

# HSBC Corporate Money Funds Limited

*Annual Report April 2008*



# HSBC Corporate Money Funds Limited

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2008

### Euro Fund

#### Market Review

Since June 2007, economic data has been weaker than anticipated with higher energy prices and a strong Euro currency being cited as the risks to growth in the region. It is now nine months since the start of the credit crisis and market dislocations are still concerning. The spread between 3-month Euribor and swap Eonia rates is still close to 70 basis points, compared to a pre-crisis average of 6 basis points. This reflects a level of uncertainty, concern about counterparty risk, and liquidity pressures which are still nearly as serious as on the other side of the Atlantic. While the economic shock on the US housing market was local, the financial shock has been global. The Eurozone financial system is less exposed to sub-prime and more robust than the U.S. and it also benefits from exposure to a less indebted household sector. However, the ongoing uncertainty on financial markets implies that the European financial sector is also facing a higher cost of funding, which in turn does not exclude the risk of a credit squeeze on Eurozone households and companies.

Yields on the 0-3 month maturities were very attractive over the period. We have invested in a mix of one-month maturity securities to remain very liquid, and in three month maturities to take advantage of higher yields. The fund performed well over the last year consistently placing in the top quartile of its peer group.

#### Outlook

The European Central Bank (ECB) is expected to hike rates by 25 basis points to 4.25% over the next 3-6 months as inflation risks have been evident in the latest economic releases. The labour market has improved continually over the past months, with economic fundamentals in the Eurozone remaining reasonably sound.

### Sterling Fund

#### Market Review

The year began with the Bank of England (BOE) raising its policy rate by 25 basis points to 5.50% at its May 2007 meeting as they looked to reign in inflation reported at 3.1% at the time. They were expected to keep rates on hold through the rest of the year as the credit crisis in the US started to become increasingly worrying in the summer months, yet rates were hiked again at their August meeting where they remained at 5.75% until December 2007 when they were reduced to 5.50%. Although inflation was still prevalent, the BOE cited the risk of a sharp economic slowdown caused by adverse conditions in the financial markets. A contraction in credit extended to households and business was also a major factor in their decision to cut rates for the first time in two years. Spread widening continued over the turn of the year as LIBOR rose when banks became reluctant to lend to each other. The policy rate was cut again by 25 basis points in both February and April as deteriorating credit conditions and credit availability worsened.

The past six months have seen the composition of the fund rebalanced as maturities have rolled off. Having initially sought, in early January, to increase the duration of the fund in anticipation of tighter spreads, we have been actively seeking to reduce weighted average maturity (WAM) by reinvesting in shorter dated paper, ensuring the fund is very liquid with a minimum of 50% of assets invested in the one month horizon. All investments are now made in the 1 to 3 month maturity range and the WAM has been reduced to a sustained low of around 30 days over the past few months.

#### Outlook

The Monetary Policy Committee (MPC), along with other central banks, face a tough choice between balancing the increased inflationary outlook for Britain with a rapidly deteriorating economic situation. The BOE would appear to be of the opinion that the combination of a weakening housing market, the credit squeeze and higher commodity prices is placing significant pressure on consumers which should slow economic growth. This line of argument supports the idea that no rate increase is called for. However, recent reports have seen worrying indications that inflationary expectations have increased amongst the public, raising fears that we will see a second round of inflationary effects, mainly through increased wage settlements. Retail sales have also been surprisingly strong which once again adds support to the more hawkish members of the committee.

# HSBC Corporate Money Funds Limited

## Manager's Report (Continued)

for the year ended April 30, 2008

### US Dollar Fund

#### Market Review

For the first half of the year most of the concern surrounded the sub prime related turmoil in the credit markets. The Federal Open Market Committee (FOMC) moved its target funds rate for the first time since June 2006, when it stood at 5.25%, with a 50 basis point cut at its September 2007 meeting, in an effort to bring more liquidity to the ailing credit markets. In the latter half of the year the Fed went on to cut rates another six times, amongst other measures, to the current rate of 2.00% at their April 2008 meeting in an effort to maintain some level of stability in the markets. Through this period, inflation continued to remain a concern as the Consumer Price Index (CPI) has been consistently above the soft target of 1-2%. We began to see some slowing in growth and moderation in inflation around the turn of the year. This was short lived as inflation concerns were prevalent again in the first quarter of 2008 as record oil prices continued to be the driving factor behind elevated inflations risks.

The fund continued to perform well against its peer group of AAA rated offshore liquidity funds throughout the year, consistently beating the peer group average. Continued concerns surrounding sub-prime and less than ideal liquidity in the credit markets, have led us to take an even more conservative approach in managing the family of funds with principal preservation and liquidity in the funds now being our main objectives. We continue to purchase high quality securities, but have forgone some yield pickup by not investing as many assets in longer duration securities, as we would during more stable times.

#### Outlook

Inflation expectations have risen over the last few months, with many market participants now expecting the Fed to raise rates by as much as 75 basis points by the end of 2008. The US economy remains weak with many in the financial sector expected to continue to miss earnings expectations due to mortgage related write-downs. We believe that the Fed will leave rates on hold for the next 3-6 months as the downside risks to the economy will outweigh the inflationary risks. We remain poised to alter our strategy as market conditions necessitate a change.

HSBC Global Asset Management (Bermuda) Limited



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**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders of  
HSBC Corporate Money Funds Limited (“the Funds”)

We have audited the accompanying statements of assets and liabilities of the Canadian Dollar Fund, the Euro Fund, the Sterling Fund and the US Dollar Fund including the schedules of investments as of April 30, 2008, and the related statements of operations and changes in net assets for the year then ended. We have also audited the statements of operations and changes in net assets of the Australian Dollar Fund and the Swiss Franc Fund for the period from May 1, 2007 to June 29, 2007. These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HSBC Corporate Money Funds Limited as of April 30, 2008, the results of its operations and the changes in its net assets for the year ended April 30, 2008 for the Canadian Dollar Fund, the Euro Fund, the Sterling Fund and the US Dollar Fund, and for the period ended June 29, 2007 for the Australian Dollar Fund and the Swiss Franc Fund in conformity with accounting principles generally accepted in the United States of America.

