

HSBC Global Asset Management (USA) Inc.

# HSBC Funds

## Annual Report

October 31, 2018

<b>MONEY MARKET FUNDS</b>	<b>Class A</b>	<b>Class C</b>	<b>Class D</b>	<b>Class E</b>	<b>Class I</b>	<b>Intermediary Class</b>	<b>Intermediary Service Class</b>	<b>Class Y</b>
HSBC U.S. Government Money Market Fund	FTRXX	HUMXX	HGDXX	HGEXX	HGIXX	HGGXX	HGFXX	RGYXX
HSBC U.S. Treasury Money Market Fund	HWAXX	HUCXX	HTDXX	HTEXX	HBIXX	HTGXX	HTFXX	HTYXX



# HSBC Family of Funds

Annual Report - October 31, 2018

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**Bloomberg Barclays Global Aggregate Bond Index** is a measure of global investment-grade debt from 24 local currency markets, which include treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers.

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

**J.P. Morgan Emerging Markets Bond Index Global** tracks returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities, Brady bonds, loans, Eurobonds, and local market instruments.

**Lipper U.S. Government Money Market Funds Average** is an equally weighted average of mutual funds that invest principally in financial instruments issued or guaranteed by the U.S. government, its agencies, or its instrumentalities, with dollar-weighted average maturities of less than 90 days. These funds intend to keep a constant net asset value.

**Lipper U.S. Treasury Money Market Funds Average** is an equally weighted average of mutual funds that invest principally in U.S. Treasury obligations with dollar-weighted average maturities of less than 90 days. These funds intend to keep a constant net asset value.

**London Interbank Offered Rate (LIBOR)** is a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money market.

**MSCI Europe Australasia and Far East ("MSCI EAFE") Index** is an equity index which captures the large- and mid-cap representation across the following 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.

**MSCI Frontier Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The index consists of 29 frontier markets country indices.

**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

The global economy transitioned away from a period of synchronized growth during the 12-month period from November 1, 2017, through October 31, 2018, and entered a period characterized by divergence and diversity. While both developed and emerging markets economies were lifted up by broad economic expansion throughout 2017, growth was much less consistent in 2018 amid concerns surrounding inflation, trade policy, monetary policy and country-specific issues. Some economies and sectors were affected much more negatively than others and experienced higher levels of volatility in their financial markets. This divergence and volatility weighed on investor sentiment, leading to a shift away from risk assets that resulted in losses for international equities and more modest returns for U.S. equities. Despite this mixed picture, fundamentals of the global economy appeared relatively strong throughout the period, and corporate profits remained robust.

During the first several months of the period economic data generally showed low inflation, healthy corporate fundamentals and strong activity in manufacturing and global trade. In the U.S., regulatory rollbacks, positive earnings growth and the passage of business-friendly tax reform stirred optimism among investors, eventually driving stocks to record highs in a January rally.

The less-consistent macroeconomic environment that came to define the period emerged in February, as stocks took a sharp dive and became more volatile. First, U.S. economic data showed prices rising faster than expected, signaling a period of low inflation was ending, second, the outcome of tumultuous trade diplomacy between the U.S. and several key trading partners became increasingly unpredictable and concerning. Third, economic data began to show slowing growth in some regions, particularly Europe and Japan. Fourth, signs of slowing growth and rising inflation helped strengthen the U.S. dollar against other currencies, producing headwinds for emerging markets.

The impact of rising interest rates rippled through the global economy during the period and contributed to a weaker appetite for risk assets such as equities. The U.S. Federal Reserve (the Fed) increased its federal funds rate four times during the 12-month period, lifting it by a total of 100 basis points (1.00%). The Fed signaled that it would continue its campaign of gradually raising interest rates as long as the U.S. economy continues to show broad strength. The theme of divergence also played out globally in terms of monetary policy. Unlike the Fed, central banks in some other developed economies pursued looser monetary policy.

Economic data continued to indicate that the U.S. economy was on sound footing. Gross domestic product<sup>1</sup> (GDP) growth peaked during the period under review at a rate of 4.2% during the second quarter of 2018 after growing 2.3% during the fourth quarter of 2017 and 2.2% during the first quarter of 2018. GDP grew at a rate of 3.5% during the third quarter of 2018, according to preliminary estimates. The tax reform legislation passed by Congress late in 2017 provided a tailwind for businesses, boosting corporate profits and helping to offset pressures caused by rising wages and a tight labor market. Data showed that industrial production picked up and activity in the services sector increased. A new trade deal between the U.S., Mexico and Canada removed some of the uncertainty surrounding President Trump's trade policy.

The unemployment rate was 3.7%—its lowest level since 1969—at the close of the period under review. The continuing strength of the labor market helped boost consumer confidence and consumer spending. The housing market presented a more mixed picture than other aspects of the economy, as declining home sales and housing permits suggested emerging weaknesses.

China's economy continued to be weakened by an industrial slowdown and its increasing reliance on consumption as a driver of economic growth. Amid this difficult long-term transition, China faced during the period the additional challenge of steeply rising trade barriers with the U.S. As part of a broader tightening of trade policy, President Donald Trump ratcheted up pressure on China by threatening tariffs on virtually

all Chinese exports to the U.S. The escalating rhetoric and faltering diplomacy between China and U.S. sent ripple effects through global markets. The yuan devalued significantly during the period, making Chinese goods more competitive on global markets. But in a notable change the Chinese government suggested it would prevent its currency from devaluing further.

China's troubles spilled over into other emerging markets, especially those in Asia and in other regions heavily dependent on demand from Chinese industries. Other factors stalling the momentum of emerging market growth were rising U.S. interest rates and higher oil prices.

Argentina had a very volatile year as its currency depreciated more than 50% during 2018. The decline forced the country to reach out to the International Monetary Fund for financial support and triggered a recession in the country.

Eurozone economies experienced the most severe slowdown among developed economies during the period. Increasing trade tensions between Europe and the U.S. further weighed on the outlook of the region. Unsuccessful negotiations over the United Kingdom's exit from the Eurozone (commonly referred to as Brexit) continued to sow uncertainty and led to a steep decline in the value of the British pound. Brexit has resulted in volatility in European and global markets and could have significant negative impacts on financial markets in the United Kingdom and throughout Europe. The extent of the impact of Brexit in the United Kingdom and in global markets as well as any associated adverse consequences remain unclear. Economic growth in Japan also slowed significantly amid lower private consumption and weak export demand. Data suggested that both wages and inflation in Japan may be ticking upwards, however, and the labor market improved.

Prices of many key commodities such as soybeans and silver slumped during much of the period under review, partly as a result of rising trade tensions between the U.S. and its key economic partners. Crude oil prices hit four-year highs late in the period, driven up in part by expectations that U.S. sanctions on Iran would curb the nation's oil exports. However, oil prices began to fall sharply during the final weeks of the period.

### Market review

Global equity markets delivered mixed results during the period. Stocks performed very well during the first three months. But, by February of 2018, concerns of an impending economic slowdown began to weigh on investors and fueled an uptick in volatility. Still, equities in many economies and sectors zig-zagged upward until October, when much of the period's earlier gains were lost during a sharp sell-off.

U.S. stocks ended the period with modest gains, even after entering into correction territory in October. The S&P 500 Index<sup>1</sup> of large-capitalization U.S. stocks returned 7.35%. Equities in other developed economies showed losses during the 12 months under review, while emerging markets equities suffered even greater losses amid concerns about U.S. trade protectionism and a strengthening U.S. dollar. The MSCI Frontier Markets Index<sup>1</sup> returned -11.84% during the period, compared to a -6.39% return for the MSCI EAFE Index<sup>1</sup> of developed market international stocks.

Global fixed income markets lost ground amid rising interest rates. Investors saw the onset of full employment and rising inflation in Germany and the U.S., nations that have a major impact on bond markets, as an indication that further increases in interest rates were on the horizon. Yields on U.S. government debt rose during the period. The U.S. Treasury curve flattened and global high-yield and investment-grade credit spreads widened. Emerging market debt performed especially poorly during the period, amid shrinking demand and growing supply. The Bloomberg Barclays Global Aggregate Bond Index<sup>1</sup>, which tracks investment grade debt in 24 local currency markets, returned -2.05% during the period, while the JP Morgan Emerging Markets Bond Index Global<sup>1</sup> returned -5.27%.

<sup>1</sup> For additional information, please refer to the Glossary of Terms.

# HSBC U.S. Government Money Market Fund

(Class A Shares, Class C Shares, Class D Shares, Class E Shares, Class I Shares, Intermediary Class, Intermediary Service Class and Class Y Shares)

by John Chiodi  
Senior Portfolio Manager

Moody's and Standard & Poor's have assigned an "Aaa-mf" and "AAAm" rating to the HSBC U.S. Government Money Market Fund.<sup>1</sup>

## Investment Concerns

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund 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 Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

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

## Portfolio Performance

Yields on U.S. government money market securities rose during the year ended October 31, 2018. The Federal Reserve (the Fed) raised short-term interest rates four times during the period—once in December 2017, then again in March, June and September of 2018.

In this rising rate environment, the Fund was positioned with a shorter-than-usual weighted average maturity. This supported the Fund's absolute performance. The Fund also benefited from its exposure to floating rate notes in the first half of the period, as well as its exposure to repurchase agreements (repos) during the summer.<sup>†</sup>

The reporting period was marked by an abrupt shift in money market supply. The typical year-end shortage in money market securities was compounded by the government's debate over extending the debt ceiling. Reduced new debt issuance further lowered money market supplies. However, supply rebounded strongly in early 2018 after the debt ceiling debate was resolved and lawmakers passed tax reform measures. The Fed's decision to wind down its quantitative easing efforts also contributed to increased supply, as it stopped buying Treasuries and sold off Treasury holdings.

The Treasury supply glut drove short-term yields higher than expected, causing credit yields to rise as well as pushing spreads on floating rate notes wider through the end of the first quarter of 2018. Markets absorbed the added supply during the second quarter, as both spreads and London Interbank Offered Rate (LIBOR)<sup>7</sup> levels narrowed dramatically. During the second quarter and part of the third, overnight repo offered higher yields than agency-issued LIBOR floating rate notes as spreads continued to narrow. By late summer, floating notes offered more attractive yields, markets experienced a more balanced increase in the supply of Treasuries, and spreads returned to more normal levels. Yields ended the period higher than where they started.

† Portfolio composition is subject to change.

