

HSBC Global Asset Management (USA) Inc.

HSBC Funds

Annual Report

October 31, 2013

MONEY MARKET FUNDS

HSBC Prime Money Market Fund
HSBC U.S. Government Money Market Fund
HSBC U.S. Treasury Money Market Fund

Class A	Class B	Class C	Class D	Class E	Class I	Class Y
REAXX	HSMXX	HMMXX	HIMXX	HMEXX	HSIXX	RMYYX
FTRXX	HUBXX	HUMXX	HGDXX	HGEXX	HGIXX	RGYXX
HWAXX	HTBXX	HUCXX	HTDXX	HTEXX	HBIXX	HTYXX

HSBC Family of Funds

Annual Report - October 31, 2013

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Barclays U.S. Aggregate Bond Index is an unmanaged index generally representative of investment-grade, USD-denominated, fixed-rate debt issues, taxable bond market, including Treasuries, government-related and corporate securities, asset-backed, mortgage-backed and commercial mortgage-backed securities, with maturities of at least one year.

Barclays U.S. Corporate High-Yield Bond Index is an unmanaged index that measures the non-investment grade, USD-denominated, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes emerging markets debt.

Gross Domestic Product ("GDP") measures the market value of the goods and services produced by labor and property in the United States.

Lipper Money Market Funds Average is an equally weighted average of mutual funds that invest in high-quality financial instruments rated in the top two grades with dollar-weighted average maturities of less than 90 days. These funds intend to keep a constant net asset value.

Lipper U.S. Government Money Market Funds Average is an equally weighted average of mutual funds that invest principally in financial instruments issued or guaranteed by the U.S. government, its agencies, or its instrumentalities, with dollar-weighted average maturities of less than 90 days. These funds intend to keep a constant net asset value.

Lipper U.S. Treasury Money Market Funds Average is an equally weighted average of mutual funds that invest principally in U.S. Treasury obligations with dollar-weighted average maturities of less than 90 days. These funds intend to keep a constant net asset value.

Morgan Stanley Capital International Europe Australasia and Far East ("MSCI EAFE") Index is an unmanaged equity index which captures large and mid cap representation across Developed Markets countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK (excluding the US and Canada). With 910 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Morgan Stanley Capital International Emerging Market ("MSCI EM") Index is an unmanaged index that captures large and mid cap representation across 21 Emerging Markets (EM) countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. With 818 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Russell 2000® Index is an unmanaged index that measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

Standard & Poor's 500 ("S&P 500") Index is an unmanaged index that is widely regarded as a gauge of the U.S. equities market. This index includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 Index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities.

Lipper is an independent mutual fund performance monitor whose results are based on total return and do not reflect a sales charge.

Securities indices assume reinvestment of all distributions and interest payments and do not take in account brokerage fees or expenses.

Securities in the Funds do not match those in the indices and performance of the Funds will differ. Investors cannot invest directly in an index.

President's Message

Dear Shareholder,

We are pleased to send to you the HSBC Funds annual report, covering the fiscal year ended October 31, 2013. This report contains detailed information about your Funds' portfolio of investments and operating results. We encourage you to review it carefully.

This report includes commentary from the Funds' portfolio managers in which they discuss the investment markets and their respective Fund's performance. The portfolio manager commentary is accompanied by the Fund's return for the period, listed alongside the returns of its benchmark index and peer group average for comparative purposes.

In closing, we would like to thank you for investing in the HSBC Funds. We continue to focus the HSBC Fund Family on investment solutions to assist our shareholders in reaching their financial goals. We appreciate the trust you place in us, and will continue working to earn it. Please contact us at any time with questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard A. Fabietti', with a stylized flourish at the end.

Richard A. Fabietti

President

HSBC Global Asset Management (USA) Inc.

