

# HSBC Corporate Money Funds Limited

Annual Report April 2014

# HSBC Corporate Money Funds Limited

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*The accompanying report of KPMG is for the sole and exclusive use of the Fund. No person, other than the Fund, is authorized to rely upon the report of KPMG unless KPMG expressly so authorizes. Further, the report of KPMG is as of October 2, 2014 and KPMG has carried out no procedures of any nature subsequent to that date which in any way extends that date.*

# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2014

### Canadian Dollar Fund

#### Market review

At the beginning of the reporting period, Canadian economic indicators showed that growth in the first quarter of 2013 was stronger than the central bank had projected. Core inflation at 1.3% was in line with the central bank's forecast while CPI was slightly weaker than expected. Canadian bond yields had risen to 2.44% by end June as growth strengthened with yields on the five-year issue rising the most strongly to 1.80%.

Moving into the summer, Canadian data rallied in July after a contraction in June caused by floods and a strike among construction workers. Expectations remained subdued, however, despite positive comments by Bank of Canada Governor Stephen Poloz. The main source of concern at this time was the possible withdrawal of monetary stimulus by the US Federal Reserve. Canadian 10-year bond yields started July at 2.44% and rose further, breaching the 2.5% level before falling back to 2.27% at the end of September.

In the final months of 2013, the Canadian economy continued to recover, with GDP growth in quarter three expanding from 0.4% to 0.7% quarter on quarter. Manufacturing activity slowed in December, but had expanded for nine months in a row. Canadian bond yields rose to 2.76% by end December as the Bank of Canada eased its monetary stance to counteract more subdued growth. The early stages of 2014 saw the Canadian economy recover well from the extreme cold winter, with GDP expanding 0.5% in January. Manufacturing (+2.0%) and construction (+0.7%) were hit the hardest by weather conditions, and therefore rebounded the strongest. Mining production rose 1.2% in January, more than offsetting December's drop in activity. Canadian 10-year bond yields ended lower at 1.67%, despite improving economic indicators as the country recovers from a particularly harsh winter.

#### 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 1-3 month range, with some opportunistic extensions in 6-12 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, including Canadian Treasuries, represented over 30% of the sub-fund's assets at the end of the reporting period. Canadian issuers continue to show strong credit fundamentals and market liquidity. The sub-fund's Weighted Average Maturity (WAM) remained in the 50s for the duration of the reporting period as market sentiment appeared to rule out the possibility of any short term changes in rates. The Investment Manager continues to monitor the market's overall health and to manage the sub-fund accordingly whilst maintaining the focus on safety and liquidity.

HSBC Global Asset Management (Bermuda) Limited  
May 2014

*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, 2014

### Euro Fund

#### Market review

Economic data remained weak as the reporting period began, with Eurozone GDP contracting by 0.2%, France falling back into a recession for the third time in four years and the stalwart German economy barely progressing, rising just 0.1%. In May, Eurozone unemployment hit another record level – over 19 million jobless. To try to mitigate this, the European Central Bank (the “ECB”) cut interest rates by 0.25% to a record low of 0.5%, hinting that monetary policy would remain loose for as long as needed. Peripheral markets in Spain and Italy performed in line with Germany in May, as the ECB rate cut boosted Eurozone bond markets. However, markets were impacted when the US Federal Reserve (the “Fed”) indicated it would slow down its bond-purchase programme later in 2013. European bond markets followed the US, although falls in Europe were much more modest than in the US market.

In August, data indicated that the Eurozone had emerged from 18 months of recession. However, the encouraging news did not extend to all of Europe's major economies, with the Netherlands, Spain and Italy remaining in recession. Again, in late summer, the anticipated slowdown in government buying of assets proved to be the main driver. The decision to delay the tapering of quantitative easing subsequently led to rising yields early in the autumn. European bond markets followed the same pattern, although the movements were less volatile. German bunds fell in August before bouncing back in September.

The big surprise in November was that the ECB again lowered its benchmark interest rate from 0.5% to 0.25%. This was driven by both the weaker macro data but also by worryingly low inflation of 0.7% in October. Late in 2013, the Fed announced it would finally start reducing its asset-purchase programme, while the global economic outlook continued to improve. Growing investor confidence and the ECB's rate cut was reflected in falling prices and rising yields for top-rated government debt. In contrast, peripheral European government bonds have rallied strongly in 2013, with risk premiums falling back significantly, as the ECB continued to support the market.

