HSBC Total Return
Fund Overview

Second Quarter 2017

Class A: HTRAX   Class I: HTRIX

Agile leadership in evolving EMD markets

Today's emerging markets debt (EMD) has many moving parts and has become far more complex for many investors. HSBC Total Return aims to diversify risk across all emerging markets segments, including countries, sovereigns, quasi-sovereigns, corporate debt, and currencies.

The fund's total return approach is benchmark agnostic and aims to maximize risk-adjusted returns. This structure helps our investment team capitalize on a quickly changing marketplace while seeking to deliver about half to two-thirds of the volatility associated with emerging market external debt, local debt and currencies indices.

Managing risk in a volatile marketplace

1 **Risk-focused in current environment.** The fund targets maximum risk-adjusted returns through flexible beta and duration management. It seeks to offer 50-65% of the volatility of traditional EMD indices, while maintaining a positive return in a challenging marketplace. The portfolio is stress tested and calibrated for lower volatility and lower drawdowns.

2 **Actively managed for reduced volatility.** Investment decisions are based on the expected return, volatility and correlations of the EMD opportunity set. Our total return approach allows us to express our investment views on spreads, currencies, and yields, while managing risk. Overall exposure to EM markets can be tactically varied and may not always be 100% long the market.

3 **EMD expertise**. HSBC has been active in emerging markets for over 150 years. With a staff of approximately 200 dedicated emerging markets professionals in 15 countries, our global EMD investment team leverages extensive knowledge and insights from one of the world's largest emerging markets investment platforms.

Performance drivers

Investment success in emerging markets relies on robust macro and sector analysis, valuation discipline and risk and liquidity management.

Potential sources of return
Country selection (66 EM countries-JP Morgan Emerging Market Bond Index Global)
Issuer selection (sovereign, quasi-sovereign, corporate)
Local currency selection
Yield curve management
Instrument selection
Local currency duration

Source: HSBC Global Asset Management.

Portfolio Managers

Team-based collaboration lies at the core of our investment process. Portfolio management decisions incorporate the expertise and analysis of numerous EMD specialists.

Nishant Upadhyay

Head of Global EMD
HSBC Global Asset Management (USA) Inc.

- 17 years industry experience

Vinayak Potti

Senior Portfolio Manager, EMD
HSBC Global Asset Management (USA) Inc.

- 14 years industry experience

Key Characteristics

	Inception	AUM*
Fund	Mar 2012	$15.5M
Strategy	Oct 1999	$4.4bn

- **Expense Ratio**[#]
  Class A: 1.59%   Class I: 1.24%
- Seeks to deliver positive risk-adjusted returns while providing capital protection and muted volatility
- Primarily invests in EM external debt (sovereign and corporate) and local debt (interest rates and currencies)

HSBC Global Asset Management

- HSBC has been active in emerging markets for over 150 years and is one of the world's largest managers of emerging market assets
- US $125bn in emerging market assets*
- US $90bn in emerging market debt assets*

**As of June 30, 2017.*

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

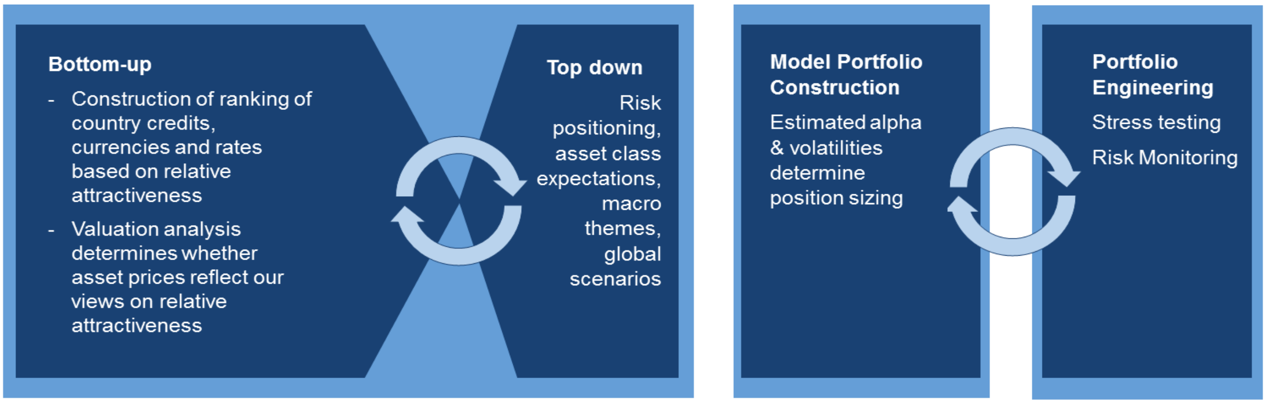
All decisions regarding the tax implications of your investment(s) should be made in connection with your independent tax advisor.

HSBC
Global Asset Management

Portfolio Construction and Implementation

- **Fundamental analysis with a strong valuation discipline.** The fund is supported by 11 members of the global EMD portfolio management team and over 30 additional analysts and investment specialists that provide macroeconomic, fundamental, and relative value analytics. These insights help determine the strategy's overall risk appetite, beta, and class targets.
- **Model portfolio construction** guides the investment team's risk and exposure planning. The investment team estimates an expected return and future volatility levels for a variety of risk dimensions (beta and correlations between asset classes, volatility, downside risk, standard deviation). Preliminary exposure targets are established according to these estimates and then recalibrated based on an assessment of market technicals and flows, macro themes, and risk limits.
- **Portfolio engineering and stress testing.** Prior to implementation, model portfolios undergo a rigorous stress testing regimen led by the portfolio engineering team. Long-term and short-term considerations are evaluated with the use of two risk models. This process helps ensure allocations are aligned with the fund's established risk and return targets.

Investment Process



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This document is for information only and does not constitute investment advice, a solicitation or a recommendation to buy, sell or subscribe to any investment. It is not intended to provide and should not be relied upon for accounting, legal or tax advice.

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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. 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 volatile and more vulnerable to adverse market, economic or political conditions. 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. Convertibles are subject to the risks of equity securities when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the conversion feature); they are subject to the risks of debt instruments when the underlying stock price is low relative to the conversion price (because the conversion feature is less valuable). A convertible bond is not as sensitive to interest rate changes as a similar non-convertible debt instrument, and generally has less potential for gain or loss than the underlying equity security. Exchange Traded Funds (ETFs) are subject to the risks of the underlying securities that they are designed to track. Low liquidity levels in an ETF can result in higher volatility than its underlying securities. ETFs may also have management fees that increase their costs versus owning its underlying securities directly. 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.

††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: 1.60%, Class I: 1.25%. The expense limitation agreement is effective until March 1, 2017.

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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