HSBC Global Asset Management (USA) Inc.

HSBC Funds

Semi-Annual Report

April 30, 2018

EQUITY FUNDS	Class A	Class B	Class C	Class I
HSBC Opportunity Fund	HSOAX	HOPBX	HOPCX	RESCX

HSBC

Global Asset Management

HSBC Family of Funds

Semi-Annual Report - April 30, 2018 (Unaudited)

Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year.

Gross Domestic Product ("GDP") is the value of goods and services produced in a given country in a given year.

Lipper Mid-Cap Growth Funds Average is an equally weighted average of mutual funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) below Lipper's large-cap floor. Mid-cap growth funds typically have an above-average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P MidCap 400 Index.

MSCI Emerging Markets ("MSCI EM") Index is an index that captures the large- and mid-cap representation across 24 emerging markets countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

MSCI Europe Australasia and Far East ("MSCI EAFE") Index is an equity index which captures the large- and mid-cap representation across developed markets countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.

Russell 2000® Index is an index that measures the performance of approximately 2,000 small-cap companies in the Russell 3000® Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the U.S.

Russell 2500™ Growth Index is an index that measures the performance of the small- to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

Standard & Poor's 500 ("S&P 500") Index is an index that is widely regarded as a gauge of the U.S. equities market. This index includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 Index focuses on the large-cap segment of the market, with approximately 80% coverage of U.S. equities.

Lipper is an independent mutual fund performance monitor whose results are based on total return and do not reflect a sales charge.

Securities indices are unmanaged and assume reinvestment of all distributions and interest payments and do not take in account brokerage fees or expenses. Securities in the Funds do not match those in the indices and performance of the Funds will differ. Investors cannot invest directly in an index.

HSBC Global Asset Management (USA) Inc.

Global Economic Review

A prolonged period of synchronized global economic expansion continued through the six-month period between November 1, 2017 and April 30, 2018, even as equity markets transitioned into a more volatile phase in early 2018. Economic growth in some major economies showed signs of slowing, but overall the fundamentals of the global economy remained relatively healthy across a broad range of sectors and regions. Robust activity in manufacturing and global trade continued to be primary drivers of global economic expansion.

Equity markets soared during the first few months of the period, prolonging a year of steady gains. Volatility in stocks returned in February with an abrupt correction and subsequent swings up and down. By the end of the period, the S&P 500 Index[1] gave back many of its early gains, ending the period slightly higher—but down 7% from its January highs. Most other major market indices in developed markets also ended the period slightly higher after an up and down start to 2018.

The beginning of the period was marked by strong corporate fundamentals, low inflation and supportive monetary policy. In the U.S., regulatory rollbacks, positive earnings growth and passage of business-friendly tax reform legislation stirred optimism among investors, eventually driving stocks to record highs in an intense January rally.

However, developments during the final months of the period led stocks to swing abruptly in the opposite direction. One factor that caused the sharp pullback was increasing concerns over global trade protectionism following President Trump's announcements of tariffs on imports. Geopolitical uncertainties surrounding North Korea and Iran, softening economic growth in Europe and Japan and regulatory concerns about major technology companies also fueled market volatility and led stocks lower in February and March.

U.S. economic growth picked up slightly during the period. Economic data in the U.S. continued to indicate solid fundamentals. Rising household wealth stimulated strong consumer spending and higher consumer confidence. Business investment showed signs of improving after two years of disappointing growth and strong global growth continued to boost U.S. exports. Data on housing starts and sales showed relatively strong activity despite concerns that rising interest rates could dampen the market.

U.S. gross domestic product (GDP[1]) grew at a rate of 2.9% in the fourth quarter of 2017. A preliminary estimate puts GDP growth at 2.3% for the first quarter of 2018.

Most economists agreed that the U.S. labor market reached full employment, meaning that nearly all individuals able and willing to work were employed. The unemployment rate dropped to 3.9% during the last month of the period, reaching its lowest level since 2000. Wages trended higher, though the rate of growth remains sluggish.

Tax reform legislation signed into law by President Trump in December may drive U.S. economic growth and boost corporate profits. However, the magnitude of the legislation's positive impact on economic growth was limited as it was passed in the relatively late stages of the current business cycle. Nevertheless, investors were encouraged by the prospect that lower taxes and access to offshore cash could create opportunities for companies to pursue stock buybacks, pay dividends or engage in mergers and acquisitions.

The eurozone experienced a modest slowdown in economic activity late in the period after strong growth in 2017. This can be attributed in part to political and economic developments, including chaotic general elections in Italy, lingering tensions in Spain over Catalonian independence and Brexit-related uncertainties. Exports and industrial production were also both fairly weak, particularly in Germany. Labor markets in the eurozone continued to improve, with unemployment hitting a 10-year low during the last month of the period under review.

The Japanese economy experienced its first quarter of slowing economic growth in two years. The contraction was largely attributed to lower private consumption and weak export demand. Economic data also suggested a slowdown of industrial activity in the first quarter of 2018. Inflation rose steadily in Japan during the period under review and the labor market looked healthier than it has since the 1990s.

The Chinese economy continued to grow at a steady rate, consistent with its pace over the previous year. Consumption played a primary role in driving growth, with online retails sales booming. Strong output from the Chinese technology sector also helped drive growth. The U.S. announcement of tariffs on Chinese imports raised the prospect of a trade war between the two highly-interconnected economic superpowers. The immediate impact of the tariffs was fairly muted, however.

Economic growth in emerging markets sustained its momentum throughout the period. Brazil's economy emerged from recession as its policymakers launched an ambitious reform agenda. Economic data suggested the fundamentals of Mexico's economy were healthy.

The U.S. Federal Reserve (the Fed) raised its federal funds rate twice during the six-month period, motivated in large part by rising inflation. The Fed signaled its moves well in advance, so the increases in December 2017 and March 2018 were anticipated.

Market review

U.S. equities experienced high volatility during the six-month period under review, but ultimately ended slightly higher. More than a year of steady gains ended with a sell-off in February that was followed by months of uneven performance.

The S&P 500 Index of large company stocks ended the period 2.66% higher. The Russell 2000® Index[1] of small company stocks climbed 3.29%.

U.S. stocks generally outperformed international markets during the period. The MSCI EM Index[1] ended the period up 3.14%. The MSCI EAFE Index[1] of developed market international stocks gained 1.70% for the period.

Steady economic growth and tightening monetary policy kept pressure on the fixed income market. The Bloomberg Barclays U.S. Aggregate Bond Index[1] total return, which tracks the broad investment-grade fixed income market, posted a 1.87% loss. Meanwhile, yields on U.S. government securities rose and the yield curve flattened. The gap between short- and long-term Treasury yields was narrower than it had been in more than a decade, and 10-year Treasuries hit their highest level in four years.

1 For additional information, please refer to the Glossary of Terms.

HSBC Opportunity Fund

(Class A Shares, Class B Shares, Class C Shares and Class I Shares)

by William A. Muggia, Committee Lead/Portfolio Manager
Richard D. Lee, CFA, Portfolio Manager
Ethan J. Myers, CFA, Portfolio Manager
John M. Montgomery, Portfolio Manager
Westfield Capital Management Company, L.P.

The HSBC Opportunity Fund (the "Fund") seeks long-term growth of capital by investing, under normal market conditions, primarily in equity securities of small- and mid-cap companies. Small- and mid-cap companies generally are defined as those that have market capitalizations within the range of market capitalizations represented in the Russell 2500™ Growth Index[1]. The Fund may also invest in equity securities of larger, more established companies and may invest up to 20% of its assets in securities of foreign companies. The Fund employs a two-tier structure, commonly referred to as a "master-feeder" structure, in which the Fund invests all of its investable assets in the HSBC Opportunity Portfolio (the "Portfolio"). The Portfolio employs Westfield Capital Management Company, L.P. as its subadviser.

Investment Concerns

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. Fluctuations in exchange rates between the U.S. dollar and foreign currencies, or between various foreign currencies, may negatively affect the Fund's performance. Investing in **smaller companies** is more risky and volatile than investing in large companies. **Growth investment** style may fall out of favor in the marketplace and result in significant declines in the value of the Portfolio's securities. Securities of companies considered growth investments may have rapid price swings in the event of earnings disappointments or during periods of market, political, regulatory, and economic uncertainty.

For a complete description of these and other risks associated with investment in a mutual fund, please refer to the Fund's prospectus.

Market Commentary

For the six-month period ended April 30, 2018, the Class I Shares of the HSBC Opportunity Fund produced a 11.35% total return, and the Class A Shares of the Fund produced a 11.14% total return (without sales charge). The Russell 2500™ Growth Index[1], the Fund's primary performance benchmark, and the Lipper Mid-Cap Growth Funds Average[1] returned 5.37% and 5.86%, respectively.

Portfolio Performance

U.S. equity markets pushed most major indices to new highs by the end of 2017, due in large part to signs of accelerating economic growth in both the U.S. and overseas. However, volatility returned to the markets in the early months of 2018, as investors grew concerned about the impacts of rising inflation rates and of interest rate hikes by the U.S. Federal Reserve (the Fed). Escalating trade tensions with China also added to investor concerns.

From a sector standpoint, energy, health care and information technology stocks generated strong absolute returns for the period, while the real estate and materials sectors declined.

The Fund outperformed its primary benchmark. Stock selection in the health care sector, most notably in pharmaceuticals and biotechnology, drove much of this outperformance. For example, the Fund's holdings of a biopharmaceutical developer benefited relative results after the company reported positive clinical data for an important immuno-oncology compound. The Fund's investment in a hemophilia therapy company also contributed to results after it was acquired at a large premium to its share price at the time.[†]

An overweight to aerospace and defense companies within the industrials sector benefited the Fund relative to its benchmark, as did stock selection in information technology.[†]

The Fund's investments in the financials and materials sectors weighed on results relative to its benchmark. In particular, investments in a mortgage insurance company began to decline in March 2018 following the announcement that Freddie Mac will be piloting an alternative mortgage risk-transfer product. Stock selection and an overweight position in the materials sector also detracted, particularly the Fund's investments in construction materials and specialty chemicals, which were notably weak during the period.[†]

† Portfolio composition is subject to change.
1 For additional information, please refer to the Glossary of Terms.

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Total return figures include change in share price, reinvestment of dividends and capital gains and do not reflect taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. 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 information current to the most recent month end, please call 1-800-782-8183.

