

# HSBC Corporate Money Funds Limited

Annual Report April 2013

# HSBC Corporate Money Funds Limited

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2013

### Canadian Dollar Fund

#### Market review

During the reporting period, Canadian markets were influenced by peripheral European sovereign debt issues and the outlook for US and global growth. However, against the relatively healthy domestic backdrop, the Bank of Canada (the "BoC") focused on the potential for reducing the 'considerable monetary policy stimulus' whilst maintaining the official interest rate at 1%, which has been unchanged since September 2010. Economic growth in Canada expanded by 1.7% in the year to February 2013, driven by growth in the mining, energy and construction sectors. Consumer Price Inflation trended downwards over the reporting period, reporting growth of just 1.0% in the 12 months to March 2013, the lower end of the BoC's target range, following a fall in gasoline prices. Longer-dated Canadian bond yields fell generally across the curve during the reporting period with 10-year government bonds yields falling from 2.05% to 1.69% whilst two year bonds fell from 1.33% to 0.92%.

#### Portfolio review

During the period under review, the sub-fund maintained an asset mix that has consisted predominantly of fixed-rate banker acceptances and fixed and floating rate bonds with maximum maturity tenors of one year. The primary maturity range during the reporting period was limited to the one to three month range, with some opportunistic extensions in six to twelve month securities within a select group of issuers in order to provide strong liquidity. The sub-fund invests in high-quality global banking, financial, corporate, provincial and Canadian government debt issuers. Canadian government, agency and provincial obligations represented over 25% of the sub-fund's assets at the end of the reporting period. Credit fundamentals and market liquidity varied over the reporting period, but have shown an improvement in recent months. Most of the weakness has been driven by the European sovereign and banking sector. Canadian issuers continue to show strong credit fundamentals and market liquidity. The sub-fund's Weighted Average Maturity ("WAM") moved in a range from the high 30s to low-50s, based on market conditions, and averaged 46 days over the reporting period. The Manager continues to monitor the market's overall health and to manage the sub-fund accordingly whilst safety and liquidity remain the primary concerns.

HSBC Global Asset Management (Bermuda) Limited  
August 2013

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

# HSBC Corporate Money Funds Limited

## Manager's Report

### for the year ended April 30, 2013

#### Euro Fund

##### Market review

The reporting period began with a wide disparity in performance between 'core' and 'peripheral' European countries' government bonds. During the second quarter of 2012, Spanish 10-year government bond yields hit their highest level since late November 2011 as the country's takeover of Bankia fuelled concerns over the financial stability in Spain. Indeed 10-year Spanish yields rose to their highest level relative to benchmark German bunds since the euro was created. Meanwhile, German 10-year yields hit a record low as investors accepted no return in exchange for safety amid Europe's worsening debt crisis. Elsewhere, Italian 10-year government bonds yields rose to 6%. At the end of June 2012, markets reacted positively to the outcome of the EU summit, as some progress was made towards a comprehensive policy response to the eurozone crisis. During the third quarter of 2012, markets mainly focused on the sovereign debt situation and the slowing growth within the region. Spanish 10-year government bond yields reached a new record high in July 2012 before eurozone authorities intervened with financial aid, which eased pressure on yields. The announcement of the European Central Bank's ("ECB") new bond-buying programme bolstered market sentiment in September 2012 which allowed yields to fall further on the ECB monetary policy measures. However, towards the end of the period, markets refocused their concerns on the economic slowdown. European markets experienced a volatile period over the fourth quarter of 2012. The main concerns were over Spain's delay in requesting financial aid followed by the initial setback to providing Greece with its next tranche of bailout funds. In response, European leaders eventually agreed on a reduction in interest rates for Greece, an extension of maturities, interest payments on some bilateral loan agreements and a possible debt buyback program. The markets then focused on the continuing negotiations concerning the US fiscal budget situation, which initially led to a demand for perceived 'safe haven' bonds. Yields on German two-year bunds slipped below zero during the quarter, trading between a range of -0.09% (in July 2012) before rising to +0.30% (end of January 2013) as investors became more risk adverse. Meanwhile, bond yields in European peripheral markets moderated after policy actions led to improved market sentiment, particularly in Greek and Spanish government bonds. At the start of the first quarter of 2013, European perceived 'safe haven' bond prices, such as the German bunds and UK gilts, fell following an agreement on the fiscal budget by US politicians which avoided the 'fiscal cliff'. The release of positive economic data also raised risk appetite among investors. However, bund and gilt yields fell in both February and March 2013, partly driven by the uncertainty surrounding the Cyprus bailout package. Conversely, some European peripheral sovereign bond yields, such as Italy and Greek government bonds, rose on concerns of contagion to the eurozone's banking system, in addition to the political uncertainty following the Italian elections in February. Towards the end of the reporting period, yields fell following the statement by the President of the European Central Bank, Mario Draghi that monetary policy will "remain accommodative for as long as needed". Meanwhile, the International Monetary Fund agreed to a partial rescue package for Cyprus.

