HSBC Opportunity Fund
Quarterly Commentary

Total Return (%)	Fund performance ending June 30, 2018					
	3 Month	YTD	1 Year	3 year	5 year	10 Year
Class A without sales charge[1]	5.05%	9.19%	24.21%*	9.41%	12.24%	9.93%
Class A with maximum sales charge (5.00%) [1]	-0.17%	3.74%	18.02%	7.54%	11.10%	9.37%
Class I[1]	5.12%	9.39%	24.78%*	9.94%	12.81%	10.51%
Lipper Mid-Cap Growth Funds Average[2]	4.38%	7.52%	19.20%	10.05%	12.71%	9.39%
Russell 2500™ Growth Index[3]	5.53%	8.04%	21.53%	10.85%	13.87%	11.38%

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 fluctuate so that an investor's shares, when redeemed may be worth more or less than the original obtain performance information current to the most recent month end, please call 1-800-782-8183, our website at https://investorfunds.us.hsbc.com.

Expense Ratio‡	Class A	Class I
Gross	5.87%	1.31%
Net	1.65%	1.10%

The fund performance above includes the impact of fees and expenses. It 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 are in effect from March 1, 2018 through March 1, 2019. Returns include the reinvestment of dividends and income.

‡ Reflects the expense ratio as reported in the prospectus dated February 28, 2018. HSBC Global Asset Management (USA) Inc., the Fund's investment adviser has entered into a contractual expense limitation agreement with the Fund under which it will limit total expenses of the Fund (excluding interest, tax, brokerage commissions, extraordinary expenses) to an annual rate of 1.65% for the Class A Shares. The expense limitation agreement is effective from March 1, 2018 through March 1, 2019.

HOW DID THE FUND PERFORM COMPARED TO ITS BENCHMARK?

The HSBC Opportunity Fund (the "portfolio") gained 5.42% (gross of fees) in the second quarter, modestly trailing the Russell 2500TM Growth Index (the "index") return of 5.53%. Relative weakness in Health Care and Information Technology offset relative strength in Energy and Industrials.

WHAT WERE THE MAJOR FACTORS IN THE MARKET THAT INFLUENCED THE FUND'S PERFORMANCE?

Health Care was the portfolio's biggest source of weakness during the quarter, detracting 68 bps from relative returns. Drug developer Nektar Therapeutics (portfolio weight: 0.74%) was the sector's top source of relative weakness. Despite reducing our exposure to Nektar throughout the quarter, the negative share price action restrained relative results. In early June, the shares traded lower after the company's presentation at an industry conference lacked data showing compound NKTR-214's efficacy in lung cancer as many had expected. Despite the volatility in the shares, we remain invested believing that efficacy data released later in the year should provide a clearer picture of the company's growth trajectory and ultimate value. Later in the year we will also get the first look at published data for the drug used in combination with another of one of the company's compounds which has the potential to be a real breakthrough in the treatment of melanoma, in our opinion.

Information Technology was also a source of underperformance, detracting 42 bps from relative returns. CommScope Holding Co., Inc (portfolio weight: 0.99%), a provider of connectivity and technology infrastructure solutions, was the sector's top relative underperformer. The stock declined after the company provided forward guidance for the second half of the year that was lower than investors anticipated, with CommScope citing price reductions at large North American customers and higher input costs as reasons for the

Source: Westfield Capital Management

WHAT WERE THE MAJOR FACTORS IN THE MARKET THAT INFLUENCED THE FUND'S PERFORMANCE? (CONT'D.)

reduced guidance. We remain invested in the shares given our belief that the recent weakness is overdone; our long term investment thesis around the company benefiting from growth in data traffic and bandwidth demand remains intact. CommScope should also benefit from the upcoming buildout of the FirstNet national first responder network (for which the company provides antennas), as well as increased carrier spending. Total System Services, Inc. (portfolio weight: 2.36%), a provider of outsourced payment services, was also a source of relative weakness in the sector despite reporting strong quarterly results and an increase to guidance in April. We remain attracted to the company's credit card issuer processing business, which is growing nicely and generating a lot of free cash flow that the company can use to fund strategic acquisitions, share repurchases, and dividends. We believe the company represents a mispriced asset in the transactions processing industry and that management's emphasis of growth, accountability, and new product development should bode well for the shares going forward.

