

HSBC Global High Income Bond

Fourth Quarter 2017

Fund Overview

Class A: HBIAX

Class I: HBIIX

A multi-sector crossover strategy for rising rate environments

The fund seeks steady income and attractive risk-adjusted returns by exploiting misunderstood and mispriced US and international corporate debt. Leveraging HSBC's global trading capabilities, the fund aims to capitalize on lesser-known opportunities in three core regional sleeves – US credit, Euro credit and emerging markets (EM) debt. The fund aims to capture high risk-adjusted returns, while adhering strict risk budgets and controls.

We developed a customized benchmark to expand and diversify the investment grade opportunity set globally, while improving the fund's risk return profile and Sharpe ratio.

Seeks global high income with controlled volatility

1 Attractive risk/reward profile. The fund focuses on the potential in the "crossover space" between the investment grade and high yield universes and targets corporate bonds transitioning between BBB and BB ratings and vice versa. We believe these bonds add relatively higher yields, while maintaining an overall higher quality portfolio rating.

2 Global diversification using a sleeve structure. The lead fund manager allocates assets across three regional sleeves (US/EUR/EM). This structure captures different yield, quality, duration and volatility characteristics.

3 Research-driven, risk-focused. The HSBC global credit platform leverages the company's geographic reach and gives the lead fund manager direct access to experienced teams of fund managers and credit research analysts around the world. Identifying, pricing and combining risks is at the core of our investment approach.

Performance drivers

Investment success in the global credit markets relies on strict issuer selection, valuation discipline and risk and liquidity management.

Target sources of excess return

Issuer selection	50%	The main driver of performance is issuer selection.
Regional selection	15%	Research insights are guided by 40+ credit research analysts.
Credit allocation	15%	
Sector selection (within sleeves)	10%	
Duration	10%	

Source: HSBC Global Asset Management.

¹Annualized prospectus expense ratio as stated in the February 28, 2017 prospectus.

²EM local currency exposure is managed with an internal limit of 10% of the strategy assets.

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.

Portfolio Management



Jerry Samet

Lead Portfolio Manager

- Senior Portfolio Manager
- Joined HSBC in 1996
- 30 years industry experience

As lead portfolio manager, Mr. Samet directs the top-down allocation for the strategy and the overall management of key investment decisions and risks. Mr. Samet also manages the US credit sleeve.

Key Characteristics*

Vehicle	Inception	AUM
Fund	Jul 2015	\$28M
Strategy	Jul 2010	\$2.3bn

Expense Ratio¹

Class A: 1.17% Class I: 0.82%

Benchmark is a customized index close to equally weighted across US, Euro and EM markets:

- 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
- 35% Bloomberg Barclays EM USD Aggregate Index

Invests primarily in BBB and BB rated corporate bonds and may invest in securitized debt

Global holdings are managed in 3 regional investment sleeves (US credit/Euro credit/EM)

The strategy is USD hedged, with an ability to take up to 10% non-USD exposure²

*AUM figures as of December 31, 2017.

HSBC Global Asset Management*

Global credit leadership with distinguished team of portfolio managers averaging over 20 years of experience

Global structure fosters exchange between portfolio managers, credit analysts and global research

Fully-resourced global credit research platform is the backbone to our highly disciplined investment framework

US \$192.9bn in fixed income assets

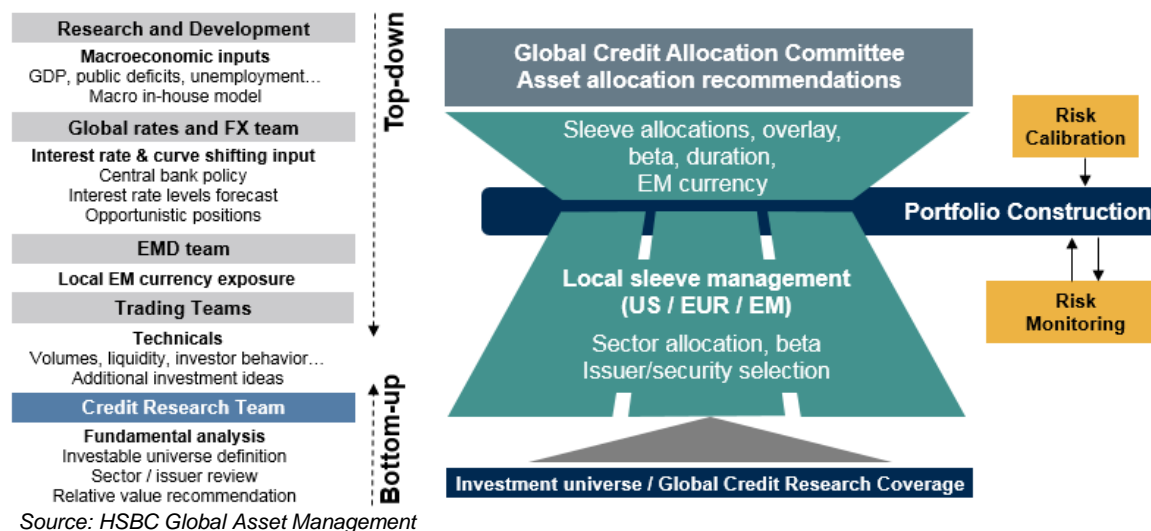
*AUM figures as of December 31, 2017.

HSBC 
Global Asset Management

Portfolio Construction and Implementation

- **Dynamic top-down and bottom-up investment process** integrates a lead portfolio manager with global teams of analysts and portfolio managers. This structure supports a continuous exchange of investment data and expertise necessary to capture expanding global credit opportunities.
- **In-depth research.** Our global research teams provide top-down macroeconomic inputs, interest rate research and forecasting. The strategy is further supported by 40+ locally-based credit researchers that provide fundamental, relative value analytics and sector/issuer review.
- **The lead portfolio manager** spearheads portfolio construction and risk management by leveraging local and global research and insights, tactically allocating assets and managing duration and beta targets.
- **Sleeve management.** Holdings are subdivided into three regional sleeves (US/EUR/EM/).

Investment Process



Source: HSBC Global Asset Management

Key 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.

- **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.
- **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.
- **Derivative instruments** Derivatives can be illiquid, may disproportionately increase losses and may have a potentially large negative impact on performance.

Important Information

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.

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Portfolio characteristics, including position sizes and sector allocations, among others, are generally averages, are only for illustrative purposes, and do not reflect the investments of an actual portfolio unless otherwise noted. The investment guidelines of an actual portfolio may permit or restrict investments that are materially different in size, nature and risk from those shown.

The **Bloomberg Barclays US Corporate Index** measures the performance of the taxable Baa1 – Ba3 rated fixed-rate U.S. dollar-denominated corporate bond market. The index is market capitalization-weighted and caps individual issuers at 3% of the total market value. The **Bloomberg Barclays US High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. The **Bloomberg Barclays Euro Aggregate Index** tracks fixed-rate, investment-grade Euro-denominated securities. The **Bloomberg Barclays Euro High Yield Index** measures the market of euro-denominated, non-investment grade, fixed-rate corporate bonds. The **Bloomberg Barclays Emerging Markets Index** consists of the USD-denominated fixed- and floating-rate U.S. Emerging Markets Index and the fixed rate Pan-European Emerging Markets Index, which is primarily made up of GBP- and EUR-denominated securities.

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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