Chartered Accountants  
Hamilton, Bermuda  
November 3, 2008

**HSBC Corporate Money Funds Limited**  
**Statements of Assets and Liabilities**  
as at April 30, 2008

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Assets</b>				
Investments at fair value (notes 3(a), 11, 12 & 16)	93,371,701	438,226,330	265,125,859	9,185,406,438
Cash and cash equivalents (note 3(a))	90	9,709	8,724	150,003,713
Interest and dividends receivable	-	1,045,859	710,660	21,564,855
Accounts receivable and prepaid expenses	6,648	23,443	32,626	85,202
	<b>93,378,439</b>	<b>439,305,341</b>	<b>265,877,869</b>	<b>9,357,060,208</b>
<b>Liabilities</b>				
Redemptions payable	-	-	-	10,000,000
Dividends payable (note 13)	-	97,564	34,832	644,497
Management and custodian fees payable (note 14)	1,290,501	161,381	74,366	1,924,385
Accounts payable and accrued expenses	49,418	66,911	69,285	260,830
	<b>1,339,919</b>	<b>325,856</b>	<b>178,483</b>	<b>12,829,712</b>
<b>Net assets</b>	<b>92,038,520</b>	<b>438,979,485</b>	<b>265,699,386</b>	<b>9,344,230,496</b>
<b>Net assets attributable to:</b>				
Class A shares	-	330,405,466	192,525,654	5,109,610,081
Class B shares	-	93,789,653	47,026,127	2,518,258,106
Class C shares	-	-	-	1,655,072,658
Class R shares	92,038,520	14,784,366	26,147,605	61,289,651
	<b>92,038,520</b>	<b>438,979,485</b>	<b>265,699,386</b>	<b>9,344,230,496</b>
<b>Share capital (note 10)</b>				
Shares authorized 19,999,880,000 of US\$ 0.10 each				
<b>Shares Outstanding</b>				
Class A shares outstanding	-	330,405,466	192,525,654	5,109,610,081
Class B shares outstanding	-	93,789,653	47,026,127	2,518,258,106
Class C shares outstanding	-	-	-	1,655,072,658
Class R shares outstanding	5,476,733	950,938	1,308,888	3,543,279
<b>Net asset value per share</b>				
Class A	-	€ 1.00	£1.00	USD 1.00
Class B	-	€ 1.00	£1.00	USD 1.00
Class C	-	-	-	USD 1.00
Class R	CAD 16.81	€ 15.55	£19.98	USD 17.30

The accompanying notes form an integral part of these Financial Statements

# HSBC Corporate Money Funds Limited

## Statements of Net Assets

as at April 30, 2008

### Canadian Dollar Fund

	Holdings in shares	Purchase Price CAD	Fair Value CAD	% of Net Assets
Fidelity Institutional Cash Fund Plc	6,540	92,522,327	93,371,701	101.45
Other net liabilities			(1,333,181)	(1.45)
<b>Total net assets</b>		<b>92,522,327</b>	<b>92,038,520</b>	<b>100.00</b>

### Euro Fund

	Maturity Date	Nominal Value EUR	Purchase Price EUR	Amortised Cost EUR	% of Net Assets
<b>Euro commercial paper (note 12)</b>					
Abbey National Treasury Services Plc	3-Jul-08	8,000,000	7,911,099	7,936,645	1.81
ABN Amro Bank	1-Jul-08	8,000,000	7,934,680	7,936,787	1.81
Allied Irish Banks Plc	11-Jun-08	8,000,000	7,936,508	7,960,317	1.81
ASB Finance Ltd	4-Jun-08	8,000,000	7,958,081	7,967,829	1.82
Bank of Ireland	17-Jun-08	8,000,000	7,939,061	7,954,046	1.81
Banque Caisse Epargne	19-May-08	8,000,000	7,976,017	7,983,691	1.82
Banque Federative Credit Mutuel	2-May-08	15,000,000	14,868,578	15,000,000	3.42
BNP Paribas	2-May-08	15,000,000	14,800,197	14,999,999	3.42
BNZ International Funding	19-May-08	15,000,000	14,840,098	14,969,796	3.41
Depfa Bank Plc	17-Jun-08	8,000,000	7,939,061	7,954,046	1.81
Dexia Banque International Luxembourg	8-May-08	8,000,000	7,966,695	7,994,291	1.82
Dexia Credit Local	15-May-08	9,000,000	8,967,493	8,985,914	2.05
DNB Nor Bank ASA	20-Jun-08	8,000,000	7,909,246	7,951,664	1.81
Intesa Sanpaolo	9-Jun-08	8,000,000	7,933,703	7,962,399	1.82
Lloyds TSB Bank Plc	6-May-08	8,000,000	7,969,468	7,996,183	1.82
National Australia Bank	15-May-08	7,000,000	6,976,667	6,989,167	1.59
National Australia Bank	10-Jun-08	2,000,000	1,985,013	1,990,259	0.45
Nationwide Building Society	27-May-08	14,000,000	13,839,462	13,958,193	3.18
Natixis	2-May-08	7,000,000	6,979,014	7,000,000	1.59
Swedbank Mortgage	20-May-08	8,000,000	7,940,530	7,982,451	1.82
Swedish Housing Finance	9-May-08	8,000,000	7,971,237	7,993,289	1.82
Toyota Leasing	7-Jul-08	15,000,000	14,787,520	14,885,052	3.39
Ulster Bank Finance Plc	15-Jul-08	9,000,000	8,894,553	8,914,252	2.03
<b>Total Euro commercial paper</b>		<b>212,000,000</b>	<b>210,223,981</b>	<b>211,266,270</b>	<b>48.13</b>

The accompanying notes form an integral part of these Financial Statements



**HSBC Corporate Money Funds Limited**  
**Statements of Net Assets (Continued)**  
as at April 30, 2008

**Euro Fund (continued)**

	Holdings in Shares	Coupon Rate % at April 30, 2008	Maturity Date	Nominal Value EUR	Purchase Price EUR	Fair Value EUR	% of Net Assets
<b>Floating rate notes</b>							
Bank of Nova Scotia		4.70	26-Mar-09	5,000,000	5,000,000	5,000,000	1.14
Citigroup Funding Inc		4.43	2-Sep-08	10,000,000	10,003,900	10,000,829	2.28
Credit Agricole		4.86	17-Apr-09	5,000,000	4,995,250	4,996,627	1.14
Dorada Corp		4.38	18-Jul-08	8,000,000	8,000,000	8,000,000	1.82
Fortis Luxembourg Finance S.A.		4.90	28-Jul-08	8,000,000	7,998,672	7,999,670	1.82
General Electric Capital Euro Funding		4.65	18-Sep-09	5,900,000	5,896,460	5,897,387	1.34
General Electric Capital Euro Funding		4.65	18-Sep-09	3,000,000	2,997,900	2,998,432	0.69
KBC Ifima NV		4.71	3-Oct-08	8,000,000	7,994,160	7,998,363	1.82
Sedna Finance Corp		4.36	20-Feb-09	8,000,000	8,000,000	8,000,000	1.82
Sigma Finance Corp		4.42	5-Aug-08	10,000,000	10,000,000	10,000,000	2.28
Swedbank Hypotek Spintab		4.80	22-Jul-08	5,000,000	4,998,532	4,999,705	1.14
<b>Total floating rate notes</b>				<b>75,900,000</b>	<b>75,884,874</b>	<b>75,891,013</b>	<b>17.29</b>
<b>Mutual Fund</b>							
HSBC Global Liquidity Funds Plc - HSBC Euro Liquidity Fund - Class Z ( Note 12)	151,069,047			151,069,047	151,069,047	151,069,047	34.41
<b>Total investments</b>				<b>438,969,047</b>	<b>437,177,902</b>	<b>438,226,330</b>	<b>99.83</b>
<b>Other net assets</b>						<b>753,155</b>	<b>0.17</b>
<b>Total net assets</b>						<b>438,979,485</b>	<b>100.00</b>

