

HSBC Funds

Annual Report

October 31, 2020

EQUITY FUNDS

Class A Class C Class I

HSBC Opportunity Fund

HSOAX

HOPCX

RESCX



HSBC
Global Asset
Management

HSBC Family of Funds

Annual Report - October 31, 2020

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Bloomberg Barclays Global Aggregate Index is an index that is the measure of the 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.

Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. This includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and collateralized mortgage-backed securities.

ICE BofA U.S. High Yield Constrained Index is an index that contains all of the securities in the ICE BofA U.S. High Yield Index, but caps issuer exposure at 2%. The ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar-denominated below investment-grade corporate debt publicly issued in the U.S. domestic market.

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

MSCI Europe Australasia and Far East ("MSCI EAFE") Index is an equity index which captures the large- and mid-cap representation across 21 developed markets countries, excluding the U.S. and Canada.

MSCI Emerging Markets Index is a float-adjusted market capitalization index that is designed to measure equity market performance in global emerging markets.

Russell 1000® Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.

Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 8% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

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

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 experienced dramatic highs and lows during the 12-month period beginning November 1, 2019. Early in the period, positive developments around the U.K.'s Brexit strategy and an improving tone around U.S.-China trade negotiations helped ease concerns around slowing global economic growth. That improving outlook continued into the new year despite ongoing regional headwinds such as disappointing manufacturing data in the eurozone and weaker-than-expected economic growth in China. In late January, however, concerns grew about a new coronavirus (COVID-19) outbreak in China.

By the end of February, nations in the grip of the pandemic closed their borders and established strict stay-at-home orders, all but bringing the global economy to a halt. Global stock markets fell sharply in late February and early March, with major indexes posting historic declines. By late March, many governments launched sustained stimulus efforts to shore up their respective economies. In April, China began to slowly reopen its economy, even as many other countries, including parts of the United States, entered lockdown.

Despite plunging GDP growth and worsening economic indicators, investors reacted positively to ongoing stimulus measures by central banks and signs that COVID-19 cases in many countries were leveling off. Global equity markets climbed higher in April and May with only minor drawdowns. Clear cyclical winners, namely China and industrialized Asia, outperformed other markets heading into the summer, including the eurozone, frontier markets, smaller oil-exporting countries, and non-Asian emerging markets.

Investors continued to shrug off bleak economic data and ongoing uncertainty to drive global stocks steadily higher throughout the summer and into the fall. As economies reopened, a strong rebound in economic activity helped drive optimism in a swoosh-shaped recovery, with a sharp initial drop followed by a gradual recovery.

U.S. economic growth followed a similar path, with modest growth to start the period followed by a rapid contraction and then a strong rebound. U.S. gross domestic product (GDP)¹ increased at an annualized rate of 2.1% in the fourth quarter of 2019 only to turn negative in early 2020. The first quarter 2020 saw a 5% contraction, with the second quarter posting a record-breaking decline of 31.4%. Advance estimates for third quarter GDP growth were 33.1%, underscoring the strength of the rebound over the summer. The U.S. unemployment rate followed a similar path, hovering between 3.5% and 3.6% for the first four months of the period, before rising to 4.4% in March and then spiking to 14.7% in April. The rate ticked downward over the remainder of the period, reaching 6.9% by October.

In response to recessionary worries and in the face of the economic slowdown triggered by the pandemic, the Federal Reserve in mid-March cut short-term interest rates to zero. Rates largely rallied through the late spring and summer months on optimism that the pandemic was under control and the economy would continue to recover.

Elsewhere in developed countries, economic concerns that dominated headlines prior to COVID-19 were quickly eclipsed by the pandemic's negative impact. The eurozone's virus containment measures heavily impacted economic growth, making it one of the early underperformers in the spring, particularly for the region's vulnerable manufacturing sector.

In similar fashion, concerns over the U.K.'s economic reality post-Brexit were set aside to deal with the immediate threat of COVID-19. However, the risks of a no-deal Brexit returned mid-summer and continued to generate strong headwinds throughout much of the rest of the period.

Emerging market economies were similarly impacted by the global pandemic, although some countries experienced more fallout than others. For instance, India's lockdown in March had an immediate toll on the country's GDP growth, but its underwhelming fiscal response and strained banking sector compounded the negative impacts. Meanwhile, China's economy rebounded strongly after the country's cautious reopening, which helped boost global sentiment. Oil exporters, including Russia and countries in the Middle East, suffered from declining oil prices.

Market review

Global equity markets suffered a dramatic selloff starting in mid-February. Stocks plunged to a low in mid-March before rebounding throughout the rest of the period despite a selloff in technology stocks in September. As confidence grew in a sustained economic recovery, investors continued to push stocks higher throughout the second half of the 12-month period.

U.S. stocks ended the 12-month period in positive territory for the most part, although that performance was uneven across different asset classes. Large-cap stocks weathered the downturn better than their small-cap peers. The Russell 1000[®] Index¹ of large-capitalization U.S. stocks returning 10.87%, while the Russell 2000[®] Index¹ of small-cap stocks fell -0.14%. Meanwhile, growth stocks strongly outperformed their value counterparts, with the Russell 1000[®] Growth Index¹ posting a 29.22% gain as the Russell 1000[®] Value Index¹ posted a -7.57% decline.

International equities generally trailed U.S. stocks. The MSCI EAFE Index¹ of developed-market international stocks declined -6.86% (NR), while emerging markets stocks fared better on the whole, with the MSCI Emerging Markets Index¹ returning 8.25% (NR).

U.S. credit markets ended 2019 on a positive note due to optimism about a U.S.-China trade deal, but the tone quickly shifted in early 2020. The yield curve briefly inverted in February as investors flocked to the relative safety of Treasuries, which helped drive prices up and pushed the 10-year Treasury yield below the yield on three-month Treasuries. An inverted yield curve is widely considered a leading indicator of an economic recession. Taxable and municipal bond yields rose and fell rapidly while Treasury yields fell sharply as investors lost their appetite for risk amid the selloff in equities. Bond returns varied widely based on quality.

Credit markets improved throughout the summer and into the fall, as economic activity rebounded. Optimism over a strong recovery supported a tightening in credit spreads. The Bloomberg Barclays U.S. Aggregate Bond Index¹, which tracks investment-grade bonds in the U.S. market, returned 6.19% for the period under review, while the ICE BofA U.S. High Yield Constrained Index¹, which tracks high-yield bonds in the U.S. market, returned 2.44%. The Bloomberg Barclay's Global Aggregate Bond Index¹, which tracks the broader global investment-grade fixed income market, generally underperformed the comparable U.S. market, with a 5.63% return for the 12-month period.

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

HSBC Opportunity Fund

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

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

The HSBC Opportunity Fund (the “Fund”) seeks long-term growth of capital by investing, under normal circumstances, primarily in equity securities of small- and mid-cap companies. Small- and mid-cap companies generally are defined as those that have market capitalizations within the range of market capitalizations represented in the Russell 2500™ Growth Index¹. The Fund may also invest in equity securities of larger, more established companies and may invest up to 20% of its assets in securities of foreign companies. The Fund employs a two-tier structure, commonly referred to as a “master-feeder” structure, in which the Fund invests all of its investable assets in the HSBC Opportunity Portfolio (the “Portfolio”). The Portfolio employs Westfield Capital Management Company, L.P. as its subadviser.

Investment Concerns

There is no assurance that a portfolio will achieve its investment objective or will work under all market conditions. The value of investments may go down as well as up and you may not get back the amount originally invested. Portfolios may be subject to certain additional risks, which should be considered carefully along with their investment objectives and fees. **Equity** investments fluctuate in value based on changes to an individual company's financial condition and overall market conditions. The Fund is also subject to **market risk**, which is the risk that the value of the Fund's portfolio investments may decline due to changing market conditions. Market conditions may be negatively impacted by events such as war, acts of terrorism, social unrest, natural disasters, the spread of infectious illness, or other public health threats. Investments in **foreign markets** entail special risks such as currency, political, economic, and market risks. Fluctuations in exchange rates between the U.S. dollar and foreign currencies, or between various foreign currencies, may negatively affect the Fund's performance. Investing in **smaller companies** is more risky and volatile than investing in large companies. **Growth investment** style may fall out of favor in the marketplace and result in significant declines in the value of the Portfolio's securities. Securities of companies considered growth investments may have rapid price swings in the event of earnings disappointments or during periods of market, political, regulatory, and economic uncertainty.