##### Portfolio review

During the review period, the sub-fund's strategy remained conservative. The Manager's priority continues to be the preservation of security and liquidity. In terms of purchases, the Manager maintained a high degree of "A-1+ rated" paper and diversified names in certificate of deposits, commercial papers and sovereign issuers. The strategy remained cautious over the period with a particular focus on safety and liquidity. Even though the eurozone crisis is not over, an improvement in the financial sector has been noted, mainly due to the ECB Long Term Refinancing Operation auctions and more recently the Outright Money Transactions announcement in July 2012. As a consequence, investments over the period were still predominantly in the three-month area. However, some extensions of maturities up to six-months were also introduced, on top quality names or core sovereign/agencies. The Manager kept a significant amount of liquidity in overnight and one-week maturities. The portfolio still does not hold any exposure to peripheral countries, such as Italy or Spain. After the decision from the ECB to cut the refinancing rate to 0.75% and the deposit rate to 0% in early July 2012, the Euro Over Night Index Average ("EONIA") initially shrank to 0.11% and continued to decline, reaching a low of 0.06% in February 2013. Prior to July 2012, the EONIA was fixing between 0.30% and 0.35%, but averaged just 0.09% following the ECB rate cut until the end of the reporting period. Consequently, the sub-fund's yield dropped as a result. The sub-fund's Weighted Average Life ("WAL") increased from 27 days at the end of April 2012 to 51 days on 30 April 2013, and averaged 40 days over the reporting period.

HSBC Global Asset Management (Bermuda) Limited  
August 2013

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# HSBC Corporate Money Funds Limited

## Manager's Report

### for the year ended April 30, 2013

#### Sterling Fund

##### Market review:

The review period began with the on-going eurozone sovereign debt crisis and continued investor demand for perceived 'safe haven' assets. At the beginning of June 2012, 10-year gilt yields reached 1.53%, a record low at the time. However, by the end of June, with the conclusion of the European Union ("EU") summit, global investors reacted positively and gilt yields briefly recovered to 1.76% before falling again as the situation surrounding the eurozone sovereign debt intensified. The Bank of England ("BoE") increased the asset purchase programme target by £50 billion to a total of £375 billion in early July 2012. Gilt yields rose strongly during September 2012 as risk appetite improved. This was supported by the announcement that the US Federal Reserve was launching a third round of quantitative easing, the European Central Bank ("ECB") were introducing a new monetary policy programme, and that the Bank of Japan unexpectedly increased its asset purchase programme. The 10-year gilt yield rose towards 1.8% during September 2012, a four-month high at the time. However, this was short lived as investors turned their focus towards concerns surrounding the slowing global economy. Gilt yields fell in November 2012 following the BoE's plan to transfer coupon payments worth £375 billion received from gilt holdings, purchased through the Asset Purchase Facility, in order to lower the nation's debt. Gilt yields then rose on speculation of further asset purchases given the weakness in domestic growth. Towards the end of 2012, gilts were mainly influenced by the on-going negotiations concerning the US fiscal budget situation which led the 10-year gilt yield to reach 1.95% during December 2012, nearly a three-month high at the time. Gilt prices fell in January 2013, primarily driven by the agreement reached over the US budget 'fiscal cliff' and the general improvement in market confidence surrounding the eurozone debt situation. Gilts benefited from perceived 'safe haven' status in February 2013 as gilt prices rose following the increased tensions over the political uncertainty in Italy. Meanwhile, there was little reaction to Moody's downgrade of the UK's bond rating from 'Aaa' to 'Aa1' in February, as gilts continued to advance from their perceived 'safe haven' status with gilt prices rising further in March following concerns surrounding the implications of the bailout agreement with Cyprus. The market appeared unconcerned about the warning by Fitch, that it may downgrade Britain's 'AAA' rating, citing high government debt levels and the weak outlook for growth. At the end of the reporting period, the BoE maintained the official interest rate constant at 0.5% and the asset purchase programme at £375 billion. In the 2013 Budget Statement, the UK Chancellor lowered the growth forecast for 2013 and 2014 whilst suggesting borrowing costs and overall debt levels will be higher in the near term.

##### Portfolio review

During the period under review, the investment profile of the sub-fund has remained conservative. The Manager's priority continues to be the preservation of capital and to maintain a high degree of liquidity at all times. Despite continuing tensions in the eurozone throughout the year, with notably the situation in Greece and Cyprus worsening, there has been a marked improvement in sentiment as can be witnessed by the narrowing of credit spreads between peripherals and core European countries. This improvement is largely due to the Overnight Monetary Transactions ("OMT") announcement made by the ECB in July 2012 and the relatively substantial Long Term Refinancing Operations ("LTRO") amounts being reimbursed by banks. In turn, the Manager has loosened policy gradually throughout the past year in light of the improving market conditions. During the past year, the Manager has continued to seek diversification in the sub-fund by investing less in UK Treasury Bills ("T-Bills") and by using secured cash transactions ("collateralised repurchase agreements") as an attractive alternative to unsecured cash and T-Bills. There has been no change to the view on Asset Backed Commercial Paper ("ABCP") and the investment list remains stable. The Manager continues to see this asset class as a useful means of diversification. Once again, the percentage of assets invested in this class has tended to hover around 6% to 7%. Floating Rate Notes ("FRN's") continue to be excluded from the list of eligible assets as the Manager feels that these instruments lack sufficient liquidity in pound sterling markets. The Manager has increased the Weighted Average Maturity ("WAM") on the sub-fund as the year has progressed and this has evolved between 29 and 48 days, with an average of 35 days over the period, compared to an average of just 27 days the previous year. The increase in WAM in the first quarter 2013 is due to the loosening of the investment policy in order to lock in higher yield by investing out to six month on agency and a limited number of secure banking names. The investment policy on duration continues to be conservative as can be witnessed by the relatively low WAM compared to peers.