U.S. Economic Review

Economic growth picked up pace in developing economies throughout the world during the 12-month period between November 1, 2012 and October 31, 2013. Many major economies, including the United States, reported improved economic data during the period, indicating new momentum for a modest but sustained recovery. The U.S. equity markets made strong gains during the period, boosted by improvements in the labor and housing markets and healthy corporate profits. Markets continued to benefit from the Federal Reserve Board's (the "Fed") decision to maintain the federal funds rate—a key factor in lending rates—at a historically low target range between 0.00% and 0.25%. Economic headwinds remained, however, including relatively high unemployment in some areas, low consumer spending and reduced government spending caused by sequestration.

Investor confidence declined mid-year due in part to expectations that the Fed would begin tapering its bond purchasing program. Concerns about the impact of tapering diminished, however, when the Fed announced in September that it would delay winding down its stimulus efforts until the unemployment rate fell significantly lower. The first shutdown of the U.S. government in 17 years occurred in October. This political crisis, along with the related standoff over raising the country's borrowing limit, was another factor weighing on investor sentiment. The uncertainty surrounding the crisis dragged on equities, although markets regained momentum once a political deal was struck that reopened the government and raised the debt ceiling. Broad U.S. stock market indices ended the period significantly above where they were positioned 12 months earlier.

Improving political circumstances in the eurozone and positive economic data helped boost stocks in developed economies across the world. The economies of both Japan and Europe transitioned out of recession. Progress was made toward alleviating the sovereign debt crisis in Europe. The European Central Bank's aggressive efforts, including its government bond-buying program known as Outright Monetary Transactions, reassured investors. Still, many developments in Europe revealed ongoing economic weaknesses, including a controversial bailout in Cyprus, political uncertainty in Italy and high unemployment throughout the eurozone.

Economic growth in many emerging markets slowed during the period, as concerns grew about rising inflation and potential decreases in global liquidity. In addition, signs of softening in China's economy led to a fall in commodity prices, which dragged on stocks throughout emerging markets. Central banks in both India and Brazil fought rising inflation by raising interest rates.

The recovery of the U.S. housing market remained robust. New home sales and housing starts increased, though the pace of growth slowed late in the period. Although the unemployment rate gradually edged downward, it remained well above pre-recession levels. Moreover, the number of long-term unemployed individuals, including those who dropped out of the labor market entirely, remained high. Real income grew at a modest pace, but consumer spending remained weak, consumer confidence dropped sharply and personal savings rates slowed. Economic activity in the manufacturing sector expanded during the period, though the rate of growth slowed.

U.S. Gross Domestic Product¹ growth increased each quarter during the period, expanding at a rate of 0.1% during the fourth quarter of 2012 and quickening to a rate of 2.8% in the third quarter of 2013, according to preliminary estimates.

Market Review

The period began with U.S. markets retreating slightly due to the political face-off over the "fiscal cliff" and concerns about ongoing turmoil related to eurozone sovereign debt.

Equities then regained momentum in the first quarter of 2013 and began a steady rally that persisted through the duration of the period with only a few brief interruptions. The strong performance of equities was undeterred by uncertainty about government policy and concerns that the onset of automatic budget cuts—known as sequestration—would undermine economic growth. A political compromise that avoided the direst consequences of the fiscal cliff, along with improvement in the housing market, helped buoy investor confidence and fuel gains in the equity markets.

During the middle of the period equity prices fell as investors anticipated an imminent decrease in central bank liquidity. Stocks rebounded after the Fed delayed tapering its bond-purchasing program, with the S&P 500 Index¹ hitting a then-record high following the announcement. Equities ended the period in a rally that was spurred by the political deal that partially resolved the government shutdown and a second standoff over the debt ceiling.

Small- and mid-cap stocks outperformed large-cap stocks during the period, and emerging markets generally underperformed developed economies. The Russell 2000[®] Index¹ of small-company stocks returned 36.28% and the MSCI Emerging Market Index¹ of emerging market stocks returned 6.90%.

Stocks in developed economies rose. Japanese equities performed well due to optimism regarding its central bank's ambitious monetary easing schedule, which aimed to double the size of the monetary base over the next two years. International stocks made strong gains, slightly outperforming U.S. markets. The S&P 500 Index of large-company U.S. stocks returned 27.18% for the 12 months through October 2013. That compared to a 27.40% return for the MSCI EAFE Index¹ of international stocks in developed markets.

