

# HSBC Corporate Money Funds Limited

*Annual Report April 2010*



The world's local bank



# HSBC Corporate Money Funds Limited

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# HSBC Corporate Money Funds Limited

## Manager's Report

### for the year ended April 30, 2010

#### Canadian Dollar Fund

##### Market Overview

The Bank of Canada maintained an accommodative target overnight interest rate of 0.25% for the period ending April 30, 2010. Over the second half of 2009, it became apparent that Canada's recession was going to be less severe than many of its peers in the developed world. Conservative risk management prior to the onset of the credit crisis allowed the Canadian banking system to emerge well-capitalised and in good health.

In Canada, Core CPI (Consumer price inflation) rose to 1.8% from -0.3% at the beginning of the period. Real GDP growth rose to 3.1% from -3.9% at the start of the reporting period and the unemployment rate fell to 8.1% from 8.6%. At the April 20 meeting, the Bank of Canada removed the conditional language around keeping the target rate unchanged through the second quarter of 2010.

##### Portfolio Overview

The fund manager responded to the low interest rate environment by maintaining a weighted-average maturity in the mid 50-day range. This allowed the fund to benefit from a sloping yield curve with little risk of actual interest rates rising. The fund's credit quality remained high due to the manager actively selling issuers as they experienced market weakness. Safety and liquidity remain the primary concern.

##### Outlook

Global credit markets have improved somewhat in the first quarter of 2010. There is likely to continue to be a flight to quality as investors search for signs of the bottoming of this global economic downturn. The manager continues to see investors giving up yield in favour of liquidity as the priority will be to purchase high-quality, highly liquid securities.

#### Euro Fund

##### Market Overview

From March 2009, improving economic data and better than expected corporate earnings, led to an increase in investor risk appetite, boosting equity markets. For the rest of the year, interest rates in major developed countries remained close to zero and government stimulus packages helped to underpin an economic recovery. The Eurozone officially came out of recession in the third quarter of 2009, but with wide performance differences between member states, with France and Germany recovering but Spain, Ireland and Greece continuing to struggle. The European Central Bank (ECB) kept interest rates at 1% throughout the period. Towards the end of the period, news was dominated by Greece's national debt downgrade and its problems with its deficit. A rescue package from the ECB and the IMF calmed investors somewhat in March, and the market rallied, but concerns remained about contagion to other Eurozone countries and, during April, there was sharp market volatility. European authorities had to increase the size of their aid package twice to stem the crisis over Greece and other southern European economies as conditions deteriorated.

Over the period as a whole, bond issuances hit record levels. Corporate bonds outperformed government bonds as investor risk appetite increased and 'BBB' rated and 'A' rated bonds outperformed higher quality issues. Global government bonds weakened in late 2009 as continuing investor appetite for risk led to a rally in equities, but then rose in early 2010, with the exception of Japan, which fell. Events in Greece led investors to seek the safe havens of US Treasuries and German Bunds. The US Federal Reserve completed its bond buy-back programme in March, which led to market weakness but US government bonds recovered during April, outperforming both Eurozone and UK government debt.

##### Portfolio Overview

The strategy of the fund remained conservative. The fund manager's priority is safety and credit quality in order to preserve security and liquidity. In this context, fund exposure to issuers with the highest quality of credit has been increased. The manager maintains a high degree of A1+ papers and has been diversifying into certificate of deposits, commercial papers and sovereign issuers (French, Netherlands, and Belgium). No investments have been made in FRN's since the later half of 2007, as these do not meet the investment criteria for sufficient liquidity within the euro market. Asset-backed commercial property investments (ABCP) are currently limited to three months. Positions now comprise up to 6% of assets held in the fund. Most investments are in trade receivables or partially supported SPVs (Special Purpose Vehicles). The manager has reduced the maturity of investments to 3 or 6 months maximum depending on the credit risk. This investment policy applies to all names equally, including financials, companies' and sovereign debt.

The fund holds a significant portion of Treasury Bills, in certain cases they offer a more attractive spread than certain bank CDs in the three-month area. Sovereign holdings, almost 50% during certain periods, has contributed in large part to the index. For Eurozone government exposure, Greece and Ireland were not included in the purchase list. Regarding Portugal, the fund holds less than 2% exposure to Portuguese T-Bills with the longest maturity of July 2010. As of the year end, the fund also holds Italian and Spanish treasury bills with a 3-month or less maturity. These bills continue to offer attractive yields relative to German, French, Netherlands or Belgium.

# HSBC Corporate Money Funds Limited

## Manager's Report

### for the year ended April 30, 2010

#### Euro Fund (continued)

##### Outlook

At the beginning of 2010, economic and financial conditions in the Euro zone were more positive compared to the start of 2009.

This has become more moderated since March 2010 when global authorities agreed on an unprecedented co-coordinated action to combat escalating financial market tensions. The total amount pledged (Euro 750 bn) would be sufficient to provide financial support of equal magnitude to that for Greece (in terms of GDP) in Portugal, Ireland and Spain. However, longer-term consequences will take longer to evaluate. The ECB's decision to purchase bonds showed determination to exit the crisis. Portugal and Spain announced fiscal tightening measures to help reduce their budget deficit, sending a message that they are serious about policy. The decisions made by Portugal and Spain to accelerate fiscal consolidation efforts imply an additional drag on growth in the periphery, which in turn will not support an economic recovery in the Euro zone this year. Markets have recently shown that a 0.25% rate hike is expected in the second part of 2011. Mr. Trichet reiterated that rates remain appropriate, signaling that the ECB is in no rush on rates. Economic growth is likely to be moderate this year and inflation moderate over the medium to longer term.