European sovereign bond markets strengthened significantly at the start of 2014. German government bonds gained on safe-haven buying as the Ukraine crisis escalated with Russia's annexation of Crimea: 10-year bund yields fell from nearly 2% at the start of the year to 1.47% at the end of April. Meanwhile, borrowing costs for heavily indebted governments, including Italy, Spain, Portugal, Greece and Ireland also continued to drop, this continued into April. The ECB has pointed to the possibility for further monetary policy stimulus if the levels of the euro continue to affect its inflation mandate.

#### Portfolio review

During the period under review, the investment profile of the sub-fund has remained conservative. The Investment Manager's priority continues to be the preservation of capital and to maintain a high degree of liquidity at all times. In light of the continued improvements we have seen in credit and money markets over the past year, we have loosened our investment policy slightly. The Investment Manager has extended maturities on better rated credits, such as agencies, and on some of the better rated or larger European banks. Most of these extensions have been done through floating rate issuance, adding to the sub-fund's Weighted Average Life (WAL), while maintaining a stable Weighted Average Maturity (WAM).

Nevertheless, investments over the period were still mainly in the 3-month area, while only between 10% and 20% of the sub-fund was longer than 3 months. Also, the Investment Manager maintained a high degree of A-1+ paper and diversified names in certificate of deposits, commercial papers and sovereign issuers. The asset mix has been broadly stable throughout the past year. The large portion of sovereign issuers helps us to face potential redemptions in the sub-fund, as these products are extremely liquid and offer same day liquidity.

The portfolio still does not have any exposure to peripheral countries, such as Italy or Spain.

In spite of the decision from the ECB to cut the refinancing rate to 0.25% in early November 2013, the Euro Over Night Index Average (the “EONIA”) increased slightly over the reported period, from below 0.10% at the beginning of the period to above 0.20% at the end of the period. The sub-fund has benefited from this situation as the Investment Manager has switched some investments from fixed rate to EONIA linked rated papers.

The sub-fund's WAL increased from 51 days at the end of April 2013 to 64 days on 30 April 2014, and averaged 53 days over the reporting period. In the same time, the WAM was maintained in the mid 40's on average.

HSBC Global Asset Management (Bermuda) Limited  
May 2014

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2014

### Sterling Fund

#### Market review:

UK gilts took their lead from US Treasuries, producing a negative return for the period. Fixed-income markets were weak at the start of the reporting period, with yields rising sharply as the US Federal Reserve (the "Fed") stated it would wind down its Quantitative Easing programme. Some better economic news in the US and the UK also led to the rise in sovereign yields. There was evidence, too, of investors rotating out of cash and bonds and into equities. The 10-year gilt yield rose from 1.7% in early May to over 2.5% by end June. As 2013 progressed, fixed-income markets continued to take their lead from events in the US, leading to mixed performance as the Fed temporarily stepped back from its plan to slow its asset-buying programme.

Returns were positive in July, dipped in August, and rallied in September. After dipping in July, 10-year gilt yields rose above 3% in August, before moving lower again in September. After the significant decline earlier in the year, this performance was seen as evidence that the worst was past for UK gilts. In the final few months of 2013, growing confidence in the UK economic recovery weighed heavily on UK government bonds, helping push gilt yields to their highest level since mid-2011 as more investors switched into riskier, higher-returning assets. Supporting the market was the surprising fall in CPI inflation, while the Bank of England (the "BoE") stated that it would not raise interest rates until the UK has enjoyed a prolonged period of strong growth. Ten-year gilt yields breached the 3% level at the end of December, having climbed from 2.72% at the start of the quarter.

For 2013 as a whole, UK gilts returned -3.94%, their biggest annual decline for many years. 2014 began positively for UK government bonds, which were boosted by renewed demand for safe-haven assets as the Ukraine crisis escalated, reversing 2013's substantial sell-off.

Ten-year gilt yields moved from 3.02% to 2.69% during the first four months of 2014. Further supporting the gilt market, CPI inflation fell to 1.6% in March 2014, its lowest level in over four years, dipping further below the BoE's 2% target. This was driven largely by lower fuel, clothing and furniture costs. Despite the BoE raising its 2014 growth forecast to 3.4% from 2.8%, Governor Joseph Carney said interest rates would remain low for now and discarded the previous forward guidance link to unemployment.