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

Market Commentary

For the year ended October 31, 2020, the Class I Shares of the HSBC Opportunity Fund produced a 22.58% total return, and the Class A Shares of the Fund produced a 22.05% total return (without sales charge). The Russell 2500™ Growth Index¹, the Fund's primary performance benchmark returned 21.71%.

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.

Portfolio Performance

The 12-month period ended October 31, 2020 began with stocks reaching all-time highs, driven by an economy operating at full employment, the absence of inflationary pressures, an accommodative Federal Reserve, and waning concerns over trade negotiations. However, stocks reversed course sharply in February 2020 when it became apparent that COVID-19 had arrived in the U.S. and that containment was no longer possible. Equity markets bottomed in late March as the virus hampered economic growth worldwide. Markets rebounded during the spring and summer months, eventually surpassing the previous February highs. Stock prices were buoyed by ongoing fiscal and monetary stimulus measures, a healing economy, and rising expectations for a vaccine breakthrough. Amid the stabilizing market conditions and rising prospects for the resumption of economic growth, small-cap stocks saw fresh enthusiasm from investors as the 12-month period ended. Healthcare and information technology were among the best performing sectors on an absolute basis, while energy and consumer staples weighed on absolute returns.

The Fund outperformed its primary benchmark for the period under review. Stock selection within the healthcare sector was a leading driver of the Fund's relative performance. Most notably the Fund's investment in a drug developer focused on cholesterol management therapies for cardiovascular disease. One of the world's largest pharmaceutical companies acquired the company in November of 2019 and paid a premium on the share price. Stock selection within the industrials sector also helped relative returns amid a shift in consumer spending patterns from travel and leisure toward home-related building products. A manufacturer of wood-alternative decking and railing was a particular standout for the Fund.[†]

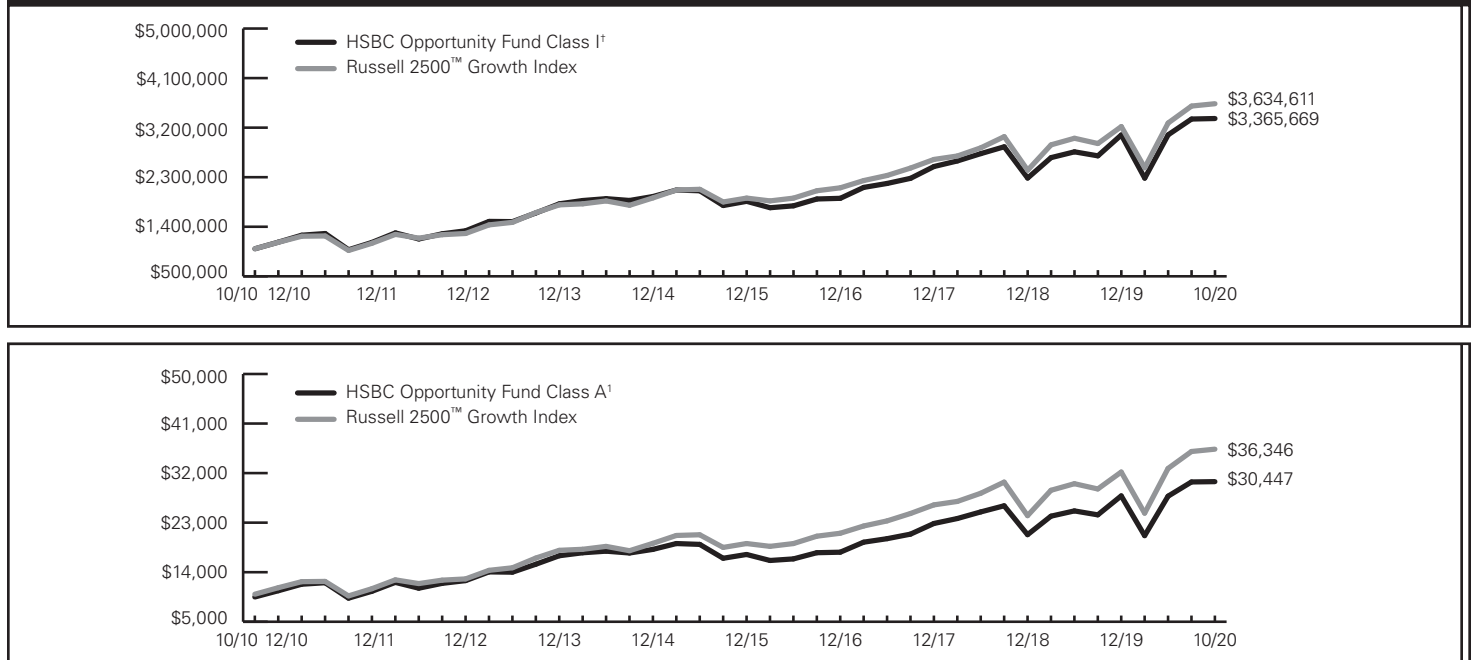
An overweight position in the energy sector was the largest detractor from the Fund's relative returns. Declining global demand for oil during the pandemic has led to one of the most disruptive periods in recent history for the sector. An ongoing oil price war between Russia and Saudi Arabia has introduced additional long-term concerns. Given the uncertainty facing the sector, the Fund made the decision to exit energy investments during the first quarter of 2020.[†]

[†] Portfolio composition is subject to change.

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

HSBC Opportunity Fund

Value of an Investment



The charts above represent a historical 10-year performance comparison of a hypothetical investment in the indicated share class versus a similar investment in the Fund's benchmark and represents the reinvestment of dividends and capital gains in the Fund.

Fund Performance	Inception Date	Average Annual Total Return (%)			Expense Ratio (%) ⁴	
		1 Year	5 Year	10 Year	Gross	Net
As of October 31, 2020						
HSBC Opportunity Fund Class A ¹	9/23/96	15.90	10.74	11.78	5.77	1.65
HSBC Opportunity Fund Class C ²	11/4/98	20.29	11.09	11.93	6.52	2.40
HSBC Opportunity Fund Class I [†]	9/3/96	22.58	12.41	12.90	1.44	1.10
Russell 2500™ Growth Index ³	—	21.71	13.30	13.77	N/A	N/A

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Total return figures include change in share price, reinvestment of dividends and capital gains and do not reflect the taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. Investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call 1-800-782-8183.

The performance above reflects any fee waivers that have been in effect during the applicable periods, as well as any expense reimbursements that have periodically been made. Absent such waivers and reimbursements, returns would have been lower. Currently, contractual fee waivers and/or expense reimbursements are in effect for the Fund through March 1, 2021.

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

[†] The Class I Shares are issued by a separate series of the HSBC Funds.

¹ Reflects the maximum sales charge of 5.00%.

² Reflects the applicable contingent deferred sales charge, maximum of 1.00%.

³ For additional information, please refer to the Glossary of Terms.

⁴ Reflects the expense ratio as reported in the prospectus dated February 28, 2020, as supplemented to date. HSBC Global Asset Management (USA) Inc., the Adviser, has entered into a contractual expense limitation agreement with the Fund under which it will limit total expenses of the Fund (excluding interest, taxes, brokerage commissions, extraordinary expenses and estimated indirect expenses attributable to the Fund's investments in investment companies other than the Portfolio) to an annual rate of 1.65%, 2.40% and 1.10% for Class A Shares, Class C and Class I Shares, respectively. The expense limitations shall be in effect until March 1, 2021. Additional information pertaining to the October 31, 2020 expense ratios can be found in the financial highlights.