Fund Performance	Inception Date	Average Annual Total Return (%)				Yield (%) <sup>2</sup>		Expense Ratio (%) <sup>3</sup>	
		1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net	
<b>As of October 31, 2018</b>									
Class A	5/3/90	1.05	0.27	0.15	2.46	1.57	0.66	0.66	
Class C <sup>4</sup>	11/20/06	—	—	—	1.39	—	1.26	1.26	
Class D	4/1/99	1.20	0.32	0.18	1.55	1.72	0.51	0.51	
Class E <sup>5</sup>	7/12/16	—	—	—	0.34	—	0.26	0.25	
Class I <sup>6</sup>	12/24/03	1.57	0.50	0.31	1.02	2.08	0.16	0.16	
Intermediary Class	7/12/16	1.52	—	—	0.98	2.04	0.31	0.18	
Intermediary Service Class	7/12/16	1.50	—	—	0.96	2.02	0.36	0.20	
Class Y	7/1/96	1.45	0.44	0.26	2.12	1.97	0.26	0.26	
Lipper U.S. Government Money Market Funds Average <sup>7</sup>	—	1.02	0.25	0.16	2.51 <sup>8</sup>	N/A	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 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 and/or expense reimbursements are in effect for the Fund through March 1, 2019 for the Class E Shares, Intermediary Class Shares and Intermediary Service Class Shares.

- <sup>1</sup> The "Aaa-mf" and "AAAm" money market fund rating is historical and reflects Moody's and Standard & Poor's opinion as to the quality of the Fund's investments, liquidity management, and operations and trading support. Periodic reviews are conducted to ensure a secure operations environment. Moody's and Standard & Poor's ratings represent an opinion only, not a recommendation to buy or sell. Obligations rated A-1+, A-1 or P-1 are rated in the highest short-term rating category by Standard & Poor's (A-1+ or A-1) or Moody's Investor Service (P-1). The obligor's capacity to meet its financial commitments on these obligations is regarded to be "extremely strong" (A-1+), "strong" (A-1) or "superior" (P-1).
- <sup>2</sup> The seven-day yield quotation more closely reflects the current earnings of the money market fund than the total return quotation. The seven-day yield reflects voluntary fee waivers/expense reimbursements. Without the voluntary fee waivers/expense reimbursements, the yields would have been 1.57%, 1.72%, 2.06%, 1.91%, 1.86% and 1.96% for Class A Shares, Class D Shares, Class I Shares, Intermediary Class, Intermediary Service Class and Class Y Shares, respectively.
- <sup>3</sup> 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) to an annual rate of 0.25%, 0.18% and 0.20% for Class E Shares, Intermediary Class Shares and Intermediary Service Class Shares, respectively. The expense limitation shall be in effect until March 1, 2019. Additional information pertaining to the October 31, 2018 expense ratios can be found in the financial highlights.
- <sup>4</sup> Reflects the applicable contingent deferred sales charge, maximum of 1.00%, for returns presented. Class C Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 346, 362 and 351 days during the years ended October 31, 2006, 2009 and 2010, respectively. The Class was not operational during the entire fiscal years ended October 31, 2007, 2008, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018. No returns are presented for the one-year, five-year and 10-year periods with non-continuous operations.
- <sup>5</sup> Class E Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 112 and 283 days during the years ended October 31, 2016 and 2017, respectively. The Class was not operational during the entire fiscal year ended October 31, 2018. No return is presented for the one-year period with non-continuous operations.
- <sup>6</sup> Class I Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 10, 89, 136 and 357 days during the years ended October 31, 2004, 2005, 2006 and 2007, respectively. The Class was operational during the entire fiscal years ended October 31, 2008 through 2018.
- <sup>7</sup> For additional information, please refer to the Glossary of Terms.
- <sup>8</sup> Return for the period April 30, 1990 to October 31, 2018.

# HSBC U.S. Treasury Money Market Fund

(Class A Shares, Class C Shares, Class D Shares, Class E Shares, Class I Shares, Intermediary Class, Intermediary Service Class and Class Y Shares)

by John Chiodi  
Senior Portfolio Manager

Moody's and Standard & Poor's have assigned an "Aaa-mf" and "AAAm" rating to the HSBC U.S. Treasury Money Market Fund.<sup>1</sup>

## Investment Concerns

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund 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 Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

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

## Portfolio Performance

The Federal Reserve (the Fed) raised the federal funds rate, a short-term interest rate that influences Treasury bill yields, four times during the period—once in December 2017, then again in March, June and September of 2018. As a result, Treasury bill yields increased during the 12-month reporting period ended October 31, 2018.

In this rising rate environment, the Fund was positioned with a shorter-than-usual weighted average maturity. That positioning supported the Fund's absolute performance. The Fund also benefited from its exposure to

floating rate notes in the first half of the period, which performed well in the start of 2018 as interest rates rose.<sup>†</sup>

The reporting period was marked by an abrupt shift in money market supply. The typical year-end shortage in money market securities was compounded by the government's debate over extending the debt ceiling. Reduced new debt issuance further lowered money market supplies. However, supply rebounded strongly in early 2018 after the debt ceiling debate was resolved and lawmakers passed tax reform measures. The Fed's decision to wind down its quantitative easing efforts also contributed to increased supply, as it stopped buying Treasuries and sold off Treasury holdings.

The Treasury supply glut drove short-term yields higher than expected, causing credit yields to rise as well as pushing spreads on floating rate notes wider through the end of the first quarter of 2018. Markets absorbed the added supply during the second quarter, as both spreads and London Interbank Offered Rate (LIBOR)<sup>8</sup> levels narrowed dramatically. During the second quarter and part of the third, Treasury floaters underperformed shorter, fixed-rate Treasury bills. By late summer, floating rate securities offered more attractive yields, the markets experienced a more balanced increase to Treasury supply, and spreads returned to more normal levels.

† Portfolio composition is subject to change.

Fund Performance	Inception Date	Average Annual Total Return (%)				Yield (%) <sup>2</sup>		Expense Ratio (%) <sup>3</sup>	
		1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net	
<b>As of October 31, 2018</b>									
Class A <sup>4</sup>	5/24/01	—	—	—	1.08	—	0.68	0.68	
Class C <sup>5</sup>	12/24/03	—	—	—	0.04	—	1.28	1.28	
Class D	5/14/01	1.17	0.29	0.15	0.95	1.73	0.53	0.53	
Class E <sup>6</sup>	7/12/16	—	—	—	0.37	—	0.28	0.25	
Class I <sup>7</sup>	12/30/03	1.54	0.46	0.25	1.11	2.09	0.18	0.18	
Intermediary Class	7/12/16	1.49	—	—	0.89	2.07	0.33	0.18	
Intermediary Service Class	7/12/16	1.49	—	—	0.94	2.05	0.38	0.20	
Class Y	5/11/01	1.43	0.40	0.21	1.09	1.98	0.28	0.28	
Lipper U.S. Treasury Money Market Funds Average <sup>9</sup>	—	1.07	0.27	0.14	1.00 <sup>9</sup>	N/A	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 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 and/or expense reimbursements are in effect for the Fund through March 1, 2019 for the Class E Shares, Intermediary Class Shares and Intermediary Service Class Shares.

1 The "Aaa-mf" and "AAAm" money market fund rating is historical and reflects Moody's and Standard & Poor's opinion as to the quality of the Fund's investments, liquidity management, and operations and trading support. Periodic reviews are conducted to ensure a secure operations environment. Moody's and Standard & Poor's ratings represent an opinion only, not a recommendation to buy or sell. Obligations rated A-1+, A-1 or P-1 are rated in the highest short-term rating category by Standard & Poor's (A-1+ or A-1) or Moody's Investor Service (P-1). The obligor's capacity to meet its financial commitments on these obligations is regarded to be "extremely strong" (A-1+), "strong" (A-1) or "superior" (P-1).

2 The seven-day yield quotation more closely reflects the current earnings of the money market fund than the total return quotation. Without the voluntary fee waivers/expense reimbursements, the yields would have been 1.73%, 2.13%, 1.98%, 1.93% and 2.03% for Class D Shares, Class I Shares, Intermediary Class, Intermediary Service Class and Class Y Shares, respectively.

3 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) to an annual rate of 0.25%, 0.18% and 0.20% for Class E Shares, Intermediary Class Shares and Intermediary Service Class Shares, respectively. The expense limitation shall be in effect until March 1, 2019. Additional information pertaining to the October 31, 2018 expense ratios can be found in the financial highlights.

4 Class A Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 201 days during the year ended October 31, 2014 and the entire fiscal years ended October 31, 2001 through 2013. The Class was not operational during the entire fiscal years ended October 31, 2015 through 2018. No returns are presented for the one-year, five-year and 10-year periods with non-continuous operations.

5 Reflects the applicable contingent deferred sales charge, maximum of 1.00%, for returns presented. Class C Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 26 and 351 days during the years ended October 31, 2008 and 2010, respectively. The Class was operational during the entire fiscal years ended October 31, 2005, 2006, 2007 and 2009. The Class was not operational during the entire fiscal year ended October 31, 2011 through 2018. No returns are presented for the one-year, five-year and 10-year periods with non-continuous operations.

6 Class E Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 112 and 283 days during the fiscal years ended October 31, 2016 and 2017, respectively. The Class was not operational during the entire fiscal year ended October 31, 2018. No return is presented for the one-year period with non-continuous operations.

7 Class I Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 13 and 280 days during the fiscal years ended October 31, 2004 and 2005, respectively. The Class was operational during the entire fiscal years ended October 31, 2006 through 2018.

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

9 Return for the period April 30, 2001 to October 31, 2018.

## Portfolio Reviews

### Portfolio Composition\*

October 31, 2018 (Unaudited)

#### HSBC U.S. Government Money Market Fund

<b>Investment Allocation</b>	<b>Percentage of Investments at Value (%)</b>
U.S. Government and Government Agency Obligations	54.8
Repurchase Agreements	37.5
U.S. Treasury Obligations	4.5
Investment Companies	3.2
Total	100.0

#### HSBC U.S. Treasury Money Market Fund

<b>Investment Allocation</b>	<b>Percentage of Investments at Value (%)</b>
U.S. Treasury Obligations	100.0
Total	100.0

\* Portfolio composition is subject to change.

