

HSBC Euro High Yield Bond Fund (USD Hedged)

Share Class A (HEYAX) and Class I (HEYIX)

Fund description and strategy

This actively managed fund seeks the best opportunities in European high-yield corporate bonds based on credit quality and relative value considerations. Disciplined issuer selection and dynamic exposure to credit markets are combined to generate an optimized and diversified risk return profile for investors. The Fund invests predominantly in BB and B rated corporate bonds with the flexibility to invest in investment grade or CCC rated bonds opportunistically.

Total returns	As of April 30, 2018					As of March 31, 2018	
	1 month	3 months	YTD	1 Year	Since inception	1 Year	Since inception
Class A without sales charge	0.62%	-0.09%	0.26%	5.16%	8.30%	5.76%	8.32%
Class A with maximum sales charge (4.75%)	-4.19%	-4.83%	-4.51%	0.20%	6.00%	0.73%	5.94%
Class I	0.61%	0.00%	0.44%	5.44%	8.59%	6.06%	8.62%
ICE BofA Merrill Lynch BB-B Euro High Yield Constrained Index (USD Hedged)	0.83%	0.40%	1.02%	6.15%	10.08%	6.55%	10.06%

Past performance does not guarantee 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>.

Fund inception date is January 19, 2016. Returns include the reinvestment of dividends and income. Returns greater than one year are annualized and returns less than one year are aggregated. 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. Currently, contractual fee waivers are in effect from March 1, 2018 through March 1, 2019.

Fund characteristics ¹	Fund	Benchmark
Number of issuers	97	252
Yield to worst	3.58	2.66
Yield to maturity (%)	5.53	3.32
Years to maturity	3.56	4.17
Modified duration	8.06	5.38

Quality distribution (%) ²	Fund	Benchmark
AA	—	—
A	6.85	—
BBB	34.84	—
BB	46.61	71.87
B	3.99	26.90
CCC	—	1.23
CC	—	—
NR	—	—
Cash	7.71	—

Top 10 country breakdown (%)	Fund	Benchmark
France	25.15	14.02
Germany	19.11	10.08
Netherlands	6.71	4.07
Switzerland	5.50	1.33
Belgium	4.35	1.59
Denmark	3.64	0.28
Spain	3.58	9.90
Italy	—	20.14
Luxembourg	—	4.20
Israel	—	2.54

Top 10 bond holdings (%)	Fund	Benchmark
Orange S.A., 5.25%, 2/7/24	3.57	—
Unitymedia Hessen / Nrw, 4.625%, 2/15/26	2.24	0.17
Axa Sa, 3.941%, 11/7/24	1.78	—
Elm Bv (Swiss Rein Co), 2.60%, 9/1/25	1.68	—
Talanx Ag, 8.367%, 6/15/22	1.63	—
Ngg Finance Plc, 4.25%, 6/18/20	1.57	—
Dong A/S, 6.250%, 6/26/23	1.52	—
Heathrow Finance Plc, 5.375%, 9/1/19	1.45	—
Solvay Sa, 5.425%, 11/12/23	1.43	0.22
Heidelbergcement Ag, 7.50%, 4/3/20	1.39	—

Top 10 Industry Sectors (%)	Fund	Benchmark
Banking	15.05	14.20
Basic Industry	11.95	13.54
Utility	9.29	3.16
Insurance	9.21	1.98
Automotive	8.00	7.08
Telecommunications	6.68	11.90
Financial Services	5.40	2.77
Healthcare	5.34	5.52
Media	3.87	7.16
Services	3.33	5.44

Fund details

Total net assets of all Fund classes
\$29.9 M

Portfolio Management

Philippe Igigabel
Lead Portfolio Manager
16 years of investment experience

Expense ratio (gross/net)³

A: 2.56% / 1.05% I: 2.21% / 0.80%

SEC 30-day yield⁴

A: 0.63% I: 0.91%

Monthly income distributions per share (as of April 30, 2018)

A: \$0.0000 I: \$0.0000

The portfolio data will change and the information provided should not be considered as a recommendation to purchase or sell a particular security, currency or securities in the sectors shown above. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased.