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

HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities—as of October 31, 2020

	HSBC Opportunity Fund	HSBC Opportunity Fund (Class I)
Assets:		
Investments in Affiliated Portfolio	9,278,208	122,007,469
Receivable for capital shares issued	3,019	147
Receivable from Investment Adviser	27,453	20,904
Prepaid expenses and other assets	6,883	14,037
Total Assets	<u>9,315,563</u>	<u>122,042,557</u>
Liabilities:		
Payable for capital shares redeemed	—	18,595
Accrued expenses and other payables:		
Administration	131	1,716
Distribution fees	26	—
Shareholder Servicing	1,205	—
Accounting	1,997	1,586
Printing	3,392	11,041
Professional	30,304	30,306
Transfer Agent	15,560	18,365
Trustee	782	783
Other	628	1,232
Total Liabilities	<u>54,025</u>	<u>83,624</u>
Net Assets	<u>\$9,261,538</u>	<u>\$121,958,933</u>
Composition of Net Assets:		
Paid in capital	\$6,807,532	\$ 87,185,182
Total distributable earnings/(loss)	2,454,006	34,773,751
Net Assets	<u>\$9,261,538</u>	<u>\$121,958,933</u>
Net Assets:		
Class A Shares	\$9,224,459	\$ —
Class C Shares	37,079	—
Class I Shares	—	121,958,933
Total	<u>\$9,261,538</u>	<u>\$121,958,933</u>
Shares Outstanding:		
(\$0.001 par value, unlimited number of shares authorized):		
Class A Shares	860,997	—
Class C Shares	7,271	—
Class I Shares	—	8,314,816
Net Asset Value, Offering Price (Class C and I) and Redemption Price per share:		
Class A Shares	\$ 10.71	\$ —
Class C Shares(a)	\$ 5.10	\$ —
Class I Shares	\$ —	\$ 14.67
Maximum Sales Charge:		
Class A Shares	5.00%	—%
Maximum Offering Price per share (Net Asset Value / (100%-maximum sales charge))		
Class A Shares	\$ 11.27	\$ —
Investments in Affiliated Portfolio, at cost	<u>\$7,354,145</u>	<u>\$ 97,084,805</u>

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

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

HSBC FAMILY OF FUNDS

Statements of Operations—For the year ended October 31, 2020

	HSBC Opportunity Fund	HSBC Opportunity Fund (Class I)
Net Investment Income Allocated from Affiliated Portfolio:		
Investment Income from Affiliated Portfolio	55,554	733,396
Expenses from Affiliated Portfolio	(98,793)	(1,297,072)
Net Investment Income from Affiliated Portfolio	<u>(43,239)</u>	<u>(563,676)</u>
Expenses:		
Administration:		
Class A Shares	1,471	—
Class C Shares	10	—
Class I Shares	—	19,558
Distribution:		
Class C Shares	453	—
Shareholder Servicing:		
Class A Shares	19,928	—
Class C Shares	133	—
Accounting	18,163	14,003
Compliance Services	42,042	42,042
Printing	5,966	26,125
Professional	122,761	120,206
Transfer Agent	170,181	200,615
Trustee	109,839	109,838
Registration fees	24,493	22,330
Other	21,784	19,368
Total expenses before fee and expense reductions	537,224	574,085
Fees voluntarily reduced/reimbursed by Investment Adviser	(8,723)	—
Fees contractually reduced/reimbursed by Investment Adviser	(491,640)	(605,184)
Net Expenses	<u>36,861</u>	<u>(31,099)</u>
Net Investment Income/(Loss)	<u>(80,100)</u>	<u>(532,577)</u>
Realized/Unrealized Gains/(Losses) from Investments:		
Net realized gains/(losses) from Affiliated Portfolio	784,472	11,485,875
Change in unrealized appreciation/depreciation on investments from Affiliated Portfolio	1,041,011	12,657,198
Net realized/unrealized gains/(losses) on investments from Affiliated Portfolio	<u>1,825,483</u>	<u>24,143,073</u>
Change in Net Assets Resulting from Operations	<u>\$1,745,383</u>	<u>\$23,610,496</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 Opportunity Fund		HSBC Opportunity Fund (Class I)	
	For the year ended October 31, 2020	For the year ended October 31, 2019	For the year ended October 31, 2020	For the year ended October 31, 2019
Investment Activities:				
Operations:				
Net investment income/(loss)	\$ (80,100)	\$ (73,466)	\$ (532,577)	\$ (440,146)
Net realized gains/(losses) from investments	784,472	606,415	11,485,875	7,603,036
Change in unrealized appreciation/depreciation on investments	1,041,011	221,317	12,657,198	3,890,823
Change in net assets resulting from operations	<u>1,745,383</u>	<u>754,266</u>	<u>23,610,496</u>	<u>11,053,713</u>
Distributions to shareholders:				
Class A Shares	(638,850)	(1,543,839)	—	—
Class B Shares*	—	(4,577)	—	—
Class C Shares	(10,418)	(31,533)	—	—
Class I Shares	—	—	(8,206,443)	(21,193,931)
Change in net assets resulting from distributions to shareholders	<u>(649,268)</u>	<u>(1,579,949)</u>	<u>(8,206,443)</u>	<u>(21,193,931)</u>
Change in net assets resulting from capital transactions	<u>(361,257)</u>	<u>(132,002)</u>	<u>(9,369,425)</u>	<u>(10,575,246)</u>
Change in net assets	<u>734,858</u>	<u>(957,685)</u>	<u>6,034,628</u>	<u>(20,715,464)</u>
Net Assets:				
Beginning of period	8,526,680	9,484,365	115,924,305	136,639,769
End of period	<u>\$ 9,261,538</u>	<u>\$ 8,526,680</u>	<u>\$121,958,933</u>	<u>\$115,924,305</u>

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

* Class B Shares were liquidated August 2, 2019.

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets (continued)

	HSBC Opportunity Fund		HSBC Opportunity Fund (Class I)	
	For the year ended October 31, 2020	For the year ended October 31, 2019	For the year ended October 31, 2020	For the year ended October 31, 2019
CAPITAL TRANSACTIONS:				
Class A Shares:				
Proceeds from shares issued	\$ 310,750	\$ 510,575	\$ —	\$ —
Dividends reinvested	617,808	1,500,978	—	—
Value of shares redeemed	(1,245,353)	(2,113,928)	—	—
Class A Shares capital transactions	<u>(316,795)</u>	<u>(102,375)</u>	<u>—</u>	<u>—</u>
Class B Shares:*				
Dividends reinvested	—	4,580	—	—
Value of shares redeemed	—	(18,154)	—	—
Class B Shares capital transactions	<u>—</u>	<u>(13,574)</u>	<u>—</u>	<u>—</u>
Class C Shares:				
Proceeds from shares issued	—	9,188	—	—
Dividends reinvested	10,418	31,533	—	—
Value of shares redeemed	(54,880)	(56,774)	—	—
Class C Shares capital transactions	<u>(44,462)</u>	<u>(16,053)</u>	<u>—</u>	<u>—</u>
Class I Shares:				
Proceeds from shares issued	—	—	9,559,317	12,369,332
Dividends reinvested	—	—	8,087,006	20,911,758
Value of shares redeemed	—	—	(27,015,748)	(43,856,336)
Class I Shares capital transactions	<u>—</u>	<u>—</u>	<u>(9,369,425)</u>	<u>(10,575,246)</u>
Change in net assets resulting from capital transactions	<u>\$ (361,257)</u>	<u>\$ (132,002)</u>	<u>\$ (9,369,425)</u>	<u>\$ (10,575,246)</u>
SHARE TRANSACTIONS:				
Class A Shares:				
Issued	31,391	55,467	—	—
Reinvested	63,365	196,721	—	—
Redeemed	(130,418)	(229,568)	—	—
Change in Class A Shares	<u>(35,662)</u>	<u>22,620</u>	<u>—</u>	<u>—</u>
Class B Shares:*				
Reinvested	—	1,261	—	—
Redeemed	—	(4,023)	—	—
Change in Class B Shares	<u>—</u>	<u>(2,762)</u>	<u>—</u>	<u>—</u>
Class C Shares:				
Issued	—	1,980	—	—
Reinvested	2,231	7,983	—	—
Redeemed	(10,878)	(11,740)	—	—
Change in Class C Shares	<u>(8,647)</u>	<u>(1,777)</u>	<u>—</u>	<u>—</u>
Class I Shares:				
Issued	—	—	727,797	998,920
Reinvested	—	—	608,046	2,026,333
Redeemed	—	—	(2,083,351)	(3,463,981)
Change in Class I Shares	<u>—</u>	<u>—</u>	<u>(747,508)</u>	<u>(438,728)</u>

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

* Class B Shares were liquidated August 2, 2019.