# HSBC U.S. GOVERNMENT MONEY MARKET FUND

## Schedule of Portfolio Investments—as of October 31, 2018

### U.S. Government and Government Agency Obligations – 55.4%

	Principal Amount (\$)	Value (\$)
<b>Federal Farm Credit Bank – 5.2%</b>		
1.02%, 11/02/2018 . . . . .	21,660,000	21,659,663
1.75%, 12/10/2018 (a) . . . . .	60,000,000	59,883,650
2.17% (FCPR DLY - 308 bps), 03/11/2019 (b) . . . . .	150,000,000	149,997,336
2.18% (US0001M - 8 bps), 06/01/2020 (b) . . . . .	73,000,000	72,988,286
2.21% (FEDL01 + 1 bps), 04/24/2019 (b) . . . . .	75,000,000	74,996,411
2.23% (FEDL01 + 3 bps), 04/25/2019 (b) . . . . .	100,000,000	100,000,000
2.25% (FEDL01 + 5 bps), 11/01/2018 (b) . . . . .	50,000,000	50,000,000
		<u>529,525,346</u>
<b>Federal Home Loan Bank – 49.7%</b>		
1.09%, 11/02/2018 (a) . . . . .	128,000,000	127,992,284
2.02% (US0003M - 33 bps), 12/21/2018 (b) . . . . .	100,000,000	100,000,000
2.03%, 11/14/2018 (a) . . . . .	152,000,000	151,880,342
2.04%, 11/15/2018 (a) . . . . .	300,000,000	299,744,889
2.07%, 01/02/2019 (a) . . . . .	48,884,000	48,707,624
2.09%, 12/27/2018 (a) . . . . .	150,000,000	149,505,333
2.10%, 12/20/2018 (a) . . . . .	150,000,000	149,563,083
2.10%, 12/28/2018 (a) . . . . .	200,000,000	199,325,500
2.11%, 11/28/2018 (a) . . . . .	182,988,000	182,688,815
2.13%, 12/03/2018 (a) . . . . .	50,000,000	49,902,667
2.13% (US0001M - 13 bps), 03/01/2019 (b) . . . . .	200,000,000	200,000,000
2.15% (US0001M - 13 bps), 11/09/2018 (b) . . . . .	100,000,000	100,000,000
2.15% (US0001M - 13 bps), 03/15/2019 (b) . . . . .	100,000,000	100,000,000
2.16% (US0001M - 13 bps), 06/07/2019 (b) . . . . .	200,000,000	199,997,098
2.16%, 12/19/2018 (a) . . . . .	100,000,000	99,706,933
2.16% (US0001M - 12 bps), 09/20/2019 (b) . . . . .	100,000,000	100,000,000
2.16% (US0001M - 13 bps), 06/24/2019 (b) . . . . .	100,000,000	100,000,000
2.17% (US0001M - 12 bps), 11/21/2018 (b) . . . . .	150,000,000	150,001,731
2.17% (US0001M - 12 bps), 02/25/2019 (b) . . . . .	100,000,000	100,000,000
2.17% (US0001M - 12 bps), 04/12/2019 (b) . . . . .	150,000,000	150,000,000
2.18% (US0001M - 11 bps), 07/19/2019 (b) . . . . .	100,000,000	100,000,000
2.18% (US0001M - 12 bps), 04/26/2019 (b) . . . . .	100,000,000	100,000,000
2.18% (US0001M - 12 bps), 04/26/2019 (b) . . . . .	100,000,000	100,000,000
2.19% (US0001M - 10 bps), 10/23/2019 (b) . . . . .	75,000,000	75,000,000
2.19% (US0001M - 9 bps), 04/05/2019 (b) . . . . .	75,000,000	75,000,000
2.19%, 12/26/2018 (a) . . . . .	200,000,000	199,319,528

### U.S. Government and Government Agency Obligations, continued

	Principal Amount (\$)	Value (\$)
2.19% (US0001M - 9 bps), 02/07/2020 (b) . . . . .	50,000,000	50,000,000
2.19% (US0001M - 10 bps), 04/18/2019 (b) . . . . .	150,000,000	150,000,000
2.19% (US0001M - 9 bps), 11/21/2019 (b) . . . . .	65,000,000	65,000,000
2.20% (US0001M - 8 bps), 07/09/2019 (b) . . . . .	100,000,000	100,000,000
2.20% (US0001M - 8 bps), 12/21/2018 (b) . . . . .	100,000,000	100,000,000
2.21% (US0001M - 7 bps), 02/25/2019 (b) . . . . .	100,000,000	100,000,000
2.21% (US0001M - 7 bps), 02/07/2020 (b) . . . . .	125,000,000	125,000,000
2.22% (US0001M - 7 bps), 07/25/2019 (b) . . . . .	100,000,000	100,000,000
2.22% (US0001M - 6 bps), 02/20/2020 (b) . . . . .	150,000,000	150,000,000
2.22% (US0001M - 7 bps), 04/24/2019 (b) . . . . .	100,000,000	100,000,000
2.24% (US0001M - 6 bps), 11/01/2019 (b) . . . . .	100,000,000	100,000,000
2.24% (US0001M - 5 bps), 01/17/2020 (b) . . . . .	100,000,000	100,000,000
2.26% (US0001M - 3 bps), 04/20/2020 (b) . . . . .	100,000,000	100,000,000
2.36%, 03/11/2019 (a) . . . . .	50,000,000	49,573,889
2.38%, 03/21/2019 (a) . . . . .	100,000,000	99,078,333
2.48%, 10/22/2019 . . . . .	150,000,000	150,000,000
		<u>5,046,988,049</u>
<b>Federal National Mortgage Association – 0.5%</b>		
2.22% (SOFR + 4 bps), 04/30/2019 (b) . . . . .	50,000,000	50,000,000
<b>TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS (Cost \$5,626,513,395) . . . . .</b>		
		<u><b>5,626,513,395</b></u>
<b>U.S. Treasury Obligations – 4.5%</b>		
<b>U.S. Treasury Bills – 4.2%</b>		
1.98%, 11/29/2018 (a) . . . . .	100,000,000	99,840,556
2.06%, 01/10/2019 (a) . . . . .	75,000,000	74,696,521
2.07%, 11/23/2018 (a) . . . . .	150,000,000	149,809,058
2.32%, 06/20/2019 (a) . . . . .	100,000,000	98,529,621
		<u>422,875,756</u>
<b>U.S. Treasury Notes – 0.3%</b>		
2.37% (USBMMY3M + 6 bps), 07/31/2019 (b) . . . . .	35,000,000	35,024,226
<b>TOTAL U.S. TREASURY OBLIGATIONS (Cost \$457,899,982) . . . . .</b>		
		<u><b>457,899,982</b></u>

# HSBC U.S. GOVERNMENT MONEY MARKET FUND

## Schedule of Portfolio Investments—as of October 31, 2018 (continued)

### Investment Companies – 3.2%

	Shares	Value (\$)
BlackRock Liquidity Funds FedFund Portfolio, Institutional Shares, 2.07% (c) . .	124,482,074	124,482,074
Dreyfus Government Cash Management, Institutional Shares, 2.05% (c) . .	199,566,257	199,566,257
Federated Government Obligations Fund, Institutional Shares, 2.03% (c) . .	1,640,008	1,640,008
<b>TOTAL INVESTMENT COMPANIES (Cost \$325,688,339) . . . . .</b>		<b>325,688,339</b>

### Repurchase Agreements – 37.9%

	Principal Amount (\$)	Value (\$)
BNP Paribas, 2.20%, 11/1/18, Purchased on 10/31/18, with maturity value of \$1,125,068,750, collateralized by U.S. Treasury Obligations, 0.00%-8.13%, 11/30/18-2/15/48, fair value \$1,147,500,053 . . . . .	1,125,000,000	1,125,000,000
BNP Paribas, 2.21%, 11/1/18, Purchased on 10/31/18, with maturity value of \$100,006,139, collateralized by various U.S. Government and Government Agency Obligations, 0.00%-7.00%, 11/8/18-10/1/48, fair value \$102,000,098 . . . . .	100,000,000	100,000,000
Citigroup Global Markets, 2.22%, 11/1/18, Purchased on 10/31/18, with maturity value of \$100,006,167, collateralized by various U.S. Government and Government Agency Obligations, 0.00%-4.00%, 4/15/19-6/1/48, fair value \$102,000,000 . . . . .	100,000,000	100,000,000
Credit Agricole Cib NY, 2.21%, 11/1/18, Purchased on 10/31/18, with maturity value of \$350,021,486, collateralized by U.S. Treasury Obligations, 2.13%-2.25%, 3/31/24-11/15/24, fair value \$357,000,066 . . . . .	350,000,000	350,000,000

### Repurchase Agreements, continued

	Principal Amount (\$)	Value (\$)
Credit Agricole Cib NY, 2.19%, 11/1/18, Purchased on 10/31/18, with maturity value of \$325,019,771, collateralized by U.S. Treasury Obligations, 2.75%, 5/31/23, fair value \$331,500,070 . . . . .	325,000,000	325,000,000
Deutsche Bank Securities, Inc., 2.21%, 11/1/18, Purchased on 10/31/18, with maturity value of \$459,027,625, collateralized by various U.S. Government and Government Agency Obligations, 0.00%- 8.75%, 11/8/18-11/1/48, fair value \$459,000,063 . . . . .	450,000,000	450,000,000
Merrill Lynch Pierce Fenner & Smith, Inc., 2.19%, 11/1/18, Purchased on 10/31/18, with maturity value of \$100,006,083, collateralized by U.S. Treasury Obligations, 0.00-1.38%, 5/15/22-8/31/23, fair value \$102,000,000 . . . . .	100,000,000	100,000,000
Natwest Markets PLC, 2.19%, 11/1/18, Purchased on 10/31/18, with maturity value of \$400,024,333, collateralized by U.S. Treasury Obligations, 0.75%-2.75%, 8/15/19-1/15/25, fair value \$408,000,007 . . . . .	400,000,000	400,000,000
Societe' Generale, 2.21%, 11/1/18, Purchased on 10/31/18, with maturity value of \$650,039,903, collateralized by various U.S. Government and Government Agency Obligations, 0.00%- 7.00%, 11/25/18-7/20/68, fair value \$663,000,000 . . . . .	650,000,000	650,000,000
Societe' Generale, 2.23%, 11/9/18, Purchased on 10/9/18, with maturity value of \$150,288,042, collateralized by various U.S. Government and Government Agency Obligations, 0.00%-7.00%, 11/23/18-2/15/48, fair value \$153,000,000 . . . . .	150,000,000	150,000,000

# HSBC U.S. GOVERNMENT MONEY MARKET FUND

Schedule of Portfolio Investments— as of October 31, 2018 (continued)

## Repurchase Agreements, continued

	Principal Amount (\$)	Value (\$)
Toronto Dominion Bank NY, 2.19%, 11/1/18, Purchased on 10/31/18, with maturity value of \$100,006,083, collateralized by U.S. Treasury Obligations, 2.25-2.75%, 8/15/21-12/31/23, fair value \$102,000,071 . . . . .	100,000,000	100,000,000
<b>TOTAL REPURCHASE AGREEMENTS</b> (Cost \$3,850,000,000) . . . . .		<b>3,850,000,000</b>
<b>TOTAL INVESTMENTS IN SECURITIES (Cost \$10,260,101,716) – 101.0%</b> . . . . .		<b>10,260,101,716</b>
<b>Other Assets</b> (Liabilities) – (1.0%) . . . . .		<b>(101,518,611)</b>
<b>NET ASSETS – 100%</b> . . . . .		<b>\$10,158,583,105</b>

