

HSBC Money Market Funds

In order to comply with the new Rule 2a-7 requirements for money market funds, the HSBC Money Market Funds will be making the following changes.

Institutional Prime Money Market Funds

- HSBC Prime Money Market Fund will adopt a “floating” net asset value (“NAV”) per share, calculated to the fourth decimal place (e.g. \$1.0000).
- The HSBC Prime Money Market Fund’s NAV per share will be calculated three times per business day, at 8:00 AM, 12:00 PM and 3:00 PM.
- The Board will be permitted to impose a liquidity fee on redemptions from the Fund (up to a maximum of 2%¹) or temporarily restrict redemptions from the Fund for up to 10 business days in any 90 day period, if weekly liquidity levels fall below the required regulatory thresholds.

Government Money Market Funds

- Both the HSBC US Government Money Market Fund and HSBC US Treasury Money Market Fund will qualify as “government money market funds,” as defined in revised rule 2a-7. A “government money market fund” is a fund that invests at least 99.5% of its assets in: (1) cash, (2) securities issued or guaranteed by the United States or certain U.S. government agencies or instrumentalities, and/or (3) repurchase agreements that are collateralized by cash and U.S. government securities.
- As government money market funds both of these two Funds will continue to utilize the amortized cost method of valuation to price their shares at \$1.00.
- Government money market funds are exempt from the requirements relating to the imposition of liquidity fees and/or redemption gates. While the Funds’ Board maintains the authority to subject the Funds to liquidity fees and/or redemption gates in the future after providing appropriate prior notice to shareholders, neither of these two Funds have adopted liquidity fees and/or redemption gates at this time.

Retail Money Market Funds

- HSBC Funds will not offer a “retail money market fund,” as defined in revised rule 2a-7. A “retail money market fund” is a fund that has policies and procedures reasonably designed to limit all beneficial owners of the fund to natural persons.

We expect these changes to take effect on October 5, 2016.

¹ Per revised Rule 2a-7

Risk is inherent in all investing. You could lose money by investing in the funds. Although the funds seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the funds is not a deposit of HSBC Bank USA, N.A. and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The funds' sponsor has no legal obligation to provide financial support to the funds, and you should not expect that the sponsor will provide financial support to the funds at any time.

Investors should consider the investment objectives, risks, charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain a prospectus from your financial representative. Read carefully before investing.

HSBC Global Asset Management is the marketing name for the asset management businesses of HSBC Holdings Plc. HSBC Global Asset Management (USA) Inc. is an investment adviser registered with the US Securities and Exchange Commission.

HSBC Global Asset Management (USA) Inc. serves as the investment adviser to the HSBC Funds. Foreside Distribution Services, L.P., member FINRA, is the distributor of the HSBC Funds and is not affiliated with the adviser. HSBC Securities (USA) Inc., member NYSE, FINRA and SIPC, is a sub-distributor of the HSBC Funds. Affiliates of HSBC Global Asset Management (USA) Inc. may receive fees for providing various services to the funds.

INVESTMENT PRODUCTS:

ARE NOT A BANK DEPOSIT OR OBLIGATION OF THE BANK OR ANY OF ITS AFFILIATES	ARE NOT FDIC INSURED	ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY	ARE NOT GUARANTEED BY THE BANK OR ANY OF ITS AFFILIATES	MAY LOSE VALUE
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