Rising interest rates, widening credit spreads and uncertainty about government policy resulted in weak performance in the U.S. fixed-income market during the period. Yields on U.S. Treasury bonds increased during the period, sending prices lower. Investment-grade corporate bonds also declined. Investors sought the more attractive yields offered by high-yield corporate bonds and high-yield municipal bonds, which were among the best-performing fixed-income sectors during the period. The Barclays U.S. Aggregate Bond Index¹, which tracks the broad investment-grade fixed-income market, returned -1.08% for the 12 months through October, while the Barclays U.S. Corporate High-Yield Bond Index¹ returned 8.87%. Fixed-income markets in Europe generated modest returns, while fixed-income in emerging markets ended the period significantly lower, despite a modest rebound in the final months of the period.

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

HSBC Prime Money Market Fund

(Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class I Shares and Class Y Shares)

by John Chiodi
Senior Portfolio Manager

Moody's and Standard & Poor's have assigned an "Aaa-mf" and "AAAm" rating to the HSBC Prime Money Market Fund.¹

Investment Concerns

An investment in the Fund is not insured or guaranteed by the FDIC or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

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

Portfolio Performance

Prime money market yields fell and remained at low levels during the 12-month period ended October 31, 2013.

Several factors contributed to the low-yield environment. Early in the period, the Federal Reserve Board ended Operation Twist, a stimulus program through which it sold short-dated Treasuries and bought long-dated Treasuries in order to lower long-term bond yields and boost economic growth. The supply of available collateral for repurchase agreements ("repos") on dealers' balance sheets fell significantly when that program ended. That development led to lower yields on short-term repos.

In addition, new regulations incentivized broker/dealers to issue more long-term securities and fewer short-term securities. This development reduced the supply of short-term issues, which prime money market funds are mandated to favor in their portfolios, and caused yields on those securities to fall.

Yields also remained low due to continued concerns about the relatively weak economic recovery. In that environment, investors believed that the Federal Reserve will keep short-term interest rates at their current low levels well into 2014, and perhaps longer, in order to help stimulate the economy.

Given the projections of continued low interest rates, we looked to capture the additional yield available on longer-term securities by maintaining a relatively long weighted average maturity during the period. We also continued to favor high-quality issues with, in our opinion, superior credit fundamentals in order to provide strong market liquidity.[†]

[†] Portfolio composition is subject to change.

Fund Performance			Average Annual Total Return (%)			Yield (%) ²	Expense Ratio (%) ³	
As of October 31, 2013	Inception Date	1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net
Class A	11/13/98	0.01	0.07	1.47	2.08	0.01	0.69	0.69
Class B ⁴	4/4/01	-3.99	0.04	1.17	1.16	0.01	1.29	1.29
Class C ⁵	3/23/01	-0.99	0.05	1.18	1.15	0.00	1.29	1.29
Class D	4/1/99	0.01	0.09	1.55	2.12	0.01	0.54	0.54
Class I	1/9/02	0.08	0.23	1.81	1.77	0.03	0.19	0.19
Class Y	11/12/98	0.01	0.14	1.70	2.37	0.01	0.29	0.29
Lipper Money Market Funds Average ⁶	—	0.01	0.09	1.42	2.04 ⁷	N/A	N/A	N/A

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

The performance above reflects any fee waivers that have been in effect during the applicable periods, as well as any expense reimbursements that have periodically been made. Absent such waivers and reimbursements, returns would have been lower.