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August 2013

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# HSBC Corporate Money Funds Limited

## Manager's Report

### for the year ended April 30, 2013

#### US Dollar Fund

##### Market overview

US Treasuries moved higher at the beginning of the review period as investors continued to seek perceived 'safe haven' assets given the continuation of the eurozone crisis. On the policy front, the Federal Open Market Committee ("FOMC"), in its June 2012 meeting, chose to continue its programme of extending the average maturity of its Treasury securities through 'Operation Twist', a bond-buying programme which is designed to lower long-term interest rates whilst keeping the size of the US Federal Reserve's (the "Fed") balance sheet constant. The extended program continued through to the end of 2012 and sold US\$267 billion of shorter-term securities and bought the same amount of longer-term debt in a bid to reduce borrowing costs and spur the economy. In the third quarter of 2012, US Treasury bonds rose very slightly despite risk appetite improving during what was a volatile period. US Treasury bonds remained in demand at the start of July following the absence of further policy progress in the eurozone and on the expectation that the Fed would introduce a new quantitative easing programme. However, US Treasury 30-year yields rose above 3.0% as risk appetite improved and the demand for perceived 'safe haven' assets fell following the Fed's announcement of its new bond-buying programme. By September 2012, however, long-dated yields had declined from their intra-month highs on renewed concerns over the global economic slowdown and lacklustre domestic economic data. Towards the end of 2012, US Treasury bond prices, across all maturities, fell over a volatile period. Market sentiment was weighed down by concerns over the ability of the US Senate to agree a compromise on the fiscal budget and the after effects on economic activity caused by Hurricane Sandy. The Fed's announcement of the new bond-purchase programme led the 10-year yield to rise. However, as the fiscal budget deadlock loomed, a rise in risk aversion led to lower yields. The US 30-year Treasury yields rose to 2.95% towards the end of December as the demand for perceived 'safe haven' assets fell, supported by hopes that an agreement would be reached before the deadline and following the release of better-than-expected economic indicators. Over the first quarter of 2013, US Treasury bond prices fell following the agreement by US politicians which avoided the 'fiscal cliff'. The fiscal budget resolution led to an improvement in risk appetite and a fall in demand for bonds assets. Better-than-expected economic data releases and broadly positive global policy decisions led bond yields to rise further, but by the end of February yields had dropped back to 1.88%. During March 2013, US 10-year government bond yield fell towards the end of the month, primarily driven by the uncertainty surrounding the Cyprus bailout package. US government bond yields continued to move lower to 1.67% by the end of April 2013 after investment sentiment fell following disappointing economic data.

##### Portfolio review

The sub-fund has maintained an asset mix that has consisted predominantly of fixed rate commercial paper and certificates of deposits with maximum maturity tenors of one year. The primary maturity range during the reporting period was limited to the one to three month range, with some opportunistic extension in six to twelve month securities within a select group of issuers in order to provide strong liquidity. The sub-fund has experienced a gradual but sustained drop in yield over the reporting period as liquidity in short-term financial markets continued to show strength. Other factors contributing to the lower yields centred on the efforts made by banks and financial institutions to lengthen their funding profiles. From a regulatory perspective, short-term funding does not carry the same weight towards bank capital or market liquidity risk under the new Basel III guidelines. Conversely, the "AAA"- rated money market fund industry is being required, through various regulatory bodies and ratings agencies, to maintain ever-larger amounts of short-term liquidity. As a result of the two conflicting supply and demand factors, short-term markets have seen yields fall heavily on short-dated maturities. Through much of 2012, the sub-fund was able to utilise a portion of its short-dated maturities in overnight repurchase agreements, which were yielding in the high teens on average. However with the wind-down of 'Operation Twist' (the Fed's initiative to lengthen its own balance sheet), available government collateral being held by the dealer community began to diminish. In turn, repurchase agreement yields declined to the low teens, thereby representing far less value for prime funds. Repurchase agreement alternatives have come from overnight bank time deposits and very short-dated bank certificate of deposits, both yielding in the mid-teens. The Manager continues to extend maturities on credits in perceived stronger markets, such as Canadian and Australian banks, as well as a select group of northern European and Japanese banks. Much of these extensions were accomplished through floating rate issuance, adding to the sub-fund's Weighted Average Life ("WAL"), while maintaining a stable WAM in the high 40 to low 50-day range.

HSBC Global Asset Management (Bermuda) Limited  
August 2013

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## **Independent Auditors' Report**

The Board of Directors and Shareholders of  
HSBC Corporate Money Funds Limited

We have audited the accompanying financial statements of HSBC Corporate Money Funds Limited (the "Funds"), which comprise the statements of assets and liabilities of the Funds, including the statements of net assets, as of April 30, 2013, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***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, 2013, and the results of its operations and changes in its net assets for the year then ended in accordance with U.S. generally accepted accounting principles.