#### Sterling Fund

##### Market Overview

As was the case with most global markets, UK financial markets made considerable progress over the period under review. Investor risk appetite started to return in March 2009, as, although UK economic data was still mixed, there were signs of an improvement globally, particularly in Asia. During the year, UK economic data steadily progressed, supported by record low interest rates in the UK, which remained at 0.5% over the year. The UK economy finally came out of its recession in the fourth quarter of 2009, with GDP up 0.4%. Nonetheless, the strength of the rebound continued to disappoint, which was reflected in the lower-than-expected GDP growth for first quarter 2010, at 0.2% quarter-on-quarter, against a consensus estimate of 0.4% quarter-on-quarter. Labour market data was a little more encouraging than previous months close to period end, with the claimant count rate falling to 4.8% in March, but the headline unemployment rate had increased to 8.0% in February. Overall, the UK's record fiscal deficit weighed heavily on the economic outlook. Inflationary pressures returned towards period end and UK Consumer price index (CPI) came in at 3.0% in March. By April, renewed worries about the deficit and the possibility of a hung parliament in the May general election concerned investors. It is thought that GDP data have been below expectations due to the severe winter weather as this affected certain sectors such as construction and transportation particularly hard and a rebound can be anticipated in the months ahead.

UK government bonds made limited progress overall. Gilts initially fell back as the flight-to-quality that had sustained prices waned in the face of investors' greater appetite for risk. Gilts were also held back by the large level of government bond issuance planned in order to bolster public finances, despite the support of the quantitative easing programme. CPI inflation remained above the Bank of England's target, leading to fears that interest rates would be raised. Towards the end of the period, gilt prices started to recover, as the budget deficit came in lower than expected, suggesting that bond issuance in 2010 would not be quite as heavy as feared. Gilts rose marginally during the month with the FTSE All Stocks Index rising 0.65% as investors preferred gilts to other European sovereign debt.

##### Portfolio Overview

Since the outset of the current crisis, the manager has positioned the fund conservatively and reduced the Weighted-Average Maturity (WAM) of the fund, i.e. the time the bonds had to run until maturity and has stopped investing in certain asset classes such as FRNs (floating rate notes) which seemed too illiquid, in the relatively small Sterling market. The manager has retained a high degree of liquidity in the fund, with a sizeable percentage of the fund in one-month instruments. Over the past year, market conditions improved gradually, and the WAM went from an average of 15 days in May 2009 to an average level of 40 by the end of April 2010. However, the investment strategy remained very conservative.

The investee fund actively invested in short-dated UK Treasury Bills. The manager adopted this strategy early in the crisis for the security that these bonds offer and also because of the value they continue to offer compared to certain companies which are issuing bonds at levels below UK Treasury Bill levels. Bills are being used as a buffer against issuer downgrades. More companies have either downgraded or been placed on negative outlook by rating agencies. The manager maintained the fund's investments in Asset-Backed Commercial Paper (ABCP) throughout the year, but with a limit on short-term investments to focus on more secure instruments. The portfolio holds a short-dated instrument issued by the Republic of Portugal, maturing 26 May 2010, which represents just over 1% of the fund's assets, which was downgraded near the end of April.

##### Outlook

At the time of writing, the Bank of England's (BoE's) base rate has been on hold at 0.50% for 16 consecutive months. The BoE has also been buying Gilts and completed its £200bn quantitative easing, or QE, programme of purchases earlier in the year.

At the beginning of 2010, it had been widely expected that the BoE would make no move on interest rates until the general election at the earliest. Markets had anticipated a rise in interest rates in the summer, with rates gradually moving to 1% by year end. This scenario has gradually changed over the past few months as the BoE has continuously reiterated that the outlook for inflation remains benign due to a combination of weakened growth and poor demand from the UK's main export market, the European Union, where the recovery is proving to be very weak.

# HSBC Corporate Money Funds Limited

## Manager's Report

### for the year ended April 30, 2010

#### Sterling Fund (continued)

##### Outlook (continued)

The sovereign debt issue has grown in importance, which ultimately led to the impressive package of €750bn fiscal measures announced in May. In light of the worrying recent developments in the UK's closest neighbours and trading partners, the uncertain political situation in the UK, the massive fiscal correction and the rather benign outlook for inflation, the manager does not anticipate a rise in interest rates until the end of the year at the very earliest. Indeed, markets are now anticipating a rate hike in early 2011.