- (a) Discount note. Rate presented represents the effective yield at time of purchase.
- (b) Floating or variable rate security linked to the referenced benchmark. The rate presented represents the rate in effect on October 31, 2018. These securities are deemed to have a maturity remaining until the next adjustment of the interest rate or the longer of the demand period or time to the next readjustment.
- (c) The rate represents the annualized one day yield that was in effect on October 31, 2018.

bps - Basis Points  
 FCPR DLY - Federal Reserve Bank Prime Rate Loan US  
 FEDL01 - Effective Federal Funds Rate  
 SOFR - Secured Overnight Financing Rate  
 USBMMY3M - 3 Month Treasury Bill Rate  
 US0001M - 1 Month US Dollar LIBOR  
 US0003M - 3 Month US Dollar LIBOR

# HSBC U.S. TREASURY MONEY MARKET FUND

Schedule of Portfolio Investments— as of October 31, 2018

## U.S. Treasury Obligations – 102.6%

	Principal Amount (\$)	Value (\$)
<b>U.S. Treasury Bills – 83.5%</b>		
1.84%, 11/08/2018 (a) . . . . .	100,000,000	99,959,167
1.86%, 11/01/2018 (a) . . . . .	315,650,000	315,649,999
2.07%, 11/23/2018 (a) . . . . .	300,000,000	299,603,356
2.08%, 12/13/2018 (a) . . . . .	40,000,000	39,900,927
2.09%, 12/20/2018 (a) . . . . .	100,000,000	99,710,764
2.14%, 12/11/2018 (a) . . . . .	90,000,000	89,781,000
2.15%, 12/18/2018 (a) . . . . .	75,000,000	74,785,562
2.15%, 01/03/2019 (a) . . . . .	150,000,000	149,428,713
2.17%, 12/26/2018 (a) . . . . .	50,000,000	49,831,486
2.18%, 12/27/2018 (a) . . . . .	200,000,000	199,324,170
2.25%, 01/17/2019 (a) . . . . .	75,000,000	74,636,255
2.29%, 01/24/2019 (a) . . . . .	75,000,000	74,597,501
2.32%, 06/20/2019 (a) . . . . .	50,000,000	49,264,811
		<u>1,616,473,711</u>
<b>U.S. Treasury Notes – 19.1%</b>		
2.36% (USBMMY3M + 4 bps), 07/31/2020 (b) . . . . .	50,000,000	50,000,000
2.36% (USBMMY3M + 5 bps), 10/31/2019 (b) . . . . .	24,000,000	24,012,699
2.37% (USBMMY3M + 6 bps), 07/31/2019 (b) . . . . .	145,000,000	145,057,925
2.38% (USBMMY3M + 7 bps), 04/30/2019 (b) . . . . .	50,000,000	50,032,390
2.45% (USBMMY3M + 14 bps), 01/31/2019 (b) . . . . .	100,000,000	100,045,686
		<u>369,148,700</u>
<b>TOTAL U.S. TREASURY OBLIGATIONS (Cost \$1,985,622,411) . . . . .</b>		<b><u>1,985,622,411</u></b>
<b>TOTAL INVESTMENTS IN SECURITIES (Cost \$1,985,622,411) – 102.6% . . . . .</b>		<b><u>1,985,622,411</u></b>
<b>Other Assets (Liabilities) – (2.6%) . . . . .</b>		<b><u>(50,664,014)</u></b>
<b>NET ASSETS – 100% . . . . .</b>		<b><u>\$1,934,958,397</u></b>

(a) Discount note. Rate presented represents the effective yield at time of purchase.

(b) Floating or variable rate security linked to the referenced benchmark. The rate presented represents the rate in effect on October 31, 2018. These securities are deemed to have a maturity remaining until the next adjustment of the interest rate or the longer of the demand period or time to the next readjustment.

bps - Basis Points

USBMMY3M - 3 Month Treasury Bill Rate

# HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities— as of October 31, 2018

	HSBC U.S. Government Money Market Fund	HSBC U.S. Treasury Money Market Fund
<b>Assets:</b>		
Investments in securities, at value	\$ 6,410,101,716	\$ 1,985,622,411
Repurchase agreements, at value	3,850,000,000	—
Cash	1,164,181	360,565
Interest receivable	5,128,903	17,680
Prepaid expenses and other assets	253,482	67,092
<b>Total Assets</b>	<u>10,266,648,282</u>	<u>1,986,067,748</u>
<b>Liabilities:</b>		
Distributions payable	5,956,754	815,432
Payable for investments purchased	100,000,000	49,831,486
Accrued expenses and other liabilities:		
Investment Management	823,708	205,290
Administration	300,412	55,901
Shareholder Servicing	350,535	37,374
Accounting	6,262	5,145
Custodian fees	93,007	9,907
Transfer Agent	36,978	16,828
Trustee	4,500	4,501
Other	493,021	127,487
<b>Total Liabilities</b>	<u>108,065,177</u>	<u>51,109,351</u>
<b>Net Assets</b>	<u>\$10,158,583,105</u>	<u>\$1,934,958,397</u>
<b>Composition of Net Assets:</b>		
Paid in capital	10,158,663,342	1,934,989,736
Total distributable earnings/loss	(80,237)	(31,339)
<b>Net Assets</b>	<u>\$10,158,583,105</u>	<u>\$1,934,958,397</u>
<b>Net Assets:</b>		
Class A Shares	\$ 2,728,242	\$ —
Class D Shares	1,648,226,336	308,136,005
Class I Shares	6,400,700,366	707,804,478
Intermediary Class Shares	164,081,920	169,826,622
Intermediary Service Class Shares	184,921,172	51,219,682
Class Y Shares	1,757,925,069	697,971,610
	<u>\$10,158,583,105</u>	<u>\$1,934,958,397</u>
<b>Shares Outstanding:</b>		
(\$0.001 par value, unlimited number of shares authorized):		
Class A Shares	2,728,230	—
Class D Shares	1,648,043,123	308,173,113
Class I Shares	6,400,913,766	707,815,069
Intermediary Class Shares	164,083,427	169,828,630
Intermediary Service Class Shares	184,925,473	51,221,358
Class Y Shares	1,757,985,670	697,956,533
<b>Net Asset Value, Offering Price and Redemption Price per share:</b>		
Class A Shares	\$ 1.00	\$ —
Class D Shares	\$ 1.00	\$ 1.00
Class I Shares	\$ 1.00	\$ 1.00
Intermediary Class Shares	\$ 1.00	\$ 1.00
Intermediary Service Class Shares	\$ 1.00	\$ 1.00
Class Y Shares	\$ 1.00	\$ 1.00
Investments in securities, at cost	<u>\$ 6,410,101,716</u>	<u>\$ 1,985,622,411</u>
Repurchase agreements, at cost	<u>\$ 3,850,000,000</u>	<u>\$ —</u>

Amounts designated as "—" are \$0.00 or have been rounded to \$0.00.

# HSBC FAMILY OF FUNDS

Statements of Operations—For the year ended October 31, 2018

	HSBC U.S. Government Money Market Fund	HSBC U.S. Treasury Money Market Fund
<b>Investment Income:</b>		
Interest	\$ 169,097,292	\$ 32,065,229
Dividends	3,815,914	—
<b>Total Investment Income</b>	<u>172,913,206</u>	<u>32,065,229</u>
<b>Expenses:</b>		
Investment Management	10,471,003	1,955,197
Operational Support:		
Class A Shares	2,268	—
Class D Shares	1,647,319	220,616
Intermediary Class Shares	175,694	117,468
Intermediary Service Class Shares	91,318	42,876
Class Y Shares	1,749,119	970,555
Administration:		
Class A Shares	882	—
Class D Shares	640,303	85,703
Class I Shares	2,643,755	234,644
Intermediary Class Shares	68,289	45,625
Intermediary Service Class Shares	35,625	16,673
Class Y Shares	679,751	376,820
Shareholder Servicing:		
Class A Shares	8,858	—
Class D Shares	4,113,387	551,409
Intermediary Class Shares	87,850	58,736
Intermediary Service Class Shares	91,317	42,875
Accounting	68,444	56,921
Compliance Services	28,431	28,431
Custodian	639,986	77,485
Printing	307,838	19,969
Professional	248,848	177,372
Transfer Agent	273,312	123,140
Trustee	69,783	67,794
Registration fees	143,397	84,494
Other	836,822	203,799
Total expenses before fee and expense reductions	25,123,599	5,558,602
Fees voluntarily reduced/reimbursed by Investment Adviser	(3,216,505)	(581,742)
Fees contractually reduced/reimbursed by Investment Adviser	(195,009)	(147,166)
Fees voluntarily reduced by Administrator	(680,535)	(60,369)
Fees voluntarily reduced by Shareholder Servicing Agent	(179,167)	(101,611)
Custody earnings credits	(295,142)	(27,453)
<b>Net Expenses</b>	<u>20,557,241</u>	<u>4,640,261</u>
<b>Net Investment Income</b>	<u>152,355,965</u>	<u>27,424,968</u>
<b>Realized/Unrealized Gains/(Losses) from Investments:</b>		
Net realized gains/(losses) from investments in securities	(101,139)	(28,378)
Net realized/unrealized gains/(losses) on investments	(101,139)	(28,378)
<b>Change in Net Assets Resulting from Operations</b>	<u>\$ 152,254,826</u>	<u>\$ 27,396,590</u>

Amounts designated as “—” are \$0.00 or have been rounded to \$0.00.

# HSBC FAMILY OF FUNDS

## Statements of Changes in Net Assets

	HSBC U.S. Government Money Market Fund		HSBC U.S. Treasury Money Market Fund	
	Year Ended October 31, 2018	Year Ended October 31, 2017	Year Ended October 31, 2018	Year Ended October 31, 2017
<b>Investment Activities:</b>				
<b>Operations:</b>				
Net investment income	\$ 152,355,965	\$ 65,724,470	\$ 27,424,968	\$ 10,022,175
Net realized gains/(losses) from investments	(101,139)	16,147	(28,378)	(6,519)
<b>Change in net assets resulting from operations</b>	<u>152,254,826</u>	<u>65,740,617</u>	<u>27,396,590</u>	<u>10,015,656</u>
<b>Distributions to shareholders:</b>				
Class A Shares	(24,470)	(4,047)	—	—
Class B Shares*	—	(4)	—	—
Class D Shares	(19,666,401)	(5,652,657)	(2,460,655)	(773,186)
Class E Shares**	—	(5)	—	(3)
Class I Shares	(103,412,452)	(46,522,336)	(9,224,480)	(4,082,835)
Intermediary Class Shares	(2,755,565)	(334,211)	(1,806,276)	(5)
Intermediary Service Class Shares	(1,548,121)	(149,884)	(662,873)	(108,905)
Class Y Shares	(24,958,653)	(13,153,578)	(13,271,641)	(5,065,978)
<b>Change in net assets resulting from distributions to shareholders</b>	<u>(152,365,662)</u>	<u>(65,816,722)</u>	<u>(27,425,925)</u>	<u>(10,030,912)</u>
<b>Change in net assets resulting from capital transactions</b>	<u>(1,821,073,641)</u>	<u>1,435,225,862</u>	<u>(307,254,231)</u>	<u>965,841,130</u>
<b>Change in net assets</b>	<u>(1,821,184,477)</u>	<u>1,435,149,757</u>	<u>(307,283,566)</u>	<u>965,825,874</u>
<b>Net Assets:</b>				
Beginning of period	11,979,767,582	10,544,617,825	2,242,241,963	1,276,416,089
End of period	<u>\$ 10,158,583,105</u>	<u>\$ 11,979,767,582</u>	<u>\$ 1,934,958,397</u>	<u>\$ 2,242,241,963</u>

Amounts designated as “—” are \$0.00 or have been rounded to \$0.00.