HSBC Opportunity Fund

Fund Performance			Average Annual Total Return (%)			Expense Ratio (%)[5]	
As of April 30, 2018	Inception Date	Six Months*	1 Year	5 Year	10 Year	Gross	Net
HSBC Opportunity Fund Class A[1]	9/23/96	5.59	14.92	10.17	8.81	5.87	1.65
HSBC Opportunity Fund Class B[2]	1/6/98	6.96	16.04	10.48	8.88	6.62	2.40
HSBC Opportunity Fund Class C[3]	11/4/98	9.76	19.13	10.48	8.97	6.62	2.40
HSBC Opportunity Fund Class I[†]	9/3/96	11.35	21.44	11.86	9.94	1.31	1.10
Russell 2500™ Growth Index[4]	—	5.37	17.10	13.15	10.46	N/A	N/A
Lipper Mid-Cap Growth Funds Average[4]	—	5.86	16.81	12.12	8.60	N/A	N/A

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Total return figures include change in share price, reinvestment of dividends and capital gains and do not reflect the taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. 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 information current to the most recent month end, please call 1-800-782-8183.

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 for the Fund through March 1, 2019.

Certain returns shown include monies received by the Portfolio, in which the Fund invests, in respect of one-time class action settlements and monies received by the Fund from a one-time reimbursement from HSBC Global Asset Management (USA) Inc. (the "Adviser") related to past marketing arrangements. As a result, the Fund's total returns for those periods were higher than they would have been had the Portfolio and the Fund not received the payments.

* *Aggregate total return.*
† *The Class I Shares are issued by a separate series of the HSBC Funds.*
1 *Reflects the maximum sales charge of 5.00%.*
2 *Reflects the applicable contingent deferred sales charge, maximum of 4.00%.*
3 *Reflects the applicable contingent deferred sales charge, maximum of 1.00%.*
4 *For additional information, please refer to the Glossary of Terms.*
5 *Reflects the expense ratio as reported in the prospectus dated February 28, 2018. HSBC Global Asset Management (USA) Inc., the Adviser, has entered into a contractual expense limitation agreement with the Fund under which it will limit total expenses of the Fund (excluding interest, taxes, brokerage commissions, extraordinary expenses and estimated indirect expenses attributable to the Fund's investments in investment companies other than the Portfolio) to an annual rate of 1.65%, 2.40%, 2.40% and 1.10% for Class A Shares, Class B Shares, Class C and Class I Shares, respectively. The expense limitation shall be in effect until March 1, 2019. Additional information pertaining to the April 30, 2018 expense ratios can be found in the financial highlights.*

The Fund's performance is measured against the Russell 2500™ Growth Index, an unmanaged index that measures the performance of the small- to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. The performance for the index does not reflect the deduction of expenses associated with a mutual fund, such as investment management and fund accounting fees. The Fund's performance reflects the deduction of fees for these value-added services. Investors cannot invest directly in an index.

HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities—as of April 30, 2018 (Unaudited)

	HSBC Opportunity Fund	HSBC Opportunity Fund (Class I)
Assets:		
Investments in Affiliated Portfolio	$10,325,979	$140,561,760
Receivable for capital shares issued	300	13,879
Receivable from Investment Adviser	34,725	33,755
Prepaid expenses and other assets	14,909	14,424
Total Assets	10,375,913	140,623,818
Liabilities:		
Payable for capital shares redeemed	—	20,172
Accrued expenses and other payables:		
Administration	165	2,256
Distribution fees	140	—
Shareholder Servicing	1,881	—
Accounting	1,508	714
Printing	1,151	10,383
Professional	52,149	51,967
Transfer Agent	15,564	14,047
Total Liabilities	72,558	99,539
Net Assets	$10,303,355	$140,524,279
Composition of Net Assets:		
Capital	$ 7,735,030	$105,208,382
Accumulated net investment income/(loss)	(42,420)	(239,935)
Accumulated net realized gains/(losses) from investments	817,311	11,618,053
Net unrealized appreciation/(depreciation) on investments	1,793,434	23,937,779
Net Assets	$10,303,355	$140,524,279
Net Assets:		
Class A Shares	$10,097,861	$ —
Class B Shares	39,261	—
Class C Shares	166,233	—
Class I Shares	—	140,524,279
Total	$10,303,355	$140,524,279
Shares Outstanding:		
($0.001 par value, unlimited number of shares authorized):		
Class A Shares	904,064	—
Class B Shares	6,077	—
Class C Shares	24,276	—
Class I Shares	—	9,386,763
Net Asset Value, Offering Price and Redemption Price per share:		
Class A Shares	$ 11.17	$ —
Class B Shares(a)	$ 6.46	$ —
Class C Shares(a)	$ 6.85	$ —
Class I Shares	$ —	$ 14.97
Maximum Sales Charge:		
Class A Shares	5.00%	—%
Maximum Offering Price per share (Net Asset Value / (100%-maximum sales charge))		
Class A Shares	$ 11.76	$ —
Investments in Affiliated Portfolio, at Cost	$ 8,532,545	$116,623,981

(a) Redemption price per share varies by length of time shares are held.

See notes to financial statements.

Statements of Operations—For the six months ended April 30, 2018 (Unaudited)

	HSBC Opportunity Fund	HSBC Opportunity Fund (Class I)
Investment Income:		
Investment Income from Affiliated Portfolio	$ 38,804	$ 518,086
Expenses from Affiliated Portfolio	(53,087)	(708,858)
Total Investment Income/(Loss)	(14,283)	(190,772)
Expenses:		
Administration:		
Class A Shares	962	—
Class B Shares	4	—
Class C Shares	30	—
Class I Shares	—	13,316
Distribution:		
Class B Shares	155	—
Class C Shares	1,181	—
Shareholder Servicing:		
Class A Shares	11,443	—
Class B Shares	51	—
Class C Shares	347	—
Accounting	9,427	4,461
Administrative Services	3,194	1,121
Compliance Services	12,886	12,886
Printing	4,203	12,902
Professional	65,188	64,968
Transfer Agent	64,850	72,080
Trustee	32,497	32,529
Registration fees	11,172	10,135
Other	9,468	11,501
Total expenses before fee and expense reductions	227,058	235,899
Fees voluntarily reduced/reimbursed by Investment Adviser	(5,154)	—
Fees contractually reduced/reimbursed by Investment Adviser	(193,767)	(186,736)
Net Expenses	28,137	49,163
Net Investment Income/(Loss)	(42,420)	(239,935)
Realized/Unrealized Gains/(Losses) from Investments:		
Net realized gains/(losses) from investments from Affiliated Portfolio	920,394	12,246,080
Change in unrealized appreciation/depreciation on investments from Affiliated Portfolio	198,766	2,666,047
Net realized/unrealized gains/(losses) on investments from Affiliated Portfolio	1,119,160	14,912,127
Change in Net Assets Resulting from Operations	$1,076,740	$14,672,192

See notes to financial statements.

Statements of Changes in Net Assets

	HSBC Opportunity Fund		HSBC Opportunity Fund (Class I)	
	Six Months Ended April 30, 2018 (Unaudited)	For the year ended October 31, 2017	Six Months Ended April 30, 2018 (Unaudited)	For the year ended October 31, 2017
Investment Activities:				
Operations:				
Net investment income/(loss)	$ (42,420)	$ (82,641)	$ (239,935)	$ (454,613)
Net realized gains/(losses) from investments	920,394	1,383,534	12,246,080	19,709,152
Change in unrealized appreciation/depreciation on investments	198,766	1,222,544	2,666,047	15,692,968
Change in net assets resulting from operations	1,076,740	2,523,437	14,672,192	34,947,507
Distributions:				
Net realized gains:				
Class A Shares	(1,047,996)	(1,128,826)	—	—
Class B Shares	(7,279)	(12,613)	—	—
Class C Shares	(71,416)	(79,223)	—	—
Class I Shares	—	—	(17,639,612)	(14,495,106)
Change in net assets resulting from distributions	(1,126,691)	(1,220,662)	(17,639,612)	(14,495,106)
Change in net assets resulting from capital transactions	433,345	(1,208,010)	15,631,198	(33,653,038)
Change in net assets	383,394	94,765	12,663,778	(13,200,637)
Net Assets:				
Beginning of period	9,919,961	9,825,196	127,860,501	141,061,138
End of period	$10,303,355	$ 9,919,961	$140,524,279	$127,860,501
Accumulated net investment income/(loss)	$ (42,420)	$ —	$ (239,935)	$ —

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	HSBC Opportunity Fund		HSBC Opportunity Fund (Class I)	
	Six Months Ended April 30, 2018 (Unaudited)	For the year ended October 31, 2017	Six Months Ended April 30, 2018 (Unaudited)	For the year ended October 31, 2017
CAPITAL TRANSACTIONS:				
Class A Shares:				
Proceeds from shares issued	$ 405,640	$ 490,391	$ —	$ —
Dividends reinvested	1,020,798	1,096,861	—	—
Value of shares redeemed	(727,720)	(2,703,036)	—	—
Class A Shares capital transactions	698,718	(1,115,784)	—	—
Class B Shares:				
Proceeds from shares issued	—	7,643	—	—
Dividends reinvested	7,279	12,613	—	—
Value of shares redeemed	(9,126)	(53,986)	—	—
Class B Shares capital transactions	(1,847)	(33,730)	—	—
Class C Shares:				
Proceeds from shares issued	6,582	9,094	—	—
Dividends reinvested	71,416	79,223	—	—
Value of shares redeemed	(341,524)	(146,813)	—	—
Class C Shares capital transactions	(263,526)	(58,496)	—	—
Class I Shares:				
Proceeds from shares issued	—	—	6,655,491	9,067,442
Dividends reinvested	—	—	17,448,749	14,367,761
Value of shares redeemed	—	—	(8,473,042)	(57,088,241)
Class I Shares capital transactions	—	—	15,631,198	(33,653,038)
Change in net assets resulting from capital transactions	$ 433,345	$(1,208,010)	$ 15,631,198	$ (33,653,038)
SHARE TRANSACTIONS:				
Class A Shares:				
Issued	35,873	47,663	—	—
Reinvested	95,491	118,452	—	—
Redeemed	(65,338)	(260,788)	—	—
Change in Class A Shares	66,026	(94,673)	—	—
Class B Shares:				
Issued	—	1,202	—	—
Reinvested	1,174	2,167	—	—
Redeemed	(1,362)	(8,201)	—	—
Change in Class B Shares	(188)	(4,832)	—	—
Class C Shares:				
Issued	998	1,383	—	—
Reinvested	10,870	12,966	—	—
Redeemed	(49,110)	(20,791)	—	—
Change in Class C Shares	(37,242)	(6,442)	—	—
Class I Shares:				
Issued	—	—	428,542	656,336
Reinvested	—	—	1,219,340	1,137,590
Redeemed	—	—	(562,211)	(4,121,773)
Change in Class I Shares	—	—	1,085,671	(2,327,847)

See notes to financial statements.