#### US Dollar Fund

##### Market Overview

The twelve-month period under review saw a strong recovery for equity markets, with the S&P 500 progressing well from March 2009, reflecting the return to riskier assets by investors. In April, the G20 conference led to a concerted package of stimulus measures of US\$1,100 billion for the global economy. This provided optimism, as economic data showed a slowdown in the pace of decline. Ten US banks then declared that they could repay their TARP (Troubled Asset Relief Program) loans, as their capital reserves had stabilised. The Troubled Asset Relief Program was put in place by the US government to restore order to the financial services system. Overall, first quarter company earnings releases helped as two-thirds of S&P 500 constituents reported progress. US monetary policy remained stimulative of economic activity, as the US Federal Funds' interest rate was kept in a band between 0 - 0.25% for the entire period. The Federal Reserve introduced a quantitative easing programme in order to boost liquidity in financial markets. These efforts started to feed through into US economic data, which began to show signs of improvement, and the US officially came out of recession in the third quarter of 2009. Late in 2009, equity market progress slowed, as the influence of cost-cutting on company profits dwindled. Financial companies lost out as investors favoured defensive stocks. However, initial fourth quarter results generally beat expectations, helping to restore market confidence. Corporate earnings' forecasts were upgraded and, as in other equity markets, stocks in cyclical sectors outperformed more defensive sectors over the period.

##### Portfolio Overview

Bond yields declined in short-term money markets for the better part of the last year as the US Federal Reserve kept its target interest rate in a 0.00%-0.25% range. The manager remained conservative regarding liquidity in the fund. Most purchases, mainly of short-dated fixed rate Commercial Paper (CP) and Certificates of Deposit (CDs) were in the one-month maturity area, with some investments in three-month securities with a select group of issuers which provided strong liquidity. The manager has also made a few opportunistic investments in longer-dated securities maturing as far out as one year. With the US Federal Reserve beginning to utilise various monetary tools which pushed the interest rate upward, the manager will explore adding to the floating rate instruments, as these vehicles may yield superior performance later in the year if there is a rise in interest rates. It is the opinion of the manager that the short-term bond yield curve seems to have hit its lows and is now beginning to steepen in anticipation of the Federal Reserve increasing its interest rate. The average maturity of the fund's holdings has increased slightly to 38 days from 34 days over the year, with safety and liquidity remaining the top priority.

##### Outlook

The US economy continues to show signs that it is strengthening. This being said, it is widely expected that the US Federal Reserve will stick to its stated aim of keeping the interest rate at a record low for an extended period of time due to continued weakness in employment and other key economic components. Currently, the consensus market expectation is for the Federal Reserve to maintain rates as they are before raising them by approximately 0.25% during Q1 2011.

HSBC Global Asset Management (Bermuda) Limited

*This Manager's Report contains certain forward-looking statements with respect to the financial markets. These statements should not be considered personal financial advice.*



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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 Funds including the statements of net assets as of April 30, 2010, and the related statements of operations and changes in net assets for the year then ended. 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 includes 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 the Funds as of April 30, 2010, and the results of its operations and the changes in its net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Chartered Accountants  
Hamilton, Bermuda  
September 29, 2010

HSBC Corporate Money Funds Limited  
Statements of Assets and Liabilities  
as at April 30, 2010

	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, 15 & 17)	152,268,650	459,083,401	182,694,715	9,519,868,755
Cash and cash equivalents (note 3)	-	1,307	1,213	68,732,242
Interest and dividends receivable	47,475	184,198	92,532	2,195,593
Accounts receivable and prepaid expenses	811	30,405	19,608	144,086
	152,316,936	459,299,311	182,808,068	9,590,940,676
<b>Liabilities</b>				
Management and custodian fees payable (notes 4 & 14)	125,012	188,741	113,533	2,100,978
Redemptions payable	83,050	3,796,030	40,000	-
Dividends payable (note 13)	822	5,471	4,809	42,397
Accounts payable and accrued expenses	46,992	72,180	59,444	452,168
	255,876	4,062,422	217,786	2,595,543
Net assets	152,061,060	455,236,889	182,590,282	9,588,345,133
<b>Net assets attributable to:</b>				
Class A shares	85,806,508	319,490,546	132,747,331	4,425,805,912
Class B shares	18,667,280	113,095,853	42,457,577	2,571,126,515
Class C shares	-	-	-	2,551,405,533
Class I shares	-	11,606,784	-	-
Class R shares	47,587,272	11,043,706	7,385,374	40,007,173
	152,061,060	455,236,889	182,590,282	9,588,345,133
<b>Share capital (note 10)</b>				
Shares authorized 19,999,880,000 of US\$ 0.10 each				
<b>Shares outstanding</b>				
Class A shares	85,806,508	319,490,546	132,747,331	4,425,805,912
Class B shares	18,667,280	113,095,853	42,457,577	2,571,126,515
Class C shares	-	-	-	2,551,405,533
Class I shares	-	11,606,784	-	-
Class R shares	2,784,569	689,429	358,582	2,284,981
<b>Net asset value per share</b>				
Class A shares	CAD1.00	€ 1.00	£1.00	USD1.00
Class B shares	CAD1.00	€ 1.00	£1.00	USD1.00
Class C shares	-	-	-	USD1.00
Class I shares	-	€ 1.00	-	-
Class R shares	CAD17.09	€ 16.02	£20.60	USD17.51