#### Portfolio review

During the period under review, the investment profile of the sub-fund has remained conservative. The Investment Manager's priority continues to be the preservation of capital and to maintain a high degree of liquidity at all times. In light of the continued improvements we have seen in credit and money markets over the past year, we have loosened our investment policy slightly. The Investment Manager has extended maturities on better rated credits, such as Australian and Canadian banks, agencies and on some of the better rated or larger European banks.

The asset mix has been broadly stable throughout the past year. We have continued to use collateralised repo transactions as a tool for effectively managing the large amounts of overnight cash held by the sub-fund. This has become particularly useful as many banks no longer have a need for overnight or short dated cash funding. We have also used Asset Backed Commercial Paper as a means to manage short dated holdings (mainly one month and under), as these products offer an attractive yield pick-up compared to banks in this space. However, this asset class is monitored closely and we have a 'soft cap' in place and investments are limited to 10% of the sub-fund. We have reinvested in UK T-bills on an opportunistic basis, as they are of the best credit quality and also offer same day liquidity. The Investment Manager continues to view Floating Rates Notes ("FRN") in Sterling as less liquid than in other currencies, and we do not invest in such instruments apart from some very short dated secondary FRN's (under 6 months) on agency names.

The Investment Manager has also extended Weighted Average Maturity (WAM) on the sub-fund from an average of 44 days during the first semester, to just over 50 days in the latter half of the period under review. However, our investment policy remains conservative, as can be witnessed by our lower credit risk matrix (WAL) compared to peers. The Investment Manager has maintained a stable gross yield through the year, averaging 0.49%, reflecting the stability we have seen in short term Sterling money market rates.

HSBC Global Asset Management (Bermuda) Limited  
May 2014

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2014

### US Dollar Fund

#### Market overview

The reporting period began with US Federal Reserve (the "Fed") chairman Ben Bernanke hinting that the US quantitative easing (the "QE") programme might be tailed off if US economic news continued to improve. US Treasuries led other bond markets with the Fed chairman's statements resulting in a significant rise in bond yields and a fall in prices, as investors revisited the potential for higher interest rates. At one point, US Treasury yields hit the highest levels seen since 2011, as better economic news drove yields up and prices down. This was in spite of the Fed's asset-purchasing programme of US\$85 billion per month continuing for the time being.

As the year progressed, US Treasury bonds continued to set the tone for markets elsewhere. The market did suffer from a lack of liquidity in the summer, as investors reacted to the suggestion that the Fed would start an earlier-than-expected reduction of its asset purchases. That said, the situation improved after the timing of any move was pushed back further.

The key event in the US economy in the final stages of 2013 was the Fed's announcement that it would finally begin to reduce the level of its monthly asset-purchase programme from \$85 billion to \$75 billion. This decision was accompanied by forward guidance which reassured investors that interest rates would remain low for a long while to come. The prospect of less Fed stimulus drove US Treasury yields higher and prices lower, followed closely by other sovereign bonds. An improving economic outlook in the US and hence better prospects for its trading partners also detracted from the attractions of top-rated bonds. As a result, investors continued to switch into riskier, higher-returning assets. The yield on the US 10-year Treasury bond, which sets the standard for global borrowing costs, breached the 3% level, having climbed from 1.74% at the start of the year.

In a reversal of 2013, US Treasury bonds made gains in the first quarter of 2014, buoyed by safe-haven buying as hostilities between Russia and the Ukraine escalated. Furthermore, investors became increasingly comfortable with the US's 'tapering' of its asset-purchase programme and were reassured by the Fed's statement that monetary policy would remain accommodative for some time. Weaker economic indicators in the US – attributed mainly to extreme weather conditions – and slower growth in China provided further support for lower-risk assets. As a result, 10-year Treasury bond yields fell sharply to 2.65% at the end of April, having reached 3.03% at close of 2013.

#### Portfolio review

The sub-fund has maintained an asset mix that has predominantly consisted of fixed rate commercial paper and Certificates of Deposit with maximum maturity tenors of one year. The primary target maturity range for investments during the reporting period was in the 1-6 month range, with some opportunistic extension in 6-12 month securities within a select group of issuers which provide superior credit strength.