\* Class B Shares were liquidated on June 15, 2017 and are no longer offered.

\*\* Class E Shares are still offered, but no shares are outstanding.

# HSBC FAMILY OF FUNDS

## Statements of Changes in Net Assets (continued)

	HSBC U.S. Government Money Market Fund		HSBC U.S. Treasury Money Market Fund	
	Year Ended October 31, 2018	Year Ended October 31, 2017	Year Ended October 31, 2018	Year Ended October 31, 2017
<b>CAPITAL TRANSACTIONS*:</b>				
<b>Class A Shares</b>				
Proceeds from shares issued	\$ 1,420,071	\$ 1,250,433	\$ —	\$ —
Dividends reinvested	24,437	4,023	—	—
Value of shares redeemed	(714,565)	(976,253)	—	—
<b>Class A Shares capital transactions</b>	<u>729,943</u>	<u>278,203</u>	<u>—</u>	<u>—</u>
<b>Class B Shares**</b>				
Proceeds from shares issued	—	833	—	—
Dividends reinvested	—	4	—	—
Value of shares redeemed	—	(49,611)	—	—
<b>Class B Shares capital transactions</b>	<u>—</u>	<u>(48,774)</u>	<u>—</u>	<u>—</u>
<b>Class D Shares</b>				
Proceeds from shares issued	3,738,220,266	3,439,557,773	1,080,459,039	1,725,188,294
Dividends reinvested	13,844,262	3,741,527	1,712,324	452,304
Value of shares redeemed	(3,749,041,777)	(3,747,291,178)	(1,031,094,573)	(1,682,583,070)
<b>Class D Shares capital transactions</b>	<u>3,022,751</u>	<u>(303,991,878)</u>	<u>51,076,790</u>	<u>43,057,528</u>
<b>Class E Shares***</b>				
Dividends reinvested	—	5	—	3
Value of shares redeemed	—	(2,007)	—	(1,004)
<b>Class E Shares capital transactions</b>	<u>—</u>	<u>(2,002)</u>	<u>—</u>	<u>(1,001)</u>
<b>Class I Shares</b>				
Proceeds from shares issued	108,881,275,893	129,309,701,797	7,277,473,790	8,144,761,629
Dividends reinvested	45,087,744	17,104,301	4,029,375	1,676,610
Value of shares redeemed	(110,379,050,672)	(126,160,507,607)	(7,435,633,995)	(7,630,922,394)
<b>Class I Shares capital transactions</b>	<u>(1,452,687,035)</u>	<u>3,166,298,491</u>	<u>(154,130,830)</u>	<u>515,515,845</u>
<b>Intermediary Class Shares</b>				
Proceeds from shares issued	1,294,482,655	406,593,674	312,385,011	11
Dividends reinvested	274,502	61,962	15	4
Value of shares redeemed	(1,150,368,774)	(397,082,021)	(142,557,401)	(11)
<b>Intermediary Class Shares capital transactions</b>	<u>144,388,383</u>	<u>9,573,615</u>	<u>169,827,625</u>	<u>4</u>
<b>Intermediary Service Class Shares</b>				
Proceeds from shares issued	1,719,925,638	1,407,115,250	65,384,844	29,200,010
Dividends reinvested	522,793	139,084	326,427	108,710
Value of shares redeemed	(1,592,568,189)	(1,355,215,341)	(36,505,552)	(25,401,015)
<b>Intermediary Service Class Shares capital transactions</b>	<u>127,880,242</u>	<u>52,038,993</u>	<u>29,205,719</u>	<u>3,907,705</u>
<b>Class Y Shares</b>				
Proceeds from shares issued	9,462,774,658	13,932,449,680	1,764,679,669	2,041,622,527
Dividends reinvested	23,299,512	12,442,356	12,937,171	4,982,199
Value of shares redeemed	(10,130,482,095)	(15,433,812,822)	(2,180,850,375)	(1,643,243,677)
<b>Class Y Shares capital transactions</b>	<u>(644,407,925)</u>	<u>(1,488,920,786)</u>	<u>(403,233,535)</u>	<u>403,361,049</u>
<b>Change in net assets resulting from capital transactions</b>	<u>\$ (1,821,073,641)</u>	<u>\$ 1,435,225,862</u>	<u>\$ (307,254,231)</u>	<u>\$ 965,841,130</u>

Amounts designated as “—” are \$0.00 or have been rounded to \$0.00.

\* Share transactions are at net asset value of \$1.00 per share.

\*\* Class B Shares were liquidated on June 15, 2017 and are no longer offered.

\*\*\* Class E Shares are still offered, but no shares are outstanding.

# HSBC U.S. GOVERNMENT MONEY MARKET FUND

## 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	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(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets(b)	Ratio of Net Investment Income to Average Net Assets(b)	Ratio of Net Expenses to Average Net Assets (Excluding Fee Reductions)(b)
<b>CLASS A SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.01	\$—	\$0.01	\$(0.01)	\$—	\$(0.01)	\$1.00	1.05%	\$ 2,728	0.63%	1.08%	0.65%
Year Ended October 31, 2017	1.00	—	—	—	—	—	—	1.00	0.22%	1,998	0.59%	0.23%	0.63%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.02%	1,720	0.34%	0.02%	0.69%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	0.03%	929	0.08%	0.03%	0.69%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.02%	154	0.07%	0.02%	0.69%
<b>CLASS D SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.01	—	\$0.01	\$(0.01)	—	\$(0.01)	\$1.00	1.20%	\$1,648,226	0.48%	1.19%	0.51%
Year Ended October 31, 2017	1.00	—	—	—	—	—	—	1.00	0.34%	1,645,222	0.47%	0.32%	0.54%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.02%	1,949,225	0.34%	0.02%	0.54%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	0.03%	888,084	0.07%	0.03%	0.53%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.02%	727,290	0.06%	0.02%	0.54%
<b>CLASS E SHARES</b>													
October 31, 2016 through August 10, 2017(c)	\$1.00	—	—	—	—	—	—	\$1.00	0.26%	\$ —	0.23%	0.33%	0.29%
July 12, 2016(d) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.11%	2	0.06%	0.32%	0.31%
<b>CLASS I SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.02	—	\$0.02	\$(0.02)	—	\$(0.02)	\$1.00	1.57%	\$6,400,700	0.12%	1.52%	0.16%
Year Ended October 31, 2017	1.00	0.01	—	0.01	(0.01)	—	(0.01)	1.00	0.69%	7,853,457	0.12%	0.71%	0.18%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.21%	4,687,197	0.14%	0.23%	0.19%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	0.03%	1,589,264	0.07%	0.03%	0.18%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.02%	1,411,088	0.06%	0.02%	0.19%
<b>INTERMEDIARY CLASS SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.02	—	\$0.02	\$(0.02)	—	\$(0.02)	\$1.00	1.52%	\$ 164,082	0.16%	1.57%	0.31%
Year Ended October 31, 2017	1.00	0.01	—	0.01	(0.01)	—	(0.01)	1.00	0.63%	19,694	0.18%	0.65%	0.33%
July 12, 2016(d) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.11%	10,121	0.18%	0.26%	0.37%

# HSBC U.S. GOVERNMENT MONEY MARKET FUND

## Financial Highlights (continued)

	Investment Activities				Distributions			Ratios/Supplementary Data					
	Net Asset Value, Beginning of Period	Net Investment Income	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(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets(b)	Ratio of Net Investment Income to Average Net Assets(b)	Ratio of Net Expenses to Average Net Assets (Excluding Fee Reductions)(b)
<b>INTERMEDIARY SERVICE</b>													
<b>CLASS SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.01	\$—	\$0.01	\$ (0.01)	\$—	\$ (0.01)	\$1.00	1.50%	\$ 184,921	0.18%	1.70%	0.36%
Year Ended October 31, 2017	1.00	0.01	—	0.01	(0.01)	—	(0.01)	1.00	0.61%	57,042	0.20%	0.63%	0.39%
July 12, 2016(d) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.10%	5,003	0.18%	0.22%	0.42%
<b>CLASS Y SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.01	—	\$0.01	\$ (0.01)	—	\$ (0.01)	\$1.00	1.45%	\$ 1,757,925	0.23%	1.43%	0.26%
Year Ended October 31, 2017	1.00	0.01	—	0.01	(0.01)	—	(0.01)	1.00	0.58%	2,402,354	0.23%	0.53%	0.29%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.12%	3,891,299	0.23%	0.11%	0.28%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	0.03%	3,779,595	0.07%	0.03%	0.28%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.02%	3,458,399	0.06%	0.02%	0.29%

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

(b) Annualized for periods less than one year.

(c) Closed operations on August 10, 2017.

(d) Commencement of operations on July 12, 2016.

Amounts designated as "—" are \$0.00 or have been rounded to \$0.00.