HSBC OPPORTUNITY 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/(Loss)(a)	Net Realized and Unrealized Gains/(Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Distributions	Net Asset Value, End of Period	Total Return(b)	Net Assets at End of Period of (000's)	Ratio of Expenses to Average Net Assets	Ratio of Investment Income/(Loss) to Average Net Assets	Ratio of Expenses to Average Net Assets (Excluding Fee Reductions)	Portfolio Turnover(c)
Class A Shares														
Year Ended October 31, 2020	\$ 9.42	\$(0.09)	\$ 2.10	\$ 2.01	\$—	\$(0.72)	\$(0.72)	\$ 10.71	22.05%	\$9,224	1.55%	(0.91)%	7.29%	94%
Year Ended October 31, 2019	10.70	(0.07)	0.59	0.52	—	(1.80)	(1.80)	9.42	8.77%	8,449	1.55%	(0.79)%	5.77%	81%
Year Ended October 31, 2018	11.24	(0.10)	0.82	0.72	—	(1.26)	(1.26)	10.70	6.46%	9,352	1.55%	(0.84)%	5.37%	77%
Year Ended October 31, 2017	9.94	(0.08)	2.68	2.60	—	(1.30)	(1.30)	11.24	29.00%	9,422	1.55%	(0.79)%	2.98%	80%
Year Ended October 31, 2016	10.34	(0.07)	(0.33)	(0.40)	—	—	—	9.94	(3.87)%	9,276	1.55%	(0.66)%	2.11%	96%
Class C Shares														
Year Ended October 31, 2020	4.85	(0.08)	1.05	0.97	—	(0.72)	(0.72)	5.10	21.29%	37	2.30%	(1.65)%	8.13%	94%
Year Ended October 31, 2019	6.53	(0.08)	0.20	0.12	—	(1.80)	(1.80)	4.85	8.07%	77	2.30%	(1.54)%	6.60%	81%
Year Ended October 31, 2018	7.38	(0.11)	0.52	0.41	—	(1.26)	(1.26)	6.53	5.52%	116	2.30%	(1.60)%	6.08%	77%
Year Ended October 31, 2017	6.99	(0.11)	1.80	1.69	—	(1.30)	(1.30)	7.38	28.11%	454	2.30%	(1.54)%	3.71%	80%
Year Ended October 31, 2016	7.32	(0.10)	(0.23)	(0.33)	—	—	—	6.99	(4.51)%	475	2.30%	(1.41)%	2.88%	96%

* The per share amounts and percentages reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the HSBC Opportunity Portfolio.
(a) Calculated based on average shares outstanding.
(b) Total return calculations do not include any sales or redemption charges.

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

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

HSBC OPPORTUNITY FUND (CLASS I)

Financial Highlights

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

	Investment Activities				Distributions			Ratios/Supplementary Data						
	Net Asset Value, Beginning of Period	Net Investment Income/(Loss)(a)	Net Realized and Unrealized Gains/(Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Distributions	Net Asset Value, End of Period	Total Return(b)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets	Ratio of Net Investment Income/(Loss) to Average Net Assets	Ratio of Expenses to Average Net Assets (Excluding Fee Reductions)	Portfolio Turnover(c)
Class I Shares														
Year Ended October 31, 2020	\$12.79	\$(0.06)	\$ 2.85	\$ 2.79	\$—	\$(0.91)	\$(0.91)	\$14.67	22.58%	\$121,959	1.10%	(0.46)%	1.63%	94%
Year Ended October 31, 2019	14.38	(0.04)	0.81	0.77	—	(2.36)	(2.36)	12.79	9.25%	115,924	1.10%	(0.34)%	1.44%	81%
Year Ended October 31, 2018	15.40	(0.06)	1.12	1.06	—	(2.08)	(2.08)	14.38	6.96%	136,640	1.10%	(0.40)%	1.39%	77%
Year Ended October 31, 2017	13.27	(0.05)	3.65	3.60	—	(1.47)	(1.47)	15.40	29.53%	127,861	1.10%	(0.34)%	1.12%	80%
Year Ended October 31, 2016	13.72	(0.02)	(0.43)	(0.45)	—	—	—	13.27	(3.28)%	141,061	1.03%	(0.15)%	1.03%	96%

* The per share amounts and percentages reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the HSBC Opportunity Portfolio.
(a) Calculated based on average shares outstanding.
(b) Total return calculations do not include any sales or redemption charges.

(c) Portfolio turnover rate is calculated on the basis of the respective Portfolio in which the Fund invests all of its investable assets. Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.
Amounts designated as '—' are \$0.00 or have been rounded to \$0.00

HSBC FAMILY OF FUNDS

Notes to Financial Statements—as of October 31, 2020

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, 2020, the Trust is composed of 7 separate operational funds, each a series of the HSBC Family of Funds. The accompanying financial statements are presented for the following two diversified funds (individually a “Fund”, collectively the “Funds”) of the Trust:

<u>Fund</u>	<u>Short Name</u>
HSBC Opportunity Fund	Opportunity Fund
HSBC Opportunity Fund (Class I)	Opportunity Fund (Class I)

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

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

<u>Fund</u>	<u>Proportionate Ownership Interest on October 31, 2020 (%)</u>
Opportunity Fund	7.1
Opportunity Fund (Class I).	92.9

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

The Funds are authorized to issue an unlimited number of shares of beneficial interest with a par value of \$0.001 per share. The Opportunity Fund offers two classes of shares: Class A Shares and Class C Shares. The Opportunity Fund (Class I) offers one class of shares: Class I Shares. Class A Shares of the Opportunity Fund have a maximum sales charge of 5.00% as a percentage of the offering price. Class C Shares of the Opportunity Fund are offered without any front-end sales charge but will be subject to a maximum CDSC of 1.00% if redeemed less than one year after purchase. No sales charges are assessed with respect to Class I Shares of the Opportunity Fund (Class I). Each class of shares in the Funds has identical rights and privileges except with respect to arrangements pertaining to shareholder servicing and/or distribution, class-related expenses, voting rights on matters affecting a single class of shares, and exchange privileges of each class of shares.

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

The Funds are investment companies and follow accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification Topic 946, “Financial Services-Investment Companies.”

2. Significant Accounting Policies:

The following is a summary of the significant accounting policies followed by the Funds in the preparation of their financial statements. The policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”). The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Securities Valuation:

The Funds record their investments in the Portfolio at fair value. The notes to the Portfolio's financial statements included elsewhere in this report provide information about the Portfolio's valuation policy and its period-end security valuations.

Investment Transactions and Related Income:

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

Foreign Currency Translation:

The accounting records of the Funds are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the current rate of exchange to determine the value of investments, assets and liabilities at the close of each business day. Purchases and sales of securities, and income and expenses are translated at the prevailing rate of exchange on the respective dates of such transactions. The Funds do not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments in securities and foreign currency translations.

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 its 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 and distributed semiannually for the Funds.

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.

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

As of October 31, 2020, all investments were categorized as Level 2 in the fair value hierarchy.

4. Related Party Transactions and Other Agreements and Plans:

Investment Management:

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

Administration, Fund Accounting and Other Services:

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

<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, 2020, the effective annualized rate was 0.033%, 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. For assets invested in the Portfolio by the Funds, the Portfolio pays half of the administration fee and the Funds pay half, for a combination of the total fee rate set forth above.

Pursuant to a Sub-Administration Services Agreement with HSBC, Citi Fund Services Ohio, Inc. (“Citi”), a wholly-owned subsidiary of Citigroup, Inc., serves as the Trust’s Sub-Administrator. For these services, Citi is entitled to a fee, payable by HSBC, at an annual rate equivalent to the fee rates set forth 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, 2020, 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.

