

HSBC Frontier Markets Fund

Share Class A (HSFAX) and Class I (HSFIX)

Fund description and strategy

The Fund seeks long-term capital appreciation by investing primarily in the equity securities of companies in frontier market countries. The Fund's portfolio management team uses an in-depth stock selection process that combines both qualitative and quantitative inputs, applying a top-down country approach and a bottom-up stock analysis, with a strong emphasis on the latter. By following a disciplined and fundamental approach to investing, combining top-down and bottom-up elements, the team believes this investment process helps to equally take advantage of opportunities at the country, sector and company level as they arise.

Total returns	As of January 31, 2018							As of December 31, 2017		
	1 month	3 months	YTD	1 year	3 years	5 years	Since inception	1 year	5 years	Since inception
Class A without sales charge	5.10%	5.81%	5.10%	21.58%†	8.07%	8.59%	10.12%	21.20%	9.09%	9.39%
Class A with maximum sales charge (5.00%)	-0.13%	0.54%	-0.13%	15.46%	6.24%	7.49%	9.23%	15.11%	7.97%	8.50%
Class I	5.16%	5.97%	5.16%	22.06%†	8.47%	8.97%	10.50%	21.60%	9.47%	9.78%
MSCI Frontier Markets Index	5.73%	10.31%	5.73%	30.71%	8.48%	8.91%	8.52%	31.86%	9.27%	7.68%
MSCI Select Frontier and Emerging Markets Capped Index*	5.50%	10.63%	5.50%	23.63%	6.26%	6.26%	7.16%	22.52%	6.49%	6.35%

Calendar Year Total returns	2017	2016	2015	2014	2013	2012
Class A without sales charge	21.20%	8.54%	-10.78%	4.72%	25.69%	23.93%
Class A with max. sales charge (5.00%)	15.11%	3.11%	-15.26%	-0.49%	19.40%	17.79%
Class I	21.60%	8.96%	-10.46%	5.10%	26.08%	24.38%
MSCI Frontier Markets Index	31.86%	2.66%	-14.46%	6.84%	25.89%	8.85%
MSCI Select Frontier & Emerging Markets Capped Index*	22.52%	7.11%	-15.95%	5.70%	—	—

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 September 6, 2011. 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, 2017 through March 1, 2018.

Fund characteristics ¹	Fund
Turnover ratio (%)	59.41
Alpha (1 year)	4.06
Beta (1 year)	0.84
Standard deviation (1 year)	5.65
Number of holdings	54

Sector allocation - GICS ² Classification	%
Financials	36.8
Industrials	12.1
Real Estate	9.2
Consumer Discretionary	8.0
Consumer Staples	7.4
Materials	6.7
Telecommunication Services	5.6
Cash equivalents	5.5
Health Care	4.1
Energy	3.4
Utilities	1.2

Regional weightings	%
Middle East North Africa	40.2
Asia	19.5
Eastern Europe	14.6
Latin America	13.2
Sub-Saharan Africa	7.0
Cash equivalents	5.5

Top 10 countries	Weight (%)
United Arab Emirates	13.0
Egypt	11.7
Kuwait	11.3
Argentina	8.6
Philippines	8.2
Romania	6.0
Georgia	4.5
Kazakhstan	3.7
Vietnam	3.6
Cambodia	3.2

Top 10 holdings	Weight (%)	Currency ⁴
Centamin Plc	4.1	GBP
Banco Macro Sa Adr	3.8	USD
Agility Public Ware	3.8	KWD
International Container	3.8	PHP
DP World Ltd.	3.7	USD
Human Soft Holding Co.	3.5	KWD
National Bank of Kuwait	3.3	KWD
Bbva Baco Frances Adr	3.0	USD
Safaricom Ltd	3.0	KES
Attijariwafa Bank	2.9	MAD

Fund details

Total net assets of all Fund classes
\$36.1 M

Portfolio Management
Ramzi Sidani, Lead Portfolio Manager
10+ years industry experience

Expense ratio (gross/net)²
A: 3.89% / 2.20% I: 3.54% / 1.85%



WINNER OF THE 2017
**THOMSON REUTERS
LIPPER FUND AWARDS**
UNITED STATES

Lipper awards recognize consistently strong risk adjusted returns relative to their peers. The Best Emerging Markets Fund Award is granted to the fund with the highest Lipper Leader for Consistent Return over the 5-year period as of November 30th of the prior year.



Overall Morningstar Rating™ Class I Shares⁵

Rated among 653 Diversified Emerging Markets Funds, as of 1/31/18, based on risk adjusted total return. The Overall Morningstar Rating is a weighted average of the performance figures for its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics.