Financial Highlights

Selected data for a share outstanding throughout the periods indicated.*

		Investment Activities			Distributions					Ratios/Supplementary Data					
	Net Asset Value, Beginning of Period	Net Investment Income/ (Loss)(a)	Net Realized and Unrealized Gains/ (Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Distributions	Net Asset Value, End of Period	Total Return(b)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets (c)	Ratio of Net Investment Income/ (Loss) to Average Net Assets (c)	Ratio of Expenses to Average Net Assets (Excluding Fee Reductions) (c)	Portfolio Turnover (b),(d)
Class A Shares														
Six Months Ended April 30, 2018 (unaudited)	$11.24	$(0.04)	$ 1.23	$ 1.19	$—	$(1.26)	$(1.26)	$11.17	11.14%	$10,098	1.55%	(0.80)%	5.41%	29%
Year Ended October 31, 2017	9.94	(0.08)	2.68	2.60	—	(1.30)	(1.30)	11.24	29.00%	9,422	1.55%	(0.79)%	2.98%	80%
Year Ended October 31, 2016	10.34	(0.07)	(0.33)	(0.40)	—	—	—	9.94	(3.87)%	9,276	1.55%	(0.66)%	2.11%	96%
Year Ended October 31, 2015	12.83	(0.10)	(0.07)	(0.17)	—	(2.32)	(2.32)	10.34	(2.21)%	16,593	1.55%	(0.86)%	1.84%	63%
Year Ended October 31, 2014	12.78	(0.13)	1.53	1.40	—	(1.35)	(1.35)	12.83	11.57%	16,110	1.55%	(1.04)%	1.86%	66%
Year Ended October 31, 2013	10.13	(0.06)	3.34	3.28	—	(0.63)	(0.63)	12.78	34.02%(e)	14,259	1.55%	(0.49)%	2.01%	70%
Class B Shares														
Six Months Ended April 30, 2018 (unaudited)	7.03	(0.05)	0.74	0.69	—	(1.26)	(1.26)	6.46	10.64%	39	2.30%	(1.55)%	6.17%	29%
Year Ended October 31, 2017	6.72	(0.10)	1.71	1.61	—	(1.30)	(1.30)	7.03	28.05%	44	2.30%	(1.52)%	3.73%	80%
Year Ended October 31, 2016	7.04	(0.09)	(0.23)	(0.32)	—	—	—	6.72	(4.55)%	75	2.30%	(1.41)%	2.86%	96%
Year Ended October 31, 2015	9.51	(0.13)	(0.02)	(0.15)	—	(2.32)	(2.32)	7.04	(2.90)%	178	2.30%	(1.61)%	2.60%	63%
Year Ended October 31, 2014	9.87	(0.16)	1.15	0.99	—	(1.35)	(1.35)	9.51	10.74%	334	2.30%	(1.74)%	2.60%	66%
Year Ended October 31, 2013	8.01	(0.11)	2.60	2.49	—	(0.63)	(0.63)	9.87	33.10%(e)	480	2.30%	(1.24)%	2.77%	70%
Class C Shares														
Six Months Ended April 30, 2018 (unaudited)	7.38	(0.06)	0.79	0.73	—	(1.26)	(1.26)	6.85	10.69%	166	2.30%	(1.58)%	6.11%	29%
Year Ended October 31, 2017	6.99	(0.11)	1.80	1.69	—	(1.30)	(1.30)	7.38	28.11%	454	2.30%	(1.54)%	3.71%	80%
Year Ended October 31, 2016	7.32	(0.10)	(0.23)	(0.33)	—	—	—	6.99	(4.51)%	475	2.30%	(1.41)%	2.88%	96%
Year Ended October 31, 2015	9.80	(0.13)	(0.03)	(0.16)	—	(2.32)	(2.32)	7.32	(2.93)%	825	2.30%	(1.61)%	2.62%	63%
Year Ended October 31, 2014	10.14	(0.17)	1.18	1.01	—	(1.35)	(1.35)	9.80	10.64%	822	2.30%	(1.77)%	2.61%	66%
Year Ended October 31, 2013	8.21	(0.11)	2.67	2.56	—	(0.63)	(0.63)	10.14	33.15%(e)	711	2.30%	(1.21)%	2.76%	70%

* The per share amounts and percentages reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the HSBC Opportunity Portfolio. Amounts designated as "-" are $0.00 or have been rounded to $0.00.

(a) Calculated based on average shares outstanding.

(b) Not annualized for periods less than one year. Total return calculations do not include any sales or redemption charges.

(c) Annualized for periods less than one year.

(d) Portfolio turnover rate is calculated on the basis of the respective Portfolio in which the Fund invests all of its investable assets. Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

(e) The Portfolio, in which the Fund invests, received monies related to certain nonrecurring litigation settlements. The corresponding impact to the total return was 0.13% for the year ended October 31, 2013.

See notes to financial statements.

HSBC OPPORTUNITY FUND (CLASS I)

Financial Highlights

Selected data for a share outstanding throughout the periods indicated.*

		Investment Activities			Distributions					Ratios/Supplementary Data				
	Net Asset Value, Beginning of Period	Net Investment Income/ (Loss)(a)	Net Realized and Unrealized Gains/ (Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Distributions	Net Asset Value, End of Period	Total Return(b)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets (c)	Ratio of Net Investment Income/ (Loss) to Average Net Assets (c)	Ratio of Expenses to Average Net Assets (Excluding Fee Reductions) (c)	Portfolio Turnover (b),(d)
Class I Shares														
Six Months Ended April 30, 2018 (unaudited)	$15.40	$(0.03)	$ 1.68	$ 1.65	$ —	$(2.08)	$(2.08)	$14.97	11.35%	$140,524	1.10%	(0.35)%	1.37%	29%
Year Ended October 31, 2017	13.27	(0.05)	3.65	3.60	—	(1.47)	(1.47)	15.40	29.53%	127,861	1.10%	(0.34)%	1.12%	80%
Year Ended October 31, 2016	13.72	(0.02)	(0.43)	(0.45)	—	—	—	13.27	(3.28)%	141,061	1.03%	(0.15)%	1.03%	96%
Year Ended October 31, 2015	17.47	(0.05)	(0.08)	(0.13)	—	(3.62)	(3.62)	13.72	(1.69)%	219,846	0.99%	(0.30)%	0.99%	63%
Year Ended October 31, 2014	17.27	(0.08)	2.07	1.99	(0.04)	(1.75)	(1.79)	17.47	12.16%	205,237	1.00%	(0.49)%	1.00%	66%
Year Ended October 31, 2013	13.40	0.01	4.47	4.48	—	(0.61)	(0.61)	17.27	34.70%(e)	208,321	0.99%	0.07%	0.99%	70%

* The per share amounts and percentages reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the HSBC Opportunity Portfolio. Amounts designated as "-"are $0.00 or have been rounded to $0.00.

(a) Calculated based on average shares outstanding.

(b) Not annualized for periods less than one year. Total return calculations do not include any sales or redemption charges.

(c) Annualized for periods less than one year.

(d) Portfolio turnover rate is calculated on the basis of the respective Portfolio in which the Fund invests all of its investable assets. Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

(e) The Portfolio, in which the Fund invests, received monies related to certain nonrecurring litigation settlements. The corresponding impact to the total return was 0.13% for the year ended October 31, 2013.

1. Organization:

The HSBC Funds (the "Trust"), a Delaware statutory trust organized on March 2, 2016, is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. As of April 30, 2018, the Trust is composed of 11 separate operational funds, each a series of the HSBC Family of Funds. The accompanying financial statements are presented for the following two funds (individually a "Fund", collectively the "Funds") of the Trust:

Fund	Short Name
HSBC Opportunity Fund	Opportunity Fund
HSBC Opportunity Fund (Class I)	Opportunity Fund (Class I)

The Funds are diversified funds. Financial statements for all other funds of the Trust are published separately.

Each Fund is a feeder fund in a master-feeder fund structure and seeks to achieve its investment objectives by investing all of its investable assets in the HSBC Opportunity Portfolio (the "Portfolio"), which is a diversified series of the Trust. The Portfolio operates as the master fund in a master-feeder arrangement in which the feeder funds invest all or part of their investable assets in the Portfolio. The Funds' proportionate ownership of the Portfolio as of April 30, 2018 was as follows:

Fund	Proportionate Ownership Interest on April 30, 2018 (%)
Opportunity Fund	6.8
Opportunity Fund (Class I)	93.2

The financial statements of the Portfolio, including the Schedules of Portfolio Investments, are included elsewhere in this report. The financial statements of the Portfolio should be read in conjunction with the financial statements of the Funds.

The Funds are authorized to issue an unlimited number of shares of beneficial interest with a par value of $0.001 per share. The Opportunity Fund offers three classes of shares: Class A Shares, Class B Shares, and Class C Shares. The Opportunity Fund (Class I) offers one class of shares: Class I Shares. Class A Shares of the Opportunity Fund have a maximum sales charge of 5.00% as a percentage of the offering price. Class B Shares of the Opportunity Fund are offered without any front-end sales charge but will be subject to a contingent deferred sales charge ("CDSC") ranging from a maximum of 4.00% if redeemed less than one year after purchase to 0.00% if redeemed more than four years after purchase. Class C Shares of the Opportunity Fund are offered without any front-end sales charge but will be subject to a maximum CDSC of 1.00% if redeemed less than one year after purchase. No sales charges are assessed with respect to Class I Shares of the Opportunity Fund (Class I). Each class of shares in the Funds has identical rights and privileges except with respect to arrangements pertaining to shareholder servicing and/or distribution, class-related expenses, voting rights on matters affecting a single class of shares, and exchange privilege of each class of shares. Class B Shares of the Opportunity Fund may no longer be purchased or acquired by any new or existing Class B shareholder, except through dividend and/or capital gains reinvestment.

Under the Trust's organizational documents, the Trust's officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Trust enters into contracts with its service providers, which also provide for indemnifications by the Funds. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds. However, based on experience, the Trust believes the risk of loss to be remote.

The Funds are investment companies and follow accounting and reporting guidance under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, "Financial Services-Investment Companies."

2. Significant Accounting Policies:

The following is a summary of the significant accounting policies followed by the Funds in the preparation of their financial statements. The policies are in conformity with generally accepted accounting principles in the United States of America ("GAAP"). The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Securities Valuation:

The Funds record their investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation techniques used to determine fair value are further described in Note 3 below.

Investment Transactions and Related Income:

The Funds record investments to the Portfolio on a trade date basis. The Funds record daily their proportionate share of income, expenses, changes in unrealized appreciation and depreciation and realized gains and losses derived from the Portfolio. In addition, the Funds accrue their own expenses daily as incurred.