# HSBC U.S. TREASURY MONEY MARKET FUND

## 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	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(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets(b)	Ratio of Net Investment Income to Average Net Assets(b)	Ratio of Net Expenses to Average Net Assets (Excluding Fee Reductions)(b)
<b>CLASS A SHARES</b>													
Year Ended October 31, 2014(c)	\$1.00	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$1.00	—%	\$ —	—%	—%	—%
<b>CLASS D SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.01	—	\$0.01	\$(0.01)	—	\$(0.01)	\$1.00	1.17%	\$ 308,136	0.50%	1.12%	0.53%
Year Ended October 31, 2017	1.00	—	—	—	—	—	—	1.00	0.29%	257,062	0.49%	0.28%	0.55%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	—%	214,041	0.28%	—%	0.55%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	—%	280,032	0.06%	—%	0.54%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.01%	638,939	0.06%	—%	0.54%
<b>CLASS E SHARES</b>													
October 31, 2016 through August 10, 2017(d)	\$1.00	—	—	—	—	—	—	\$1.00	0.29%	\$ —	0.25%	0.37%	0.29%
July 12, 2016(e) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.11%	1	—%	0.37%	0.33%
<b>CLASS I SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.02	—	\$0.02	\$(0.02)	—	\$(0.02)	\$1.00	1.54%	\$ 707,804	0.14%	1.53%	0.18%
Year Ended October 31, 2017	1.00	0.01	—	0.01	(0.01)	—	(0.01)	1.00	0.64%	861,944	0.14%	0.65%	0.19%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.13%	346,399	0.16%	0.13%	0.20%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	—%	384,363	0.05%	—%	0.19%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.01%	263,714	0.06%	0.01%	0.19%
<b>INTERMEDIARY CLASS SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.01	—	\$0.01	\$(0.01)	—	\$(0.01)	\$1.00	1.49%	\$ 169,827	0.16%	1.54%	0.33%
Year Ended October 31, 2017	1.00	—	—	—	—	—	—	1.00	0.44%	1	0.18%	0.44%	0.34%
July 12, 2016(e) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.11%	1	—%	0.37%	0.38%
<b>INTERMEDIARY SERVICE CLASS SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.01	—	\$0.01	\$(0.01)	—	\$(0.01)	\$1.00	1.49%	\$ 51,220	0.18%	1.54%	0.38%
Year Ended October 31, 2017	1.00	0.01	—	0.01	(0.01)	—	(0.01)	1.00	0.58%	22,016	0.20%	0.58%	0.40%
July 12, 2016(e) through October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.10%	18,108	0.20%	0.14%	0.48%

# HSBC U.S. TREASURY MONEY MARKET FUND

## Financial Highlights (continued)

	Investment Activities				Distributions			Ratios/Supplementary Data					
	Net Asset Value, Beginning of Period	Net Investment Income	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(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets(b)	Ratio of Net Investment Income to Average Net Assets(b)	Ratio of Net Expenses to Average Net Assets (Excluding Fee Reductions)(b)
<b>CLASS Y SHARES</b>													
Year Ended October 31, 2018	\$1.00	\$0.01	\$—	\$0.01	\$(0.01)	\$—	\$(0.01)	\$1.00	1.43%	\$ 697,972	0.25%	1.37%	0.28%
Year Ended October 31, 2017	1.00	0.01	—	0.01	(0.01)	—	(0.01)	1.00	0.53%	1,101,219	0.25%	0.56%	0.29%
Year Ended October 31, 2016	1.00	—	—	—	—	—	—	1.00	0.04%	697,866	0.25%	0.04%	0.30%
Year Ended October 31, 2015	1.00	—	—	—	—	—	—	1.00	—%	763,473	0.06%	—%	0.29%
Year Ended October 31, 2014	1.00	—	—	—	—	—	—	1.00	0.01%	956,312	0.06%	0.01%	0.29%

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

(b) Annualized for periods less than one year.

(c) Class A Shares were operational during a portion of the year only. Amounts reflect performance for a period of time the class had operations, which was 201 days during the period.

The net asset value reflected represents the last day the class had operations.

(d) Closed operations on August 10, 2017.

(e) Commencement of operations on July 12, 2016.

Amounts designated as “—” are \$0.00 or have been rounded to \$0.00.

**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 October 31, 2018, the Trust is composed of 10 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:

<u>Fund</u>	<u>Short Name</u>
HSBC U.S. Government Money Market Fund	U.S. Government Money Market Fund
HSBC U.S. Treasury Money Market Fund	U.S. Treasury Money Market Fund

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

Both of the Funds are government money market funds (as defined in Rule 2a-7) and seek to maintain a stable net asset value (“NAV”) of \$1.00 per share, although it is possible to lose money by investing in 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. Each of the Funds has eight classes of shares: Class A Shares, Class C Shares, Class D Shares, Class E Shares, Class I Shares, Intermediary Class Shares, Intermediary Service Class Shares and Class Y Shares. Class C Shares of the Funds 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. Class C Shares are not offered for sale, but are offered as an exchange option for Class C shareholders of the Trust’s other funds. No sales charges are assessed with respect to Class A, Class D, Class E, Class I, Intermediary Class, Intermediary Service Class or Class Y Shares of the Funds. Each class of shares in each Fund 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 privileges.

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 may enter 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:**

Investments of the Funds, other than investments in other money market funds, are valued using the amortized cost method pursuant to Rule 2a-7 under the Act, provided that certain conditions are met. Generally, amortized cost approximates fair value. Investments in other money market funds are priced at NAV as reported by such investment companies. 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 determined on the basis of coupon interest accrued using the effective interest method which adjusts for amortization of premiums and accretion of discounts. Dividend income is recorded on the ex-dividend date.

**Restricted Securities:**

The Funds 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 of Trustees (the "Board"). Therefore, not all restricted securities are considered illiquid. To the extent that a Fund 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 Funds. At October 31, 2018, there were no restricted securities held by the Funds.

**Repurchase Agreements:**

The U.S. Government Money Market Fund may enter into repurchase agreements with an entity which is a member of the Federal Reserve System or which is a "primary dealer" (as designated by the Federal Reserve Bank of New York) in U.S. government obligations. The U.S. Government Money Market Fund may also enter into a repurchase agreement with the Federal Reserve Bank of New York. The U.S. Treasury Money Market Fund may temporarily invest in repurchase agreements collateralized by U.S. Treasury Obligations under adverse market conditions. The repurchase price generally equals the price paid by a Fund plus interest negotiated on the basis of current short-term rates, which may be more or less than the rate on the underlying portfolio securities. The seller, under a repurchase agreement, is required to maintain the collateral held pursuant to the agreement, with a fair value equal to or greater than the repurchase price (including accrued interest). Securities subject to repurchase agreements are held by the Funds' custodian or another qualified custodian or in the Federal Reserve/Treasury book-entry system. Master Repurchase Agreements ("MRA") permit the Fund, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset receivables under the MRA with collateral posted by the counterparty and create one net payment due to or from the Fund. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty's bankruptcy or insolvency. Pursuant to terms of the MRA, the Fund receives securities as collateral with a market value in excess of the repurchase price to be received by the Fund upon the maturity of the transaction. Upon bankruptcy or insolvency of the MRA counterparty, the Fund would recognize a liability with respect to such excess collateral to reflect the Fund's obligation under bankruptcy law to return the excess to the counterparty. There is potential for loss to a Fund in the event the Fund is delayed or prevented from exercising its rights to dispose of the collateral securities, including the risk of a possible decline in the fair value of the underlying securities during the period while the Fund seeks to assert its rights.

**Cash:**

Cash is held in deposit accounts at the Funds' custodian bank, The Northern Trust Company ("Custodian"), and is a significant portion of the net assets, which may exceed the amount insured by the Federal Deposit Insurance Corporation ("FDIC"). To the extent that such balances exceed FDIC insurance limits, the Funds are subject to the creditworthiness of the Custodian.

**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 equally to each fund, in relation to their net assets, 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 distributed to shareholders of the Funds from net investment income, if any, are declared daily and distributed monthly from each Fund. Distributions from net realized gains, if any, are declared and paid at least annually by the Funds. 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 inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Investments of the Funds, other than investments in other money market funds, are valued using the amortized cost method pursuant to Rule 2a-7 under the Act, and are typically categorized as Level 2 in the fair value hierarchy. The amortized cost method involves valuing an instrument at its cost initially and thereafter assuming a constant amortization to maturity of any discounts or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. The amortized cost method may result in periods during which value, as determined by amortized cost, is higher or lower than the price a Fund holding the instrument would receive if it sold the instrument. The fair value of securities in the Funds can be expected to vary with changes in prevailing interest rates.

Investments in other money market funds are priced at NAV as reported by such money market funds and are typically categorized as Level 1 in the fair value hierarchy.

The following is a summary of the valuation inputs used as of October 31, 2018 in valuing the Funds' investments based upon the three levels defined above. The breakdown of investment categorization is disclosed in the Schedule of Portfolio Investments for each Fund.

### U.S. Government Money Market Fund

Investment Securities:	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	Total (\$)
U.S. Government and Government Agency Obligations . . . . .	—	5,626,513,395	—	5,626,513,395
U.S. Treasury Obligations . . . . .	—	457,899,982	—	457,899,982
Investment Companies . . . . .	325,688,339	—	—	325,688,339
Repurchase Agreements. . . . .	—	3,850,000,000	—	3,850,000,000
Total Investment Securities . . . . .	<u>325,688,339</u>	<u>9,934,413,377</u>	<u>—</u>	<u>10,260,101,716</u>

### U.S. Treasury Money Market Fund

Investment Securities:	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	Total (\$)
U.S. Treasury Obligations . . . . .	—	1,985,622,411	—	1,985,622,411
Total Investment Securities . . . . .	<u>—</u>	<u>1,985,622,411</u>	<u>—</u>	<u>1,985,622,411</u>

## 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 Funds. As Investment Adviser, HSBC manages the investments of the Funds and continuously reviews, supervises and administers the Funds' investments pursuant to an Investment Advisory Contract. For its services in this capacity, HSBC receives a fee from each Fund, accrued daily and paid monthly, based on the average daily net assets of each respective Fund, at an annual rate of 0.10%.

HSBC also provides operational support services to the Funds pursuant to an Operational Support Services Agreement in connection with the operation of certain classes of shares of the Funds. For its services in this capacity, HSBC is entitled to receive a fee, accrued daily and paid monthly, based on the average daily net assets of Class A Shares, Class C Shares, Class D Shares, Intermediary Class Shares, Intermediary Service Class Shares and Class Y Shares, at an annual rate of 0.10%.

HSBC has entered into agreements with certain financial intermediaries (the "Servicers") to provide recordkeeping, reporting and processing services to the Funds. The Servicers are paid by the Investment Adviser, and not by the Funds, for these services. Since these fees are paid for by the Investment Adviser, they do not represent an additional charge to the Funds or their shareholders and are not reflected in the Funds' expenses.

**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:

<u>Based on Average Daily Net Assets of</u>	<u>Fee Rate(%)</u>
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 year ended October 31, 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, subject to certain allocations in cases where one fund invests some or all of its assets in another fund.

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 below:

<u>Based on Average Daily Net Assets of</u>	<u>Fee Rate(%)</u>
Up to \$10 billion . . . . .	0.0200
In excess of \$10 billion but not exceeding \$20 billion . . . . .	0.0150
In excess of \$20 billion but not exceeding \$50 billion . . . . .	0.0065
In excess of \$50 billion . . . . .	0.0045

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”). 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 \$313,915 for the year ended October 31, 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 reimbursements of certain expenses. Citi receives additional fees paid by the Trust for regulatory administration services and money market fund reporting 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 0.25% of the average daily net assets of Class A Shares (currently not being charged), Class C Shares (currently charging 0.75%) and Class D Shares (currently not being charged) of the Funds, respectively. For the year ended October 31, 2018, Foreside, as Distributor, also received \$1,976 in commissions from sales of the Trust.

Expenses reduced during the year ended October 31, 2018 are reflected on the Statements of Operations as “Fees voluntarily reduced by Distributor.”