The accompanying notes form an integral part of these Financial Statements

HSBC Corporate Money Funds Limited  
 Statements of Net Assets (Continued)  
 as at April 30, 2008

Sterling Fund

	Maturity Date	Nominal Value GBP	Purchase Price GBP	Fair Value GBP	% of Net Assets
Euro commercial paper (note 12)					
Abbey National Treasury Services Plc	29-Jul-08	5,000,000	4,929,456	4,931,007	1.86
Allied Irish Banks Plc	10-Jul-08	6,000,000	5,909,448	5,932,568	2.23
Bank of America	30-May-08	5,000,000	4,977,906	4,978,643	1.87
Bank of Ireland	30-Jun-08	5,000,000	4,927,397	4,952,130	1.86
Bank of Scotland Plc	19-Jun-08	8,000,000	7,883,753	7,938,086	2.99
BP Capital Markets	16-May-08	6,300,000	6,260,541	6,286,235	2.37
Depfa Bank Plc	19-May-08	8,000,000	7,923,527	7,977,434	3.00
DNB Nor Bank ASA	30-May-08	5,000,000	4,954,392	4,977,956	1.87
Intesa Sanpaolo	18-Jun-08	8,000,000	7,883,753	7,939,349	2.99
Lloyds TSB Bank Plc	29-May-08	5,000,000	4,977,947	4,979,417	1.87
Nationwide Building Society	27-May-08	8,000,000	7,883,880	7,968,551	3.00
Natixis	18-Jun-08	5,000,000	4,954,624	4,964,294	1.87
Nordea Bank Finland Plc	3-Jul-08	5,000,000	4,928,184	4,949,729	1.86
Paccar Financial Europe	7-May-08	5,200,000	5,175,540	5,195,108	1.96
Royal Bank of Scotland	21-May-08	8,000,000	7,892,095	7,976,021	3.00
Swedbank Mortgage	9-May-08	6,300,000	6,230,924	6,292,325	2.37
Swedish Housing Finance	6-May-08	6,000,000	5,954,119	5,995,318	2.26
Toyota Financial Services Plc	3-Jun-08	8,000,000	7,895,118	7,960,669	3.00
UBS AG	4-Jul-08	5,000,000	4,927,397	4,948,939	1.86
Ulster Bank Finance Plc	10-Jul-08	5,000,000	4,942,507	4,943,317	1.86
<b>Total Euro commercial paper</b>		<b>122,800,000</b>	<b>121,412,508</b>	<b>122,087,096</b>	<b>45.95</b>

The accompanying notes form an integral part of these Financial Statements

**HSBC Corporate Money Funds Limited**  
**Statements of Net Assets (Continued)**  
as at April 30, 2008

**Sterling Fund (continued)**

	Holdings in Shares	Coupon Rate % at April 30, 2008	Maturity Date	Nominal Value GBP	Purchase Price GBP	Fair Value GBP	% of Net Assets
<b>Floating rate notes</b>							
Bank of Nova Scotia		5.95	7-Jul-08	7,000,000	6,999,160	6,999,882	2.63
Centauri Corp		5.61	9-May-08	5,000,000	5,000,000	5,000,000	1.88
Citigroup Funding Inc		5.94	21-Nov-08	5,000,000	4,998,100	4,999,470	1.88
Five Finance Corp		5.60	10-Aug-09	7,000,000	7,000,000	7,000,000	2.63
Sigma Finance Corp		5.84	30-Apr-09	6,000,000	6,000,000	6,000,000	2.27
Swiss Re Treasury		6.06	30-Jun-08	6,000,000	5,998,818	5,999,778	2.25
<b>Total floating rate notes</b>				<b>36,000,000</b>	<b>35,996,078</b>	<b>35,999,130</b>	<b>13.54</b>
<b>Mutual Fund</b>							
HSBC Global Liquidity Funds Plc - HSBC Sterling Liquidity Fund - Class Z (Note 12)	107,039,633			107,039,633	107,039,633	107,039,633	40.29
<b>Total investments</b>				<b>265,839,633</b>	<b>264,448,219</b>	<b>265,125,859</b>	<b>99.78</b>
<b>Other net assets</b>						<b>573,527</b>	<b>0.22</b>
<b>Total net assets</b>						<b>265,699,386</b>	<b>100.00</b>

**US Dollar Fund**

	Nominal Value USD	Purchase Price USD	Fair Value USD	% of Net Assets
HSBC Global Liquidity Funds Plc - HSBC US Dollar Liquidity Fund - Class Z (Note 12)	9,185,406,438	9,185,406,438	9,185,406,438	98.30
<b>Other net assets</b>			<b>158,824,058</b>	<b>1.70</b>
<b>Total net assets</b>			<b>9,344,230,496</b>	<b>100.00</b>

The accompanying notes form an integral part of these Financial Statements

# HSBC Corporate Money Funds Limited

## Statements of Operations

for the year ended April 30, 2008

	Australian Dollar Fund AUD*	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	Swiss Franc Fund CHF*	US Dollar Fund USD
<b>Income</b>						
Dividend income	-	-	4,548,529	6,271,369	-	451,552,563
Interest income (note 3(b))	-	10,952	14,696,978	12,129,658	-	3,093,090
Other income	24,454	-	-	-	43,605	-
	24,454	10,952	19,245,507	18,401,027	43,605	454,645,653
<b>Expenses</b>						
Management and custody fees (notes 4, 6 & 14)	25,068	709,887	1,430,384	1,023,522	33,399	23,893,784
Audit fees	-	-	11,899	7,477	-	117,044
Directors' fees (note 8)	-	228	529	319	-	17,586
Other expenses	-	10,925	16,138	5,950	-	167,106
	25,068	721,040	1,458,950	1,037,268	33,399	24,195,520
Net investment income/(loss)	(614)	(710,088)	17,786,557	17,363,759	10,206	430,450,133
Net realized gains on sale of investments	560,006	7,344,676	-	-	240,628	-
Net change in unrealized gains and losses on investments	(484,490)	(2,560,624)	-	-	(198,015)	-
	75,516	4,784,052	-	-	42,613	-
Net increase in net assets resulting from operations	74,902	4,073,964	17,786,557	17,363,759	52,819	430,450,133

\* For the period from May 1, 2007 to June 29, 2007

The accompanying notes form an integral part of these Financial Statements

# HSBC Corporate Money Funds Limited

## Statements of Changes in Net Assets

for the year ended April 30, 2008

### Australian Dollar Fund

	Class R AUD*
Net assets at start of the period	9,072,321
Net increase in net assets resulting from operations	
Net investment loss	(614)
Net realized gain on sale of investments	560,006
Net change in unrealized gains on investments	(484,490)
	74,902
Subscriptions and redemptions	
Proceeds on issue of shares	4,576
Payments on redemption of shares	(9,151,799)
	(9,147,223)
Net assets at end of the period	-

\* For the period from May 1, 2007 to June 29, 2007.

