



HSBC Frontier Markets

Fund Overview

Fourth Quarter 2017

Class A: HSFAX

Class I: HSFIX

The investment opportunity in Frontier Market equities

- Economic development and corporate profits in frontier markets today parallel those of in emerging markets twenty years ago
- Frontier markets present a unique opportunity to invest in domestic companies benefitting from local economic development trends that can support corporate profit growth
 - Favorable demographics supporting increasing consumption
 - Increased productivity from industrialization and infrastructure development
- Strategic equity allocation to frontier markets could add diversification within a portfolio, given its low correlation to emerging markets and developed markets
- Low intra-country correlation due to the more locally-driven economies in frontier markets has typically resulted in lower volatility than in emerging markets
- On a medium-term basis, frontier market equities offer attractive return potential and dividend yield
- Favourable valuation relative to profitability in frontier markets compared to both emerging markets and developed markets

★★★★★
Overall Morningstar Rating™
Class I Shares

Rated among 647 Diversified Emerging Markets Funds, as of 12/31/17, 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.[†]

Investment Team

Ramzi Sidani, Lead Portfolio Manager

- 10 years industry experience

Talib Saifee, Portfolio Manager

- 17 years industry experience

HSBC Frontier Markets¹

- HSBC is a pioneer in frontier markets investing. Our strategy, launched in February 2008, has a proven 9+ year track record
- A global investment approach that invests across frontier markets and smaller emerging markets with 'frontier' features
- The added value of proprietary, on-the-ground fundamental research informing investment decisions

Investment philosophy

We believe:

- Frontier markets are highly inefficient
- Cash flows drive long-term stock returns
- Proprietary fundamental research is essential for success
- Understanding local markets and access to local information is imperative

Key Characteristics

Inception date

Fund September 2011
Strategy February 2008

Assets under management*

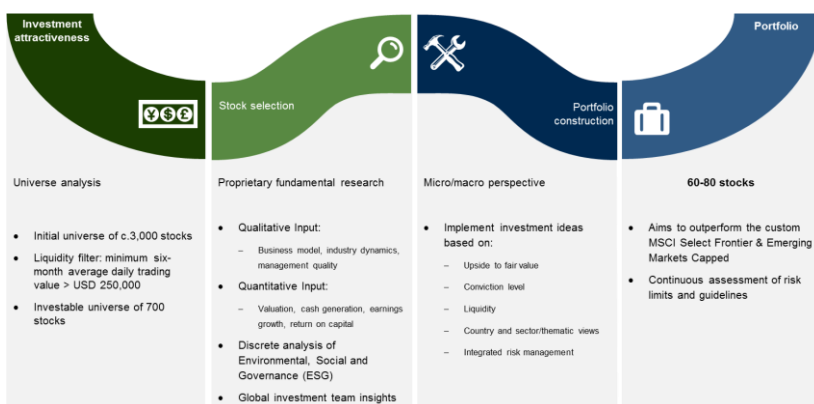
Fund USD 42M
Strategy USD 635M

Customized Benchmark

MSCI Select Frontier & Emerging Markets Capped Index²

*AUM as of December 31, 2017.

Disciplined investment process



For illustrative purposes only. Representative overview of the investment process, which may differ by product, client mandate or market conditions.

[†]The HSBC Frontier Markets Fund had been closed to new investors since April 30, 2014. The fund was reopened March 30, 2017.

Fund Snapshot

- Globally diversified portfolio consisting of our highest conviction investment ideas in Frontier Markets
- Provides exposure to countries that investors may not otherwise have access to with their Global Emerging Market equity strategies
- Stock selection driven by proprietary fundamental research, integrating Environment, Social, Governance (ESG) analysis
- Experienced investment team benefits from the local insights and perspectives of our global investment team

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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All decisions regarding the tax implications of your investment(s) should be made in connection with your independent tax advisor.



Global Asset Management

Five reasons to invest in Frontier Markets



- Our frontier markets universe provides access to investment opportunities across 30 countries
- Proprietary and customised benchmark which reflects our globally diversified investment approach
- Positive political and socio-economic change supports productivity growth
- Improving infrastructure and business environment support equity returns
- Growing population and expanding working population supports increased consumption and a “demographic dividend”
- Companies with competitive advantages can generate free cash flow; capital discipline allows shareholder returns
- Dividend yields have been higher than both emerging and developed markets
- Low correlation with other asset classes may provide diversification benefits
- Low intra-country correlation within frontier markets has resulted in historically lower volatility than emerging markets and developed markets

For illustrative purposes only.

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Risk considerations: 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. Foreign and emerging markets. 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. **Frontier markets** generally have smaller economies or less developed capital markets than traditional emerging markets, and therefore investing in frontier markets can magnify the risks of investing in emerging markets. **Derivative instruments.** 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. **Commodity-related investments.** Exposure to commodities markets, including investments in companies in commodity-related industries, may subject a 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.

¹ For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. 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. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics. HSBC Frontier Markets Fund was rated against the following numbers of U.S.-domiciled Diversified Emerging Markets over the following time periods: 647 funds in the last three years and 467 funds in the last five years. With respect to these Diversified Emerging Markets funds, HSBC Frontiers Markets Fund received a Morningstar Rating of five stars for the five-year period and two stars for the three-year period. Past performance is no guarantee of future results Morningstar Rating is for the Fund's Class I only; other classes may have different performance characteristics.

¹HSBC Global Asset Management (USA) Inc., the Fund's investment adviser, has entered into a contractual expense limitation agreement to limit the Fund's total expenses (excluding interest, taxes, brokerage commissions, and extraordinary expenses and extraordinary expenses) to an annual rate of: Class A: 2.20%, Class I: 1.85%. The agreement is effective until March 1, 2019.

²The **MSCI Select Frontier Emerging Markets Index (capped)** is a capped version of the MSCI Frontier Emerging Markets Index. There is an initial cap of 25% for the combined weight of the 5 “cross-over” countries. There is an initial cap of 10% for any other country. The capped index is maintained and calculated by MSCI. The **MSCI Select Frontier & Emerging Markets Net Index** is a version of the MSCI Frontier Emerging Markets Index (capped) which also includes raises the initial cap of the 5 cross-over countries to 30% and includes Qatar and UAE. **MSCI Frontier Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets.

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.

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