Distribution Arrangements:

Foreside Distribution Services, L.P. (“Foreside” or the “Distributor”) serves the Trust as Distributor. The Trust, on behalf of the Funds 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% and 1.00% of the average daily net assets of Class A Shares (currently not being charged) and Class C Shares (currently charging 0.75%) of the applicable funds, respectively. For the year ended October 31, 2020, Foreside received \$452 in commissions from sales of the Trust.

Shareholder Servicing:

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

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

Transfer Agency:

DST Asset Manager Solutions, Inc. (“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 of Trustees (the “Board”). The Independent Trustees also receive a fee for each regular, special in-person, and telephonic meeting of the Board attended. The aggregate amount of the fees and expenses of the Independent Trustees are allocated amongst all the funds in the Trust and are presented in the Statements of Operations.

Other:

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

The Funds may use related party broker-dealers. For the year ended October 31, 2020, there were no brokerage commissions paid to broker-dealers affiliated with the Adviser.

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

Fee Reductions:

The Investment Adviser has agreed to contractually limit through March 1, 2021 the total annual expenses of the Funds, including the allocated expenses from the Portfolio, exclusive of interest, taxes, brokerage commissions, extraordinary expenses, and estimated indirect expenses attributable to the Funds’ investments in investment companies. Each Fund Class has its own expense limitations based on the average daily net assets for any full fiscal year as follows:

<u>Fund</u>	<u>Class</u>	<u>Contractual Expense Limitations (%)</u>
Opportunity Fund	A	1.65
Opportunity Fund	C	2.40
Opportunity Fund (Class I).	I	1.10

Any amounts contractually waived or reimbursed by the Investment Adviser will be subject to repayment by the respective Fund to the Investment Adviser within three years calculated monthly from when the waiver or reimbursement is recorded to the extent that the repayment will not cause the Fund’s operating expenses to exceed the contractual expense limit that was in effect at the time of such waiver or reimbursement. During the year ended October 31, 2020, the Investment Adviser did not recapture any of its prior contractual waivers or reimbursements.

As of October 31, 2020, the repayments that may potentially be made by the Funds are as follows:

<u>Fund</u>	<u>Amount Eligible Through</u>			
	<u>2023 (\$)</u>	<u>2022 (\$)</u>	<u>2021 (\$)</u>	<u>Total (\$)</u>
Opportunity Fund	491,640	378,659	390,697	1,260,996
Opportunity Fund (Class I).	605,184	432,989	414,357	1,452,530

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.

5. Affiliated Investment Transactions:

A summary of each Fund's investment in the Portfolio for the year ended October 31, 2020 is as follows:

	Value 10/31/2019 (\$)	Contributions (\$)	Withdrawals (\$)	Net Realized Gains/ (Losses) (\$)	Change in Unrealized Appreciation/ Depreciation (\$)	Value 10/31/2020 (\$)	Net Income/ (Loss) (\$)
Opportunity Fund							
Opportunity Portfolio	8,567,015	643,214	(1,714,265)	784,472	1,041,011	9,278,208	(43,239)
Total	<u>8,567,015</u>	<u>643,214</u>	<u>(1,714,265)</u>	<u>784,472</u>	<u>1,041,011</u>	<u>9,278,208</u>	<u>(43,239)</u>

Opportunity Fund (Class I)

Opportunity Portfolio	115,965,555	6,109,233	(23,646,716)	11,485,875	12,657,198	122,007,469	(563,676)
Total	<u>115,965,555</u>	<u>6,109,233</u>	<u>(23,646,716)</u>	<u>11,485,875</u>	<u>12,657,198</u>	<u>122,007,469</u>	<u>(563,676)</u>

6. Investment Risks:

The risks are presented in an order intended to facilitate readability, and their order does not imply that the realization of one risk is likely to occur more frequently than another risk, nor does it imply that the realization of one risk is likely to have a greater adverse impact than another risk.

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

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

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

Market Risk: The value of a Fund's investments may decline due to changing economic, political, social, regulatory or market conditions. Market risk may affect a single issuer, industry or sector of the economy or it may affect the economy as a whole. Moreover, the conditions in one country or geographic region could adversely affect the Fund's investments in a different country or geographic region. Events such as war, acts of terrorism, social unrest, natural disasters, the spread of infectious illness or other public health threats could also significantly impact a Fund and its investments.

7. Federal Income Tax Information:

At October 31, 2020, the cost basis of investments for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation/depreciation were as follows:

	Tax Cost (\$)	Tax Unrealized Appreciation (\$)	Tax Unrealized Depreciation (\$)	Net Unrealized Appreciation/Depreciation (\$)*
Opportunity Fund	7,420,465	1,857,743	—	1,857,743
Opportunity Fund (Class I).	97,258,707	24,748,762	—	24,748,762

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

The tax character of distributions paid by the Funds for the tax year ended October 31, 2020, was as follows:

	Distributions paid from		
	Net Long-Term Capital Gains (\$)	Total Taxable Distributions (\$)	Total Distributions Paid (\$)⁽¹⁾
Opportunity Fund	649,268	649,268	649,268
Opportunity Fund (Class I).	8,206,443	8,206,443	8,206,443

(1) Total distributions paid may differ from that disclosed 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, 2019, was as follows:

	Distributions paid from			
	Ordinary Income (\$)	Net Long-Term Capital Gains (\$)	Total Taxable Distributions (\$)	Total Distributions Paid (\$)⁽¹⁾
Opportunity Fund	214,462	1,365,487	1,579,949	1,579,949
Opportunity Fund (Class I).	3,258,352	17,935,578	21,193,930	21,193,930

(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, 2020, the components of accumulated earnings/(deficit) on a tax basis for the Funds were as follows:

	Undistributed Ordinary Income (\$)	Undistributed Long-Term Capital Gains (\$)	Accumulated Earnings (\$)	Unrealized Appreciation/Depreciation (\$)⁽¹⁾	Total Accumulated Earnings/Deficit (\$)
Opportunity Fund	106,751	489,512	596,263	1,857,743	2,454,006
Opportunity Fund (Class I).	2,927,945	7,097,044	10,024,989	24,748,762	34,773,751

(1) The differences between book-basis and tax-basis unrealized appreciation/(depreciation) are attributable primarily to: tax deferral of losses on wash sales.

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., 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 the realization for tax purposes of unrealized gains/losses on investments in passive foreign investment companies) do not require reclassification. The Funds may utilize equalization accounting for tax purposes and designate earnings and profits, including net realized gains distributed to shareholders on redemption of shares, as part of the dividends paid deduction for income tax purposes. To the extent distributions to shareholders from net investment income and net realized gains exceed net investment income and net realized gains for tax purposes, they are reported as distributions of capital.

On the Statements of Assets and Liabilities, as a result of permanent book-to-tax differences, reclassification adjustments were made as follows:

	Accumulated Net Investment Income/(Distributions in Excess of Net Investment Income) (\$)*	Accumulated Net Realized Gains/(Losses) (\$)*	Paid in Capital (\$)
Opportunity Fund	149,542	(149,542)	—
Opportunity Fund (Class I).	972,723	(972,723)	—

* These components of capital are presented together as “Total distributable earnings/(loss)” on the Statements of Assets and Liabilities.

8. 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.

	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	Percentage owned in aggregate by 10% - 25% shareholders (%)	Number of shareholders with ownership of voting securities of the Portfolio greater than 25% of the total Portfolio’s outstanding voting securities	Percentage owned in aggregate by greater than 25% shareholders (%)
Opportunity Fund	—	—	1	67
Opportunity Fund (Class I).	3	50	1	27

9. Subsequent Events:

Management has evaluated subsequent events through the date these financial statements were issued. Based on the evaluation, no adjustments or additional disclosures were required to the financial statements as of October 31, 2020.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of HSBC Funds and Shareholders of HSBC Opportunity Fund and HSBC Opportunity Fund (Class I)

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities of HSBC Opportunity Fund and HSBC Opportunity Fund (Class I) (two of the funds constituting HSBC Funds, hereafter collectively referred to as the “Funds”) as of October 31, 2020, the related statements of operations for the year ended October 31, 2020, the statements of changes in net assets for each of the two years in the period ended October 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended October 31, 2020 (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, 2020, 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, 2020 and each of the financial highlights for each of the five years in the period ended October 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

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, 2020 by correspondence with the transfer agent. We believe that our audits provide a reasonable basis for our opinions.