***KPMG Audit Limited***

Chartered Accountants  
Hamilton, Bermuda  
September 26, 2013

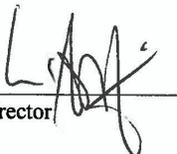
# HSBC Corporate Money Funds Limited

## Statements of Assets and Liabilities

as at April 30, 2013

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Assets</b>				
Investments, at fair value (notes 11, 12 & 15)	77,753,240	207,500,995	137,625,573	5,263,723,802
Cash (note 3)	17	151	385	-
Interest and dividends receivable	72,896	19,919	54,021	1,029,500
Subscriptions receivable	1,141	1,084,578	802	131,349,050
Accounts receivable and prepaid expenses	1,258	6,078	607	143,634
	77,828,552	208,611,721	137,681,388	5,396,245,986
<b>Liabilities</b>				
Redemptions payable	-	1,087,645	873,848	141,505,129
Management and administration fees payable (notes 4, 5 & 14)	134,952	65,765	85,122	2,810,981
Dividends payable (note 13)	1,814	-	1,917	4,635
Accounts payable and accrued expenses	35,711	148,617	96,247	483,456
	172,477	1,302,027	1,057,134	144,804,201
<b>Net assets</b>	<b>77,656,075</b>	<b>207,309,694</b>	<b>136,624,254</b>	<b>5,251,441,785</b>
<b>Net assets attributable to:</b>				
Class A shares	48,850,631	166,077,306	84,351,225	2,926,549,246
Class B shares	7,508,419	35,873,371	48,775,322	1,612,657,461
Class C shares	-	-	-	516,948,791
Class I shares	-	-	-	130,006,882
Class R shares	21,297,025	5,359,017	3,497,707	65,279,405
	77,656,075	207,309,694	136,624,254	5,251,441,785
<b>Share capital (note 10)</b>				
Shares authorized 19,999,880,000 of US\$0.10 each				
<b>Shares outstanding</b>				
Class A shares	48,850,631	166,077,306	84,351,225	2,926,549,246
Class B shares	7,508,419	35,873,371	48,775,322	1,612,657,461
Class C shares	-	-	-	516,948,791
Class I shares	-	-	-	130,006,882
Class R shares	1,231,186	333,105	169,495	3,727,270
<b>Net asset value per share</b>				
Class A shares	CAD 1.00	€ 1.00	£ 1.00	USD 1.00
Class B shares	CAD 1.00	€ 1.00	£ 1.00	USD 1.00
Class C shares	-	-	-	USD 1.00
Class I shares	-	-	-	USD 1.00
Class R shares	CAD 17.30	€ 16.09	£ 20.64	USD 17.51

The accompanying notes form an integral part of these Financial Statements

  
Director

  
Director

HSBC Corporate Money Funds Limited  
 Statements of Net Assets  
 as at April 30, 2013

**Canadian Dollar Fund**

	Holdings in Shares	Purchase Price CAD	Fair Value CAD	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc - HSBC Canadian Dollar Liquidity Fund - Class Z (note 12)				
	77,753,240	77,753,240	77,753,240	100.13
Other net liabilities			(97,165)	(0.13)
<b>Total net assets</b>			<b>77,656,075</b>	<b>100.00</b>

**Euro Fund**

	Holdings in Shares	Purchase Price EUR	Fair Value EUR	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc - HSBC Euro Liquidity Fund - Class Z (note 12)				
	207,500,995	207,500,995	207,500,995	100.09
Other net liabilities			(191,301)	(0.09)
<b>Total net assets</b>			<b>207,309,694</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, 2013

**Sterling Fund**

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

**Ireland**

HSBC Global Liquidity Funds Plc -

HSBC Sterling Liquidity Fund -

Class Z (note 12)	137,625,573	137,625,573	137,625,573	100.73
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Other net liabilities			(1,001,319)	(0.73)
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Total net assets			136,624,254	100.00
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**US Dollar Fund**

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

**Ireland**

HSBC Global Liquidity Funds Plc -

HSBC US Dollar Liquidity Fund -

Class Z (note 12)	5,263,723,802	5,263,723,802	5,263,723,802	100.23
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Other net liabilities			(12,282,017)	(0.23)
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Total net assets			5,251,441,785	100.00
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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, 2013

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Income</b>				
Dividend income	1,589,644	408,994	831,807	16,598,159
Interest income (note 3(b))	-	594	-	11,964
	1,589,644	409,588	831,807	16,610,123
<b>Expenses</b>				
Management and administration fees (notes 4, 5 & 14)	531,251	337,339	493,178	14,212,689
Audit fees	5,475	11,866	7,498	233,600
Directors' fees (note 8)	291	847	440	19,793
Other expenses	17,965	42,489	30,924	77,439
	554,982	392,541	532,040	14,543,521
Net investment income	1,034,662	17,047	299,767	2,066,602
Net increase in net assets resulting from operations	1,034,662	17,047	299,767	2,066,602

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, 2013

### Canadian Dollar Fund

	Class A CAD	Class B CAD	Class R CAD	Total
Net assets at start of the year	137,674,961	9,763,574	38,296,092	185,734,627
<b>Net increase in net assets resulting from operations</b>				
Net investment income	829,807	59,947	144,908	1,034,662
	829,807	59,947	144,908	1,034,662
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	46,747,192	3,671,165	6,011,594	56,429,951
Payments on redemption of shares	(136,350,374)	(5,985,461)	(23,155,569)	(165,491,404)
	(89,603,182)	(2,314,296)	(17,143,975)	(109,061,453)
Dividends (note 13)	(829,807)	(59,947)	-	(889,754)
Proceeds from reinvestment of dividends	778,852	59,141	-	837,993
Net assets at end of the year	48,850,631	7,508,419	21,297,025	77,656,075

