and interest rate risk. Credit risk refers to the ability of an issuer to make timely payments of interest and principal. Interest rate risk refers to fluctuations in the value of a fixed income security that result from changes in the general level of interest rates. In a declining interest rate environment, a portfolio may generate less income. In a rising interest-rate environment, bond prices fall.
- Investments in high yield securities (commonly referred to as "junk bonds") are often considered speculative investments and have significantly higher credit risk than investment grade securities. The prices of high yield securities, which may be less liquid than higher rated securities, may be more volatile and more vulnerable to adverse market, economic or political conditions.
- Investment grade fixed income securities are securities that are rated by one or more NRSROs within one of the four highest long-term quality grades at the time of purchase (*e.g.*, "AAA", "AA", "A" or "BBB" by S&P or Fitch or "Aaa", "Aa", "A" or "Baa" by Moody).
- Investments in foreign markets involve risks such as currency rate fluctuations, potential differences in accounting and taxation policies, as well as possible political, economic, and market risks. These risks are heightened for investments in emerging markets which are also subject to greater illiquidity and volatility than developed foreign markets.
- Convertibles are subject to the risks of equity securities when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the conversion feature); they are subject to the risks of debt instruments when the underlying stock price is low relative to the conversion price (because the conversion feature is less valuable). A convertible bond is not as sensitive to interest rate changes as a similar non-convertible debt instrument, and generally has less potential for gain or loss than the underlying equity security.
- Derivatives can be illiquid, may disproportionately increase losses and may have a potentially large negative impact on performance.
- Non-diversification occurs when portfolio assets are invested in fewer securities, industries, currencies or countries than in diversified investment portfolios, Non-diversification increases risk because each investment has a greater effect on portfolio performance and can also be affected by single economic, political or regulatory occurrences.

Benchmark

Bloomberg Barclays High Income Bond Composite Index is a customized index that is close to equally weighted across US, Euro and EM markets. Components include: 20% Bloomberg Barclays US Corporate Baa, 15% Bloomberg Barclays US High Yield Ba, 15% Bloomberg Barclays Euro Agg Corporate Baa USD Hedged, 15% Bloomberg Barclays Euro HY BB Rating Only USD Hedged, and 35% Bloomberg Barclays EM USD Aggregate Index.

Important Information

This document is for information only and does not constitute investment advice, a solicitation or a recommendation to buy, sell or subscribe to any investment. It is not intended to provide and should not be relied upon for accounting, legal or tax advice.

HSBC Global Asset Management is the marketing name for the asset management businesses of HSBC Holdings Plc. HSBC Global Asset Management (USA) Inc. is an investment adviser registered with the US Securities and Exchange Commission.

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

HSBC Global Asset Management has based this material on information obtained from sources it believes to be reliable but which it has not independently verified. HSBC Global Asset Management and HSBC Group accept no responsibility as to its accuracy or completeness. The views expressed were held at the time of preparation and are subject to change without notice. Forecasts, projections or targets are indicative only and are not guaranteed in any way. HSBC Global Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Index returns assume reinvestment of all distributions and not reflect fees or expenses. You cannot invest directly in an index.

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 https://investorfunds.us.hsbc.com/default.fs. Investors should read the prospectus carefully before investing or sending money.

US persons (both entities and individuals) are subject to US taxation on their worldwide income and may be subject to tax and other filing obligations with respect to their US and non-US accounts. The Foreign Account Tax Compliance Act (FATCA) is a US law designed to prevent the use of non-US accounts or non-US entities to avoid US taxation of income and assets. To meet this objective, FATCA imposes on US and non-US entities certain documentation, due diligence, withholding and reporting requirements with respect to accounts and certain payments. Investors should consult their independent tax advisors about investment tax implications.