### Shareholder Servicing:

The Trust has adopted a Shareholder Services Plan, which provides for payments to shareholder servicing agents (which includes HSBC and its affiliates) for providing various shareholder services. As disclosed in the Statements of Operations, for the current fiscal period certain amounts of the Shareholder Servicing Fees have been waived by those shareholder servicing agents, including HSBC and its affiliates. Expenses reduced during the year ended October 31, 2018 are reflected on the Statements of Operations as “Fees voluntarily reduced by Shareholder Servicing Agent.” For performing these services, the shareholder servicing agents are entitled to receive a fee that is computed daily and paid monthly up to the following:

<u>Share Class</u>	<u>Fee Rate(%)</u>
Class A Shares . . . . .	0.60%*
Class C Shares . . . . .	0.25%
Class D Shares . . . . .	0.25%
Class E Shares . . . . .	0.10%
Intermediary Class Shares . . . . .	0.05%
Intermediary Service Class Shares. . . . .	0.10%

\* Currently charging 0.40%

The aggregate 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, the following:

<u>Share Class</u>	<u>Fee Rate(%)</u>
Class A Shares . . . . .	0.60%
Class C Shares . . . . .	1.00%
Class D Shares . . . . .	0.25%
Class E Shares . . . . .	0.10%
Intermediary Class Shares . . . . .	0.05%
Intermediary Service Class Shares. . . . .	0.10%

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 April 16, 2018, DST Asset Manager Solutions, Inc. (“DST”) (formerly, Boston Financial Data Services, Inc.) announced that SS&C Technologies completed its acquisition of DST Systems, Inc., the parent of DST. 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 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.

**Fee Reductions:**

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

<b>Fund</b>	<b>Class</b>	<b>Contractual Expense Limitations(%)</b>
U.S. Government Money Market Fund . . . . .	E	0.25
U.S. Government Money Market Fund . . . . .	I	0.20
U.S. Government Money Market Fund . . . . .	Intermediary Shares	0.18*
U.S. Government Money Market Fund . . . . .	Intermediary Service Shares	0.20*
U.S. Treasury Money Market Fund. . . . .	E	0.25
U.S. Treasury Money Market Fund. . . . .	I	0.20
U.S. Treasury Money Market Fund. . . . .	Intermediary Shares	0.18*
U.S. Treasury Money Market Fund. . . . .	Intermediary Service Shares	0.20*

\* Effective December 14, 2017. Prior to December 14, 2017 there was no contractual waiver in place for this class.

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. As of October 31, 2018, the repayments that may potentially be made by the Funds are as follows:

<b>Fund</b>	<b>Amount Eligible Through 2021(\$)</b>
U.S. Government Money Market Fund . . . . .	195,009
U.S. Treasury Money Market Fund. . . . .	147,166

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 eliminated or changed 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.

During the year ended October 31, 2018, the following amounts of expenses were voluntarily and contractually waived:

<b>Fund</b>	<b>Class A (\$)</b>	<b>Class C (\$)</b>	<b>Class D (\$)</b>	<b>Class E (\$)</b>	<b>Class I (\$)</b>	<b>Class Y (\$)</b>	<b>Intermediary Class (\$)</b>	<b>Intermediary Service Class (\$)</b>	<b>Total (\$)</b>
U.S. Government Money Market Fund. . . . .	492	—	507,537	—	2,790,808	541,528	265,587	165,264	4,271,216
U.S. Treasury Money Market Fund. . . . .	—	—	66,646	—	242,631	297,737	198,635	85,239	890,888

# HSBC FAMILY OF FUNDS

## Notes to Financial Statements— as of October 31, 2018 (continued)

The Funds have entered into an arrangement with their Custodian, whereby credits realized as a result of uninvested cash balances are used to reduce the Custodian's expenses. Expenses reduced during the year ended October 31, 2018 are reflected on the Statements of Operations as "Custody earnings credits," as applicable.

### Overdraft Facility:

The Funds have entered into an arrangement with the Custodian whereby an uncommitted, secured overdraft facility is made available to meet unanticipated end-of-day liquidity needs of the Funds which cannot be fulfilled by trading activities. The interest rate on overdraft amounts is calculated at an annual rate of 0.50% plus the Federal Funds Rate. The overdraft facility is limited to \$750,000,000 and \$50,000,000 for the U.S. Government Money Market Fund and the U.S. Treasury Money Market Fund, respectively. As of October 31, 2018, the Funds did not have any overdrafts outstanding. Fees incurred during the year ended October 31, 2018 by the Funds on overdrafts are reflected on the Statements of Operations within the "Custodian" expenses, and were as follows:

U.S. Government Money Market Fund . . . . .	\$189,377
U.S. Treasury Money Market Fund . . . . .	\$ 2,066

### 5. Federal Income Tax Information:

At October 31, 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:

	<u>Tax Cost (\$)</u>	<u>Tax Unrealized Appreciation (\$)</u>	<u>Tax Unrealized Depreciation (\$)</u>	<u>Net Unrealized Appreciation/ Depreciation (\$)</u>
U.S. Government Money Market Fund . . . . .	10,260,101,716	—	—	—
U.S. Treasury Money Market Fund . . . . .	1,985,622,411	—	—	—

The tax character of distributions paid by the Funds for the tax year ended October 31, 2018, was as follows:

	<u>Distributions paid from</u>			
	<u>Ordinary Income (\$)</u>	<u>Net Long Term Capital Gains (\$)</u>	<u>Total Taxable Distributions (\$)</u>	<u>Total Distributions Paid (\$)<sup>(1)</sup></u>
U.S. Government Money Market Fund . . . . .	150,216,854	12,281	150,229,135	150,229,135
U.S. Treasury Money Market Fund . . . . .	26,994,417	—	26,994,417	26,994,417

(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.

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

	<u>Distributions paid from</u>		
	<u>Ordinary Income (\$)</u>	<u>Total Taxable Distributions (\$)</u>	<u>Total Distributions Paid (\$)<sup>(1)</sup></u>
U.S. Government Money Market Fund . . . . .	62,438,599	62,438,599	62,438,599
U.S. Treasury Money Market Fund . . . . .	9,690,876	9,690,876	9,690,876

(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, 2018, the components of accumulated earnings/(deficit) on a tax basis for the Funds were as follows:

	<b>Undistributed Ordinary Income (\$)</b>	<b>Accumulated Earnings (\$)</b>	<b>Distributions Payable (\$)</b>	<b>Accumulated Capital and Other Losses (\$)</b>	<b>Unrealized Appreciation/ (Depreciation) (\$)</b>	<b>Total Accumulated Earnings/ (Deficit) (\$)</b>
U.S. Government Money Market Fund . . . . .	5,977,656	5,977,656	(5,956,754)	(101,139)	—	(80,237)
U.S. Treasury Money Market Fund . . . . .	818,990	818,990	(815,432)	(34,897)	—	(31,339)

As of the tax year ended October 31, 2018, the Funds have net capital loss carryforwards (“CLCFs”) not subject to expiration as summarized in the table below. The Board does not intend to authorize a distribution of any realized gain for the Funds until any applicable CLCF has been offset or expires.

	<b>Short Term Amount (\$)</b>
U.S. Government Money Market Fund . . . . .	101,139
U.S. Treasury Money Market Fund . . . . .	34,897

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, 2018, 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. 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.

**6. 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.

<b>Fund</b>	<b>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</b>	<b>% owned in aggregate by 10% - 25% shareholders</b>	<b>Number of shareholders with ownership of voting securities of the Portfolio greater than 25% of the total Portfolio’s outstanding voting securities</b>	<b>% owned in aggregate by greater than 25% shareholders</b>
U.S. Government Money Market Fund . . . . .	2	37% <sup>(a)</sup>	—	—
U.S. Treasury Money Market Fund . . . . .	—	—	1	70% <sup>(b)</sup>

(a) 23% owned by the Investment Adviser or an affiliate  
 (b) 70% owned by the Investment Adviser or an affiliate

### 7. Recent Accounting Pronouncements:

In August 2018, the FASB issued ASU No. 2018-13, “Fair Value Measurements” (“ASU 2018-13”). This update makes certain removals from, changes to and additions to existing disclosure requirements for fair value measurements. ASU 2018-13 does not change fair value measurements already required or permitted by existing standards. ASU 2018-13 is effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. As permitted, the Funds have early adopted ASU 2018-13 with the financial statements prepared as of October 31, 2018.

In August 2018, the SEC adopted amendments to certain financial statement disclosure requirements to conform them to GAAP for investment companies. These amendments made certain removals from, changes to and additions to existing disclosure requirements under Regulation S-X. The Funds’ adoption of these amendments, effective with the financial statements prepared as of October 31, 2018 had no effect on the Funds’ net assets or results of operations. As a result of adopting these amendments, the distributions to shareholders in the October 31, 2017 Statements of Changes in Net Assets presented herein have been reclassified to conform to the current year presentation, which includes all distributions to each class of shareholders, other than tax basis return of capital distributions, in one line item per share class. Prior to adoption of this amendment, the distributions to shareholders in the October 31, 2017 Statements of Changes in Net Assets appeared as follows:

	<b>U.S. Government Money Market Fund For the year ended October 31, 2017 (\$)</b>	<b>U.S. Treasury Money Market Fund For the year ended October 31, 2017 (\$)</b>
Distributions:		
Net investment income:		
Class A Shares.....	(4,031)	—
Class B Shares.....	(4)	—
Class D Shares.....	(5,633,122)	(771,011)
Class E Shares.....	(5)	(3)
Class I Shares.....	(46,468,106)	(4,077,583)
Intermediary Class Shares.....	(334,084)	(5)
Intermediary Service Class Shares.....	(149,565)	(108,766)
Class Y Shares.....	(13,117,235)	(5,060,292)
Net realized gains:		
Class A Shares.....	(16)	—
Class D Shares.....	(19,535)	(2,175)
Class I Shares.....	(54,230)	(5,252)
Intermediary Class Shares.....	(127)	—
Intermediary Service Class Shares.....	(319)	(139)
Class Y Shares.....	(36,343)	(5,686)
Total.....	<u>(65,816,722)</u>	<u>(10,030,912)</u>

### 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 October 31, 2018.

## **Report of Independent Registered Public Accounting Firm**

To the Board of Trustees of HSBC Funds and Shareholders of HSBC U.S. Government Money Market Fund and HSBC U.S. Treasury Money Market Fund

### ***Opinions on the Financial Statements***

We have audited the accompanying statements of assets and liabilities, including the schedules of portfolio investments, of HSBC U.S. Government Money Market Fund and HSBC U.S. Treasury Money Market Fund (two of the funds constituting HSBC Funds, hereafter collectively referred to as the "Funds") as of October 31, 2018, the related statements of operations for the year ended October 31, 2018, the statements of changes in net assets for each of the two years in the period ended October 31, 2018, including the related notes, and the financial highlights for each of the periods presented ended on or after October 31, 2015 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of October 31, 2018, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended October 31, 2018 and each of the financial highlights for each of the periods presented ended on or after October 31, 2015 in conformity with accounting principles generally accepted in the United States of America.