### Euro Fund

	Class A EUR	Class B EUR	Class R EUR	Total
Net assets at start of the year	209,109,820	40,625,238	7,340,395	257,075,453
<b>Net increase in net assets resulting from operations</b>				
Net investment income	15,289	1,485	273	17,047
	15,289	1,485	273	17,047
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	503,647,637	16,245,779	-	519,893,416
Payments on redemption of shares	(546,687,037)	(20,999,069)	(1,981,651)	(569,667,757)
	(43,039,400)	(4,753,290)	(1,981,651)	(49,774,341)
Dividends (note 13)	(15,289)	(1,485)	-	(16,774)
Proceeds from reinvestment of dividends	6,886	1,423	-	8,309
Net assets at end of the year	166,077,306	35,873,371	5,359,017	207,309,694

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, 2013

**Sterling Fund**

		Class A GBP	Class B GBP	Class R GBP	Total
Net assets at start of the year		112,138,337	26,038,893	8,534,221	146,711,451
<b>Net increase in net assets resulting from operations</b>					
Net investment income		242,246	54,992	2,529	299,767
		242,246	54,992	2,529	299,767
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares		291,835,094	70,865,417	217,000	362,917,511
Payments on redemption of shares		(319,702,991)	(48,178,364)	(5,256,043)	(373,137,398)
		(27,867,897)	22,687,053	(5,039,043)	(10,219,887)
Dividends (note 13)		(242,246)	(54,992)	-	(297,238)
Proceeds from reinvestment of dividends		80,785	49,376	-	130,161
Net assets at end of the year		84,351,225	48,775,322	3,497,707	136,624,254

**US Dollar Fund**

	Class A USD	Class B USD	Class C USD	Class I USD	Class R USD	Total
Net assets at start of the year	2,634,349,355	1,867,208,720	1,211,724,122	-	107,401,899	5,820,684,096
<b>Net increase in net assets resulting from operations</b>						
Net investment income	369,635	176,660	1,492,290	19,532	8,485	2,066,602
	369,635	176,660	1,492,290	19,532	8,485	2,066,602
<b>Subscriptions and redemptions</b>						
Proceeds on issue of shares	11,925,595,310	7,067,972,900	4,217,689,263	258,961,123	9,504,178	23,479,722,774
Payments on redemption of shares	(11,633,433,813)	(7,322,549,152)	(4,913,607,661)	(129,016,110)	(51,635,157)	(24,050,241,893)
	292,161,497	(254,576,252)	(695,918,398)	129,945,013	(42,130,979)	(570,519,119)
Dividends (note 13)	(369,635)	(176,660)	(1,492,290)	(19,532)	-	(2,058,117)
Proceeds from reinvestment of dividends	38,394	24,993	1,143,067	61,869	-	1,268,323
Net assets at end of the year	2,926,549,246	1,612,657,461	516,948,791	130,006,882	65,279,405	5,251,441,785

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, 2013

#### 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 denominated 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, 2013, the Directors were not aware of any such specific existing or contingent liabilities. The Funds and share classes existing as at April 30, 2013 were as follows (see also Note 10):

	<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 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 I	May 22, 2011
US Dollar Fund - Class R	February 1, 2006
US Treasury Fund - Class A	October 1, 2010
US Treasury Fund - Class B	October 1, 2010
US Treasury Fund - Class C	October 1, 2010
US Treasury Fund - Class I	October 1, 2010

#### 2. Significant Accounting Policies

The accompanying financial statements are prepared in conformity with U.S. generally accepted accounting principles ("U.S. 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 an average cost basis. Realized and unrealized gains and losses arising from investment transactions are included in the statements 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, 2013

### 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 U.S. 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 inputs 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)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the Level in the fair value hierarchy within which the fair value measurements falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Investments in money market funds are valued based on reported net asset value per share as provided by the administrators of the money market funds. The Company classifies all investments in money market funds as Level 1 within the fair value hierarchy (see also note 15).

(c) 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.

(d) Interest and rebate income

Interest income is recorded on the 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.

(e) 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.

(f) Use of estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

(g) 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 reporting date. Transactions during the year in currencies other than the base currency have been translated at the rate of exchange prevailing on the respective date of the transaction.

(h) Dividend income

Dividend income is recorded on the ex-dividend date and is presented net of withholding tax.

(i) Financial instruments

The fair values of the Company's assets and liabilities which qualify as financial instruments under U.S. 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)).

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2013

### 2. Significant Accounting Policies (continued)

- (j) **Mandatory redeemable financial instruments**  
In accordance with FASB ASC 480, Distinguishing Liabilities from 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.
- (k) **New Accounting Pronouncements**  
In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2011-11, Disclosures about Offsetting Assets and Liabilities (ASU 2011-11 or the ASU). The ASU amends Accounting Standards Codification 210, Balance Sheet (ASC 210) that requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. Amendments are effective for annual periods beginning on or after January 1, 2013.

In January 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-01, the main objective in developing this update is to address implementation issues about the scope of Accounting Standards Update No. 2011-11, Balance Sheet: Disclosures about Offsetting Assets and Liabilities.