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

- ¹ The "Aaa-mf" and "AAAm" money market fund rating is historical and reflects Moody's and Standard & Poor's opinion as to the quality of the Fund's investments, liquidity management, and operations and trading support. Periodic reviews are conducted to ensure a secure operations environment. Moody's and Standard & Poor's ratings represent an opinion only, not a recommendation to buy or sell. Obligations rated A-1+, A-1 or P-1 are rated in the highest short-term rating category by Standard & Poor's (A-1+ or A-1) or Moody's Investor Service (P-1). The obligor's capacity to meet its financial commitments on these obligations is regarded to be "extremely strong" (A-1+), "strong" (A-1) or "superior" (P-1).
- ² The seven-day yield quotation more closely reflects the current earnings of the money market fund than the total return quotation. The seven-day yield reflects voluntary fee waivers/expense reimbursements. Without the voluntary fee waivers/expense reimbursements, the yields would have been -0.51%, -1.11%, -1.11%, -0.36%, -0.01% and -0.11% for Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class I Shares and Class Y Shares, respectively.
- ³ Reflects the expense ratio as reported in the prospectus dated February 28, 2013.
- ⁴ Reflects the applicable contingent deferred sales charge, maximum of 4.00%. Class B Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 211 and 147 days for the years ended October 31, 2001 and 2002, respectively. The Class was operational during the entire fiscal years from October 31, 2003 through 2013.
- ⁵ Reflects the applicable contingent deferred sales charge, maximum of 1.00%. Class C Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 201 days for the year ended October 31, 2001. The Class was operational during the entire fiscal years from October 31, 2002 through 2013.
- ⁶ For additional information, please refer to the Glossary of Terms.
- ⁷ Return for the period October 31, 1998 to October 31, 2013.

HSBC U.S. Government Money Market Fund

(Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class I Shares and Class Y Shares)

by John Chiodi
Senior Portfolio Manager

Moody's and Standard & Poor's have assigned an "Aaa-mf" and "AAAm" rating to the HSBC U.S. Government Money Market Fund.¹

Investment Concerns

An investment in the Fund is not insured or guaranteed by the FDIC or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

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

Portfolio Performance

U.S. government money market securities offered historically low yields during much of the 12-month period through October 31, 2013, despite a temporary spike in yields during the debt ceiling crisis.

Concerns about the weakness of the economic recovery prompted the Federal Reserve Board to maintain its low interest rate policy throughout the period in an effort to stimulate economic growth. The federal funds rate (a key short-term interest rate) remained within a range of 0.00% to 0.25% throughout the period.

During the period, the Federal Reserve Board ended Operation Twist, a program it had implemented to lower long-term bond yields and to help stimulate economic growth by simultaneously selling short-dated Treasuries and buying long-dated Treasuries. The supply of available

collateral for repurchase agreements ("repos") on dealers' balance sheets fell significantly when that program ended, a development that led to lower yields on short-term repos.

In addition, issuance of eligible money market securities by government agencies was limited during the period, as those agencies preferred to issue longer-term securities. The result of that low supply was further downward pressure on yields.

That said, toward the end of the period, the debt ceiling debate and government shutdown had a significant impact on money market securities. Yields on short-term government agency issues rose temporarily as investors worried about the potential for the government to default on its debt payments if Congress did not raise the debt ceiling.

The Fund maintained a relatively long weighted average maturity based on our outlook that interest rates would remain low for the near future. That approach enabled the Fund to capture the additional yield available from longer-term issues. We favored LIBOR-based floating rate notes for their relatively attractive yields. We also took advantage of temporary rate increases during the debt ceiling debate by investing in securities with relatively high yields.[†]

[†] Portfolio composition is subject to change.

Fund Performance		Average Annual Total Return (%)				Yield (%) ²		Expense Ratio (%) ³	
As of October 31, 2013	Inception Date	1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net	
Class A	5/3/90	0.01	0.04	1.37	2.94	0.01	0.69	0.69	
Class B ⁴	9/11/98	-3.99	0.03	1.27	1.76	0.01	1.29	1.29	
Class C ⁵	11/20/06	—	—	—	1.39	—	1.29	1.29	
Class D	4/1/99	0.01	0.05	1.45	1.97	0.01	0.54	0.54	
Class I ⁶	12/24/03	0.01	0.11	—	1.38	0.01	0.19	0.19	
Class Y	7/1/96	0.01	0.08	1.59	2.61	0.01	0.29	0.29	
Lipper U.S. Government Money Market Funds Average ⁷	—	0.01	0.05	1.36	2.96 ⁸	N/A	N/A	N/A	

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

The performance above reflects any fee waivers that have been in effect during the applicable periods, as well as any expense reimbursements that have periodically been made. Absent such waivers and reimbursements, returns would have been lower.