### Canadian Dollar Fund

	Class R CAD
Net assets at start of the year	144,443,428
Net increase in net assets resulting from operations	
Net investment loss	(710,088)
Net realized gain on sale of investments	7,344,676
Net change in unrealized gains on investments	(2,560,624)
	4,073,964
Subscriptions and redemptions	
Proceeds on issue of shares	178,291,528
Payments on redemption of shares	(234,770,400)
	(56,478,872)
Net assets at end of the year	92,038,520

The accompanying notes form an integral part of these Financial Statements

# HSBC Corporate Money Funds Limited

## Statements of Changes in Net Assets (Continued)

for the year ended April 30, 2008

### Euro Fund

	Class A EUR	Class B EUR	Class R EUR	Total
Net assets at start of the year	186,031,343	134,712,140	26,186,584	346,930,067
Net increase in net assets resulting from operations				
Net investment income	12,232,798	4,950,173	603,586	17,786,557
	12,232,798	4,950,173	603,586	17,786,557
Subscriptions and redemptions				
Proceeds on issue of shares	914,904,977	211,895,593	1,862,911	1,128,663,481
Payments on redemption of shares	(781,286,666)	(257,410,481)	(13,868,715)	(1,052,565,862)
	133,618,311	(45,514,888)	(12,005,804)	76,097,619
Dividends (note 13)	(12,232,798)	(4,950,173)	-	(17,182,971)
Proceeds from reinvestments of dividends	10,755,812	4,592,401	-	15,348,213
Net assets at end of the year	330,405,466	93,789,653	14,784,366	438,979,485

### Sterling Fund

	Class A GBP	Class B GBP	Class R GBP	Total
Net assets at start of the year	129,115,134	59,348,726	17,160,144	205,624,004
Net increase in net assets resulting from operations				
Net investment income	13,296,087	3,178,351	889,321	17,363,759
	13,296,087	3,178,351	889,321	17,363,759
Subscriptions and redemptions				
Proceeds on issue of shares	560,925,213	68,710,559	100,282,104	729,917,876
Payments on redemption of shares	(505,391,348)	(83,087,686)	(92,183,964)	(680,662,998)
	55,533,865	(14,377,127)	8,098,140	49,254,878
Dividends (note 13)	(13,296,087)	(3,178,351)	-	(16,474,438)
Proceeds from reinvestments of dividends	7,876,655	2,054,528	-	9,931,183
Net assets at end of the year	192,525,654	47,026,127	26,147,605	265,699,386

The accompanying notes form an integral part of these Financial Statements

# HSBC Corporate Money Funds Limited

## Statements of Changes in Net Assets (Continued)

for the year ended April 30, 2008

### Swiss Franc Fund

	Class R CHF*
Net assets at start of the period	52,202,584
Net increase in net assets resulting from operations	
Net investment income	10,206
Net realized gain on sale of investments	240,628
Net change in unrealized gains on investments	(198,015)
	52,819
Subscriptions and redemptions	
Proceeds on issue of shares	920,311
Payments on redemption of shares	(53,175,714)
	(52,255,403)
Net assets at end of the period	-

\* For the period from May 1, 2007 to June 29, 2007.

### US Dollar Fund

	Class A USD	Class B USD	Class C USD	Class R USD	Total
Net assets at start of the year	3,772,513,617	2,461,900,964	3,780,258,421	78,675,637	10,093,348,639
Net increase in net assets resulting from operations					
Net investment income	173,103,011	106,620,316	147,995,837	2,730,969	430,450,133
	173,103,011	106,620,316	147,995,837	2,730,969	430,450,133
Subscriptions and redemptions					
Proceeds on issue of shares	47,807,234,748	22,134,147,730	7,348,117,504	18,803,333	77,308,303,315
Payments on redemption of shares	(46,498,261,171)	(22,102,021,250)	(9,604,945,737)	(38,920,288)	(78,244,148,446)
	1,308,973,577	32,126,480	(2,256,828,233)	(20,116,955)	(935,845,131)
Dividends (note 13)	(173,103,011)	(106,620,316)	(147,995,837)	-	(427,719,164)
Proceeds from reinvestments of dividends	28,122,887	24,230,662	131,642,470	-	183,996,019
Net assets at end of the year	5,109,610,081	2,518,258,106	1,655,072,658	61,289,651	9,344,230,496

The accompanying notes form an integral part of these Financial Statements

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements

for the year ended April 30, 2008

### 1. The Company

HSBC Corporate Money Funds Limited (the "Company") is an open-ended exempted mutual fund company and was incorporated with limited liability and unlimited duration in Bermuda on December 4, 1997 in accordance with the Companies Act, 1981 of Bermuda.

The Company is organized as an umbrella fund with more than one class of shares, one or more of which participate in a separate segregated pool of assets called a Fund. The Company operates Australian Dollar, Canadian Dollar, Euro, Sterling, Swiss Franc and US Dollar Funds. On May 15, 2007, the Australian Dollar and Swiss Franc Funds were closed to new subscriptions and the Board of Directors approved the compulsory redemption of all shareholders in these classes effective June 29, 2007.

The Company has been classified as a standard fund in accordance with the Bermuda Monetary Authority Investment Fund Act 2006, with effect from July 6, 2007.

The principal objective of the Company is to achieve a high level of current income consistent with the preservation of capital and the maintenance of liquidity by investing in a diversified portfolio of money market instruments.

The Company is managed by HSBC Global Asset Management (Bermuda) Limited (the "Manager"), a wholly-owned subsidiary of The Bank of Bermuda Limited (the "Bank"), a member of the HSBC Group.