The amendments clarify that the scope of update 2011-11 applies to derivatives accounted for in accordance with Topic 815, Derivatives and Hedging, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset or subject to an enforceable master netting arrangement or similar agreement. The management is evaluating the implication of these ASU, and does not believe it will have a significant impact on the financial statements.

### 3. Bank Overdraft and Sweep Facility

- (a) **Bank overdraft**  
Under an agreement dated October 16, 2006 and subsequently renewed on June 3, 2011, the Bank made a US Dollar uncommitted multicurrency overdraft facility available 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, 2013 and for the year then ended, there are no overdrafts 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 the 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\$26,223 and interest expense totaled US\$14,259. 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, 0.20% for Class I Shares and 0.65% for Class R Shares per annum of the average daily values of the net assets of each class of shares. Effective October 25, 2010, a monthly management fee for Class C Shares is calculated at a rate of 0.12% per annum. With respect to Class A, B and R, from May 1, 2010 and by amended agreements August 15, 2012 and March 5, 2013, on a temporary basis, the Manager may voluntarily reduce a proportion of the management fee for certain classes of the US Dollar Fund, Sterling Fund, Euro Fund and Canadian Dollar Fund. 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 of the average of the daily values of the net assets of each class of shares.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2013

#### 4. Manager (continued)

As of April 30, 2013, the management fees for Class A, B, C, I 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%	0.30%
Class B	0.35%	0.35%	0.35%	0.35%
Class C	-	-	-	0.12%
Class I	-	-	-	0.20%
Class R	0.65%	0.65%	0.65%	0.65%

The fees 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 the amended custodian agreement dated February 1, 2006, HSBC Institutional Trust Services (Bermuda) Limited (the "Custodian") 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 has received an undertaking from the Bermuda Government, under the Exempted Undertaking Tax Protection Act 1966, exempting it from all such taxes until March 31, 2035.

#### 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, 2013, Ms. Julie E. McLean received an annual fee of USD7,500 and Mr. L. Anthony Joaquin received an annual fee of USD12,500.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2013

#### 9. Directors' Interests

As at April 30, 2013, Directors held nil shares in each Fund.

#### 10. Share Capital

The present authorized share capital of USD2,000,000,000 of the Company is divided into 19,999,880,000 voting participating common shares ("Shares") of USD0.10 par value each and 12,000 non-voting, non-participating founders' shares of USD1.00 par value each. As of April 30, 2013, US Treasury Fund Class A, B, C and I had no shares in issue. 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.

The HSBC Euro Liquidity Fund reopened to new subscriptions and switches, effective November 9, 2012, removing the temporary restriction on new subscription and switches after the dealing close on the July 10, 2012.

Transactions in the shares of the Company during the year ended April 30, 2013 are as follows:

	Canadian Dollar Fund Class A	Canadian Dollar Fund Class B	Canadian Dollar Fund Class R
Shares in issue May 1, 2012	137,674,961	9,763,574	2,224,342
Shares issued during the year	47,526,044	3,730,306	348,256
Shares redeemed during the year	(136,350,374)	(5,985,461)	(1,341,412)
Shares in issue April 30, 2013	48,850,631	7,508,419	1,231,186

	Euro Fund Class A	Euro Fund Class B	Euro Fund Class R
Shares in issue May 1, 2012	209,109,820	40,625,238	456,280
Shares issued during the year	503,654,523	16,247,202	-
Shares redeemed during the year	(546,687,037)	(20,999,069)	(123,175)
Shares in issue April 30, 2013	166,077,306	35,873,371	333,105

	Sterling Fund Class A	Sterling Fund Class B	Sterling Fund Class R
Shares in issue May 1, 2012	112,138,337	26,038,893	413,716
Shares issued during the year	291,915,879	70,914,793	10,517
Shares redeemed during the year	(319,702,991)	(48,178,364)	(254,738)
Shares in issue April 30, 2013	84,351,225	48,775,322	169,495

	US Dollar Fund Class A	US Dollar Fund Class B	US Dollar Fund Class C	US Dollar Fund Class I	US Dollar Fund Class R
Shares in issue May 1, 2012	2,634,349,355	1,867,208,720	1,211,724,122	-	6,132,916
Shares issued during the year	11,925,633,704	7,067,997,893	4,218,832,330	259,022,992	542,691
Shares redeemed during the year	(11,633,433,813)	(7,322,549,152)	(4,913,607,661)	(129,016,110)	(2,948,337)
Shares in issue April 30, 2013	2,926,549,246	1,612,657,461	516,948,791	130,006,882	3,727,270

#### 11. Cost of Investments

Cost of Investments as at April 30, 2013

Canadian Dollar Fund	CAD	77,753,240
Euro Fund	EUR	207,500,995
Sterling Fund	GBP	137,625,573
US Dollar Fund	USD	5,263,723,802

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2013

### 12. Financial Instruments and Associated Risks

#### Price Risk

Price 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. Therefore, the funds are not subject to significant 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 Funds 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, due from broker, subscriptions 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 statements 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, 2013 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, 2013, 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, 2013

#### 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 the pro-rata share of 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
Erste Abwicklun Commercial Papers	6,889,837	6,883,884	5.04%
JP Morgan Securities 0.37% due 01/05/2013	8,308,158	8,308,158	6.08%
Royal Bank of Scotland Call Deposits 0.85% due 31/12/2013	7,121,279	7,121,279	5.21%