The accompanying notes form an integral part of these Financial Statements

# HSBC Corporate Money Funds Limited

## Statements of Net Assets

as at April 30, 2010

### Canadian Dollar Fund

	Holdings in Shares	Purchase Price CAD	Fair Value CAD	% of Net Assets
<b>Mutual Fund</b>				
HSBC Global Liquidity Funds Plc - HSBC Canadian Dollar Liquidity Fund - Class Z (note 12)				
	152,268,650	152,268,650	152,268,650	100.14
Other net liabilities			(207,590)	(0.14)
<b>Total net assets</b>		<b>152,268,650</b>	<b>152,061,060</b>	<b>100.00</b>

### Euro Fund

	Holdings in Shares	Purchase Price EUR	Fair Value EUR	% of Net Assets
<b>Mutual Fund</b>				
HSBC Global Liquidity Funds Plc - HSBC Euro Liquidity Fund - Class Z (note 12)				
	459,083,399	459,083,401	459,083,401	100.84
Other net liabilities			(3,846,512)	(0.84)
<b>Total net assets</b>			<b>455,236,889</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, 2010

**Sterling Fund**

	Holdings in Shares	Purchase Price GBP	Fair Value GBP	% of Net Assets
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**Mutual Fund**

HSBC Global Liquidity Funds Plc - HSBC Sterling Liquidity Fund - Class Z (note 12)	182,694,713	182,694,715	182,694,715	100.06
Other net liabilities			(104,433)	(0.06)
<b>Total net assets</b>			<b>182,590,282</b>	<b>100.00</b>

**US Dollar Fund**

	Holdings in Shares	Purchase Price USD	Fair Value USD	% of Net Assets
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**Mutual Fund**

HSBC Global Liquidity Funds Plc - HSBC US Dollar Liquidity Fund - Class Z (note 12)	9,519,868,755	9,519,868,755	9,519,868,755	99.29
Other net assets			68,476,378	0.71
<b>Total net assets</b>			<b>9,588,345,133</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, 2010

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Income</b>				
Dividend income (note 12)	579,150	2,817,770	1,360,635	33,269,273
Interest income (note 3(b))	-	48,653	6,218	43,179
Other income	-	-	56,422	-
	579,150	2,866,423	1,423,275	33,312,452
<b>Expenses</b>				
Management and custody fees (notes 4, 6 & 14)	437,145	1,573,139	835,201	22,514,943
Audit fees	5,490	11,866	8,311	234,880
Directors' fees (note 8)	121	880	556	17,634
Other expenses	6,723	6,963	6,689	114,758
	449,479	1,592,848	850,757	22,882,215
Net investment income	129,671	1,273,575	572,518	10,430,237
Net increase in net assets resulting from operations	129,671	1,273,575	572,518	10,430,237

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, 2010

Canadian Dollar Fund

	Class A CAD	Class B CAD	Class R CAD	Total
Net assets at start of the year	36,957,763	12,396,271	76,339,837	125,693,871
<b>Net increase in net assets resulting from operations</b>				
Net investment income	69,621	15,706	44,344	129,671
	69,621	15,706	44,344	129,671
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	111,088,713	29,878,796	15,695,902	156,663,411
Payments on redemption of shares	(62,297,374)	(23,622,724)	(44,492,811)	(130,412,909)
	48,791,339	6,256,072	(28,796,909)	26,250,502
Dividends (note 13)	(69,621)	(15,706)	-	(85,327)
Proceeds from reinvestment of dividends	57,406	14,937	-	72,343
Net assets at end of the year	85,806,508	18,667,280	47,587,272	152,061,060

Euro Fund

	Class A EUR	Class B EUR	Class I EUR (note 1)	Class R EUR	Total
Net assets at start of the year/period	371,396,323	94,616,495	-	11,599,887	477,612,705
<b>Net increase in net assets resulting from operations</b>					
Net investment income	991,662	246,971	21,781	13,161	1,273,575
	991,662	246,971	21,781	13,161	1,273,575
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	701,371,949	87,837,588	123,396,674	162,487	912,768,698
Payments on redemption of shares	(753,994,105)	(69,579,782)	(111,809,473)	(731,829)	(936,115,189)
	(52,622,156)	18,257,806	11,587,201	(569,342)	(23,346,491)
Dividends (note 13)	(991,662)	(246,971)	(21,781)	-	(1,260,414)
Proceeds from reinvestment of dividends	716,379	221,552	19,583	-	957,514
Net assets at end of the year/period	319,490,546	113,095,853	11,606,784	11,043,706	455,236,889

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, 2010

**Sterling Fund**

	Class A GBP	Class B GBP	Class I GBP (note 1)	Class R GBP	Total
Net assets at start of the year/period	217,754,750	62,182,464	-	10,374,636	290,311,850
<b>Net increase in net assets resulting from operations</b>					
Net investment income	447,568	102,856	15,525	6,569	572,518
	447,568	102,856	15,525	6,569	572,518
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	355,801,498	63,535,480	30,548,340	4,677,466	454,562,784
Payments on redemption of shares	(441,181,453)	(83,348,526)	(30,560,058)	(7,673,297)	(562,763,334)
	(85,379,955)	(19,813,046)	(11,718)	(2,995,831)	(108,200,550)
Dividends (note 13)	(447,568)	(102,856)	(15,525)	-	(565,949)
Proceeds from reinvestment of dividends	372,536	88,159	11,718	-	472,413
Net assets at end of the year/period	132,747,331	42,457,577	-	7,385,374	182,590,282