/s/ PricewaterhouseCoopers LLP
New York, New York
December 21, 2020

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

HSBC FAMILY OF FUNDS

Other Federal Income Tax Information—as of October 31, 2020 (Unaudited)

During the year ended October 31, 2020, the following Funds declared capital gain distributions:

	Long Term Capital Gain Distributions (\$)
Opportunity Fund	649,268
Opportunity Fund (Class I).	8,206,443

Table of Shareholder Expenses—as of October 31, 2020 (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 these costs with the ongoing costs of investing in other mutual funds.

Actual Expenses

The actual examples are based on an investment of \$1,000 invested at the beginning of a six-month period beginning May 1, 2020 and held through the period ended October 31, 2020.

The columns below under the heading entitled “Actual” provide information about actual account values and actual expenses. You may use this information, 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 “Actual Expenses Paid During the Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The hypothetical expense examples are based on an investment of \$1,000 invested at the beginning of a six-month period and held throughout the period ended October 31, 2020.

The columns below under the heading entitled “Hypothetical” provide 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 each 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 columns under the heading entitled “Hypothetical” are 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.

	Annualized Expense Ratio During Period	Beginning Account Value 5/1/20	Actual		Hypothetical (5% return before expenses)	
			Ending Account Value 10/31/20	Expenses Paid During Period ⁽¹⁾	Ending Account Value 10/31/20	Expenses Paid During Period ⁽¹⁾
Opportunity Fund - Class A	1.55%	\$1,000.00	\$1,252.60	\$ 8.78	\$1,017.34	\$ 7.86
Opportunity Fund - Class C	2.30%	1,000.00	1,250.00	13.01	1,013.57	11.64
Opportunity Fund - Class I	1.10%	1,000.00	1,254.90	6.23	1,019.61	5.58

(1) Expenses are equal to the average account value over the period multiplied by the Fund’s annualized expense ratio, multiplied by 184/366 (the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year).

Portfolio Reviews

Portfolio Composition* October 31, 2020 (Unaudited)

HSBC Opportunity Portfolio

Investment Allocation	Percentage of Investments at Value (%)
Software	15.2
Biotechnology	12.0
Life Sciences Tools & Services	7.1
Building Products	5.7
IT Services	4.8
Specialty Retail	4.3
Health Care Equipment & Supplies	4.2
Machinery	3.9
Semiconductors & Semiconductor Equipment	3.9
Insurance	3.9
Internet & Direct Marketing Retail	3.3
Communications Equipment	3.3
Household Durables	3.2
Aerospace & Defense	2.6
Hotels, Restaurants & Leisure	2.5
Capital Markets	2.4
Health Care Providers & Services	2.3
Pharmaceuticals	1.9
Electrical Equipment	1.8
Real Estate Management & Development	1.6
Road & Rail	1.5
Chemicals	1.4
Equity Real Estate Investment Trusts	1.3
Leisure Products	1.3
Banks	1.2
Professional Services	1.2
Entertainment	1.1
Diversified Consumer Services	0.6
Investment Companies	0.5
Total	100.0

* Portfolio composition is subject to change.

HSBC OPPORTUNITY PORTFOLIO

Schedule of Portfolio Investments—as of October 31, 2020

Common Stocks — 99.6%

	Shares	Value (\$)
Aerospace & Defense — 2.6%		
HEICO Corp., Class A	16,140	1,509,090
Teledyne Technologies, Inc.(a)	6,330	1,956,919
		<u>3,466,009</u>
Banks — 1.3%		
First Republic Bank	12,950	1,633,513
Biotechnology — 12.0%		
Accelaron Pharma, Inc.(a)	22,680	2,371,874
Ascendis Pharma AS, ADR(a)	10,887	1,778,391
Blueprint Medicines Corp.(a)	21,883	2,238,193
Fibrogen, Inc.(a)	14,300	548,834
Ironwood Pharmaceuticals, Inc.(a)	120,270	1,188,268
Neurocrine Biosciences, Inc.(a)	24,460	2,413,468
Rocket Pharmaceuticals, Inc.(a)	41,570	1,161,466
Sage Therapeutics, Inc.(a)	18,520	1,358,998
Sarepta Therapeutics, Inc.(a)	20,020	2,720,918
		<u>15,780,410</u>
Building Products — 5.7%		
Advanced Drainage Systems, Inc.	46,651	2,959,073
The AZEK Co., Inc.(a)	34,460	1,152,342
Trex Co., Inc.(a)	48,300	3,358,782
		<u>7,470,197</u>
Capital Markets — 2.4%		
LPL Financial Holdings, Inc.	20,090	1,605,794
Open Lending Corp.(a)	57,835	1,501,396
		<u>3,107,190</u>
Chemicals — 1.4%		
FMC Corp.	17,770	1,825,690
Communications Equipment — 3.3%		
F5 Networks, Inc.(a)	13,430	1,785,384
Lumentum Holdings, Inc.(a)	23,860	1,972,984
Viavi Solutions, Inc.(a)	45,440	561,184
		<u>4,319,552</u>
Diversified Consumer Services — 0.6%		
Chegg, Inc.(a)	11,090	814,450
Electrical Equipment — 1.8%		
Sensata Technologies Holding PLC(a)	53,300	2,329,743
Entertainment — 1.1%		
Zynga, Inc., Class A(a)	162,450	1,460,426
Equity Real Estate Investment Trusts — 1.3%		
Lamar Advertising Co.	28,360	1,757,186
Health Care Equipment & Supplies — 4.2%		
Insulet Corp.(a)	14,473	3,216,624
STERIS PLC	12,975	2,299,040
		<u>5,515,664</u>
Health Care Providers & Services — 2.3%		
Quest Diagnostics, Inc.	24,990	3,052,279
Hotels, Restaurants & Leisure — 2.5%		
Darden Restaurants, Inc.	19,770	1,817,258
Extended Stay America, Inc.	126,450	1,435,208
		<u>3,252,466</u>

Common Stocks, continued

	Shares	Value (\$)
Household Durables — 3.2%		
KB Home	38,010	1,225,822
TopBuild Corp.(a)	19,260	2,950,825
		<u>4,176,647</u>
Insurance — 3.9%		
Arthur J. Gallagher & Co.	19,580	2,030,642
Assurant, Inc.	13,840	1,721,281
Kinsale Capital Group, Inc.	7,199	1,349,596
		<u>5,101,519</u>
Internet & Direct Marketing Retail — 3.3%		
Etsy, Inc.(a)	25,540	3,105,408
Revolve Group, Inc.(a)	69,223	1,251,552
		<u>4,356,960</u>
IT Services — 4.8%		
Black Knight, Inc.(a)	33,750	2,968,313
Science Applications International Corp.	23,390	1,786,294
WEX, Inc.(a)	12,065	1,526,826
		<u>6,281,433</u>
Leisure Products — 1.3%		
BRP, Inc.	31,760	1,713,452
Life Sciences Tools & Services — 7.1%		
BIO-RAD Laboratories, Inc., Class A(a)	6,120	3,588,890
Charles River Laboratories International, Inc.(a)	15,460	3,520,242
ICON PLC(a)	12,280	2,214,084
		<u>9,323,216</u>
Machinery — 3.9%		
IDEX Corp.	10,850	1,848,731
Lincoln Electric Holdings, Inc.	18,340	1,867,379
Meritor, Inc.(a)	59,840	1,456,506
		<u>5,172,616</u>
Pharmaceuticals — 1.9%		
Catalent, Inc.(a)	28,280	2,482,136
Professional Services — 1.2%		
TransUnion	19,180	1,527,879
Real Estate Management & Development — 1.6%		
Essential Properties Realty Trust, Inc.	123,650	2,042,698
Road & Rail — 1.5%		
Old Dominion Freight Line, Inc.	10,280	1,957,004
Semiconductors & Semiconductor Equipment — 3.9%		
Diodes, Inc.(a)	12,267	709,401
MaxLinear, Inc.(a)	43,090	1,139,299
MKS Instruments, Inc.	15,120	1,638,857
ON Semiconductor Corp.(a)	66,800	1,676,012
		<u>5,163,569</u>
Software — 15.2%		
Alteryx, Inc.(a)	16,430	2,059,500
Anaplan, Inc.(a)	34,350	1,901,273
Avalara, Inc.(a)	12,140	1,809,467
Ceridian HCM Holding, Inc.(a)	19,410	1,673,530
Fair Isaac Corp.(a)	5,255	2,057,070
Fortinet, Inc.(a)	21,820	2,408,273
HubSpot, Inc.(a)	10,778	3,126,374
Nice, Ltd., ADR(a)	6,280	1,433,473
RealPage, Inc.(a)	35,870	1,997,600
Smartsheet, Inc., Class A(a)	30,270	1,508,960
		<u>19,975,520</u>

See notes to financial statements.