The following table summarizes the pro-rata share of 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
Caisse Des Depots Et Consignations Commercial Papers	11,192,981	11,191,893	5.40%
HSBC France Time Deposits 0.07% due 02/05/2013	13,212,253	13,212,253	6.37%
France Treasury Bill 0.00%	26,097,318	26,096,314	12.59%
Royal Bank of Scotland Call Deposits 0.80% due 31/12/2013	11,192,981	11,192,981	5.40%

The following table summarizes the pro-rata share of investments of HSBC GLF – HSBC Canadian Dollar 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 Fund's Net Assets
Province of Manitoba Canada Floating Rate Notes	3,908,614	3,970,609	5.11%
Canadian Government Floating Rate Notes	3,908,614	3,918,282	5.05%
Canadian Treasury Bill 0.00%	5,211,486	5,191,228	6.68%
Barclays Capital Inc. 0.95% due 01/05/2013	7,817,229	7,817,229	10.07%

The following table summarizes the pro-rata share of 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:

Description	Nominal Value USD	Value USD	% of USD Fund's Net Assets
United States Treasury Note/Bond	362,506,536	364,516,244	6.94%

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2013

### 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, 2013 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	93,539	-	52,917	2,043,497
Financial assets at fair value through profit and loss	297,661,378	3,571,827,598	5,958,505,645	24,350,858,853
Securities sold receivable	-	44,000,000	-	-
Accrued interest income	920,912	792,885	1,376,582	14,860,525
<b>Total assets</b>	<b>298,675,829</b>	<b>3,616,620,483</b>	<b>5,959,935,144</b>	<b>24,367,762,875</b>
<b>Liabilities</b>				
Securities purchased payable	-	49,998,673	159,860,776	41,523,363
Bank overdraft	-	43,959,884	-	-
Accrued management fees	39,280	301,574	910,574	2,849,135
Distributions payable	244,714	46,673	1,374,718	1,794,797
<b>Total liabilities</b>	<b>283,994</b>	<b>94,306,804</b>	<b>162,146,068</b>	<b>46,167,295</b>
<b>Net assets</b>	<b>298,391,835</b>	<b>3,522,313,679</b>	<b>5,797,789,076</b>	<b>24,321,595,580</b>
<b>Income</b>				
Interest income	4,109,652	10,681,347	31,330,433	63,141,318
<b>Expenses</b>				
Management fees	(442,088)	(7,336,332)	(11,149,972)	(31,177,748)
<b>Net investment income from operations before finance costs</b>	<b>3,667,564</b>	<b>3,345,015</b>	<b>20,180,461</b>	<b>31,963,570</b>
<b>Finance costs</b>				
Distribution to holders of redeemable participating shares				
Paid	3,398,899	3,057,153	17,868,363	29,554,776
Payable	244,714	46,673	1,374,718	1,794,797
	3,643,613	3,103,826	19,243,081	31,349,573
<b>Change in net assets attributable to holders of redeemable participating shares</b>	<b>23,951</b>	<b>241,189</b>	<b>937,380</b>	<b>613,997</b>

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2013

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

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

	HSBC Canadian Dollar Liquidity Fund % of Net Assets	HSBC Euro Liquidity Fund % of Net Assets	HSBC Sterling Liquidity Fund % of Net Assets	HSBC US Dollar Liquidity Fund % of Net Assets
Investment Assets				
Debt Investments				
Call Deposits	-	8.24	5.21	-
Certificates of Deposit	-	29.27	46.79	39.52
Commercial Papers	35.91	36.32	32.79	37.27
Corporate Bonds	2.19	-	-	0.77
Floating Rate Notes	35.47	-	-	1.78
Government Bonds	-	0.87	-	7.04
Repurchase Agreements	10.07	-	6.08	3.19
Time Deposits	9.56	9.07	12.66	10.78
Treasury Bills	6.68	17.73	-	-
<b>Total investment assets</b>	<b>99.88</b>	<b>101.50</b>	<b>103.53</b>	<b>100.35</b>

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

The Company earned dividend income from the HSBC GLF funds of CAD\$1,589,644 in the Canadian Dollar Fund, US\$16,598,159 in the US Dollar Fund, £831,807 in the Sterling Fund and €408,994 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	€1.00
Sterling Fund - Class A, B	£1.00
US Dollar Fund - Class A, B, C, I	USD 1.00

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2013

#### 13. Dividends (continued)

The table below reflects the dividends declared during the year and dividends payable as at April 30, 2013.