**US Dollar Fund**

	Class A USD	Class B USD	Class C USD	Class R USD	Total
Net assets at start of the year	5,248,237,437	2,870,662,850	3,163,952,855	45,104,445	11,327,957,587
<b>Net increase in net assets resulting from operations</b>					
Net investment income	3,259,916	1,295,153	5,866,155	9,013	10,430,237
	3,259,916	1,295,153	5,866,155	9,013	10,430,237
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	45,211,165,115	15,170,099,970	5,364,994,712	11,687,463	65,757,947,260
Payments on redemption of shares	(46,033,998,717)	(15,469,863,906)	(5,981,931,663)	(16,793,748)	(67,502,588,034)
	(822,833,602)	(299,763,936)	(616,936,951)	(5,106,285)	(1,744,640,774)
Dividends (note 13)	(3,259,916)	(1,295,153)	(5,866,155)	-	(10,421,224)
Proceeds from reinvestment of dividends	402,077	227,601	4,389,629	-	5,019,307
Net assets at end of the year	4,425,805,912	2,571,126,515	2,551,405,533	40,007,173	9,588,345,133

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, 2010

#### 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 Canadian Dollar, Euro, Sterling and US Dollar Funds.

The Company has been classified as a standard Fund in accordance with the Bermuda Investment Funds Act 2006.

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 HSBC Bank 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 classes. 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, 2010, the Directors were not aware of any such specific existing or contingent liabilities. Sterling Fund Class I commenced on July 9, 2009 and was fully redeemed on February 8, 2010. The Funds and share classes existing as at April 30, 2010 were as follows:

	<b>Date of inception</b>
Canadian Dollar Fund - Class A	December 19, 2008
Canadian Dollar Fund - Class B	December 10, 2008
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 I	November 17, 2009
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

#### 2. Significant Accounting Policies

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). 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.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2010

### 2. Significant Accounting Policies (continued)

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.

In accordance with US GAAP, fair value is defined as the price that the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidelines for fair value measurements establishes a framework for measuring fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Each investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below:

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

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 at the time of purchase.

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 the 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 on sale of investments" and "net change in unrealized gains and losses on investments", respectively. All other foreign currency realized and unrealized gains and losses are included in the line item to which they relate.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2010

### 2. Significant Accounting Policies (continued)

- i) Dividend income  
Dividend income is recorded on the ex-dividend date and is presented net of withholding tax.
- j) Financial instruments  
The fair values of the Company's assets and liabilities which qualify as financial instruments under US GAAP 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  
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) Taxation  
The Fund adopted the provisions of FASB Interpretation No. 48 ("FIN 48"), now included in ASC Subtopic 740-10, on May 1, 2008. As a result of the implementation of ASC Subtopic 740-10 (FIN 48), the Fund was not required to recognize any amount of uncertain tax positions.
- m) Adoption of Accounting Standards Codification  
In June 2009, the Financial Accounting Standards Board ("FASB") established the FAS Accounting Standards Codification (the "Codification") as the single source of authoritative accounting principles recognized by the FASB in the preparation of financial statements in conformity with US GAAP. The Codification did not change US GAAP but rather organized it into a hierarchy where all guidance within the Codification carries an equal level of authority. The Codification became effective in September 2009. Adoption of the Codification did not have a material effect on the Fund's financial statements.

### 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, 2010 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\$70,940 and interest expense totaled US\$27,761. These amounts have been netted and are included in interest income.

### 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, 0.10% for Class C Shares and 0.20% for Class I Shares per annum of the average daily values of the net assets of each class of shares. With respect to Class A, B and R, from May 1, 2009 on a temporary basis, the Manager may have voluntarily reduced a proportion of the management fee for the US Dollar Fund, Sterling Fund and Canadian Dollar Fund per annum of the average of the daily values of the net assets of each class of shares. The Manager is entitled in its absolute discretion to increase (or decrease) these percentages from time to time up to the maximum management fee permitted under the terms of the agreement of 1% per annum.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2010

#### 4. Manager (continued)

As of April 30, 2010, the management fee for Class A, B and R Shares of the US Dollar Fund, Sterling Fund, Euro Fund and Canadian Dollar Fund were as follows:

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Management Fee</b>				
Class A	0.30%	0.30%	0.30%	0.27%
Class B	0.35%	0.35%	0.35%	0.27%
Class R	0.35%	0.35%	0.45%	0.27%

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 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 an agreement dated February 1, 2006, the Bank was appointed Custodian for the Company. Pursuant to a novation agreement dated February 22, 2008, HSBC Institutional Trust Services (Bermuda) Limited was appointed as Custodian to replace the Bank.

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.

#### 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, 2010, Mr. John A. Hawkins and Ms. Julie E. McLean each received an annual fee of US\$7,500 and Mr. William D. Thomson received an annual fee of US\$12,500.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2010

#### 9. Directors' Interests

As at April 30, 2010, the Directors of the Company held 270,000 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 ("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. Participating common shares may be subscribed for and redeemed on a daily basis.