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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Share Class A and Class I

- ¹ **Yield to worst** is the lowest potential yield that can be received on a callable bond without the issuer actually defaulting. **Yield to maturity** (YTM) reflects the rate of return an investor could receive if a long-term bond is held until the maturity date. **Average maturity** is the average length of maturity for fixed income investments in a portfolio. **Duration** is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Rising interest rates generally mean falling bond prices, while declining interest rates mean rising bond prices.
- ² Utilizing both the Standard and Poor and Moody's quality rating, securities will be classified according to the Standard and Poor classification. Where there is a split rating, the lower of the rating agencies will be used. If a security is not eligible for a rating, i.e. Equity and Cash, it is categorized as Not Applicable. When a security is not rated, but eligible to be rated, it is categorized as Not Rated. Further, if a security is rated by only one rating agency, it will use that agency's rating exclusively. Standard & Poor's rates securities from AAA (highest quality) to C (lowest quality) with BBB and above being called investment grade securities. BB and below are considered below investment grade.
- ³ 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 and estimated indirect expenses attributable to the Fund's investments in investment companies) to an annual rate of: Class A: 1.05%, Class I: 0.80%. The expense limitation agreement is effective until March 1, 2019.
- ⁴ This yield is based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The SEC 30-day yield reflects a reduction in the Fund's fees. Without the reduction of those fees, the yield would have been A: 0.00%, I: 0.00%.

Investment Risks:

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. Investments in **foreign markets** entail special risks such as currency, political, economic, and market risks. The risks of investing in **emerging markets** countries are greater than the risks generally associated with foreign investments. **Fixed income securities** are 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 resulting from changes in the general level of interest rates. In a declining interest rate environment, the portfolio may generate less income. In a rising interest rate environment, bond prices may fall. **Euro-denominated securities** have significant exposure to the Euro and events affecting the Euro. The Economic and Monetary Union ("EMU") of the European Union ("EU") is comprised of EU members that have adopted the Euro. Recent market events affecting several of the EMU member countries have adversely affected the sovereign debt issued by those countries, and ultimately may lead to a decline in the value of the Euro. 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 vulnerable to adverse market, economic or political conditions. **Derivatives** may be riskier than other types of investments and could result in losses that significantly exceed the Fund's original investment. **Convertible securities** entail risks associated with equities (which fluctuate in value based on changes to an individual company's financial condition and overall market conditions); investments in convertibles are subject to the risks associated with fixed income securities. **Exchange Traded Funds (ETFs)** are subject to the risks of the underlying securities (including market risks which could result in the loss of principal) that they are designed to track, although lack of liquidity in an ETF could result in higher volatility than that of its underlying portfolio of securities. ETFs also have management fees that increase their costs versus owning the underlying securities directly. **Non-diversified funds** focus investments in a small number of issuers, industries, foreign currencies or particular countries or regions which increase the risks associated with a single economic, political or regulatory occurrence.

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.

The Fund's primary benchmark index, the **ICE BofA Merrill Lynch BB-B Euro High Yield Constrained Index (USD Hedged)** contains all securities in the BofA Merrill Lynch Euro High Yield Index rated BB1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 3%. Index returns assume reinvestment of all distributions and do not reflect fees or expenses, or taxes. You cannot invest directly in an index.

The portfolio data are based on records maintained by the Fund's service providers. This data is unaudited, has not been taken from the Fund's official books and records. Care has been taken to ensure the accuracy of the information, however, HSBC Global Asset Management and its affiliates, Foreside Distribution Services and the Fund accept no responsibility for any errors or omissions.

Unless and until HSBC Global Asset Management (USA) Inc. and you have entered into an investment management agreement, HSBC Global Asset Management (USA) Inc. is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, to you, or to any retirement account(s) for which you act as a fiduciary.

This literature must be preceded or accompanied by an effective prospectus for the HSBC Funds. 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 800-662-3343 opt. 4 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>. Investors should read the prospectus carefully before investing or sending money. All decisions regarding the tax implications of your investment(s) should be made in connection with your independent tax advisor.

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.