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Dividends Declared</b>				
Class A dividends declared	829,807	15,289	242,246	369,635
Class B dividends declared	59,947	1,485	54,992	176,660
Class C dividends declared	-	-	-	1,492,290
Class I dividends declared	-	-	-	19,532
<b>Total dividends declared</b>	<b>889,754</b>	<b>16,774</b>	<b>297,238</b>	<b>2,058,117</b>
<b>Dividends Payable</b>				
Class A dividends payable	1,548	-	1,528	833
Class B dividends payable	266	-	389	574
Class C dividends payable	-	-	-	3,100
Class I dividends payable	-	-	-	128
<b>Total dividends payable</b>	<b>1,814</b>	<b>-</b>	<b>1,917</b>	<b>4,635</b>

#### 14. Management and Administration Fees

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
Class A management and administration fees	303,523	274,187	339,486	7,936,373
Class B management and administration fees	27,264	53,589	125,938	4,938,260
Class C management and administration fees	-	-	-	1,034,148
Class I management and administration fees	-	-	-	63,222
Class R management and administration fees	200,464	9,563	27,754	240,686
<b>Total management and administration fees</b>	<b>531,251</b>	<b>337,339</b>	<b>493,178</b>	<b>14,212,689</b>
<b>Management and administration fees payable</b>	<b>134,952</b>	<b>65,765</b>	<b>85,122</b>	<b>2,810,981</b>

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2013

#### 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, 2013:

Level	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Money Market Fund</b>				
Level 1	77,753,240	207,500,995	137,625,573	5,263,723,802
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total</b>	<b>77,753,240</b>	<b>207,500,995</b>	<b>137,625,573</b>	<b>5,263,723,802</b>

The Company's policy is to recognize transfers into and out of various levels of the fair value hierarchy as at the actual date of the event or change in circumstances that caused the transfer. No transfers were made between Levels 1, 2 or 3 during the year ended April 30, 2013.

#### 16. Schedule of Financial Highlights

##### Schedule of Financial Highlights for Canadian Dollar Fund for year ended April 30, 2013

	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	17.2168
<b>Income from investment operations</b>			
Net investment income	0.0082	0.0077	0.0811
Less distributions from net investment income	(0.0082)	(0.0077)	-
Net asset value at end of the year	1.0000	1.0000	17.2979
Total return	0.82%	0.77%	0.47%
<b>Ratios to average net assets</b>			
Total expenses	0.32%	0.37%	0.67%
Net investment income	0.82%	0.77%	0.47%
<b>Supplemental data</b>			
Net assets at end of the year	48,850,630	7,508,419	21,297,026

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2013

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

#### Schedule of Financial Highlights for Euro Fund for the year ended April 30, 2013

	EUR		
	Class A	Class B	Class R
<b>Selected per share data</b>			
Net asset value at beginning of the year	1.0000	1.0000	16.0875
<b>Income from investment operations</b>			
Net investment income	0.0001	0.0000	0.0006
Less distributions from net investment income	(0.0001)	(0.0000)	-
Net asset value at end of the year	1.0000	1.0000	16.0881
Total return	0.01%	0.00%	0.00%
<b>Ratios to average net assets</b>			
Total expenses	0.16%	0.17%	0.17%
Net investment income	0.01%	0.00%	0.00%
<b>Supplemental data</b>			
Net assets at end of the year	166,077,307	35,873,366	5,359,017

#### Schedule of Financial Highlights for Sterling Fund for the year ended April 30, 2013

	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	20.6282
<b>Income from investment operations</b>			
Net investment income	0.0021	0.0016	0.0078
Less distributions from net investment income	(0.0021)	(0.0016)	-
Net asset value at end of the year	1.0000	1.0000	20.6360
Total return	0.21%	0.16%	0.04%
<b>Ratios to average net assets</b>			
Total expenses	0.33%	0.38%	0.51%
Net investment income	0.21%	0.15%	0.04%
<b>Supplemental data</b>			
Net assets at end of the year	84,351,225	48,775,322	3,497,707

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2013

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

<b>Schedule of Financial Highlights for US Dollar Fund</b>					
<b>for year ended April 30, 2013</b>					
	USD				
	Class A	Class B	Class C	Class I *	Class R
<b>Selected per share data</b>					
Net asset value at beginning of the year/period	1.0000	1.0000	1.0000	1.0000	17.5124
<b>Income from investment operations</b>					
Net investment income	0.0001	0.0001	0.0017	0.0005	0.0018
Less distributions from net investment income	(0.0001)	(0.0001)	(0.0017)	(0.0005)	-
Net asset value at end of the year	1.0000	1.0000	1.0000	1.0000	17.5142
Total return	0.01%	0.01%	0.17%	0.05%	0.01%
<b>Ratios to average net assets</b>					
Total expenses	0.28%	0.29%	0.13%	0.22%	0.29%
Net investment income	0.01%	0.01%	0.17%	0.06%	0.01%
<b>Supplemental data</b>					
Net assets at end of the year	2,926,549,246	1,612,657,461	516,948,791	130,006,882	65,279,405

\* The ratios to average net assets have been annualised.

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

### 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. Subsequent Events

The Directors have assessed and evaluated all subsequent events arising from the date of the statement of assets and liabilities up until September 26, 2013 and have concluded that no other additional disclosure is required.

# HSBC Corporate Money Funds Limited

## Management and Administration

for the year ended April 30, 2013

### Directors and Officers

William D. Thomson (resigned on November 28, 2012)  
Director and President  
Retired Executive Vice President  
HSBC Bank Bermuda Limited

L. Anthony Joaquin (appointed on November 28, 2012)  
Director and President  
Retired Managing Partner  
Ernst & Young

Faith Outerbridge, Director and Vice President  
Head of Global Asset Management  
HSBC Bank Bermuda Limited

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

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

### Banker

HSBC Bank Bermuda Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Administrator

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

### Auditors

KPMG Audit Limited  
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

### Bermuda Stock Exchange

Listing Sponsor  
Bermuda International Securities Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Client Services

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