	Canadian Dollar Fund Class A	Canadian Dollar Fund Class B	Canadian Dollar Fund Class R
Shares in issue May 1, 2009	36,957,763	12,396,271	4,470,325
Shares issued during the year	111,146,119	29,893,733	918,750
Shares redeemed during the year	(62,297,374)	(23,622,724)	(2,604,506)
Shares in issue April 30, 2010	85,806,508	18,667,280	2,784,569

	Euro Fund Class A	Euro Fund Class B	Euro Fund Class I (note 1)	Euro Fund Class R
Shares in issue May 1, 2009	371,396,323	94,616,495	-	725,000
Shares issued during the year/period	702,088,328	88,059,140	123,416,257	10,147
Shares redeemed during the year/period	(753,994,105)	(69,579,782)	(111,809,473)	(45,718)
Shares in issue April 30, 2010	319,490,546	113,095,853	11,606,784	689,429

	Sterling Fund Class A	Sterling Fund Class B	Sterling Fund Class I (note 1)	Sterling Fund Class R
Shares in issue May 1, 2009	217,754,750	62,182,464	-	504,097
Shares issued during the year/period	356,174,034	63,623,639	30,560,058	227,234
Shares redeemed during the year/period	(441,181,453)	(83,348,526)	(30,560,058)	(372,749)
Shares in issue April 30, 2010	132,747,331	42,457,577	-	358,582

	US Dollar Fund Class A	US Dollar Fund Class B	US Dollar Fund Class C	US Dollar Fund Class R
Shares in issue May 1, 2009	5,248,237,437	2,870,662,850	3,163,952,855	2,576,653
Shares issued during the year	45,211,567,192	15,170,327,571	5,369,384,341	667,560
Shares redeemed during the year	(46,033,998,717)	(15,469,863,906)	(5,981,931,663)	(959,232)
Shares in issue April 30, 2010	4,425,805,912	2,571,126,515	2,551,405,533	2,284,981

#### 11. Cost of Investments

Cost of Investments as at April 30, 2010

Canadian Dollar Fund	CAD	152,268,650
Euro Fund	EUR	459,083,401
Sterling Fund	GBP	182,694,715
US Dollar Fund	USD	9,519,868,755

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2010

### 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. Each Fund's overall market position is monitored on a daily basis by the Manager.

#### 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 mainly invests in certain sub-funds of HSBC Global Liquidity PLC ("HSBC GLF") which provides daily redemptions. It 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 (see also note 10). The Manager manages liquidity risk by maintaining sufficient liquid assets 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 dividends 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 managed by dealing with reputable counterparties.

The Company mainly invests in certain sub-funds of HSBC GLF, which all have AAA Principal Stability Fund Rating from Standard & Poor's.

#### 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, 2010 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, which may be denominated in various currencies. 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, 2010, all Funds have investments in certain sub-funds of HSBC GLF, a related party managed by HSBC Global Asset Management (UK) Limited in connection with HSBC Canadian Dollar Liquidity Fund, HSBC Sterling Liquidity Fund and HSBC US Dollar Liquidity Fund, and by HSBC Global Asset Management FLP (France) in connection with HSBC Euro Liquidity Fund. The objective of HSBC GLF is described for each sub-fund as follows:

#### HSBC Canadian Dollar Liquidity Fund

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

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2010

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

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

##### 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.

The following table summarizes investments of HSBC GLF – HSBC Canadian Dollar Liquidity Fund of which the Canadian Dollar Fund's pro-rata share is greater than 5% of the Canadian Dollar Fund's net assets:

Description	Nominal Value CAD	Value CAD	% of Canadian Dollar Fund's Net Assets
Canadian Wheat Board Commercial Papers	7,849,800	7,848,977	5.16
Canadian Government Bonds and Treasury Bills	47,812,419	47,860,898	31.47

The following table summarizes investments of HSBC GLF – HSBC Euro Dollar Fund of which the Euro Fund's pro-rata share is greater than 5% of the Euro Fund's net assets:

Description	Nominal Value EUR	Value EUR	% of Euro Fund's Net Assets
HSBC Bank Time Deposits and Certificate of Deposits	35,532,462	35,529,836	7.80
Italy Buoni Ordinari del Tesoro Treasury Bills	52,684,075	52,676,060	11.57
Spain Letras del Tesoro Treasury Bills	25,053,323	25,034,165	5.50

The following table summarizes investments of HSBC GLF – HSBC Sterling Liquidity Fund of which the Sterling Fund's pro-rata share is greater than 5% of the Sterling Fund's net assets:

Description	Nominal Value GBP	Value GBP	% of Sterling Fund's Net Assets
United Kingdom Treasury Bills	48,437,126	48,407,809	26.51

There were no investments of HSBC GLF – HSBC US Dollar Liquidity Fund of which the US Dollar Fund's pro-rata share is greater than 5% of the US Dollar Fund's net assets.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2010