Allocations:

Expenses directly attributable to a Fund are charged to that Fund. Expenses not directly attributable to a Fund are allocated among the applicable series within the Trust in relation to the net assets of each fund, equally to each fund, or another appropriate basis. Class specific expenses are charged directly to the class incurring the expense. In addition, income, expenses (other than class specific expenses), and unrealized and realized gains and losses are allocated to each class based on relative net assets on a daily basis.

Distributions to Shareholders:

Dividends to shareholders of the Funds from net investment income, if any, are declared and distributed semiannually.

The Funds' net realized gains, if any, are declared and paid at least annually. Additional distributions are also made to the Funds' shareholders to the extent necessary to avoid the federal excise tax on certain undistributed income and net realized gains of regulated investment companies.

Federal Income Taxes:

Each Fund is a separate taxable entity for federal income tax purposes. Each Fund has qualified and intends to continue to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code, as amended, and to distribute substantially all of its taxable net investment income and net realized gains, if any, to its shareholders. Accordingly, no provision for federal income or excise tax is required for the Funds, although shareholders may be taxed on distributions they receive.

Management of the Funds has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the last four tax year ends and the interim tax period since then, as applicable). Management believes that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken. Management's conclusions may be subject to future review based on changes in, or interpretation of, accounting standards or tax laws and regulations.

3. Investment Valuation Summary

The valuation techniques employed by the Funds, as described below, maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. The Funds' investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The inputs used for valuing the Funds' investments are summarized in the three broad levels listed below:

- Level 1—quoted prices in active markets for identical assets
- Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayments speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the fair value hierarchy. The Trust's policy is to disclose transfers between fair value hierarchy levels based on valuations at the end of the reporting period. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. There were no transfers during the six-month period ended April 30, 2018.

The Funds record their investments in the Portfolio at fair value, which represents their proportionate ownership of the value of the Portfolios' net assets. These investments are typically categorized as Level 2 in the fair value hierarchy. The underlying securities of the Portfolio are recorded at fair value, as discussed more fully in the Notes to Financial Statements of the Portfolio included elsewhere in this report.

As of April 30, 2018, all investments were categorized as Level 2 in the fair value hierarchy.

4. Related Party Transactions and Other Agreements and Plans:

Investment Management:

HSBC Global Asset Management (USA) Inc. ("HSBC" or the "Investment Adviser"), a wholly-owned subsidiary of HSBC Bank USA, N.A., a national bank organized under the laws of the United States, acts as Investment Adviser to the Portfolio pursuant to an Investment Advisory Contract. As Investment Adviser, HSBC manages the investments of the Portfolio and continuously reviews, supervises, and administers the Portfolios' investments. The Funds are not directly charged any investment management fees.

Administration, Fund Accounting and Other Services:

HSBC also serves the Funds as Administrator. Under the terms of the Administration Services Agreement, HSBC receives from the Funds (as well as other funds in the Trust combined) a fee, accrued daily and paid monthly, at an annual rate of:

Based on Average Daily Net Assets of	Fee Rate (%)
Up to $10 billion	0.0400
In excess of $10 billion but not exceeding $20 billion	0.0350
In excess of $20 billion but not exceeding $50 billion	0.0265
In excess of $50 billion	0.0245

The fee rates and breakpoints are determined on the basis of the aggregate average daily net assets of the Trust. For the six-month period ended April 30, 2018, the effective annualized rate was 0.038%, prior to any fee waivers or expense reimbursements, based on the average daily net assets of the Trust. The total administration fee paid to HSBC is allocated to each series based upon its proportionate share of the aggregate net assets of the Trust. For assets invested in the Portfolio by the Funds, the Portfolio pays half of the administration fee and the Funds pay half, for a combination of the total fee rate set forth above.

Pursuant to a Sub-Administration Services Agreement with HSBC, Citi Fund Services Ohio, Inc. ("Citi"), a wholly-owned subsidiary of Citigroup, Inc., serves as the Trust's Sub-Administrator. For these services, Citi is entitled to a fee, payable by HSBC, at an annual rate equivalent to the fee rates set forth above subject to certain reductions associated with services provided to new funds, minus 0.02% which is retained by HSBC.

Under a Services Agreement between the Trust and Citi (the "Services Agreement"), Citi makes an individual available to serve as the Trust's Chief Compliance Officer (the "CCO"). Under the Services Agreement, Citi also provides infrastructure and support in implementing the written policies and procedures comprising the Trust's compliance program, including support services to the CCO. For the services provided under the Services Agreement, the Trust paid Citi $156,958 for the six-month period ended April 30, 2018, plus reimbursement of certain out-of-pocket expenses. Expenses incurred by each Fund are reflected on the Statements of Operations as "Compliance Services." Citi pays the salary and other compensation earned by individuals performing these services, as employees of Citi.

In addition, Citi provides fund accounting services for each Fund under the Services Agreement. As fund accountant, Citi receives an annual fee per Fund and share class, subject to certain minimums and reimbursement of certain expenses. Citi receives additional fees paid by the Trust for regulatory administration services.

Distribution Arrangements:

Foreside Distribution Services, L.P. ("Foreside"), serves the Trust as Distributor (the "Distributor"). The Trust, has adopted a non-compensatory Distribution Plan and Agreement (the "Distribution Plan") pursuant to Rule 12b-1 of the Act. The Distribution Plan provides for reimbursement of expenses incurred by the Distributor related to distribution and marketing, at a rate not to exceed 0.25%, 1.00%, and 1.00% of the average daily net assets of Class A Shares (currently not being charged), Class B Shares (currently charging 0.75%), Class C Shares (currently charging 0.75%) of the Opportunity Fund, respectively. For the six-month period ended April 30, 2018, Foreside, as Distributor, also received $189 in commissions from sales of the Trust.

Shareholder Servicing:

The Trust has adopted a Shareholder Services Plan, which provides for payments to shareholder servicing agents for providing various shareholder services. For performing these services, the shareholder servicing agents receive a fee that is computed daily and paid monthly up to 0.25% of the average daily net assets of Class A Shares, Class B Shares, and Class C Shares of the Opportunity Fund. The fees paid to the Distributor pursuant to the Distribution Plan and to shareholder servicing agents pursuant to the Shareholder Services Plan may not exceed in the aggregate 0.50% annually of the average daily net assets of Class A Shares, and 1.00% of the average daily net assets of Class B Shares and Class C Shares.

The Trust has entered into shareholder services contracts with affiliated and unaffiliated financial intermediaries who provide shareholder services and other related services to their clients or customers who invest in the Funds under which the Funds will pay all or a portion of such fees earned to financial intermediaries for performing such services.

Transfer Agency:

On January 11, 2018, DST Asset Manager Solutions, Inc. ("DST") (Formerly Boston Financial Data Services, Inc.), announced that SS&C Technologies will acquire DST Systems, Inc., the parent of DST. The purchase is expected to close in the 2nd quarter of 2018. DST provides transfer agency services for each Fund. As transfer agent, DST receives a fee based on the number of funds and shareholder accounts, subject to certain minimums, and reimbursement of certain expenses.

Independent Trustees:

The Trust pays an annual retainer to each Independent Trustee, plus additional annual retainers to each Committee Chair and the Chairman of the Trust's Board of Trustees (the "Board"). The Independent Trustees also receive a fee for each regular, special in-person, and telephonic meeting of the Board attended. The aggregate amount of the fees and expenses of the Independent Trustees are allocated amongst all the funds in the Trust and are presented in the Statements of Operations.

Other:

The Funds pay fees to certain intermediaries or financial institutions for record keeping, sub-accounting services, transfer agency and other administrative services as reflected on the Statements of Operations as "Administrative Services."

Fee Reductions:

The Investment Adviser has agreed to contractually limit through March 1, 2019 the total annual expenses of the Funds, exclusive of interest, taxes, brokerage commissions, extraordinary expenses, and estimated indirect expenses attributable to the Fund's investments in investment companies. Each Fund Class has its own expense limitations based on the average daily net assets for any full fiscal year as follows:

Fund	Class	Contractual Expense Limitations (%)
Opportunity Fund	A	1.65
Opportunity Fund	B	2.40
Opportunity Fund	C	2.40
Opportunity Fund (Class I)	I	1.10

Any amounts contractually waived or reimbursed by the Investment Adviser will be subject to repayment by the respective Fund to the Investment Adviser within three years calculated monthly from when the waiver or reimbursement is recorded to the extent that the repayment will not cause the Fund's operating expenses to exceed the contractual expense limit that was in effect at the time of such waiver or reimbursement. During the six-month period ended April 30, 2018, the Investment Adviser did not recapture any of its prior contractual waivers or reimbursements. As of April 30, 2018, the repayments that may potentially be made by the Funds are as follows:

Fund	2021 ($)	2020 ($)	2019 ($)	2018 ($)	Total ($)
Opportunity Fund	193,767	131,244	62,736	34,993	422,740
Opportunity Fund (Class I)	186,736	28,269	—	—	215,005

The Administrator and Citi may voluntarily waive/reimburse fees to help support the expense limits of the Funds. In addition, HSBC, in its role as Investment Adviser and Administrator, may waive/reimburse additional fees at its discretion. Any voluntary fee waivers/reimbursements are not subject to recoupment in subsequent fiscal periods. Voluntary waivers/reimbursements may be stopped at any time. Amounts waived/reimbursed by the Investment Adviser, Administrator and Citi as Sub-Administrator are reported separately on the Statements of Operations, as applicable.

5. Affiliated Investment Transactions:

A summary of each Fund's investment in the affiliated Portfolio for the six-month period ended April 30, 2018 is as follows:

	Value 10/31/2017 ($)	Contributions ($)	Withdrawals ($)	Net Realized Gains/ (Losses) ($)	Change in Unrealized Appreciation/ Depreciation ($)	Value 4/30/2018 ($)	Net Income/ (Loss) ($)
Opportunity Fund							
Opportunity Portfolio	9,931,067	222,403	(932,368)	920,394	198,766	10,325,979	(14,283)
Total	9,931,067	222,403	(932,368)	920,394	198,766	10,325,979	(14,283)
Opportunity Fund (Class I)							
Opportunity Portfolio	127,926,102	9,166,966	(11,252,663)	12,246,080	2,666,047	140,561,760	(190,772)
Total	127,926,102	9,166,966	(11,252,663)	12,246,080	2,666,047	140,561,760	(190,772)

6. Federal Income Tax Information:

At April 30, 2018, the cost basis of investments for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation/depreciation were as follows:

	Tax Cost ($)	Tax Unrealized Appreciation ($)	Tax Unrealized Depreciation ($)	Net Unrealized Appreciation/ (Depreciation) ($)*
Opportunity Fund	8,598,256	1,793,434	(65,711)	1,727,723
Opportunity Fund (Class I)	116,755,263	23,937,779	(131,282)	23,806,497

* The difference between book-basis unrealized appreciation (depreciation) is attributable primarily to tax deferral of losses on wash sales.