The assets of each Fund of the Company are held exclusively for the benefit of the holders of the shares of the relevant class(es). However, all assets of the Company are subject to the general creditors of the Company, in that the assets of each Fund may be exposed to the liabilities of other Funds within the Company. At April 30, 2008 the Directors were not aware of any such specific existing or contingent liabilities. The Funds and share classes existing as at April 30, 2008 were as follows:

	<b>Date of inception</b>
Canadian Dollar Fund - Class R	February 1, 2006
Euro Fund - Class A	July 2, 2001
Euro Fund - Class B	July 2, 2001
Euro Fund - Class R	February 1, 2006
Sterling Fund - Class A	July 2, 2001
Sterling Fund - Class B	July 2, 2001
Sterling Fund - Class R	February 1, 2006
US Dollar Fund - Class A	December 4, 1997
US Dollar Fund - Class B	February 1, 1999
US Dollar Fund - Class C	July 1, 2005
US Dollar Fund - Class R	February 1, 2006



# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 2. Significant Accounting Policies

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The significant accounting and reporting policies adopted by the Company are as follows:

- a) Investment transactions and income  
Investment transactions are recorded on the trade date. Realized gains and losses on investment transactions are calculated on a first-in, first-out cost basis. Realized and unrealized gains and losses arising from investment transactions are included in the statement of operations.

Discounts and premiums on debt securities are amortized over the life of the respective securities using the effective interest rate method.

- b) Valuation of investments  
Investments are valued at fair value. Investments in short term money market securities are valued at amortized cost which approximates fair value. Investments in unit trusts or shares in mutual or money market funds are valued at fair value as determined by their last published prices as of the valuation day.

- c) Cash and cash equivalents  
Cash and cash equivalents include cash balances, short-term fixed deposits and repurchase agreements with maturity dates of less than 30 days.

- d) Allocation of profits and losses  
All investment income, realized and unrealized gains and losses of each Fund is allocated to each class of shares outstanding on a daily basis in proportion to their interest in the net asset value of the Fund.

- e) Interest and rebate income  
Interest income is recorded on an accrual basis. Rebate income comprises reductions in management fees payable on investments in certain investee funds and is recognized as income on an accrual basis.

- f) Expenses  
The Company bears all operating expenses which are allocated between all Funds in proportion to the respective net asset value of each Fund unless the expense is solely attributable to a specific Fund.

- g) Use of estimates  
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

- h) Foreign currency translation  
Assets and liabilities denominated in currencies other than the base currency of each Fund are translated into the base currency at the rate prevailing at the date of the financial statements. Transactions during the year in currencies other than the base currency have been translated at the rate of exchange prevailing on the date of the transaction. Realized and unrealized gains and losses on translation of investment balances are included in the statement of operations under "net realized gains/(losses) on sale of investments" and "net change in unrealized gains and losses on investments" respectively. All other realized and unrealized gains and losses are included in the line item to which they relate.

- i) Dividend income  
Dividend income is recorded on an accrual basis net of withholding tax.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 2. Significant Accounting Policies (continued)

(j) Financial instruments

The fair values of the Company's assets and liabilities which qualify as financial instruments under Statement of Financial Accounting Standards No. 107, "Disclosure About Fair Value of Financial Instruments", approximate the carrying amounts presented in the statements of net assets either due to their short-term nature or are recorded at fair value (see also note 2(b)).

(k) Mandatory redeemable financial instruments

In accordance with the Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity", financial instruments, mandatorily redeemable at the option of the holder, are classified as liabilities when a redemption request has been received and the redemption amount has been determined.

(l) New accounting pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 157, "Fair Value Measurements" ("FAS 157"). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. As of April 30, 2008 the Company does not believe the adoption of FAS 157 will impact the amounts reported in the financial statements, however, additional disclosures will be required about the inputs used to develop the measurements of fair value and the effect of certain of the measurements reported in the statement of operations for a fiscal year.

### 3. Bank Overdraft and Sweep Facility

(a) Bank overdraft

Under an agreement dated October 16, 2006, the Bank made available a US Dollar uncommitted multicurrency overdraft facility to the Company. The maximum amount that may be advanced is the lesser of US\$250,000,000 or 5% of the Net Value of Assets in Custody ("NVAC") of the Company. Under the terms of the agreement all assets of the Company are pledged as security against advances made by the Bank. The amount outstanding is due upon demand and interest is payable monthly at an amount equal to 0.75% above the Bank's base rate. This facility covers overdrafts arising from the sweep facility. Interest is charged as described below. At April 30, 2008 nil is outstanding under this facility.

(b) Sweep Facility

Certain corporate customers of the Bank are provided a sweep facility by the Bank to enable an automatic transfer of funds at the end of each business day to or from their current accounts to or from the Company. The sweep transactions result in overnight balances that are reflected as cash or overdraft balances being transferred to the Company. These balances are settled through trading of shares in the Company on the next business day. Interest is earned from or paid to shareholders on these balances at a rate equal to the previous day's daily yield of the Company, so as not to affect the position of the shareholders of the Company who do not utilize the sweep facility. Interest income for the year resulting from sweep transactions for the US Dollar Fund totaled US\$4,020,526 and interest expense totaled US\$927,436. These amounts have been netted and are included in interest income.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 4. Manager

Under the amended management agreement dated February 1, 2006, the Manager is entitled to receive a monthly management fee calculated at a rate of 0.30% for Class A Shares, 0.35% for Class B Shares and 0.10% for Class C Shares per annum of the average of the daily values of the net assets of each class of shares. For Class R Shares, the Manager is entitled to receive 0.85% for the Australian Dollar Fund and Swiss Franc Fund and 0.65% for all other Funds per annum of the average of the daily values of the net assets of each class of shares. If the current fee rates are to be changed, notice must first be given to the Company and Shareholders. The maximum management fee permitted under the terms of the agreement is 1% per annum.

The fees and expenses payable to the Custodian and Administrator by the Company will proportionately reduce amounts payable by the Company to the Manager (see also note 14).

### 5. Administrator

Under the amended administration agreement dated February 1, 2006 between the Company and HSBC Securities Services (Bermuda) Limited (the "Administrator"), a wholly-owned subsidiary of the Bank, the Administrator agreed to act as secretary, registrar, and accountant to the Company and to provide administrative services to the Company.

The Administrator is entitled to receive fees from the Company for services provided at such rates as may be agreed from time to time between the Company and the Administrator out of fees payable to the Manager. The Administrator has waived all fees for the year ended April 30, 2008.

The Administrator is also entitled to receive from the Company an amount equal to the out-of-pocket expenses incurred in carrying out its duties.

### 6. Custodian

Under the amended custodian agreement dated February 1, 2006, HSBC Institutional Trust Services (Bermuda) Limited was appointed as Custodian for the Company.

The Custodian is entitled to receive fees from the Company for services provided at such rates as may be agreed from time to time between the Company and the Custodian out of fees payable to the Manager.

The Custodian is also entitled to receive from the Company an amount equal to the out-of-pocket expenses incurred in carrying out its duties.