Energy was the portfolio's best relative performer, contributing 76 bps to relative returns. Oil and gas refiner Andeavor was the sector's top source of relative strength. The stock traded sharply higher after it was announced that it would be acquired by Marathon Petroleum Corporation. We continue to hold the shares as we believe the combined entity has highly attractive assets and should benefit from the implementation of IMO 2020—a sulfur cap on global maritime shipping operations that requires the alternative use of relatively cleaner and more expensive diesel as opposed to dirtier and cheaper bunker fuel. We think that the consequence of IMO 2020 implementation could lead to increased demand for Marathon's refined product and the ability to sell into the more profitable diesel markets.

Investments in the Industrials sector were also additive to relative results, contributing 41 bps to relative returns. The sector overall trailed the market as increasingly tenuous tariff headlines and concerns about the associated business impact weighed on shares during the quarter, but strong stock selection within the group allowed the portfolio to side step the performance shortfall. Consumer credit reporting agency TransUnion (portfolio weight: 1.59%) was a top relative performer in the sector during the quarter. The company posted quarterly results in mid-April that beat Wall Street expectations across metrics and they raised forward guidance for the upcoming quarter and entire fiscal year. We believe the current environment remains strong for TransUnion given the credit backdrop of low consumer debt levels, low interest rates in historical terms, and increased lending trends. In addition to benefiting from consumer credit growth, the company's fraud protection and data analysis segments should serve as catalysts for future growth, in our opinion, and we remain invested.

WHAT MAJOR CHANGES HAVE OCCURRED IN THE PORTFOLIO DURING THE PERIOD COVERED BY THE REPORT?

As a bottom up investment manager, our sector weights are the result of action within specific names rather than a top-down thematic approach. The Portfolio's sector weights remained relatively unchanged from the first quarter. Stocks were sold as a result of our disciplined investment process, and in all cases, stocks were only sold after a detailed analysis of each stock's underlying fundamentals was completed.

WHAT IS YOUR OUTLOOK FOR THE FUND?

U.S. equity markets finished the second quarter higher, bouncing back from a lackluster, yet volatile, start to the year. Trade remained a central story during the quarter as daily headlines created unease in the market and contributed to equity volatility. However, broadly speaking U.S. markets digested these developments with relative ease, supported by encouraging economic data and robust earnings results. The same could not be said overseas as global market performance was more restrained and the synchronized global growth story evident since the start of 2017 showed signs of breaking down. Small caps benefitted from this dynamic and their perceived more domestic focus kept them sheltered from the turbulence felt in other developed and emerging markets. Growth stocks also continued to best their value peers, increasing their relative gains over the recent quarters.

Our outlook moving forward continues to be constructive. The backdrop for the U.S. consumer remains favorable as strong employment trends, upward wage pressure, and high consumer confidence readings should lead to increased spending in the coming quarters. The corporate environment also appears healthy as businesses are showing accelerating earnings and higher after-tax cash flow resulting from tax reform. We will continue to evaluate how effectively these earnings are re-invested for future growth which ultimately will be critical to extending the current business cycle. We are also paying close attention to price pressures in the economy and specifically in wages although recent indications suggest this is not impacting margins or the Fed's tightening cycle just yet.

Source: Westfield Capital Management.

* The appreciation in the stock market has helped to produce short-term returns that are not typical and may not continue in the future. Because of ongoing market volatility, Fund performance may be subject to substantial short-term changes.

[1]Certain returns shown include monies received by the Portfolio, in which the Fund invests, in respect of one-time class action settlements and a one-time reimbursement from 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 not received the payments.

[2] Lipper mutual funds averages are equally weighted averages of the mutual funds within their respective Lipper classifications, adjusted for the reinvestment of capital gains distributions and income dividends.

[3]The Fund's performance is measured against the Russell 2500™ Growth Index.

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.
- Equity investments fluctuate in value based on changes to an individual company's financial condition and overall market conditions.
- Investing in small capitalization stocks involves greater risks than investing in larger companies. Smaller companies may have a limited number of products, be more difficult to buy and sell, subject to greater business and competitive risks and more sensitive to market changes than larger capitalization companies.
- Geographic concentration occurs when a portfolio concentrates its investments in one country or region. Portfolio performance is expected to be closely tied to the social, political, and economic conditions in that country or region, and may therefore be more volatile than the performance of more geographically diversified funds.

Benchmark

Russell 2500™ Growth Index measures the performance of the small- to mid-cap growth segment of the U.S. equity universe. It includes those 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.

Important Information

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