### 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, 2010 audited financial statements is as follows:

	HSBC Canadian Dollar Liquidity Fund CAD	HSBC Euro Liquidity Fund EUR	HSBC Sterling Liquidity Fund GBP	HSBC US Dollar Liquidity Fund USD
<b>Current assets</b>				
Cash and cash equivalents	99,532	123,464	327,307	24,317
Financial assets at fair value				
through profit and loss	252,573,438	12,717,521,562	4,903,742,379	23,038,761,797
Securities sold receivable	-	99,974,962	-	-
Accrued interest income	782,507	2,862,325	1,174,142	7,901,510
<b>Total assets</b>	<b>253,455,477</b>	<b>12,820,482,313</b>	<b>4,905,243,828</b>	<b>23,046,687,624</b>
<b>Liabilities</b>				
Securities purchased payable	39,999,600	79,404,626	139,002,047	-
Accrued management fees	20,514	3,518,927	1,562,507	4,861,729
Distributions payable	59,845	2,203,956	1,393,816	2,927,117
<b>Total liabilities</b>	<b>40,079,959</b>	<b>85,127,509</b>	<b>141,958,370</b>	<b>7,788,846</b>
<b>Net assets</b>	<b>213,375,518</b>	<b>12,735,354,804</b>	<b>4,763,285,458</b>	<b>23,038,898,778</b>
<b>Income</b>				
Interest income	708,456	47,086,126	27,134,033	83,904,858
<b>Expenses</b>				
Management fees	(60,550)	(16,854,346)	(9,294,016)	(30,456,631)
<b>Net investment income from operations before finance costs</b>	<b>647,906</b>	<b>30,231,780</b>	<b>17,840,017</b>	<b>53,448,227</b>
<b>Finance costs</b>				
Distribution to holders of redeemable participating shares				
Paid	588,061	23,039,977	12,780,552	49,209,212
Payable	59,845	2,203,956	1,393,816	2,927,117
	647,906	25,243,933	14,174,368	52,136,329
<b>Change in net assets attributable to holders of redeemable participating shares</b>	<b>-</b>	<b>4,987,847</b>	<b>3,665,649</b>	<b>1,311,898</b>

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2010

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

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

Investment Assets	HSBC Canadian Dollar	HSBC Euro	HSBC Sterling	HSBC US Dollar
	Liquidity Fund	Liquidity Fund	Liquidity Fund	Liquidity Fund
	% of Net Assets	% of Net Assets	% of Net Assets	% of Net Assets
<b>Debt Investments</b>				
Call Deposits	-	0.79	6.93	-
Certificates of Deposits	-	38.04	28.78	24.43
Commercial Paper	48.36	24.65	32.54	40.59
Corporate Bond	3.93	-	-	-
Floating Rate Notes	18.72	-	-	6.45
Government Bonds	16.15	-	-	2.16
Mortgage Backed Security	-	-	-	0.86
Time Deposits	4.97	5.97	8.20	23.42
Treasury Bills	26.24	30.41	26.50	2.09
<b>Total investment assets</b>	<b>118.37</b>	<b>99.86</b>	<b>102.95</b>	<b>100.00</b>

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 CAD\$579,150 in the Canadian Dollar Fund, \$33,269,273 in the US Dollar Fund, £1,360,635 in the Sterling Fund and €2,817,770 in the Euro Fund.

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

### 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:

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

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2010

### 13. Dividends (continued)

The table below reflects the dividends declared during the year and dividends payable as at April 30, 2010.

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Dividends Declared</b>				
Class A dividends declared	69,621	991,662	447,568	3,259,916
Class B dividends declared	15,706	246,971	102,856	1,295,153
Class C dividends declared	-	-	-	5,866,155
Class I dividends declared	-	21,781	15,525	-
<b>Total dividends declared</b>	<b>85,327</b>	<b>1,260,414</b>	<b>565,949</b>	<b>10,421,224</b>
<b>Dividends Payable</b>				
Class A dividends payable	732	4,295	3,819	3,638
Class B dividends payable	90	894	990	2,113
Class C dividends payable	-	-	-	36,646
Class I dividends payable	-	282	-	-
<b>Total dividends payable</b>	<b>822</b>	<b>5,471</b>	<b>4,809</b>	<b>42,397</b>

### 14. Management and Custodian Fees

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
Class A management and custodian fees	153,822	1,087,372	581,264	12,689,069
Class B management and custodian fees	62,331	418,125	203,765	7,267,458
Class C management and custodian fees	-	-	-	2,428,375
Class I management and custodian fees	-	17,599	9,323	-
Class R management and custodian fees	220,992	50,043	40,849	130,041
<b>Total management and custodian fees</b>	<b>437,145</b>	<b>1,573,139</b>	<b>835,201</b>	<b>22,514,943</b>
Management and custodian fees payable	125,012	188,741	113,533	2,100,978

### 15. Fair Value Measurements

The following table summarizes the valuation of the Company's investments by investment type within each Fund by the fair value hierarchy levels (see note 2(b)) as of April 30, 2010:

Level	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Mutual Fund</b>				
Level 1	152,268,650	459,083,401	182,694,715	9,519,868,755
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total</b>	<b>152,268,650</b>	<b>459,083,401</b>	<b>182,694,715</b>	<b>9,519,868,755</b>

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2010

#### 16. Schedule of Financial Highlights

##### Schedule of Financial Highlights for Canadian Dollar Fund for year ended April 30, 2010

	CAD		
	Class A	Class B	Class R
<b>Selected per share data</b>			
Net asset value at beginning of the year	1.0000	1.0000	17.0770
<b>Income from investment operations</b>			
Net investment income	0.0014	0.0009	0.0126
Less distributions from net investment income	(0.0014)	(0.0009)	-
Net asset value at end of the year	1.0000	1.0000	17.0896
Total return	0.14%	0.09%	0.07%
<b>Ratios to average net assets</b>			
Total expenses	0.31%	0.36%	0.38%
Net investment income	0.14%	0.09%	0.08%
<b>Supplemental data</b>			
Net assets at end of the year	85,806,508	18,667,280	47,587,272