### 7. Taxation

At the present time no income, corporation profit, withholding or capital gains taxes are levied in Bermuda and, accordingly, no provision for such taxes has been recorded by the Company. In the event that such taxes are levied, the Company received an undertaking from the Bermuda Government, under the Exempted Undertaking Tax Protection Act 1966, exempting it from all such taxes until March 28, 2016.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 8. Directors' Fees

Each of the Directors is entitled to receive from the Company a fee at such rate as may be set from time to time by the Board of Directors, provided such remuneration shall not exceed an aggregate amount of US\$30,000 per annum without prior consent of the shareholders in a general meeting. The Directors may also be reimbursed for all travel, hotel and other expenses properly incurred by them in attending meetings of the Company. No such fees will be payable where the Director is employed by the Bank or any of its subsidiaries or affiliates.

For the year ended April 30, 2008, Mr. John A. Hawkins and Ms. Julie E. McLean each received an annual fee of US\$5,000 and Mr. William D. Thomson received an annual fee of US\$10,000.

### 9. Directors' Interests

As at April 30, 2008, the Directors of the Company held 190,344.53 Class A shares of the US Dollar Fund.

### 10. Share Capital

The present authorized share capital of \$2,000,000,000 of the Company is divided into 19,999,880,000 voting participating common shares of US\$0.10 par value each and 12,000 non-voting, non-participating founders' shares of US\$1.00 par value each. The Manager holds all founders' shares, nil paid. The founders' shares are not entitled to vote unless there are no other shares in issue, and are not entitled to any dividends.

#### Share Capital

	Australian Dollar Fund Class R*	Canadian Dollar Fund Class R	Euro Fund Class A	Euro Fund Class B	Euro Fund Class R
Shares in issue May 1, 2007	502,678	8,921,417	186,031,343	134,712,140	1,748,327
Shares issued during the year	254	10,804,065	925,660,789	216,487,994	123,410
Shares redeemed during the year	(502,932)	(14,248,749)	(781,286,666)	(257,410,481)	(920,799)
Shares in issue April 30, 2008	-	5,476,733	330,405,466	93,789,653	950,938

#### Share Capital

	Sterling Fund Class A	Sterling Fund Class B	Sterling Fund Class R	Swiss Franc Fund Class R*	US Dollar Fund Class A
Shares in issue May 1, 2007	129,115,134	59,348,726	905,303	4,521,388	3,772,513,617
Shares issued during the year	568,801,868	70,765,087	5,043,612	79,712	47,835,357,635
Shares redeemed during the year	(505,391,348)	(83,087,686)	(4,640,027)	(4,601,100)	(46,498,261,171)
Shares in issue April 30, 2008	192,525,654	47,026,127	1,308,888	-	5,109,610,081

#### Share Capital

	US Dollar Fund Class B	US Dollar Fund Class C	US Dollar Fund Class R
Shares in issue May 1, 2007	2,461,900,964	3,780,258,421	4,739,976
Shares issued during the year	22,158,378,392	7,479,759,974	1,111,291
Shares redeemed during the year	(22,102,021,250)	(9,604,945,737)	(2,307,988)
Shares in issue April 30, 2008	2,518,258,106	1,655,072,658	3,543,279

\* On May 15, 2007, the Australian Dollar and Swiss Franc Funds were closed to new subscriptions and the Board of Directors approved the compulsory redemption of all shareholders in these classes effective June 29, 2007.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 11. Cost of Investments

Cost of Investments as at April 30, 2008

Canadian Dollar Fund	CAD	92,522,327
Euro Fund	EUR	437,177,902
Sterling Fund	GBP	264,448,219
US Dollar Fund	USD	9,185,406,438

### 12. Financial Instruments and Associated Risks

#### Market Risk

Market risk arises primarily from uncertainty around the future prices of financial instruments held by the Company and represents the loss the Company might incur through holding such instruments in the face of price movements. The Manager allocates the Company's portfolio of investments with a view to minimizing the risk associated with particular countries and industry sectors.

#### Currency Risk

The investments of each Fund are denominated in the related base currency thus minimizing currency risk.

#### Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the fair value of the Company's financial instruments may fluctuate with movements in interest rates. The Company manages interest rate risk through investments in short duration debt instruments and floating rate notes. The Company may also use forward contracts for hedging purposes and as independent profit opportunities. The settlement of forward contracts is not expected to have a material effect on the Company's net assets.

#### Liquidity Risk

The Company may invest in debt securities that are not publicly traded or for which there is no liquid market. The Company is exposed to liquidity risk to the extent that it is unable to realize its positions to meet liabilities and redemptions as they fall due.

#### Credit Risk

Financial assets that potentially expose the Company to credit risk consist primarily of cash and cash equivalents, investments, interest and dividend receivable and accounts receivable. The extent of the Company's exposure to credit risk in respect of these financial assets approximate the carrying values as recorded in the statement of assets and liabilities. Credit risk is reduced by dealing with reputable counterparties.

#### Investments

"Euro commercial paper" refers to commercial paper issued in the European Market and may be denominated in US Dollars, Euros or Sterling depending on the currency of the Fund.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 12. Financial Instruments and Associated Risks (continued)

#### Investments in Other Investment Funds

The investments in other investment funds (the "investee funds") are valued at their fair value. The fair value represents the amount the Company would have received at April 30, 2008 if it had liquidated its investments. The Company has the ability to liquidate its investments periodically depending on the provisions of the respective investee fund's offering documents.

The investee funds in which the Company has invested utilize a variety of financial instruments in their trading strategies including equity and debt securities of both U.S. and foreign issuers, options, futures contracts, forward contracts and swap contracts. Several of these financial instruments contain varying degrees of off-balance sheet risk whereby changes in market values of the securities underlying the financial instruments may be in excess of the amounts recorded on each investee fund's balance sheet. However, due to the nature of the Company's interests in the investee funds, such risks are limited to the Company's capital balance in each investee fund.

As of April 30, 2008, certain Funds have investments in certain sub-funds of HSBC Global Liquidity Funds Plc ("HSBC GLF"), a related party managed by HSBC Investments (UK) Limited in connection with HSBC Sterling Liquidity Fund and HSBC US Dollar Liquidity Fund, and by HSBC Investments (France) in connection with HSBC Euro Liquidity Fund. The objective of HSBC GLF is described for each sub-fund as follows:

#### HSBC Euro Liquidity Fund

The investment objective of the HSBC Euro Liquidity Fund is to provide investors with security of capital and daily liquidity together with an investment return which is comparable to normal Euro denominated money market interest rates.

#### HSBC Sterling Liquidity Fund

The investment objective of the HSBC Sterling Liquidity Fund is to provide investors with security of capital and daily liquidity together with an investment return which is comparable to normal Sterling denominated money market interest rates.