The financial statements and financial highlights as of and for the year ended October 31, 2014 (not presented herein, other than the financial highlights) were audited by other auditors whose report dated December 23, 2014 expressed an unqualified opinion on those financial statements and financial highlights.

### ***Basis for Opinions***

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

### **Report of Independent Registered Public Accounting Firm (continued)**

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of October 31, 2018 by correspondence with the custodian, transfer agents and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP  
New York, New York  
December 20, 2018

We have served as the auditor of one or more investment companies in the HSBC Funds since 2015.

**Other Federal Income Tax Information— as of October 31, 2018 (Unaudited)**

During the year ended October 31, 2018, the following Fund declared capital gain distributions:

	<b>Long Term Capital Gain Distributions (\$)</b>
U.S. Government Money Market Fund . . . . .	12,281

During the year ended October 31, 2018, the following Funds designated the maximum amount allowable as interest-related dividends for certain non-U.S. resident investors:

	<b>Qualified Interest Income %</b>
U.S. Government Money Market Fund . . . . .	100.00%
U.S. Treasury Money Market Fund. . . . .	100.00%

# HSBC FAMILY OF FUNDS

## Table of Shareholder Expenses—as of October 31, 2018 (Unaudited)

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

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from May 1, 2018 through October 31, 2018.

### Actual Expenses

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.

		<b>Beginning Account Value 5/1/2018</b>	<b>Ending Account Value 10/31/2018</b>	<b>Expenses Paid During Period* 5/1/18 - 10/31/18</b>	<b>Annualized Expense Ratio During Period 5/1/18 - 10/31/18</b>
U.S. Government Money					
Market Fund . . . . .	Class A Shares	\$1,000.00	\$1,006.60	\$3.19	0.63%
	Class D Shares	1,000.00	1,007.40	2.43	0.48%
	Class I Shares	1,000.00	1,009.20	0.61	0.12%
	Intermediary Class Shares	1,000.00	1,009.00	0.81	0.16%
	Intermediary Service Class Shares	1,000.00	1,008.90	0.91	0.18%
	Class Y Shares	1,000.00	1,008.60	1.16	0.23%
U.S. Treasury Money					
Market Fund . . . . .	Class D Shares	1,000.00	1,007.30	2.53	0.50%
	Class I Shares	1,000.00	1,009.10	0.71	0.14%
	Intermediary Class Shares	1,000.00	1,009.00	0.81	0.16%
	Intermediary Service Class Shares	1,000.00	1,008.90	0.91	0.18%
	Class Y Shares	1,000.00	1,008.50	1.27	0.25%

\* Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratio, multiplied by 184/365 (to reflect the one half year period).

**Table of Shareholder Expenses— as of October 31, 2018 (Unaudited) (continued)**

**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.

		<b>Beginning Account Value 5/1/2018</b>	<b>Ending Account Value 10/31/2018</b>	<b>Expenses Paid During Period* 5/1/18 - 10/31/18</b>	<b>Annualized Expense Ratio During Period 5/1/18 - 10/31/18</b>
U.S. Government Money					
Market Fund . . . . .	Class A Shares	\$1,000.00	\$1,022.03	\$3.21	0.63%
	Class D Shares	1,000.00	1,022.79	2.45	0.48%
	Class I Shares	1,000.00	1,024.60	0.61	0.12%
	Intermediary Class Shares	1,000.00	1,024.40	0.82	0.16%
	Intermediary Service Class Shares	1,000.00	1,024.30	0.92	0.18%
	Class Y Shares	1,000.00	1,024.05	1.17	0.23%
U.S. Treasury Money					
Market Fund . . . . .	Class D Shares	1,000.00	1,022.68	2.55	0.50%
	Class I Shares	1,000.00	1,024.50	0.71	0.14%
	Intermediary Class Shares	1,000.00	1,024.40	0.82	0.16%
	Intermediary Service Class Shares	1,000.00	1,024.30	0.92	0.18%
	Class Y Shares	1,000.00	1,023.95	1.28	0.25%

\* Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratio, multiplied by 184/365 (to reflect the one half year period).

# HSBC FAMILY OF FUNDS

## Results of Special Meeting of Shareholders of HSBC U.S. Government Money Market Fund (Unaudited)

### Special Meeting of Shareholders

A Special Meeting of Shareholders of the HSBC U.S. Government Money Market Fund (the "Fund") was held on March 9, 2018. The purpose of the Special Meeting was for shareholders to consider a proposal to eliminate one of the Fund's fundamental investment policies that restricts the Fund's ability to invest in other investment companies. The results were as follows:

<u>Outstanding Shares</u>	<u>Total Voted</u>	<u>Total For</u>	<u>Total Against</u>	<u>Total Abstain</u>	<u>Result</u>
11,950,033,418	6,292,983,122	5,732,808,737	396,780,918	163,393,466	Approved 3/9/18

### MANAGEMENT OF THE TRUST

The following table contains information regarding the HSBC Family of Funds' Board of Trustees ("Trustees"). The HSBC Family of Funds' Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request by calling (888) 525-5757.

Name, Address, Age	Position(s) Held with Funds	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Portfolios in Fund Complex Overseen By Trustee*	Other Directorships Held by Trustee During Past 5 Years
<b>NON-INTERESTED TRUSTEES</b>					
MARCIA L. BECK P.O. Box 182845 Columbus, OH 43218-3035 Age: 63	Trustee	Indefinite; 2008 to present	Private Investor (1999 – present)	10	None
SUSAN C. GAUSE P.O. Box 182845 Columbus, OH 43218-3035 Age: 66	Trustee	Indefinite; 2013 to present	Private Investor (2003 – present)	10	Metropolitan Series Fund (2012 – present); and Met Investors Series Trust (2008 – present)
SUSAN S. HUANG P.O. Box 182845 Columbus, OH 43218-3035 Age: 64	Trustee	Indefinite; 2008 to present	Private Investor (2000 – present)	10	None
THOMAS F. ROBARDS P.O. Box 182845 Columbus, OH 43218-3035 Age: 72	Trustee and Chairman	Indefinite; 2005 to present	Private Investor (2003 – present)	10	Ellington Residential Mortgage REIT (NYSE listed real estate investment trust) (2013 – present); Ellington Financial LLC (NYSE listed financial services company) (2007 – present); and Overseas Shipholding Group (OSG) (NYSE listed company) (2005 – 2014)
<b>INTERESTED TRUSTEE</b>					
DEBORAH HAZELL 452 Fifth Avenue New York NY 10018 Age: 55	Trustee	Indefinite; 2011 to present	Director and Chief Executive Officer, HSBC Global Asset Management (USA) Inc. (2011 - present)	10	None

\* Includes all series of the HSBC Funds.

# HSBC FAMILY OF FUNDS

## Board of Trustees and Officers (Unaudited) (continued)

Name, Address, Age	Position(s) Held Funds	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
<b>OFFICERS</b>			
RICHARD A. FABIETTI 452 Fifth Avenue New York, NY 10018 Age: 60	President	One year; 2004 to present	Senior Vice President, HSBC Global Asset Management (USA) Inc. (1998 - present)
JAMES D. LEVY 452 Fifth Avenue New York, NY 10018 Age: 55	Vice President	One year; 2014 to present	Vice President, Product Management, HSBC Global Asset Management (USA) Inc. (2014 – present); Vice President, Mutual Funds Product Development, GE Asset Management Inc. (2007 – 2014)
ALLAN SHAER* Prudential Center 800 Boylston Street, 24 <sup>th</sup> Floor Boston, MA 02199 Age: 53	Treasurer	One year; 2017 to present	Senior Vice President, Citi Investor Services (2016 - present); Vice President, Mutual Fund Administration, JP Morgan Chase (2011 - 2016)
IOANNIS TZOUGANATOS* Prudential Center 800 Boylston Street, 24 <sup>th</sup> Floor Boston, MA 02199 Age: 42	Secretary	One Year; 2015 to present	Vice President, Regulatory Administration, Citi Fund Services (2008 - present)
CHARLES BOOTH* 4400 Easton Commons, Suite 200 Columbus, OH 43219-3035 Age: 58	Chief Compliance Officer	One year; 2015 to present	Director and Compliance Officer, CCO Services, Citi Fund Services (1988 - present)

\* Mr. Shaer, Mr. Tzouganatos, and Mr. Booth also are officers of other investment companies of which Citi (or an affiliate) is the administrator or sub-administrator.

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](http://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](http://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.

**HSBC FAMILY OF FUNDS:****INVESTMENT ADVISER AND ADMINISTRATOR**

HSBC Global Asset Management (USA) Inc.  
 452 Fifth Avenue  
 New York, NY 10018

**SHAREHOLDER SERVICING AGENTS**

For HSBC Bank USA, N.A. and  
 HSBC Securities (USA) Inc. Clients:  
 HSBC Bank USA, N.A.  
 452 Fifth Avenue  
 New York, NY 10018  
 1-888-525-5757

**For All Other Shareholders:**

HSBC Funds  
 P.O. Box 8106  
 Boston, MA 02266-8106  
 1-800-782-8183

**TRANSFER AGENT**

DST Asset Manager Solutions, Inc.  
 2000 Crown Colony Drive  
 Quincy, MA 02169

**DISTRIBUTOR**

Foreside Distribution Services, L.P.  
 Three Canal Plaza, Suite 100  
 Portland, ME 04101

**CUSTODIAN**

The Northern Trust Company  
 50 South LaSalle Street  
 Chicago, IL 60603

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

PricewaterhouseCoopers LLP  
 300 Madison Avenue  
 New York, NY 10017

**LEGAL COUNSEL**

Dechert LLP  
 1900 K Street, N.W.  
 Washington, D.C. 20006

**Investment products:**

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

Investment products are offered by HSBC Securities (USA) Inc. (HSI), member NYSE/FINRA/SIPC. HSI is an affiliate of HSBC Bank USA, N.A. Investment products: Are not a deposit or other obligation of the bank or any of its affiliates; Not FDIC insured or insured by any federal government agency of the United States; Not guaranteed by the bank or any of its affiliates; and are subject to investment risk, including possible loss of principal invested.

**Investors should consider the investment objectives, risks, charges, and expenses of the investment company carefully before investing. The prospectus contains this and other important information about the investment company. For clients of HSBC Securities (USA) Inc., please call 1-888-525-5757 for more information. For other investors and prospective investors, please call the Funds directly at 1-800-782-8183 or visit our website at [www.investorfunds.us.hsbc.com](http://www.investorfunds.us.hsbc.com). Investors should read the prospectus carefully before investing or sending money.**