The sub-fund has continued to experience challenges related to a shift in issuer funding profiles. Some of the industry's largest financial institutions are facing regulatory pressures that have forced them to extend their liquidity funding beyond the investor community's short-term needs. As more banks have begun to adhere to Liquidity Coverage Ratios, which need to be fully implemented by 2015, issuance has decreased in the 1-60 day maturity range. This reduction in supply is in direct conflict with the regulatory requirements currently in place in the money fund industry which demand a large amount of 7 day liquidity, as well as high levels of one month and two month maturities due to the maximum 60 day weighted average maturity mandate. Therefore as diminishing market supply is strained to meet increasing buyer demand, short term rates have declined by several basis points. The sub-fund is satisfying its updated liquidity bucket requirement which allow for less liquidity to be maintained overnight through six months. With that objective met, we have focused on maintaining adequate levels of liquidity, particularly seven days and shorter, in order to meet any additional liquidity needs related to maintaining a AAA rated fund, particularly in regards to the Moody's matrix. The fed funds rate has been trading in a 7-9 basis point range since the later part of 2013. The Investment 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, Japanese, and U.S. 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 Weighted Average Maturity (WAM) in the 50-day range.

HSBC Global Asset Management (Bermuda) Limited  
May 2014

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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, 2014, 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, 2014, 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 Professional Accountants  
Hamilton, Bermuda  
October 2, 2014

# HSBC Corporate Money Funds Limited

## Statements of Assets and Liabilities

as at April 30, 2014

	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)	62,051,604	242,204,236	103,316,161	6,323,828,788
Cash (note 3)	-	58,662	-	6
Interest and dividends receivable	57,956	60,293	47,973	1,001,526
Subscriptions receivable	420,878	414	1,179,886	1,028,895
Accounts receivable and prepaid expenses	1,929	7,377	608	206,254
	62,532,367	242,330,982	104,544,628	6,326,065,469
<b>Liabilities</b>				
Redemptions payable	-	134,633	897	486,994
Management and administration fees payable (notes 4, 5 & 14)	92,186	128,986	48,511	1,051,223
Dividends payable (note 13)	2,672	782	1,796	11,338
Accounts payable and accrued expenses	39,137	186,252	123,764	612,052
	133,995	450,653	174,968	2,161,607
<b>Net assets</b>	<b>62,398,372</b>	<b>241,880,329</b>	<b>104,369,660</b>	<b>6,323,903,862</b>
<b>Net assets attributable to:</b>				
Class A shares	39,790,448	211,259,874	77,203,324	4,252,961,732
Class B shares	4,558,506	28,701,342	25,173,051	1,285,223,315
Class C shares	-	-	-	683,109,830
Class I shares	-	-	-	50,012,982
Class R shares	18,049,418	1,919,113	1,993,285	52,596,003
	62,398,372	241,880,329	104,369,660	6,323,903,862
<b>Share capital (note 10)</b>				
Shares authorized 19,999,880,000 of US\$0.10 each				
<b>Shares outstanding</b>				
Class A shares	39,790,448	211,259,874	77,203,324	4,252,961,732
Class B shares	4,558,506	28,701,342	25,173,051	1,285,223,315
Class C shares	-	-	-	683,109,830
Class I shares	-	-	-	50,012,982
Class R shares	1,038,893	119,288	96,571	3,002,783
<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	CAD17.37	€ 16.09	£ 20.64	USD 17.52

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, 2014

**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)	62,051,604	62,051,604	62,051,604	99.44
Other net assets			346,768	0.56
<b>Total net assets</b>			<b>62,398,372</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)	242,204,236	242,204,236	242,204,236	100.13
Other net liabilities			(323,907)	(0.13)
<b>Total net assets</b>			<b>241,880,329</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, 2014

**Sterling Fund**

	Holdings in Shares	Purchase Price GBP	Fair Value GBP	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc -				
HSBC Sterling Liquidity Fund -				
Class Z (note 12)	103,316,161	103,316,161	103,316,161	98.99
Other net assets			1,053,499	1.01
<b>Total net assets</b>			<b>104,369,660</b>	<b>100.00</b>

**US Dollar Fund**

	Holdings in Shares	Purchase Price USD	Fair Value USD	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc -				
HSBC US Dollar Liquidity Fund -				
Class Z (note 12)	6,323,828,788	6,323,828,788	6,323,828,788	100.00
Other net assets			75,074	0.00
<b>Total net assets</b>			<b>6,323,903,862</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, 2014