#### HSBC US Dollar Liquidity Fund

The investment objective of the HSBC US Dollar Liquidity Fund is to provide investors with security of capital and daily liquidity together with an investment return which is comparable to normal US Dollar denominated money market interest rates.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 12. Financial Instruments and Associated Risks (continued)

#### Investments in Other Investment Funds (continued)

Summarized financial information pertaining to the relevant HSBC GLF sub-fund based on its April 30, 2008 audited financial statements is as follows:

	HSBC Euro Liquidity Fund (in EUR)	HSBC Sterling Liquidity Fund (in GBP)	HSBC US Dollar Liquidity Fund (in USD)
<b>Current assets</b>			
Cash and cash equivalents	-	702,127	2,522,765
Financial assets at fair value through profit and loss	4,341,907,850	3,345,120,032	28,636,396,832
Accrued income	1,598,077	13,053,206	62,299,456
<b>Total assets</b>	<b>4,343,505,927</b>	<b>3,358,875,365</b>	<b>28,701,219,053</b>
<b>Liabilities</b>			
<b>Financial liabilities at fair value through profit or loss</b>			
Securities purchased payable	136,805,890	-	-
Bank overdraft	13,284,254	-	-
Accrued management fees	2,669,971	2,986,407	12,996,433
Other liabilities	435,108	13,731,881	63,173,853
<b>Total liabilities</b>	<b>153,195,223</b>	<b>16,854,872</b>	<b>76,170,286</b>
<b>Net assets</b>	<b>4,190,310,704</b>	<b>3,342,020,493</b>	<b>28,625,048,767</b>

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 12. Financial Instruments and Associated Risks (continued)

#### Investments in Other Investment Funds (continued)

	HSBC Euro Liquidity Fund (in EUR)	HSBC Sterling Liquidity Fund (in GBP)	HSBC US Dollar Liquidity Fund (in USD)
Income			
Interest income	125,452,160	166,996,584	1,019,942,575
Net loss on financial assets and liabilities at fair value through profit or loss	-	9,466,800	35,505,803
Expenses			
Management fees	5,606,375	5,782,527	26,618,953
Net investment income from operations before finance costs	119,845,785	151,747,257	957,817,819
Finance costs			
Distribution to holders of redeemable participating shares			
Paid	110,360,307	137,119,430	911,770,132
Payable	435,108	13,637,226	63,173,853
	110,795,415	150,756,656	974,943,985
Change in net assets attributable to holders of redeemable participating shares	9,050,370	990,601	(17,126,166)

The Company and HSBC GLF are related parties by virtue of investment managers that are under common control.

The Company earned dividend income from the HSBC GLF funds of \$451,552,563 in the US Dollar Fund, £6,271,369 in the Sterling Fund and €4,548,529 in the Euro Fund.

Investors should refer to HSBC GLF's audited financial statement and prospectus for more detailed information.

Complete information about the underlying investments held by the investee fund for the Canadian Dollar Fund is not readily available, so it is unknown whether the investee fund holds any single investment whereby the Fund's proportionate share exceeds 5% of the Fund's net assets as of April 30, 2008.



# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 13. Dividends

The Directors' intention is to declare dividends for all classes of shares in all Funds, except Class R shares, on each dealing day. Dividends are paid monthly and are automatically reinvested in the form of additional shares of the same class, unless the shareholder elects for payment in cash. With respect to Class R shares, shareholders do not receive dividends since their share of income or profits are accumulated and reflected in the daily net asset value per share.

The Company has a policy of maintaining a constant net asset value for the following Funds and Share Classes:

Euro Fund - Class A, B	€1.00
Sterling Fund - Class A, B	£1.00
US Dollar Fund - Class A, B, C	\$1.00

The table below reflects the dividends declared during the year and dividends payable as at April 30, 2008.

#### Dividends Declared

	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
Class A dividends declared	12,232,798	13,296,087	173,103,011
Class B dividends declared	4,950,173	3,178,351	106,620,316
Class C dividends declared	-	-	147,995,837
<b>Total dividends declared</b>	<b>17,182,971</b>	<b>16,474,438</b>	<b>427,719,164</b>
Class A dividends payable	76,193	28,046	351,249
Class B dividends payable	21,371	6,786	169,662
Class C dividends payable	-	-	123,586
<b>Total dividends payable</b>	<b>97,564</b>	<b>34,832</b>	<b>644,497</b>

### 14. Management and Custodian Fees

#### Management Fees

	Australian Dollar Fund AUD	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	Swiss Franc Fund CHF	US Dollar Fund USD
Class A management and custodian fees	-	-	892,171	711,993	-	11,852,200
Class B management and custodian fees	-	-	431,914	200,626	-	8,584,787
Class C management and custodian fees	-	-	-	-	-	3,029,275
Class R management and custodian fees	25,068	709,887	106,299	110,903	33,399	427,522
<b>Total management and custodian fees</b>	<b>25,068</b>	<b>709,887</b>	<b>1,430,384</b>	<b>1,023,522</b>	<b>33,399</b>	<b>23,893,784</b>
Management and custodian fees payable	-	1,290,501	161,381	74,366	-	1,924,385

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 15. Schedule of Financial Highlights

#### Schedule of Financial Highlights for Canadian Dollar Fund for year ended April 30, 2008

	CAD Class R
<b>Selected per share data</b>	
Net asset value at May 1, 2007	16.1906
<b>Income from investment operations</b>	
Net investment loss	(0.1071)
Net realized gain on sale of investments and change in unrealized gain on investments	0.7219
Total from investment operations	<u>0.6148</u>
Net asset value at end of the year	<u>16.8054</u>
Total return	3.80%
<b>Ratios to average net assets</b>	
Total expenses	0.65%
Net investment loss	(0.65)%
<b>Supplemental data</b>	
Net assets at end of the year	92,038,520

#### Schedule of Financial Highlights for Euro Fund for year ended April 30, 2008

	EUR		
	Class A	Class B	Class R
<b>Selected per share data</b>			
Net asset value at May 1, 2007	1.0000	1.0000	14.9800
<b>Income from investment operations</b>			
Net investment income	0.0408	0.0403	0.5700
Less distributions from net investment income	<u>(0.0408)</u>	<u>(0.0403)</u>	<u>-</u>
Net asset value at end of the year	<u>1.0000</u>	<u>1.0000</u>	<u>15.5500</u>
Total return	4.08%	4.03%	3.81%
<b>Ratios to average net assets</b>			
Total expenses	0.30%	0.35%	0.65%
Net investment income	4.13%	4.03%	3.70%
<b>Supplemental data</b>			
Net assets at end of the year	330,405,466	93,789,653	14,784,366

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 15. Schedule of Financial Highlights (continued)