The tax character of distributions paid by the Funds for the tax year ended October 31, 2017, was as follows:

	Distributions paid from				
	Ordinary Income ($)	Net Long Term Capital Gains ($)	Total Taxable Distributions ($)	Return of Capital ($)	Total Distributions Paid ($)(1)
Opportunity Fund	—	1,220,662	1,220,662	—	1,220,662
Opportunity Fund (Class I)	—	14,495,106	14,495,106	—	14,495,106

(1) Total distributions paid may differ from the amount reported in the Statements of Changes in Net Assets because distributions are recognized when actually paid for tax purposes.

As of the tax year ended October 31, 2017, the components of accumulated earnings/(deficit) on a tax basis for the Funds were as follows:

	Undistributed Ordinary Income ($)	Undistributed Long Term Capital Gains ($)	Accumulated Earnings ($)	Distributions Payable ($)	Accumulated Capital and Other Losses ($)	Unrealized Appreciation/ (Depreciation) ($)(1)	Total Accumulated Earnings/ (Deficit) ($)
Opportunity Fund	468,858	657,832	1,126,690	—	—	1,491,585	2,618,275
Opportunity Fund (Class I)	8,359,595	9,280,011	17,639,606	—	—	20,643,708	38,283,314

(1) The differences between book-basis and tax-basis unrealized appreciation/depreciation are attributable primarily to: tax deferral of losses on wash sales, and the return of capital adjustments from real estate investment trusts.

Under current law, capital losses and specified ordinary losses realized after October 31 and non-specified ordinary losses incurred after December 31 (ordinary losses collectively known as "late year ordinary loss") may be deferred and treated as occurring on the first business day of the following fiscal year. As of the tax year ended October 31, 2017, the Funds had no deferred losses.

The amount and character of net investment income and net realized gains distributed are determined in accordance with federal income tax regulations which may differ from GAAP. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature (e.g., reclassification of market discounts, certain gain/loss, and certain distributions), such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences (e.g., wash losses and post-October loss deferrals) do not require reclassification. The Funds may utilize equalization accounting for tax purposes and designate earnings and profits, including net realized gains distributed to shareholders on redemption of shares, as part of the dividends paid deduction for income tax purposes. To the extent distributions to shareholders from net investment income and net realized gains exceed net investment income and net realized gains for tax purposes, they are reported as distributions of capital.

7. Significant Shareholders:

Shareholders, including other funds, individuals, and accounts, as well as each Fund's investment manager(s) and/or investment personnel, may from time to time own (beneficially or of record) a significant percentage of the Fund's Shares and can be considered to "control" the Fund when that ownership exceeds 25% of the Fund's assets (and which may differ from control as determined in accordance with GAAP).

The following list includes the Funds which had individual shareholder accounts with ownership of voting securities greater than 10% of the total outstanding voting securities but less than 25% and/or accounts with ownership of voting securities greater than 25% of the total outstanding voting securities. Significant transactions by these shareholder accounts may negatively impact the Funds' performance.

Fund	Number of shareholders with ownership of voting securities of the Portfolio greater than 10% and less than 25% of the total Portfolio's outstanding voting securities	% owned in aggregate by 10% - 25% shareholders	Number of shareholders with ownership of voting securities of the Portfolio greater than 25% of the total Portfolio's outstanding voting securities	% owned in aggregate by greater than 25% shareholders
Opportunity Fund	—	—	1	72%
Opportunity Fund (Class I). . .	3	51%	1	27%

8. Investment Risks:

Currency Risk: Fluctuations in exchange rates between the U.S. dollar and foreign currencies, or between various foreign currencies, may negatively affect the Funds' performance. The Funds may seek to reduce currency risk by hedging part or all of its exposure to various foreign currencies; however, even if such hedging techniques are employed, there is no assurance that they will be successful.

Equity Securities Risk: The prices of equity securities fluctuate from time to time based on changes in a company's financial condition or overall market and economic conditions. As a result, the value of equity securities may fluctuate drastically from day to day.

Foreign Securities Risk: Investments in foreign securities are generally considered riskier than investments in U.S. securities. Foreign securities, including those of emerging and frontier market issuers, are subject to additional risks, including international trade, political and regulatory risks.

9. Subsequent Events:

Management has evaluated subsequent events through the date these financial statements were issued. Based on the evaluation, no adjustments or additional disclosures were required to the financial statements as of April 30, 2018.

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchases, redemption fees and exchange fees; and (2) ongoing costs, including management fees, distribution fees and/or shareholder servicing fees and other Fund expenses (including expenses allocated from the Portfolios). These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these cost with the ongoing costs of investing in other mutual funds.

These examples are based on an investment of $1,000 invested at the beginning of the period and held for the entire period from November 1, 2017 through April 30, 2018.

Actual Example

The table below provides information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the table under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

		Beginning Account Value 11/1/17	Ending Account Value 4/30/18	Expenses Paid During Period* 11/1/17 - 4/30/18	Annualized Expense Ratio During Period 11/1/17 - 4/30/18
Opportunity Fund	Class A Shares	$1,000.00	$1,111.40	$ 8.11	1.55%
	Class B Shares	1,000.00	1,106.40	12.01	2.30%
	Class C Shares	1,000.00	1,106.90	12.02	2.30%
Opportunity Fund (Class I)	Class I Shares	1,000.00	1,113.50	5.76	1.10%

* Expenses are equal to the average account value over the period, multiplied by the Fund's annualized expense ratio, multiplied by 181/365 (to reflect the one half year period).

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

		Beginning Account Value 11/1/17	Ending Account Value 4/30/18	Expenses Paid During Period* 11/1/17 - 4/30/18	Annualized Expense Ratio During Period 11/1/17 - 4/30/18
Opportunity Fund	Class A Shares	$1,000.00	$1,017.11	$ 7.75	1.55%
	Class B Shares	1,000.00	1,013.39	11.48	2.30%
	Class C Shares	1,000.00	1,013.39	11.48	2.30%
Opportunity Fund (Class I)	Class I Shares	1,000.00	1,019.34	5.51	1.10%

* Expenses are equal to the average account value over the period, multiplied by the Fund's annualized expense ratio, multiplied by 181/365 (to reflect the one half year period).

Portfolio Composition*

April 30, 2018 (Unaudited)

HSBC Opportunity Portfolio

Investment Allocation	Percentage of Investments at Value (%)
IT Services	7.6
Software	6.6
Professional Services	6.4
Hotels, Restaurants & Leisure	6.1
Oil, Gas & Consumable Fuels	5.1
Building Products	4.8
Aerospace & Defense	4.6
Pharmaceuticals	4.4
Chemicals	4.0
Capital Markets	4.0
Health Care Equipment & Supplies	3.1
Machinery	3.0
Equity Real Estate Investment Trusts	2.9
Road & Rail	2.9
Electronic Equipment, Instruments & Components	2.7
Specialty Retail	2.6
Biotechnology	2.5
Health Care Providers & Services	2.2
Life Sciences Tools & Services	2.0
Communications Equipment	1.9
Insurance	1.8
Containers & Packaging	1.7
Construction Materials	1.7
Food Products	1.6
Media	1.6
Technology Hardware, Storage & Peripherals	1.6
Diversified Telecommunication Services	1.5
Banks	1.3
Internet Software & Services	1.3
Thrifts & Mortgage Finance	1.2
Semiconductors & Semiconductor Equipment	1.2
Auto Components	1.2
Construction & Engineering	1.1
Diversified Consumer Services	1.0
Household Durables	0.8
Total	100.0

* Portfolio composition is subject to change.

Schedule of Portfolio Investments — as of April 30, 2018 (Unaudited)

Common Stocks — 98.9%	Shares	Value ($)
Aerospace & Defense — 4.6%		
KLX, Inc. (a)	29,340	2,295,268
Teledyne Technologies, Inc. (a)	12,445	2,328,335
TransDigm Group, Inc.	7,126	2,284,382
		6,907,985
Auto Components — 1.1%		
Delphi Technologies plc	35,630	1,724,848
Banks — 1.3%		
East West BanCorp, Inc.	28,870	1,923,319
Biotechnology — 2.5%		
Acceleron Pharma, Inc. (a)	41,590	1,451,908
Alnylam Pharmaceuticals, Inc. (a)	10,300	973,659
Clovis Oncology, Inc. (a)	11,790	511,450
Neurocrine Biosciences, Inc. (a)	9,780	792,962
		3,729,979
Building Products — 4.7%		
A.O. Smith Corp.	35,860	2,200,011
Builders FirstSource, Inc. (a)	109,620	1,998,373
Lennox International, Inc.	15,145	2,928,588
		7,126,972
Capital Markets — 4.0%		
LPL Financial Holdings, Inc.	24,490	1,483,359
MSCI, Inc.	14,120	2,115,600
Raymond James Financial, Inc.	26,560	2,383,760
		5,982,719
Chemicals — 4.0%		
Axalta Coating Systems Ltd. (a)	49,100	1,517,190
Orion Engineered Carbons SA	79,360	2,126,848
W.R. Grace & Co.	34,255	2,344,412
		5,988,450
Communications Equipment — 1.9%		
CommScope Holding Co., Inc. (a)	54,550	2,084,901
Lumentum Holdings, Inc. (a)	15,750	794,588
		2,879,489
Construction & Engineering — 1.1%		
MasTec, Inc. (a)	37,650	1,656,600
Construction Materials — 1.6%		
Summit Materials, Inc., Class A (a)	87,781	2,470,157
Containers & Packaging — 1.7%		
Avery Dennison Corp.	24,450	2,562,605
Diversified Consumer Services — 1.0%		
Sotheby's Holdings, Inc., Class A (a)	28,630	1,511,664
Diversified Telecommunication Services — 1.4%		
Zayo Group Holdings, Inc. (a)	59,880	2,173,644
Electronic Equipment, Instruments & Components — 2.7%		
Coherent, Inc. (a)	9,591	1,613,398
FLIR Systems, Inc.	46,480	2,489,004
		4,102,402