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Income</b>				
Dividend income (note 12)	1,251,629	416,191	684,655	10,881,940
Interest income (note 3(b))	-	860	-	6,050
	1,251,629	417,051	684,655	10,887,990
<b>Expenses</b>				
Management and administration fees (notes 4, 5 & 14)	372,519	360,404	436,172	9,570,925
Audit fees	5,475	11,866	7,437	233,600
Directors' fees (note 8)	291	847	437	18,030
Other expenses	18,223	42,260	30,601	76,172
	396,508	415,377	474,647	9,898,727
Net investment income	855,121	1,674	210,008	989,263
Net increase in net assets resulting from operations	855,121	1,674	210,008	989,263

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, 2014

### Canadian Dollar Fund

	Class A CAD	Class B CAD	Class I CAD	Class R CAD	Total
Net assets at start of the year/period	48,850,631	7,508,419	-	21,297,025	77,656,075
<b>Net increase in net assets resulting from operations</b>					
Net investment income	351,072	39,742	373,004	91,303	855,121
	351,072	39,742	373,004	91,303	855,121
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	46,394,325	951,907	50,875,002	1,579,110	99,800,344
Payments on redemption of shares	(55,767,360)	(3,940,137)	(51,231,895)	(4,918,020)	(115,857,412)
	(9,373,035)	(2,988,230)	(356,893)	(3,338,910)	(16,057,068)
Dividends (note 13)	(351,072)	(39,742)	(373,004)	-	(763,818)
Proceeds from reinvestment of dividends	312,852	38,317	356,893	-	708,062
Net assets at end of the year/period	39,790,448	4,558,506	-	18,049,418	62,398,372

### Euro Fund

	Class A EUR	Class B EUR	Class R EUR	Total
Net assets at start of the year	166,077,306	35,873,371	5,359,017	207,309,694
<b>Net increase in net assets resulting from operations</b>				
Net investment income	1,638	34	2	1,674
	1,638	34	2	1,674
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	674,676,837	4,354,711	-	679,031,548
Payments on redemption of shares	(629,495,306)	(11,526,771)	(3,439,906)	(644,461,983)
	45,181,531	(7,172,060)	(3,439,906)	34,569,565
Dividends (note 13)	(1,638)	(34)	-	(1,672)
Proceeds from reinvestment of dividends	1,037	31	-	1,068
Net assets at end of the year	211,259,874	28,701,342	1,919,113	241,880,329

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, 2014

**Sterling Fund**

	Class A GBP	Class B GBP	Class R GBP	Total
Net assets at start of the year	84,351,225	48,775,322	3,497,707	136,624,254
<b>Net increase in net assets resulting from operations</b>				
Net investment income	167,198	42,237	573	210,008
	167,198	42,237	573	210,008
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	279,932,181	59,014,897	400,809	339,347,887
Payments on redemption of shares	(287,103,285)	(82,649,594)	(1,905,804)	(371,658,683)
	(7,171,104)	(23,634,697)	(1,504,995)	(32,310,796)
Dividends (note 13)	(167,198)	(42,237)	-	(209,435)
Proceeds from reinvestment of dividends	23,203	32,426	-	55,629
Net assets at end of the year	77,203,324	25,173,051	1,993,285	104,369,660

**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	2,926,549,246	1,612,657,461	516,948,791	130,006,882	65,279,405	5,251,441,785
<b>Net increase in net assets resulting from operations</b>						
Net investment income	297,416	151,607	527,329	7,051	5,860	989,263
	297,416	151,607	527,329	7,051	5,860	989,263
<b>Subscriptions and redemptions</b>						
Proceeds on issue of shares	10,963,965,428	5,776,124,151	2,992,881,820	-	5,388,400	19,738,359,799
Payments on redemption of shares	(9,637,572,690)	(6,103,566,165)	(2,826,910,389)	(80,000,000)	(18,077,662)	(18,666,126,906)
	1,326,392,738	(327,442,014)	165,971,431	(80,000,000)	(12,689,262)	1,072,232,893
Dividends (note 13)	(297,416)	(151,607)	(527,329)	(7,051)	-	(983,403)
Proceeds from reinvestment of dividends	19,748	7,868	189,608	6,100	-	223,324
Net assets at end of the year	4,252,961,732	1,285,223,315	683,109,830	50,012,982	52,596,003	6,323,903,862