#### Schedule of Financial Highlights for Sterling Fund for year ended April 30, 2008

	GBP		
	Class A	Class B	Class R
<b>Selected per share data</b>			
Net asset value at May 1, 2007	1.0000	1.0000	18.9600
<b>Income from investment operations</b>			
Net investment income	0.0560	0.0555	1.0170
Less distributions from net investment income	(0.0560)	(0.0555)	-
Net asset value at end of the year	<u>1.0000</u>	<u>1.0000</u>	<u>19.9770</u>
Total return	<u>5.60%</u>	<u>5.55%</u>	<u>5.36%</u>
<b>Ratios to average net assets</b>			
Total expenses	0.30%	0.35%	0.65%
Net investment income	5.63%	5.57%	5.23%
<b>Supplemental data</b>			
Net assets at end of the year	192,525,654	47,026,127	26,147,605

#### Schedule of Financial Highlights for US Dollar Fund for year ended April 30, 2008

	USD			
	Class A	Class B	Class C	Class R
<b>Selected per share data</b>				
Net asset value at May 1, 2007	1.0000	1.0000	1.0000	16.6000
<b>Income from investment operations</b>				
Net investment income	0.0448	0.0443	0.0468	0.6974
Less distribution from net investment income	(0.0448)	(0.0443)	(0.0468)	-
Net asset value at end of the year	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>17.2974</u>
Total return	<u>4.48%</u>	<u>4.43%</u>	<u>4.68%</u>	<u>4.20%</u>
<b>Ratios to average net assets</b>				
Total expenses	0.30%	0.35%	0.10%	0.65%
Net investment income	4.40%	4.36%	4.91%	4.16%
<b>Supplemental data</b>				
Net assets at end of the year	5,109,610,081	2,518,258,106	1,655,072,658	61,289,651

An individual shareholder's return may vary from the above, based on the timing of subscriptions and redemptions.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 16. Industry Type and Geographic Region

Investments held at April 30, 2008 represent issuer exposure to the following industries and geographic regions:

#### Canadian Dollar Fund

##### Geographical Breakdown

	Fair Value CAD	% of Investments
Ireland	93,371,701	100

##### Industry Breakdown

	Fair Value CAD	% of Investments
Money Market Fund	93,371,701	100

#### Euro Fund

##### Geographical Breakdown

	Fair Value EUR	% of Investments
Ireland	200,709,925	46
United Kingdom	60,765,435	14
France	50,982,540	12
Cayman Islands	26,000,000	6
Luxembourg	23,977,652	5
Sweden	20,975,445	5
Germany	14,885,052	3
United States of America	10,000,829	2
Australia	8,979,425	2
Netherlands	7,998,363	2
Norway	7,951,664	2
Canada	5,000,000	1
	438,226,330	100

##### Industry Breakdown

	Fair Value EUR	% of Investments
Banking	181,474,218	41
Money Market Fund	151,069,047	35
Finance	71,706,085	16
Special Purpose Entity	18,000,000	4
Sovereign Agency	15,976,980	4
	438,226,330	100

#### Sterling Fund

##### Geographical Breakdown

	Fair Value GBP	% of Investments
Ireland	138,784,431	52
United Kingdom	57,967,567	22
Cayman Islands	18,000,000	7
Sweden	12,287,643	4
Canada	6,999,883	3
Luxembourg	5,999,777	2
Netherlands	5,195,108	2
United States of America	4,999,470	2
Norway	4,977,957	2
France	4,964,294	2
Finland	4,949,729	2
	265,125,859	100

##### Industry Breakdown

	Fair Value GBP	% of Investments
Money Market Fund	107,039,633	41
Banking	95,675,007	36
Finance	56,415,901	21
Sovereign Agency	5,995,318	2
	265,125,859	100

#### US Dollar Fund

##### Geographical Breakdown

	Fair Value USD	% of Investments
Ireland	9,185,406,438	100

##### Industry Breakdown

	Fair Value USD	% of Investments
Money Market Fund	9,185,406,438	100

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2008

### 17. Commitments and Contingencies

In the normal course of operations the Company enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

### 18. Letter of Indemnity

HSBC has provided the HSBC Corporate Money Funds Limited on behalf of the Sterling Fund portion of the indemnity Sterling Fund and Euro Fund with a letter of indemnity in respect of certain of their investments.

Under the terms of the letter, HSBC has agreed to indemnify the Funds against losses realized on certain assets which result in their net asset value per share falling below a pre-determined amount. The indemnity payment is capped at £2,000,000 in respect of the Sterling Fund and €2,000,000 in respect of the Euro Fund.

Although during the period under review no indemnity payment was required to be made, on October 3, 2008, the Sterling Fund sold its holdings of Sigma Finance Corp (principal value of £6,000,000) to an HSBC affiliated entity, resulting in a loss which triggered the full utilization and subsequent expiration of the Sterling Fund portion of the indemnity letter.

# HSBC Corporate Money Funds Limited

## Management and Administration

for the year ended April 30, 2008

### Directors and Officers

William D. Thomson, President  
Retired Executive Vice President  
The Bank of Bermuda Limited

Guillermo Konecny, Vice President  
Head of HSBC Global Asset Management (Bermuda) Ltd.  
The Bank of Bermuda Limited

Wayne P. Chapman  
Head of Private Client Services  
The Bank of Bermuda Limited

William Graham-Welton (resigned June 5, 2008)  
Head of Corporate Banking  
The Bank of Bermuda Limited

John A. Hawkins  
Retired Executive Vice President  
The Bank of Bermuda Limited

Julie E. McLean  
Partner  
Conyers, Dill & Pearman

Michael Schrum (appointed June 25, 2008)  
Head of Finance  
The Bank of Bermuda Limited

### Secretary and Registered Office

HSBC Securities Services (Bermuda) Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Manager

HSBC Global Asset Management (Bermuda) Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Custodian

HSBC Institutional Trust Services (Bermuda) Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Administrator

HSBC Securities Services (Bermuda) Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Auditors

KPMG  
Crown House  
4 Par-la-Ville Road  
Hamilton HM 08, Bermuda

### Legal Advisers

Conyers, Dill & Pearman  
Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

### Client Services

Telephone: (441) 299-5600  
Facsimile: (441) 299-6518  
Email: [bob.investments.client.services@bob.hsbc.com](mailto:bob.investments.client.services@bob.hsbc.com)

### Sales Team

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Facsimile: (441) 299-6537  
Email: [investmentcentre@bob.hsbc.com](mailto:investmentcentre@bob.hsbc.com)



**[www.bankofbermuda.com](http://www.bankofbermuda.com)**

<http://www.bankofbermuda.com/1/2/personal/investments>

<http://www.bankofbermuda.com/1/2/business/investment-management>

**HSBC Global Asset Management (Bermuda) Limited (“AMBM”) is a wholly owned subsidiary of The Bank of Bermuda Limited (the “Bank”), which is a member of the HSBC Group.**

**We are a principal member of the HSBC Group, one of the world’s largest banking and financial services organisations with around 10,000 offices in 83 countries and territories.**

HSBC Global Asset Management (Bermuda) Limited  
6 Front Street  
Hamilton HM 11  
Bermuda

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