Common Stocks, continued	Shares	Value ($)
Equity Real Estate Investment Trusts — 2.9%		
Industrial Logistics Properties Trust	40,190	824,699
QTS Realty Trust, Inc.	43,540	1,540,881
Sun Communities, Inc.	21,550	2,022,467
		4,388,047
Food Products — 1.6%		
Pinnacle Foods, Inc.	40,320	2,435,328
Health Care Equipment & Supplies — 3.1%		
Cantel Medical Corp.	17,020	1,907,431
STERIS plc	28,115	2,657,430
		4,564,861
Health Care Providers & Services — 2.2%		
Envision Healthcare Corp. (a)	38,250	1,421,753
Quest Diagnostics, Inc.	17,930	1,814,516
		3,236,269
Hotels, Restaurants & Leisure — 6.0%		
Boyd Gaming Corp.	75,700	2,513,997
Brinker International, Inc.	53,280	2,322,475
Six Flags Entertainment Corp.	35,190	2,225,416
Vail Resorts, Inc.	8,945	2,051,178
		9,113,066
Household Durables — 0.8%		
Topbuild Corp. (a)	15,470	1,232,959
Insurance — 1.8%		
Arthur J. Gallagher & Co.	38,550	2,698,115
Internet Software & Services — 1.2%		
New Relic, Inc. (a)	27,120	1,895,417
IT Services — 7.5%		
Black Knight, Inc. (a)	53,320	2,594,018
Gartner, Inc.(a)	14,390	1,745,363
Total System Services, Inc.	44,970	3,780,178
WEX, Inc. (a)	19,320	3,128,294
		11,247,853
Life Sciences Tools & Services — 2.0%		
BIO-RAD Laboratories, Inc. (a)	8,930	2,265,630
Mettler-Toledo International, Inc. (a)	1,334	746,947
		3,012,577
Machinery — 3.0%		
Crane Co.	26,920	2,251,589
Flowserve Corp.	50,810	2,256,472
		4,508,061
Media — 1.6%		
Lions Gate Entertainment, Class B	61,130	1,407,213
Nexstar Media Group, Inc., Class A	16,260	1,012,185
		2,419,398
Oil, Gas & Consumable Fuels — 5.1%		
Andeavor	28,270	3,910,306
Diamondback Energy, Inc. (a)	16,860	2,165,667
WPX Energy, Inc. (a)	92,210	1,575,869
		7,651,842

See notes to financial statements.

Schedule of Portfolio Investments — as of April 30, 2018 (Unaudited) (continued)

Common Stocks, continued	Shares	Value ($)
Pharmaceuticals — 4.3%		
Jazz Pharmaceuticals plc (a)	18,469	2,808,026
Nektar Therapeutics (a)	25,610	2,142,533
The Medicines Co. (a)	51,290	1,543,316
		6,493,875
Professional Services — 6.3%		
CoStar Group, Inc. (a)	10,108	3,706,199
IHS Markit Ltd. (a)	31,463	1,545,777
Robert Half International, Inc.	32,090	1,949,468
Transunion (a)	35,820	2,325,076
		9,526,520
Road & Rail — 2.9%		
J.B. Hunt Transportation Services, Inc.	25,505	2,995,052
Old Dominion Freight Line, Inc.	10,260	1,373,404
		4,368,456
Semiconductors & Semiconductor Equipment — 1.2%		
Advanced Micro Devices, Inc. (a)	74,950	815,456
MKS Instruments, Inc.	9,820	1,005,568
		1,821,024
Software — 6.5%		
Ceridian HCM Holding, Inc. (a)	1,380	43,580
Fortinet, Inc. (a)	50,930	2,819,485
PTC, Inc. (a)	22,820	1,879,227
RealPage, Inc. (a)	53,640	2,869,740
Splunk, Inc. (a)	21,985	2,256,760
		9,868,792
Specialty Retail — 2.5%		
Burlington Stores, Inc. (a)	18,490	2,511,866
Floor & Decor Holdings, Inc. (a)	23,740	1,319,707
		3,831,573
Technology Hardware, Storage & Peripherals — 1.5%		
NCR Corp. (a)	75,390	2,319,750
Thrifts & Mortgage Finance — 1.3%		
Essent Group Ltd. (a)	56,290	1,855,319
TOTAL COMMON STOCKS (COST $123,487,809)		**149,229,935**
TOTAL INVESTMENTS IN SECURITIES (Cost $123,487,809) — 98.9%		**149,229,935**
Other Assets (Liabilities) — 1.1%		**1,657,804**
NET ASSETS — 100%		**$150,887,739**

(a) Represents non-income producing security.

See notes to financial statements.

Statement of Assets and Liabilities—as of April 30, 2018 (Unaudited)

	HSBC Opportunity Portfolio
Assets:	
Investment in securities, at value	$149,229,935
Dividends receivable	41,638
Receivable for investments sold	2,152,229
Prepaid expenses	28
Total Assets	151,423,830
Liabilities:	
Cash overdraft	373,729
Accrued expenses and other liabilities:	
Investment Management	31,262
Sub-Advisory	68,775
Administration	2,422
Accounting	3,327
Custodian	855
Professional	55,388
Other	333
Total Liabilities	$ 536,091
Net Assets Applicable to investors' beneficial interest	$150,887,739
Investments in securities, at cost	$123,487,809

See notes to financial statements.

Statement of Operations—For the six months ended April 30, 2018 (Unaudited)

	HSBC Opportunity Portfolio
Investment Income:	
Dividends	$ 556,890
Total Investment Income	556,890
Expenses:	
Investment Management Fees	185,247
Sub-Advisory Fees	407,545
Administration	14,321
Accounting	20,986
Compliance Services	12,886
Custodian	10,992
Printing	602
Professional	67,923
Trustee	32,456
Other	8,987
Total Expenses	761,945
Net Investment Income/(Loss)	$ (205,055)
Net Realized/Unrealized Gains/(Losses) from Investments:	
Net realized gains/(losses) from investments	13,166,474
Change in unrealized appreciation/depreciation on investments	2,864,813
Net realized/unrealized gains/(losses) on investments	16,031,287
Change in Net Assets Resulting from Operations	$15,826,232

See notes to financial statements.

Statements of Changes in Net Assets

	HSBC Opportunity Portfolio	
	Six Months Ended April 30, 2018 (Unaudited)	For the year ended October 31, 2017
Investment Activities:		
Operations:		
Net investment income/(loss)	$ (205,055)	$ (209,643)
Net realized gains/(losses) from investments	13,166,474	21,092,686
Change in unrealized appreciation/depreciation on investments	2,864,813	16,915,512
Change in net assets resulting from operations	15,826,232	37,798,555
Proceeds from contributions	9,389,369	4,637,280
Value of withdrawals	(12,185,031)	(55,806,665)
Charge in net assets resulting from transactions in investors' beneficial interest	(2,795,662)	(51,169,385)
Change in net assets	13,030,570	(13,370,830)
Net Assets:		
Beginning of period	137,857,169	151,227,999
End of period	$150,887,739	$137,857,169

See notes to financial statements.

HSBC OPPORTUNITY PORTFOLIO

Financial Highlights

		Ratios/Supplementary Data				
	Total Return[a]	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets[b]	Ratio of Net Investment Income (Loss) to Average Net Assets[b]	Ratio of Expenses to Average Net Assets (Excluding Fee Reductions)	Portfolio Turnover[a]
HSBC OPPORTUNITY PORTFOLIO						
Six Months Ended April 30, 2018 (unaudited)	11.37%	$150,888	1.03%	(0.28)%	1.03%	29%
Year Ended October 31, 2017	29.79%	137,857	0.91%	(0.15)%	0.91%	80%
Year Ended October 31, 2016	(3.14)%	151,228	0.89%	(0.01)%	0.89%	96%
Year Ended October 31, 2015	(1.57)%	237,595	0.88%	(0.19)%	0.88%	63%
Year Ended October 31, 2014	12.26%	222,581	0.88%	(0.37)%	0.88%	66%
Year Ended October 31, 2013	34.84%	227,069	0.89%	0.17%	0.89%	70%

(a) Not Annualized for periods less than one year.
(b) Annualized for periods less than one year.

1. Organization:

The HSBC Funds (the "Trust"), a Delaware statutory trust organized on March 2, 2016, is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. As of April 30, 2018, the Trust is composed of 11 separate operational funds, each a series of the HSBC Family of Funds. The accompanying financial statements are presented for the HSBC Opportunity Portfolio (the "Portfolio").

The Portfolio operates as a master fund in a master-feeder arrangement, in which the two feeder funds invest all or part of their investable assets in the Portfolio. The Agreement and Declaration of Trust permits the Board of Trustees (the "Board") to issue an unlimited number of beneficial interests in the Portfolio.

The Portfolio is a diversified series of the Trust. Financial statements for all other funds of the Trust are published separately.

The following represents each feeder fund's proportionate ownership interest in the Portfolio:

Feeder Fund	Proportionate Ownership Interest on April 30, 2018 (%)
Opportunity Fund	6.8
Opportunity Fund (Class I)	93.2

Under the Trust's organizational documents, the Trust's officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Portfolio. In addition, in the normal course of business, the Trust may enter into contracts with its service providers, which also provide for indemnifications by the Portfolio. The Portfolio's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolio. However, based on experience, the Trust believes the risk of loss to be remote.

The Portfolio is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, "Financial Services-Investment Companies."

2. Significant Accounting Policies:

The following is a summary of the significant accounting policies followed by the Portfolio in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles in the United States of America. The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Securities Valuation:

The Portfolio records its investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation techniques used to determine fair value are further described in Note 3 below.

Investment Transactions and Related Income:

Investment transactions are accounted for no later than one business day after trade date. However, for financial reporting purposes, investment transactions are accounted for on trade date. Investment gains and losses are calculated on the identified cost basis. Interest income is recognized on the accrual basis and includes, where applicable, the amortization of premiums or accretion of discounts based on effective yield. Dividend income is recorded on the ex-dividend date.

The Portfolio makes an allocation of its investment income, expenses and realized gains and losses from securities transactions to its investors in proportion to their investment in the Portfolio on the date of such accrual or gain/loss.

Restricted Securities and Illiquid Securities:

The Portfolio may invest in restricted securities. A restricted security is a security which has been purchased through a private offering and cannot be resold to the general public without prior registration under the Securities Act of 1933 (the "1933 Act") or pursuant to the resale limitations provided by Rule 144 under the 1933 Act, or another exemption from the registration requirements of the 1933 Act. Certain restricted securities may be resold in transactions exempt from registration, normally to qualified institutional buyers, and may be deemed liquid by the Investment Adviser (as defined in Note 4) based on procedures established by the Board. Therefore, not all restricted securities are considered illiquid. To the extent that the Portfolio purchases securities that are restricted as to resale or for which current market quotations are not available, such securities will be valued based upon all relevant factors as outlined in Securities and Exchange Commission ("SEC") Financial Reporting Release No. 1. Disposal of restricted securities may involve time consuming negotiations and expense. Prompt sale at the current valuation may be difficult and could adversely affect the net assets of the Portfolio.

Allocations:

Expenses directly attributable to the Portfolio are charged to the Portfolio. Expenses not directly attributable to the Portfolio are allocated among the Portfolio and applicable series within the Trust in relation to the net assets of each fund, equally to each fund, or another appropriate basis.