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, 2014

### 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, 2014, the Directors were not aware of any such specific existing or contingent liabilities. The Funds and share classes existing as at April 30, 2014 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, 2014

### 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, 2014

### 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 June 2013, the FASB issued Accounting Standards Update 2013-08, Financial Services – Investment Companies (“ASU 2013-08”) relating to the criteria used in defining an investment company under US GAAP. It also sets forth certain measurement and disclosure requirements. Under the new standard the typical characteristics of an investment company will be: (i) it has more than one investment and more than one investor, (ii) it has investors that are not related parties of the entity or the investment manager, (iii) it has ownership interests in the form of equity or partnership interests, and (iv) it manages substantially all of its investments on a fair value basis. The standard also reaffirms that a non-controlling interest in another investment company should be measured at fair value instead of the equity method. It also includes additional disclosure requirements for an entity to disclose the fact that it is an investment company, and to provide information about changes, if any, in its status as an investment company. Finally, an entity will also need to include disclosures around financial support that has been provided or is contractually required to be provided to any of its investees. The requirements of the standard are effective for interim and annual reporting periods in fiscal periods that begin after December 15, 2013, with early application prohibited. The impact on the Fund’s financial statement disclosures is not expected to be material.

### 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, 2014 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\$36,540 and interest expense totaled US\$30,490. 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, 2014

#### 4. Manager (continued)

As of April 30, 2014, 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%	-	-	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 the 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 the 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, 2014, 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, 2014

#### 9. Directors' Interests

As at April 30, 2014, Julie E. McLean held 32,338 shares of Class R in the Canadian Dollar Fund.

HSBC Global Asset Management (Bermuda) Limited, which is the Investment Manager held 1 share each of Class A and B in the Canadian Dollar Fund, 1 share of Class I in the Euro Fund, 2 shares of Class I in the Sterling Fund and 11,230,034 shares of Class A in the US Dollar 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, 2014, 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.

Transactions in the shares of the Company during the year ended April 30, 2014 are as follows:

	Canadian Dollar Fund Class A	Canadian Dollar Fund Class B	Canadian Dollar Fund Class I	Canadian Dollar Fund Class R
Shares in issue May 1, 2013	48,850,631	7,508,419	-	1,231,186
Shares issued during the year/period	46,707,177	990,224	51,231,895	91,068
Shares redeemed during the year/period	(55,767,360)	(3,940,137)	(51,231,895)	(283,361)
Shares in issue April 30, 2014	39,790,448	4,558,506	-	1,038,893

  

	Euro Fund Class A	Euro Fund Class B	Euro Fund Class R
Shares in issue May 1, 2013	166,077,306	35,873,371	333,105
Shares issued during the year	674,677,874	4,354,742	-
Shares redeemed during the year	(629,495,306)	(11,526,771)	(213,817)
Shares in issue April 30, 2014	211,259,874	28,701,342	119,288

  

	Sterling Fund Class A	Sterling Fund Class B	Sterling Fund Class R
Shares in issue May 1, 2013	84,351,225	48,775,322	169,495
Shares issued during the year	279,955,384	59,047,323	19,422
Shares redeemed during the year	(287,103,285)	(82,649,594)	(92,346)
Shares in issue April 30, 2014	77,203,324	25,173,051	96,571

  

	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, 2013	2,926,549,246	1,612,657,461	516,948,791	130,006,882	3,727,270
Shares issued during the year	10,963,985,176	5,776,132,019	2,993,071,428	6,100	304,716
Shares redeemed during the year	(9,637,572,690)	(6,103,566,165)	(2,826,910,389)	(80,000,000)	(1,029,203)
Shares in issue April 30, 2014	4,252,961,732	1,285,223,315	683,109,830	50,012,982	3,002,783

#### 11. Cost of Investments

Cost of Investments as at April 30, 2014

Canadian Dollar Fund	CAD	62,051,604
Euro Fund	EUR	242,204,236
Sterling Fund	GBP	103,316,161
US Dollar Fund	USD	6,323,828,788

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2014

### 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, 2014 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, 2014, 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, 2014