Portfolio data is subject to change. The information provided should not be considered as a recommendation to purchase or sell a particular security or securities in the sectors, countries and regions shown above. There is no assurance that securities 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
---	----------------------	--	---	----------------

HSBC Frontier Markets Fund

Share Class A and Class I

* The indicative index is a customized MSCI Frontier Emerging Markets Capped index until end of May 2014 and the customized MSCI Select Frontier & Emerging Markets Capped index thereafter. No calendar year returns are available as this index was created on May 31, 2014.

¹ The recent 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 **Portfolio Turnover** is a measure of trading activity in a fund's portfolio over the past 12 months expressed as a percentage of the fund's average total assets. **Alpha** measures a fund's risk/reward potential. A positive alpha means the fund outperformed the index. A negative alpha means the fund underperformed the index. **Beta** measures a fund's risk in relation to the market. A beta of 0.8 means the fund's total return is likely to move up or down 80% of the market change; 1.25 means total return is likely to move up or down 25% more than the market. **Standard deviation** is an indicator of the portfolio's total return volatility, which is based on a minimum of 36 monthly returns. The larger the portfolio's standard deviation, the greater the portfolio's volatility.

² Reflects the expense ratio as reported in the prospectus dated February 28, 2017, as supplemented. 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: 2.20%, Class I: 1.85%. The expense limitation agreement is effective until March 1, 2018.

³ **GICS**: Global Industry Classification Standard

⁴ **AED** United Arab Emirates Dirham, **GBP** British Pound Sterling, **KWD** Kuwaiti Dinar, **MAD** Moroccan Dirham, **PHP** Philippine Peso, **USD** United States Dollar.

⁵ The HSBC Frontier Markets Fund (Class I) received 2 stars for the three-year period and 5 stars for the five-year period, rated among 653 and 467 Diversified Emerging Markets Funds, respectively. A star rating is derived from a weighted average of the Fund's three-, five- and 10-year risk-adjusted returns as of 1/31/18. Different share classes may have dissimilar ratings. Star ratings are based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges and redemption fees), placing more emphasis on downward variations, and rewarding consistent performance. The overall rating is a weighted average of the three-, five- and 10-year (if applicable) returns. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. A fund must be in existence three years to be rated. Ratings are subject to change monthly. ©2018 Morningstar, Inc. All Rights Reserved. Morningstar and/or its content providers are the proprietors of this information; do not permit its unauthorized copying or distribution; do not warrant it to be accurate, complete, or timely; and are not responsible for damages or losses arising from its use.

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. 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. The risks of investing in **emerging markets countries** are greater than the risks generally associated with foreign investments. **Frontier markets countries** generally have smaller economies and even less developed capital markets or legal and political systems than traditional emerging market countries. As a result, the risks of investing in emerging market countries are magnified in frontier market countries. **Derivatives** may be riskier than other types of investments and could result in losses that significantly exceed the Funds' original investment. The Fund will invest more than 25% of its total assets in securities issued by companies in the financial services group of industries. Accordingly, the Fund will be more susceptible to developments that affect such industries than other funds that do not concentrate their investments. **Exposure to commodities markets**, including investments in companies in commodity-related industries, may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-related investments may be affected by overall market movements and factors specific to a particular industry or commodity.

From Thomson Reuters Lipper Awards, ©2017 Thomson Reuters. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this content without express written permission is prohibited.

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. HSBC Global Asset Management (UK) Limited serves as sub adviser to the Fund. Foreside Distribution Services, L.P., member FINRA, is the distributor of the HSBC Funds and is not affiliated with the Advisor. 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. receive fees for providing various services to the funds.

The Fund's primary benchmark, the **MSCI Select Frontier and Emerging Markets Capped Index** has been developed by MSCI for the Adviser and, in terms of country constituents, includes the 29 countries that are part of the MSCI Frontier Markets Index classification as well as seven small emerging market "crossover" countries (namely Colombia, Egypt, Pakistan, Philippines, Peru, Qatar, and United Arab Emirates) that are also included within the MSCI Emerging Markets Index. The **MSCI Select Frontier and Emerging Markets Capped Index** is a free float-adjusted market capitalization index designed to measure equity market performance in the aforementioned countries. The **MSCI Frontier Markets Index** is an "industry standard" index that captures large- and mid-cap representation across 29 frontier market countries. The index is a free float-adjusted market capitalization index that is designed to measure equity performance of frontier markets. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. 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.

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

Investment products are offered by HSBC Securities (USA) Inc. (HSI), member NYSE/FINRA/SIPC. HSI is an affiliate of HSBC Bank USA, N.A. **Investment products: Are not a deposit or other obligation of the bank or any of its affiliates; Not FDIC insured or insured by any federal government agency of the United States; Not guaranteed by the bank or any of its affiliates; and are subject to investment risk, including possible loss of principal invested.**

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.