##### Schedule of Financial Highlights for Euro Fund for the period ended April 30, 2010

	EUR			
	Class A	Class B	Class I (note 1)	Class R
<b>Selected per share data</b>				
Net asset value at beginning of the year/period	1.0000	1.0000	1.0000	15.9999
<b>Income from investment operations</b>				
Net investment income	0.0027	0.0022	0.0036	0.0188
Less distributions from net investment income	(0.0027)	(0.0022)	(0.0036)	-
Net asset value at end of the year/period	1.0000	1.0000	1.0000	16.0187
Total return	0.27%	0.22%	0.36%	0.12%
<b>Ratios to average net assets</b>				
Total expenses	0.30%	0.35%	0.08%	0.45%
Net investment income	0.27%	0.21%	0.09%	0.12%
<b>Supplemental data</b>				
Net assets at end of the year/period	319,490,546	113,095,853	11,606,784	11,043,706

Total return and ratios are not annualized for periods less than a year.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2010

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

##### Schedule of Financial Highlights for Sterling Fund for the period ended April 30, 2010

	GBP		
	Class A	Class B	Class R
<b>Selected per share data</b>			
Net asset value at beginning of the year	1.0000	1.0000	20.5806
<b>Income from investment operations</b>			
Net investment income	0.0023	0.0018	0.0154
Less distributions from net investment income	(0.0023)	(0.0018)	-
Net asset value at end of the year	1.0000	1.0000	20.5960
Total return	0.23%	0.18%	0.07%
<b>Ratios to average net assets</b>			
Total expenses	0.31%	0.36%	0.47%
Net investment income	0.23%	0.18%	0.07%
<b>Supplemental data</b>			
Net assets at end of the year	132,747,331	42,457,577	7,385,374

##### Schedule of Financial Highlights for US Dollar Fund for year ended April 30, 2010

	USD			
	Class A	Class B	Class C	Class R
<b>Selected per share data</b>				
Net asset value at beginning of the year	1.0000	1.0000	1.0000	17.5051
<b>Income from investment operations</b>				
Net investment income	0.0006	0.0005	0.0023	0.0037
Less distribution from net investment income	(0.0006)	(0.0005)	(0.0023)	-
Net asset value at end of the year	1.0000	1.0000	1.0000	17.5088
Total return	0.06%	0.05%	0.23%	0.02%
<b>Ratios to average net assets</b>				
Total expenses	0.27%	0.29%	0.10%	0.32%
Net investment income	0.07%	0.05%	0.24%	0.02%
<b>Supplemental data</b>				
Net assets at end of the year	4,425,805,912	2,571,126,515	2,551,405,533	40,007,173

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, 2010

#### 17. Industry Type and Geographic Region

Investments held at April 30, 2010 represent issuer exposure to the following industries and geographic regions:

##### Canadian Dollar Fund

Geographical Breakdown		
	Fair Value CAD	% of Investments
Ireland	152,268,650	100

##### Industry Breakdown

	Fair Value CAD	% of Investments
Money Market Fund	152,268,650	100

##### Euro Fund

Geographical Breakdown		
	Fair Value EUR	% of Investments
Ireland	459,083,401	100

##### Industry Breakdown

	Fair Value EUR	% of Investments
Money Market Fund	459,083,401	100

##### Sterling Fund

Geographical Breakdown		
	Fair Value GBP	% of Investments
Ireland	182,694,715	100

##### Industry Breakdown

	Fair Value GBP	% of Investments
Money Market Fund	182,694,715	100

##### US Dollar Fund

Geographical Breakdown		
	Fair Value USD	% of Investments
Ireland	9,519,868,755	100

##### Industry Breakdown

	Fair Value USD	% of Investments
Money Market Fund	9,519,868,755	100

#### 18. 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.

#### 19. Subsequent events

The Board of Directors has assessed and evaluated all subsequent events arising from the date of the statement of assets and liabilities up until September 29, 2010 and has concluded that no additional disclosure is required.

# HSBC Corporate Money Funds Limited

## Management and Administration

for the year ended April 30, 2010

### Directors and Officers

William D. Thomson, Director and President  
Retired Executive Vice President  
HSBC Bank Bermuda Limited

Guillermo H. Konecny, Director and Vice President  
Head of Global Banking and Markets  
HSBC Bank Bermuda Limited

Wayne P. Chapman, Director  
Head of Group Private Banking  
HSBC Bank Bermuda Limited

John A. Hawkins, Director  
Retired Executive Vice President  
HSBC Bank Bermuda Limited

Julie E. McLean, Director  
Director  
Conyers, Dill & Pearman Limited

Michael L. Schrum, Director  
Chief Financial Officer  
HSBC Bank 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

### Banker

HSBC Bank 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 Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

### Client Services

Telephone: (441) 299-6900  
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### Sales Team

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**We are a principal member of the HSBC Group, one of the world's largest banking and financial services organisations with around 8,000 offices in 87 countries and territories.**

HSBC Bank Bermuda Limited  
6 Front Street  
Hamilton HM 11  
Bermuda

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