### 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
Bred 0.42%-0.43% due 02/05/2014-06/05/2014	9,079,157	9,079,157	8.70%
Lloyds TSB Bank 0.35% due 01/05/2014	7,717,284	7,717,284	7.39%

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
France Treasury Bill BTF 0.00%	24,966,834	24,949,347	10.31%
HSBC France 0.37% due 02/05/2014	24,193,742	24,193,742	10.00%

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
Canadian Treasury Bill 0.00%	8,634,367	8,612,436	13.80%
Barclays Capital Inc. 0.95% due 01/05/2014	7,195,306	7,195,306	11.53%
Caisse Centrale Desjardins Commercial Papers	3,367,403	3,361,023	5.39%

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	488,675,854	491,489,436	7.77%

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2014

### 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, 2014 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	198,203	18,805	74,816,981	930,816
Financial assets at fair value through profit and loss	215,109,194	3,867,788,210	6,907,854,772	23,926,970,031
Securities sold receivable	-	34,996,402	-	-
Accrued interest income	502,253	4,334,628	1,688,605	21,476,090
<b>Total assets</b>	<b>215,809,650</b>	<b>3,907,138,045</b>	<b>6,984,360,358</b>	<b>23,949,376,937</b>
<b>Liabilities</b>				
Securities purchased payable	-	54,953,595	154,100,810	5,154,352
Accrued management fees	29,027	514,904	980,501	2,203,303
Distributions payable	183,100	356,925	1,586,450	1,644,184
<b>Total liabilities</b>	<b>212,127</b>	<b>55,825,424</b>	<b>156,667,761</b>	<b>9,001,839</b>
<b>Net assets</b>	<b>215,597,523</b>	<b>3,851,312,621</b>	<b>6,827,692,597</b>	<b>23,940,375,098</b>
<b>Income</b>				
Interest income	3,654,583	6,293,141	28,453,631	44,899,977
<b>Expenses</b>				
Management fees	(433,893)	(4,500,409)	(10,904,243)	(29,505,987)
<b>Net investment income from operations before finance costs</b>	<b>3,220,690</b>	<b>1,792,732</b>	<b>17,549,388</b>	<b>15,393,990</b>
<b>Finance costs</b>				
<b>Distribution to holders of redeemable participating shares</b>				
Paid	2,949,757	1,312,065	14,779,472	13,620,966
Payable	183,101	356,925	1,586,450	1,644,184
	3,132,858	1,668,990	16,365,922	15,265,150
<b>Change in net assets attributable to holders of redeemable participating shares</b>	<b>87,832</b>	<b>123,742</b>	<b>1,183,466</b>	<b>128,840</b>

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2014

### 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
<b>Investment Assets</b>				
<b>Debt Investments</b>				
Certificates of Deposit	-	44.57	48.15	44.16
Commercial Papers	35.65	29.84	29.51	26.61
Corporate Bonds	12.06	0.05	-	2.35
Floating Rate Notes	11.05	1.11	0.47	2.86
Government Bonds	5.11	2.94	-	0.21
Repurchase Agreements	11.60	-	-	0.84
Time Deposits	9.51	11.62	21.38	13.90
Treasury Bills	14.79	10.30	1.66	9.01
<b>Total investment assets</b>	<b>99.77</b>	<b>100.43</b>	<b>101.17</b>	<b>99.94</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\$1,251,629 in the Canadian Dollar Fund, US\$10,881,940 in the US Dollar Fund, £684,655 in the Sterling Fund and €416,191 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, 2014

#### 13. Dividends (continued)

The table below reflects the dividends declared during the year and dividends payable as at April 30, 2014.

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Dividends Declared</b>				
Class A dividends declared	351,072	1,638	167,198	297,416
Class B dividends declared	39,742	34	42,237	151,607
Class C dividends declared	-	-	-	527,329
Class I dividends declared	373,004	-	-	7,051
<b>Total dividends declared</b>	<b>763,818</b>	<b>1,672</b>	<b>209,435</b>	<b>983,403</b>
<b>Dividends Payable</b>				
Class A dividends payable	1,260	763	1,267	5,951
Class B dividends payable	136	19	529	2,705
Class C dividends payable	-	-	-	2,661
Class I dividends payable	1,276	-	-	21
<b>Total dividends payable</b>	<b>2,672</b>	<b>782</b>	<b>1,796</b>	<b>11,338</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	133,883	312,297	298,813	5,673,913
Class B management and administration fees	18,864	42,801	125,100	2,908,523
Class C management and administration fees	-	-	-	775,178
Class I management and administration fees	83,920	-	-	101,072
Class R management and administration fees	135,852	5,306	12,259	112,239
<b>Total management and administration fees</b>	<b>372,519</b>	<b>360,404</b>	<b>436,172</b>	<b>9,570,925</b>
<b>Management and administration fees payable</b>	<b>92,186</b>	<b>128,986</b>	<b>48,511</b>	<b>1,051,223</b>