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

- 1 The "Aaa-mf" and "AAAm" money market fund rating is historical and reflects Moody's and Standard & Poor's opinion as to the quality of the Fund's investments, liquidity management, and operations and trading support. Periodic reviews are conducted to ensure a secure operations environment. Moody's and Standard & Poor's ratings represent an opinion only, not a recommendation to buy or sell. Obligations rated A-1+, A-1 or P-1 are rated in the highest short-term rating category by Standard & Poor's (A-1+ or A-1) or Moody's Investor Service (P-1). The obligor's capacity to meet its financial commitments on these obligations is regarded to be "extremely strong" (A-1+), "strong" (A-1) or "superior" (P-1).
- 2 The seven-day yield quotation more closely reflects the current earnings of the money market fund than the total return quotation. The seven-day yield reflects voluntary fee waivers/expense reimbursements. Without the voluntary fee waivers/expense reimbursements, the yields would have been -0.48%, -1.08%, -0.33%, 0.02% and -0.08% for Class A Shares, Class B Shares, Class D Shares, Class I Shares and Class Y Shares, respectively.
- 3 Reflects the expense ratio as reported in the prospectus dated February 28, 2013.
- 4 Reflects the applicable contingent deferred sales charge, maximum of 4.00%.
- 5 Reflects the applicable contingent deferred sales charge, maximum of 1.00%. Class C Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 346, 362 and 351 days during the years ended October 31, 2006, 2009 and 2010, respectively. The Class was not operational during the entire fiscal years ended October 31, 2007, 2008, 2011, 2012 and 2013, respectively.
- 6 Class I Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 10, 89, 136 and 357 days during the years ended October 31, 2004, 2005, 2006 and 2007, respectively. The Class was operational during the entire years ended October 31, 2008 through 2013.
- 7 For additional information, please refer to the Glossary of Terms.
- 8 Return for the period April 30, 1990 to October 31, 2013.

HSBC U.S. Treasury Money Market Fund

(Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class I Shares and Class Y Shares)

by John Chiodi
Senior Portfolio Manager

Moody's and Standard & Poor's have assigned an "Aaa-mf" and "AAAm" rating to the HSBC U.S. Government Money Market Fund.¹

Investment Concerns

An investment in the Fund is not insured or guaranteed by the FDIC or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. The Fund's income may be subject to the federal alternative minimum tax and to certain state and local taxes.

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

Portfolio Performance

Treasury bill yields generally remained low during the 12-month period ended October 31, 2013, apart from a temporary spike in yields during the October debt ceiling standoff that caused investors to worry about the possibility of the government defaulting on its debts.

Federal Reserve Board policy had a major impact on Treasury bill yields. The Fed kept the federal funds rate (a key short-term interest rate that influences T-bill yields) between 0.00% and 0.25% during the period in order to help stimulate the economy. Investors remained confident during the period that the Fed would not raise rates in the near future given the continued relative weakness of the economic recovery.

Additionally, supply-and-demand factors also impacted money market yields. Demand for Treasuries rose near the end of each calendar

quarter-end, as institutional investors shifted assets into short-term, liquid securities to improve the quality of their balance sheets. That increase in demand near the end of each quarter pushed up Treasury prices, causing Treasury yields (which move in the opposite direction of prices) to fall. The Fed later increased the supply of Treasury bills by issuing cash management bills, and Treasury yields rose due to that increase in supply.

We positioned the Fund with a relatively long weighted average maturity early in the period, which enabled the Fund to lock in the relatively high yields offered by longer-term securities. We strategically positioned the Fund with a relatively short weighted average maturity in anticipation of the Treasury's issuance of T-bills in February. The Fund shortened its weighted average maturity during the debt ceiling debate in October to ensure adequate liquidity was available and avoided securities maturing in October as much as possible.[†]

The Fund maintained its barbell strategy, in which the Fund's holdings are concentrated among very short-term securities (such as Treasury bills with maturities of around one month) and longer-term issues (including Treasury coupons maturing in about one year). This approach enabled the Fund to take advantage when short-term rates rose and to ensure adequate liquidity, while still capturing the additional yield on longer-term money market securities.[†]

[†] Portfolio composition is subject to change.