Federal Income Taxes:

The Portfolio is treated as a partnership for U.S. federal income tax purposes. Accordingly, the Portfolio passes through all of its net investment income and gains and losses to its feeder funds, and is therefore not subject to U.S. federal income tax. As such, feeder funds are allocated for tax purposes their respective share of the Portfolio's ordinary income and realized gains or losses. It is intended that the Portfolio will be managed in such a way that an investor will be able to satisfy the requirements of the Internal Revenue Code, as amended, applicable to regulated investment companies.

Management of the Portfolio has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the last four tax year ends and the interim tax period since then, as applicable). Management believes that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken. Management's conclusions may be subject to future review based on changes in, or interpretation of, accounting standards or tax laws and regulations.

3. Investment Valuation Summary

The valuation techniques employed by the Portfolio, as described below, maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. The Portfolio's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The inputs used for valuing the Portfolio's investments are summarized in the three broad levels listed below:

- Level 1—quoted prices in active markets for identical assets
- Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayments speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the fair value hierarchy. The Trust's policy is to disclose transfers between fair value hierarchy levels based on valuations at the end of the reporting period. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. There were no transfers during the six-month period ended April 30, 2018.

Exchange traded domestic equity securities are valued at the last sale price on a national securities exchange (except the NASDAQ Stock Market), or in the absence of recorded sales, at the readily available closing bid price on such exchanges. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ Official Closing Price on the date of valuation. Domestic equity securities that are not traded on an exchange are valued at the quoted bid price in the over-the-counter market. These securities are typically categorized as Level 1 in the fair value hierarchy.

Shares of exchange traded and closed-end registered investment companies are valued in the same manner as other equity securities and are typically categorized as Level 1 in the fair value hierarchy. Investments in other mutual funds are valued at their net asset values ("NAVs"), as reported by such mutual funds and are typically categorized as Level 1 in the fair value hierarchy.

Securities or other assets for which market quotations or an independent pricing service evaluation are not readily available, or are deemed unreliable due to a significant event or otherwise, are valued pursuant to procedures adopted by the Board ("Procedures"). Depending on the source and relative significance of valuation inputs, these instruments may be classified as Level 2 or Level 3 in the fair value hierarchy. Examples of potentially significant events that could affect the value of an individual security and thus require pricing under the Procedures include corporate actions by the issuer, announcements by the issuer relating to its earnings or products, regulatory news, natural disasters, and litigation. Examples of potentially significant events that could affect multiple securities held by the Portfolio include governmental actions, natural disasters, and armed conflicts. Fair value pricing may require subjective determinations about the value of a security. While the Trust's policy is intended to result in a calculation of the Portfolio's NAV that fairly reflects security values as of the time of pricing, the Trust cannot ensure that fair values determined would accurately reflect the price that the Portfolio could obtain for a security if it were to dispose of that security as of the time of pricing. The prices used by the Portfolio may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements.

As of April 30, 2018, all investments were categorized as Level 1 in the fair value hierarchy. The breakdown of investment categorization is disclosed in the Schedule of Portfolio Investments.

4. Related Party Transactions and Other Agreements and Plans:

Investment Management:

HSBC Global Asset Management (USA) Inc. ("HSBC" or the "Investment Adviser"), a wholly owned subsidiary of HSBC Bank USA, N.A., a national bank organized under the laws of the United States, acts as Investment Adviser to the Portfolio. As Investment Adviser, HSBC manages the investments of the Portfolio and continuously reviews, supervises, and administers the Portfolio's investments pursuant to an Investment Advisory Contract. Westfield Capital Management Company, L.P. ("Westfield") serves as subadviser for the Portfolio and is paid for its services directly by the Portfolio.

For their services, the Investment Adviser and Westfield receive in aggregate, a fee, accrued daily and paid monthly, at an annual rate of 0.80% of the Portfolio's average daily net assets. Currently, the Investment Adviser's contractual fee is 0.25% and Westfield's contractual fee is 0.55%.

Administration, Fund Accounting and Other Services:

HSBC also serves the Portfolio as Administrator. Under the terms of the Administration Services Agreement, HSBC receives from the Portfolio (as well as other funds in the Trust combined) a fee, accrued daily and paid monthly, at an annual rate of:

Based on Average Daily Net Assets of	Fee Rate (%)
Up to $10 billion	0.0400
In excess of $10 billion but not exceeding $20 billion	0.0350
In excess of $20 billion but not exceeding $50 billion	0.0265
In excess of $50 billion	0.0245

The fee rates and breakpoints are determined on the basis of the aggregate average daily net assets of the Trust, however, the assets of the funds of the HSBC Funds that invest in the Portfolio are not double-counted. For the six-month period ended April 30, 2018, the effective annualized rate was 0.038%, prior to any fee waivers or expense reimbursements, based on the average daily net assets of the Trust. The total administration fee paid to HSBC is allocated to each series based upon its proportionate share of the aggregate net assets of the Trust. For assets invested in the Portfolio by the HSBC Funds, the Portfolio pays half of the administration fee and the feeder funds pay half of the administration fee, for a combination of the total fee rate set forth above.

Pursuant to a Sub-Administration Services Agreement with HSBC, Citi Fund Services Ohio, Inc. ("Citi"), a wholly-owned subsidiary of Citigroup, Inc., serves as the Trust's Sub-Administrator. For these services, Citi is entitled to a fee, payable by HSBC, at an annual rate equivalent to the fee rates set forth above subject to certain reductions associated with services provided to new funds, minus 0.02% which is retained by HSBC.

Under a Services Agreement between the Trust and Citi (the "Services Agreement"), Citi makes an individual available to serve as the Trust's Chief Compliance Officer (the "CCO"). Under the Services Agreement, Citi also provides infrastructure and support in implementing the written policies and procedures comprising the Trust's compliance program, including support services to the CCO. For the services provided under the Services Agreement, the Trust paid Citi $156,958 for the six-month period ended April 30, 2018, plus reimbursement of certain out-of-pocket expenses. Expenses incurred by the Portfolio are reflected on the Statements of Operations as "Compliance Services." Citi pays the salary and other compensation earned by individuals performing these services, as employees of Citi.

In addition, Citi provides fund accounting services for the Portfolio under the Services Agreement. For its services to the Portfolio, Citi receives an annual fee per portfolio, including reimbursement of certain expenses that are accrued daily and paid monthly. Citi receives additional fees paid by the Trust for regulatory administration services.

Independent Trustees:

The Trust pays an annual retainer to each Independent Trustee, plus additional annual retainers to each Committee Chair and the Chairman of the Board. The Independent Trustees also receive a fee for each regular, special in-person, and telephonic meeting of the Board of Trustees attended. The aggregate amount of the fees and expenses of the Independent Trustees are allocated amongst all the funds in the Trust and are presented in the Statements of Operations.

Other:

The Portfolio may purchase securities from an underwriting syndicate in which the principal underwriter or members of the syndicate are affiliated with the Adviser. For the six-month period ended April 30, 2018, the Portfolio did not purchase any such securities.

The Adviser and its affiliates may have lending, banking, brokerage, underwriting, or other business relationships with the issuers of the securities in which the Portfolio invest.

5. Investment Transactions:

Cost of purchases and proceeds from sales of securities (excluding securities maturing less than one year from acquisition) for the six-month period ended April 30, 2018 were as follows:

	Purchases ($)	Sales ($)
Opportunity Portfolio	42,433,185	47,849,550

6. Federal Income Tax Information:

At April 30, 2018, the cost basis of investments for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation/depreciation were as follows:

	Tax Cost ($)	Tax Unrealized Appreciation ($)	Tax Unrealized Depreciation ($)	Net Unrealized Appreciation/ (Depreciation) ($)*
Opportunity Portfolio	123,963,697	29,781,489	(4,515,251)	25,266,238

* The difference between book-basis unrealized appreciation (depreciation) is attributable primarily to tax deferral of losses on wash sales.

7. Investment Risks:

Currency Risk: Fluctuations in exchange rates between the U.S. dollar and foreign currencies, or between various foreign currencies, may negatively affect the Portfolio's performance. The Portfolio may seek to reduce currency risk by hedging part or all of its exposure to various foreign currencies; however, even if such hedging techniques are employed, there is no assurance that they will be successful.

Equity Securities Risk: The prices of equity securities fluctuate from time to time based on changes in a company's financial condition or overall market and economic conditions. As a result, the value of equity securities may fluctuate drastically from day to day.

Foreign Securities Risk: Investments in foreign securities are generally considered riskier than investments in U.S. securities. Foreign securities, including those of emerging and frontier market issuers, are subject to additional risks, including international trade, political and regulatory risks.

8. Subsequent Events:

Management has evaluated subsequent events through the date these financial statements were issued. Based on the evaluation, no adjustments or additional disclosures were required to the financial statements as of April 30, 2018.

Investment Adviser Contract Approval (Unaudited)

Section 15(c) of the Investment Company Act of 1940, as amended (the "1940 Act"), generally requires that a majority of the trustees of a mutual fund who are not "interested persons" of the fund or the investment adviser, as defined in the 1940 Act (the "Independent Trustees"), review and approve the investment advisory agreement at an in person meeting for an initial period of up to two years and thereafter on an annual basis. A summary of the material factors considered by the Independent Trustees and the Board of Trustees (the "Board") of HSBC Funds (the "Trust") in connection with approving investment advisory and sub-advisory agreements for the series of the Trust (each, a "Fund") and the conclusions the Independent Trustees and Board made as a result of those considerations are set forth below.

Annual Continuation of Advisory and Sub-Advisory Agreements

The Independent Trustees met separately on November 2, 2017 (in person), and the Board met on December 14, 2017 (in person) (each, a "Meeting," and together, the "Meetings") to consider, among other matters, the approval of the continuation of the: (i) Investment Advisory Contract and related Supplements ("Advisory Contracts") between the Trust and the Adviser and (ii) Sub-Advisory Agreements ("Sub-Advisory Contracts" and, together with the Advisory Contracts, the "Agreements") between the Adviser and each investment sub-adviser ("Sub-Adviser") on behalf of one or more of the Funds.

Prior to the Meetings, the Independent Trustees requested, received and reviewed information to help them evaluate the terms of the Agreements. This information included, among other things, information about: (i) the services that the Adviser and Sub-Advisers provide; (ii) the personnel who provide such services; (iii) investment performance, including comparative data provided by Strategic Insight; (iv) trading practices of the Adviser and Sub-Advisers; (v) fees received or to be received by the Adviser and Sub-Advisers, including comparison with the advisory fees paid by other similar funds based on materials provided by Strategic Insight; (vi) total expense ratios, including in comparison with the total expense ratios of other similar funds provided by Strategic Insight; (vii) the profitability of the Adviser and certain of the Sub-Advisers; (viii) compliance-related matters pertaining to the Adviser and Sub-Advisers; (ix) regulatory developments, including rulemaking initiatives of the U.S. Securities and Exchange Commission ("SEC"); and (x) other information regarding the nature, extent and quality of services provided by the Adviser and the Sub-Advisers under their respective Agreements.