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2014

#### 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, 2014:

Level	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Money Market Fund</b>				
Level 1	62,051,604	242,204,236	103,316,161	6,323,828,788
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total</b>	<b>62,051,604</b>	<b>242,204,236</b>	<b>103,316,161</b>	<b>6,323,828,788</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, 2014.

#### 16. Schedule of Financial Highlights

##### Schedule of Financial Highlights for Canadian Dollar Fund for year ended April 30, 2014

	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	17.2979
<b>Income from investment operations</b>			
Net investment income	0.0079	0.0074	0.0757
Less distributions from net investment income	(0.0079)	(0.0074)	-
Net asset value at end of the year	1.0000	1.0000	17.3736
Total return	0.79%	0.74%	0.44%
<b>Ratios to average net assets</b>			
Total expenses	0.32%	0.37%	0.67%
Net investment income	0.79%	0.74%	0.44%
<b>Supplemental data</b>			
Net assets at end of the year	39,790,448	4,558,506	18,049,418

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2014

16. Schedule of Financial Highlights (continued)

**Schedule of Financial Highlights for Euro Fund  
for the year ended April 30, 2014**

	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	16.0881
<b>Income from investment operations</b>			
Net investment income	0.0000	0.0000	0.0000
Less distributions from net investment income	(0.0000)	(0.0000)	-
Net asset value at end of the year	1.0000	1.0000	16.0881
Total return	0.00%	0.00%	0.00%
<b>Ratios to average net assets</b>			
Total expenses	0.16%	0.16%	0.15%
Net investment income	0.00%	0.00%	0.00%
<b>Supplemental data</b>			
Net assets at end of the year	211,259,874	28,701,342	1,919,113

**Schedule of Financial Highlights for Sterling Fund  
for the year ended April 30, 2014**

	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	20.6360
<b>Income from investment operations</b>			
Net investment income	0.0017	0.0012	0.0045
Less distributions from net investment income	(0.0017)	(0.0012)	-
Net asset value at end of the year	1.0000	1.0000	20.6405
Total return	0.17%	0.12%	0.02%
<b>Ratios to average net assets</b>			
Total expenses	0.33%	0.38%	0.47%
Net investment income	0.17%	0.12%	0.02%
<b>Supplemental data</b>			
Net assets at end of the year	77,203,324	25,173,051	1,993,285

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2014

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

<b>Schedule of Financial Highlights for US Dollar Fund</b>					
<b>for year ended April 30, 2014</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	17.5142
<b>Income from investment operations</b>					
Net investment income	0.0001	0.0001	0.0008	0.0001	0.0018
Less distributions from net investment income	(0.0001)	(0.0001)	(0.0008)	(0.0001)	-
Net asset value at end of the year	1.0000	1.0000	1.0000	1.0000	17.5159
Total return	0.01%	0.01%	0.08%	0.01%	0.01%
<b>Ratios to average net assets</b>					
Total expenses	0.20%	0.20%	0.13%	0.20%	0.20%
Net investment income	0.01%	0.01%	0.08%	0.01%	0.01%
<b>Supplemental data</b>					
Net assets at end of the year	4,252,961,732	1,285,223,315	683,109,830	50,012,982	52,596,003

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 October 2, 2014 and have concluded that no other additional disclosure is required.

# HSBC Corporate Money Funds Limited

## Management and Administration

for the year ended April 30, 2014

### Directors and Officers

L Anthony Joaquin, President  
Retired Managing Partner  
Ernst & Young

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

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

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

### Secretary and Registered Office

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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

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Crown House  
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### Legal Advisers

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Clarendon House  
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Hamilton HM 11, Bermuda

### Bermuda Stock Exchange Listing Sponsor

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