HSBC FAMILY OF FUNDS

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HSBC OPPORTUNITY PORTFOLIO

Schedule of Portfolio Investments—as of October 31, 2020 (continued)

Common Stocks, continued

	Shares	Value (\$)
Specialty Retail — 4.3%		
Burlington Stores, Inc.(a)	10,570	2,046,141
Five Below, Inc.(a)	17,110	2,281,447
National Vision Holdings, Inc.(a)	32,400	1,306,692
		<u>5,634,280</u>
TOTAL COMMON STOCKS		
(COST \$103,846,973)		<u>130,693,704</u>

Investment Company — 0.5%

Northern Institutional Government Select Portfolio, Institutional Shares, 0.02%(b)	666,262	<u>666,262</u>
TOTAL INVESTMENT COMPANY		
(Cost \$666,262)		<u>666,262</u>
TOTAL INVESTMENTS		
IN SECURITIES		
(Cost \$104,513,235) — 100.1%		131,359,966
Other Assets (Liabilities) — (0.1)%		(74,289)
NET ASSETS — 100%		<u>\$131,285,677</u>

(a) Represents non-income producing security.

(b) The rate represents the annualized 7-day yield that was in effect on October 31, 2020.

ADR - American Depositary Receipt

HSBC FAMILY OF FUNDS

Statement of Assets and Liabilities—as of October 31, 2020

	HSBC Opportunity Portfolio
Assets:	
Investment in securities, at value	\$131,359,966
Dividends receivable	10,310
Receivable for investments sold	1,328,041
Prepaid expenses	318
Total Assets	<u>132,698,635</u>
Liabilities:	
Payable for investments purchased	1,272,321
Accrued expenses and other liabilities:	
Investment Management	29,113
Sub-Advisory	64,048
Administration	1,848
Accounting	5,791
Custodian	1,809
Printing	1,020
Professional	35,953
Trustee	785
Other	270
Total Liabilities	<u>1,412,958</u>
Net Assets Applicable to investors' beneficial interest	<u>\$131,285,677</u>
Investments in securities, at cost	<u>\$104,513,235</u>

HSBC FAMILY OF FUNDS

Statement of Operations—For the year ended October 31, 2020

	HSBC Opportunity Portfolio
Investment Income:	
Dividends	\$ 793,179
Foreign tax withholding	(4,229)
Total Investment Income	<u>788,950</u>
Expenses:	
Investment Management Fees	310,030
Sub-Advisory Fees	682,065
Administration	21,055
Accounting	55,454
Compliance Services	42,042
Custodian	24,727
Printing	1,723
Professional	130,455
Trustee	109,839
Other	18,475
Total Expenses	<u>1,395,865</u>
Net Investment Income/(Loss)	<u>\$ (606,915)</u>
Net Realized/Unrealized Gains/(Losses) from Investments:	
Net realized gains/(losses) from investment securities	12,275,071
Change in unrealized appreciation/depreciation on investment securities	<u>13,693,484</u>
Net realized/unrealized gains/(losses) on investments	<u>25,968,555</u>
Change in Net Assets Resulting from Operations	<u>\$ 25,361,640</u>

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets

	HSBC Opportunity Portfolio	
	For the year ended October 31, 2020	For the year ended October 31, 2019
Investment Activities:		
Operations:		
Net investment income/(loss)	\$ (606,915)	\$ (430,370)
Net realized gains/(losses) from investments	12,275,071	8,207,363
Change in unrealized appreciation/depreciation on investments	13,693,484	4,114,230
Change in net assets resulting from operations	<u>25,361,640</u>	<u>11,891,223</u>
Proceeds from contributions	6,752,448	8,912,396
Value of withdrawals	(25,360,981)	(42,456,442)
Change in net assets resulting from transactions in investors' beneficial interest	<u>(18,608,533)</u>	<u>(33,544,046)</u>
Change in net assets	<u>6,753,107</u>	<u>(21,652,823)</u>
Net Assets:		
Beginning of period	124,532,570	146,185,393
End of period	<u>\$131,285,677</u>	<u>\$124,532,570</u>

HSBC OPPORTUNITY PORTFOLIO

Financial Highlights

	Ratios/Supplementary Data				
	Total Return	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets	Ratio of Net Investment Income/(Loss) to Average Net Assets	Portfolio Turnover
HSBC OPPORTUNITY PORTFOLIO					
Year Ended October 31, 2020	22.50%	\$131,286	1.13%	(0.49)%	94%
Year Ended October 31, 2019	9.31%	124,533	1.07%	(0.31)%	81%
Year Ended October 31, 2018	6.99%	146,185	1.04%	(0.34)%	77%
Year Ended October 31, 2017	29.79%	137,857	0.91%	(0.15)%	80%
Year Ended October 31, 2016	(3.14)%	151,228	0.89%	(0.01)%	96%

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, 2020, the Trust is composed of 7 separate operational funds, each a series of the HSBC Family of Funds. The accompanying financial statements are presented for the HSBC Opportunity Portfolio (the “Portfolio”).

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

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

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

Feeder Fund	Proportionate Ownership Interest on October 31, 2020 (%)
Opportunity Fund	7.1
Opportunity Fund (Class I).	92.9

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

The Portfolio is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification Topic 946, “Financial Services-Investment Companies.”

2. Significant Accounting Policies:

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

Securities Valuation:

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

Investment Transactions and Related Income:

Investment transactions are accounted for no later than one business day after trade date. However, for financial reporting purposes, investment transactions are accounted for on trade date on the last business day of the reporting period. 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. Pay-in-kind interest income and non-cash dividend income received in the form of securities in-lieu of cash, if any, are recorded at the fair value of the securities received. The Portfolio makes an allocation of its investment income, expenses and realized gains and losses from securities transactions to its investors in proportion to their investment in the Portfolio on the date of such accrual or gain/loss.

Foreign Currency Translation:

The accounting records of the Portfolio are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the current rate of exchange to determine the value of investments, assets and liabilities at the close of each business day. Purchases and sales of securities, and income and expenses are translated at the prevailing rate of exchange on the respective dates of such transactions. The Portfolio does not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments in securities and foreign currency translations.

Restricted Securities:

The Portfolio may invest in restricted securities. A restricted security is a security which has been purchased through a private offering and cannot be resold to the general public without prior registration under the Securities Act of 1933 (the “1933 Act”) or pursuant to the resale limitations provided by Rule 144 under the 1933 Act, or another exemption from the registration requirements of the 1933 Act. Certain restricted securities may be resold in transactions exempt from registration, normally to qualified institutional buyers, and may be classified as liquid by the Investment Adviser (as defined in Note 4) under the Portfolio’s liquidity risk management program, as approved by the Board. Therefore, not all restricted securities are considered illiquid. Disposal of restricted securities may involve time consuming negotiations and expense. Prompt sale at the current valuation may be difficult and could adversely affect the net assets of the Portfolio. As of October 31, 2020, there were no restricted securities held by the Portfolio.

Allocations:

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

Federal Income Taxes:

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

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

3. Investment Valuation Summary

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the fair value hierarchy. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

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

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

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

As of October 31, 2020, all investments were categorized as Level 1 in the fair value hierarchy. The breakdown of investment categorization is disclosed in the Schedule of Portfolio Investments.