The Independent Trustees were separately advised by independent counsel throughout the process, and met with independent counsel in periodic executive and private sessions at which no representatives of management were present, including during the November 2, 2017 Meeting. Prior to voting to continue the Agreements, the Independent Trustees also received a memorandum from their independent counsel discussing the legal standards for their consideration of the proposed continuation of the Agreements.

The Board, including the Independent Trustees, considered and reviewed, among other things: (i) the information provided in advance of the Meetings; (ii) the Funds' investment advisory arrangements and expense limitation agreements with the Adviser; (iii) the Trust's arrangements with the unaffiliated Sub-Adviser to the Trust, Westfield Capital Management Company, LP ("Westfield"); (iv) the Trust's arrangements with the affiliated Sub-Advisers to the Trust, HSBC Global Asset Management (UK) Limited, HSBC Global Asset Management (France) Limited and HSBC Global Asset Management (Hong Kong) Limited; (v) the fees paid to the Adviser pursuant to the Trust's agreements with the Adviser for the provision of various non-advisory services, including the Administration Agreement, Support Services Agreement and Operational Support Services Agreement, and the terms and purpose of these agreements and comparative information about services and fees of other peer funds; (vi) regulatory considerations; (vii) the Adviser's multi-manager function and the level of oversight services provided to the HSBC Opportunity Portfolio; (viii) the Adviser's advisory services with respect to the Funds that are money market funds ("Money Market Funds"); (ix) the Adviser's profitability and direct and indirect expenses; and (x) additional information provided by the Adviser at the request of the Independent Trustees, following the November 2, 2017 Meeting.

In addition, the Board took into consideration its overall experience with the Adviser and the Sub-Advisers, and its experience with them during the prior year, as well as information contained in the various written and oral reports provided to the Board, including but not limited to quarterly performance reports prepared by management containing reviews of investment results and periodic presentations from portfolio managers, product managers and other senior employees of the Adviser and certain of the Sub-Advisers. As a result of this process, at the in-person meeting held on December 14, 2017, the Board unanimously agreed to approve the continuation of the Agreements with respect to each Fund. The Board reviewed materials and made their respective determinations on a Fund-by-Fund basis.

Nature, Extent, and Quality of Services Provided by Adviser and Sub-Advisers. The Board, including the Independent Trustees, examined the nature, quality and extent of the investment advisory services provided (or to be provided) by the Adviser to the Funds, as well as the quality and experience of the Adviser's personnel.

The Board, including the Independent Trustees, also considered: (i) the long-term relationship between the Adviser and the Funds; (ii) the Adviser's reputation and financial condition; (iii) the assets of the HSBC Family of Funds; (iv) the Adviser's ongoing commitment to implement rulemaking initiatives of the SEC, including the SEC's liquidity risk management and data modernization rules and rule amendments; (iv) the business strategy of the Adviser and its parent company and their financial and other resources that are committed to the Funds' business; (v) the capabilities and performance of the Adviser's portfolio management teams and other personnel; and (vi) the support, in terms of personnel, allocated by the Adviser to the Funds.

With respect to the Money Market Funds, the Board also considered the additional yield support, in the form of additional expense reductions, provided by the Adviser and its affiliates to maintain a competitive yield for the Money Market Funds, and noted the impact of these subsidies and waivers had on the profitability of the Adviser. In addition, the Board considered the Adviser's plans for seeking alternative liquidity options on behalf of the Money Market Funds, including the use of third-party money market funds. Also, the Board considered the Adviser's performance in fulfilling its responsibilities for overseeing its own and the Sub-Advisers' compliance with the Funds' compliance policies and procedures and investment objectives.

The Board, including the Independent Trustees, also examined the nature, quality and extent of the services that the Sub-Advisers provide (or will provide) to their respective Funds. In this regard, the Board considered the investment performance, as described below, and the portfolio risk characteristics achieved by the Sub-Advisers and the Sub-Advisers' portfolio management teams, their experience, and the quality of their compliance programs, among other factors.

Based on these considerations, the Board, including the Independent Trustees, concluded that the nature, quality and extent of the services provided by the Adviser and Sub-Advisers supported continuance of the Agreements.

Investment Performance of the Funds, Adviser and Sub-Advisers. The Board, including the Independent Trustees, considered the investment performance of each Fund (except the HSBC Economic Scale Index Emerging Markets Equity Fund, which had not commenced investment operations at the time of the Meetings) over various periods of time, as compared to one another as well as to comparable peer funds, one or more benchmark indices and other accounts managed by the Adviser and Sub-Advisers.

In the context of the HSBC Opportunity Portfolio, the Board discussed Fund expenses, including the sub-advisory fees paid to Westfield, recent performance, recent performance as compared to the competitive peers of the HSBC Opportunity Portfolio, Westfield's efforts to obtain best execution, and volatility information.

In the context of the HSBC Emerging Markets Debt Fund, HSBC Frontier Markets Fund, HSBC Total Return Fund, HSBC Asia ex-Japan Smaller Companies Equity Fund, HSBC Global Equity Volatility Focused Fund, HSBC Global High Yield Bond Fund, and HSBC Global High Income Bond Fund, the Board evaluated each Fund's performance against the comparative data provided by Strategic Insight. The Independent Trustees also considered the Adviser's commentary on this comparative data.

The Board also considered each Fund's current expense ratios compared to its peers, and the current asset size of each Fund.

For the Money Market Funds, the Board considered the additional yield support that the Adviser had provided in order for the Money Market Funds to maintain positive yield and performance, and that the returns of the Funds were similar to their competitors.

The Board, including the Independent Trustees, considered the Adviser's commitment to continue to evaluate and undertake actions to help generate competitive investment performance. The Board, including the Independent Trustees, concluded that under the circumstances, the investment performance of each Fund was such that each Agreement should continue.

Costs of Services and Profits Realized by the Adviser and Sub-Advisers. The Board, including the Independent Trustees, considered the costs of the services provided by the Adviser and Sub-Advisers and the expense ratios of the Funds more generally. The Board considered the Adviser's profitability and costs, including, but not limited to, an analysis provided by the Adviser of its estimated profitability attributable to its relationship with the Funds. The Board also considered the contractual advisory fees under the Advisory Contracts and compared those fees to the fees of similar funds, which had been compiled and provided by Strategic Insight. The Board determined that, although some competitors had lower fees than the Funds, in general, the Fund's advisory fees were reasonable in light of the nature and quality of services provided, noting the resources, expertise and experience provided to the Funds by the Adviser and Sub-Advisers.

The Board also considered information comparing the advisory fees under the Advisory Contracts with those of other accounts managed by the Adviser.

The Board further considered the costs of the services provided by the Sub-Advisers, as available; the relative portions of the total advisory fees paid to the Sub-Advisers and retained by the Adviser in its capacity as the Funds' investment adviser; and the services provided by the Adviser and Sub-Advisers. In the context of the HSBC Opportunity Portfolio, the Board considered the sub-advisory fee structures, and any applicable breakpoints. In addition, the Board discussed the distinction between the services provided by the Adviser to HSBC Funds with sub-advisers pursuant to the Advisory Contracts and the services provided by the Sub-Advisers pursuant to the Sub-Advisory Contracts. The Board also considered information on profitability where provided by the Sub-Advisers.

The Board, including the Independent Trustees, concluded that the advisory fees payable to the Adviser and the Funds' Sub-Advisers were reasonable in light of the factors set forth above.

Other Relevant Considerations. The Board, including the Independent Trustees, also considered the extent to which the Adviser and Sub-Advisers had achieved economies of scale, whether the Funds' expense structure permits economies of scale to be shared with the Funds' shareholders and, if so, the extent to which the Funds' shareholders may benefit from these economies of scale. The Board also noted the contractual caps on certain Fund expenses provided by the Adviser with respect to many of the Funds in order to reduce or control the overall operating expenses of those Funds and noted the Adviser's entrepreneurial commitment to the Funds. In addition, the Board considered certain information provided by the Adviser and Sub-Advisers with respect to the benefits they may derive from their relationships with the Funds, including the fact that certain Sub-Advisers have "soft dollar" arrangements with respect to Fund brokerage and therefore may have access to research and other permissible services.

In approving the renewal of the Agreements, the Board, including the Independent Trustees, did not identify any single factor as controlling, and generally attributed different weights to various factors for the various Funds. The Board evaluated all information available to them on a Fund-by-Fund basis, and their decisions were made separately with respect to each Fund. In light of the above considerations and such other factors and information it considered relevant, the Board by a unanimous vote of those present in person at the Meeting (including a separate unanimous vote of the Independent Trustees present in person at the Meeting) approved the continuation of each Agreement.

As a shareholder of the Portfolio, you incur ongoing costs, including management fees and other Fund expenses.

These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

These examples are based on an investment of $1,000 invested at the beginning of the period and held for the entire period from November 1, 2017 through April 30, 2018.

Actual Example

The table below provides information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the table under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

	Beginning Account Value 11/1/17	Ending Account Value 4/30/18	Expenses Paid During Period* 11/1/17 - 4/30/18	Annualized Expense Ratio During Period 11/1/17 - 4/30/18
Opportunity Portfolio	$1,000.00	$1,113.70	$5.40	1.03%

* Expenses are equal to the average account value over the period, multiplied by the Portfolio's annualized expense ratio, multiplied by 181/365 (to reflect the one half year period).

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on each Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 11/1/17	Ending Account Value 4/30/18	Expenses Paid During Period* 11/1/17 - 4/30/18	Annualized Expense Ratio During Period 11/1/17 - 4/30/18
Opportunity Portfolio	$1,000.00	$1,019.69	$5.16	1.03%

* Expenses are equal to the average account value over the period, multiplied by the Portfolio's annualized expense ratio, multiplied by 181/365 (to reflect the one half year period).

Other Information (Unaudited)

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30th is available (i) without charge, upon request, by calling 1-800-525-5757 for HSBC Bank USA and HSBC Brokerage (USA) Inc. clients and 1-800-782-8183 for all other shareholders; (ii) on the Funds' website at www.investorfunds.us.hsbc.com; and (iii) on the Security and Exchange Commission's ("Commission") website at http://www.sec.gov.

The Funds file their complete schedules of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the Commission's website at http://www.sec.gov. The Funds' Forms N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Funds' Schedules of Investments will be available no later than 60 days after each period end, without charge, on the Funds' website at www.investorfunds.us.hsbc.com.

An investment in a Fund is not a deposit of HSBC Bank USA, National Association, and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

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