4. Related Party Transactions and Other Agreements and Plans:

Investment Management:

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

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

Administration, Fund Accounting and Other Services:

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

<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, however, the assets of the funds of the HSBC Funds that invest in the Portfolio are not double-counted. For the year ended October 31, 2020, the effective annualized rate was 0.033%, prior to any fee waivers or expense reimbursements, based on the average daily net assets of the Trust. The total administration fee paid to HSBC is allocated to each series based upon its proportionate share of the aggregate net assets of the Trust. For assets invested in the Portfolio by the HSBC Funds, the Portfolio pays half of the administration fee and the feeder funds pay half of the administration fee, for a combination of the total fee rate set forth above.

Pursuant to a Sub-Administration Services Agreement with HSBC, Citi Fund Services Ohio, Inc. ("Citi"), a wholly-owned subsidiary of Citigroup, Inc., serves as the Trust's Sub-Administrator. For these services, Citi is entitled to a fee, payable by HSBC, at an annual rate equivalent to the fee rates set forth 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, 2020, plus reimbursement of certain out-of-pocket expenses. Expenses incurred by the Portfolio are reflected on the Statement of Operations as "Compliance Services." Citi pays the salary and other compensation earned by individuals performing these services, as employees of Citi.

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

Independent Trustees:

The Trust pays an annual retainer to each Independent Trustee, plus additional annual retainers to each Committee Chair and the Chairman of the Board. The Independent Trustees also receive a fee for each regular, special in-person, and telephonic meeting of the Board 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 Statement of Operations.

Other:

The Portfolio may purchase securities from an underwriting syndicate in which the principal underwriter or members of the syndicate are affiliated with the Adviser. For the year ended October 31, 2020, the Portfolio did not purchase any such securities.

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

5. Investment Transactions:

Cost of purchases and proceeds from sales of securities (excluding securities maturing less than one year from acquisition) for the year ended October 31, 2020 were as follows:

	<u>Purchases (\$)</u>	<u>Sales (\$)</u>
Opportunity Portfolio.	114,084,052	132,540,726

6. Investment Risks:

The risks are presented in an order intended to facilitate readability, and their order does not imply that the realization of one risk is likely to occur more frequently than another risk, nor does it imply that the realization of one risk is likely to have a greater adverse impact than another risk.

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

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

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

Market Risk: The value of the Portfolio's investments may decline due to changing economic, political, social, regulatory or market conditions. Market risk may affect a single issuer, industry or section of the economy or it may affect the economy as a whole. Moreover, the conditions in one country or geographic region could adversely affect the Portfolio's investments in a different country or geographic region. Events such as war, acts of terrorism, social unrest, natural disasters, the spread of infectious illness or other public health threats could also significantly impact the Portfolio and its investments.

7. Federal Income Tax Information:

As of the tax year ended October 31, 2020, 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>
Opportunity Portfolio.	105,017,573	29,680,440	(3,338,047)	26,342,393

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

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, 2020.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of HSBC Funds and Shareholders of
HSBC Opportunity Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of portfolio investments, of HSBC Opportunity Portfolio (one of the funds constituting HSBC Funds, hereafter referred to as the “Fund”) as of October 31, 2020, the related statement of operations for the year ended October 31, 2020, the statement of changes in net assets for each of the two years in the period ended October 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended October 31, 2020 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of October 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended October 31, 2020 and the financial highlights for each of the five years in the period ended October 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s 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, 2020 by correspondence with the custodian 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 opinion.

/s/ PricewaterhouseCoopers LLP
New York, New York
December 21, 2020

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

HSBC FAMILY OF FUNDS

Table of Shareholder Expenses—as of October 31, 2020 (Unaudited)

As a shareholder of the Portfolio, you incur ongoing costs, including management fees and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

Actual Expenses

The actual examples are based on an investment of \$1,000 invested at the beginning of a six-month period beginning May 1, 2020 and held through the period ended October 31, 2020.

The columns below under the heading entitled “Actual” provide information about actual account values and actual expenses. You may use this information, 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 “Actual Expenses Paid During the Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The hypothetical expense examples are based on an investment of \$1,000 invested at the beginning of a six-month period and held throughout the period ended October 31, 2020.

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the columns under the heading entitled “Hypothetical” are 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.

	Annualized Expense Ratio During Period	Beginning Account Value 5/1/20	Actual		Hypothetical (5% return before expenses)	
			Ending Account Value 10/31/20	Expenses Paid During Period ⁽¹⁾	Ending Account Value 10/31/20	Expenses Paid During Period ⁽¹⁾
Opportunity Portfolio.	1.09%	\$1,000.00	\$1,254.20	\$6.18	\$1,019.66	\$5.53

⁽¹⁾ Expenses are equal to the average account value over the period multiplied by the Fund’s annualized expense ratio, multiplied by 184/366 (the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year.)

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**
NON-INTERESTED TRUSTEES					
MARCIA L. BECK P.O. Box 182845 Columbus, OH 43218-3035 Age: 65	Chairman and Trustee	Indefinite; 2008 to present	Private Investor (1999 – present)	7	None
SUSAN C. GAUSE P.O. Box 182845 Columbus, OH 43218-3035 Age: 68	Trustee	Indefinite; 2013 to present	Private Investor (2003 - present)	7	Brighthouse Funds Trust II (2012 – present); and Brighthouse Funds Trust I (2008 – present)
SUSAN S. HUANG P.O. Box 182845 Columbus, OH 43218-3035 Age: 66	Trustee	Indefinite; 2008 to present	Private Investor (2000 - present)	7	None
HUGH T. HURLEY, III*** P.O. Box 182845 Columbus, OH 43218-3035 Age: 56	Trustee	Indefinite; 2020 to present	Retired since 2017; Managing Director and Global Head of Product Strategy Active Equity, BlackRock, Inc. from 2006 to 2017.	7	Oakmark Funds (2018 - present)

* Includes all series of the HSBC Funds.

** This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934 (i.e., "public companies") or other investment companies registered under the 1940 Act.

*** Mr. Hurley was appointed to the Board on December 16, 2020.

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
OFFICERS			
STEFANO R. MICHELAGNOLI 452 Fifth Avenue New York, NY 10018 Age: 50	President	One year; 2020 to present	Global Head of Client Operations, HSBC Global Asset Management (USA) Inc. (June 2020 - present); Regional Head of Product (Americas), HSBC Global Asset Management (USA) Inc. (2015-June 2020)
JAMES D. LEVY 452 Fifth Avenue New York, NY 10018 Age: 57	Vice President	One year; 2014 to present	Vice President, Product Management, HSBC Global Asset Management (USA) Inc. (2014 – present)
LAUREN STUNTEBECK* 4400 Easton Commons, Suite 200 Columbus, OH 43219-3035 Age: 33	Treasurer	One year; 2019 to present	Vice President, Financial Administration, Citi Fund Services (2019 - present); Senior Manager, Audit, KPMG LLP (2016-2019); Manager, Audit, KPMG LLP (2014-2016)
IOANNIS TZOUGANATOS* Prudential Center 800 Boylston Street, 24th Floor Boston, MA 02199 Age: 44	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: 60	Chief Compliance Officer	One year; 2015 to present	Director and Compliance Officer, CCO Services, Citi Fund Services (1988 - present)
JAMES M. CURTIS 452 Fifth Avenue New York, NY 10018 Age: 52	Chief Legal Officer	One year; 2018 to present	Associate General Counsel, HSBC Securities (USA) Inc. (2005-2017); Associate General Counsel, HSBC Technology & Services (USA) Inc. (2018-present)

* Mrs. Stuntebeck, 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; and (iii) on the Security and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

The Funds file their portfolio holdings information for each month in a fiscal quarter within 60 days after the end of the relevant fiscal quarter with the SEC on Form N-PORT. Portfolio holdings information for the third month of each fiscal quarter is available on the SEC's website at <http://www.sec.gov>. The Funds' Schedules of Investments will be available no later than 60 days after each period end, without charge, on the Funds' website at www.investorfunds.us.hsbc.com.

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

HSBC FAMILY OF FUNDS:

INVESTMENT ADVISER AND ADMINISTRATOR

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

SUB-ADVISER

HSBC Opportunity Portfolio
Westfield Capital Management Company, L.P.
One Financial Center
Boston, MA 02111

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:

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

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. Investors should read the prospectus carefully before investing or sending money.