Fund Performance	Average Annual Total Return (%)					Yield (%) ²		Expense Ratio (%) ³	
	Inception Date	1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net	
As of October 31, 2013									
Class A	5/24/01	0.00	0.02	1.16	1.13	0.00	0.69	0.69	
Class B ⁴	8/12/04	-4.00	0.02	—	1.00	0.00	1.29	1.29	
Class C ⁵	12/24/03	—	—	—	0.04	—	1.29	1.29	
Class D	5/14/01	0.00	0.02	1.23	1.22	0.00	0.54	0.54	
Class I ⁶	12/30/03	0.00	0.03	—	1.33	0.00	0.19	0.19	
Class Y	5/11/01	0.00	0.02	1.36	1.38	0.00	0.29	0.29	
Lipper U.S. Treasury Money Market Funds Average ⁷	—	0.01	0.02	1.22	1.25 ⁸	N/A	N/A	N/A	

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

The performance above reflects any fee waivers that have been in effect during the applicable periods, as well as any expense reimbursements that have periodically been made. Absent such waivers and reimbursements, returns would have been lower.

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

1 The "Aaa-mf" and "AAAm" money market fund rating is historical and reflects Moody's and Standard & Poor's opinion as to the quality of the Fund's investments, liquidity management, and operations and trading support. Periodic reviews are conducted to ensure a secure operations environment. Moody's and Standard & Poor's ratings represent an opinion only, not a recommendation to buy or sell. Obligations rated A-1+, A-1 or P-1 are rated in the highest short-term rating category by Standard & Poor's (A-1+ or A-1) or Moody's Investor Service (P-1). The obligor's capacity to meet its financial commitments on these obligations is regarded to be "extremely strong" (A-1+), "strong" (A-1) or "superior" (P-1).

2 The seven-day yield quotation typically more closely reflects the current earnings of the money market fund than the total return quotation. The seven-day yield reflects voluntary fee waivers/expense reimbursements. Without the voluntary fee waivers/expense reimbursements, the yields would have been -0.49%, -0.34%, -0.01% and -0.09% for Class A Shares, Class D Shares, Class I Shares and Class Y Shares, respectively.

3 Reflects the expense ratio as reported in the prospectus dated February 28, 2013.

4 Reflects the applicable contingent deferred sales charge, maximum of 4.00%. Class B Shares were operational during a portion of the year ended October 31, 2013. Amounts reflect performance for the period of time the Class had operations, which was 249 days during the year ended October 31, 2013. The Class was operational since inception through the years ended October 31, 2012.

5 Reflects the applicable contingent deferred sales charge, maximum of 1.00%. Class C Shares were operational during a portion of the periods presented.

Amounts reflect performance for the period of time the Class had operations, which was 26 and 351 days during the years ended October 31, 2008 and 2010, respectively. The Class was operational during the entire years ended October 31, 2005, 2006, 2007 and 2009. The Class was not operational during the entire years ended October 31, 2011, 2012 and 2013, respectively.

6 Class I Shares were operational during a portion of the periods presented. Amounts reflect performance for the period of time the Class had operations, which was 13 and 280 days during the years ended October 31, 2004 and 2005, respectively. The Class was operational during the entire years ended October 31, 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013, respectively.

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

8 Return for the period April 30, 2001 to October 31, 2013.

Portfolio Composition*

October 31, 2013

HSBC Prime Money Market Fund

Investment Allocation	Percentage of Investments at Value (%)
Certificates of Deposit	42.3
Commercial Paper and Notes	29.0
U.S. Treasury Obligations	14.7
Time Deposits	5.3
Yankee Dollars	4.2
Corporate Obligations	3.9
U.S. Government and Government Agency Obligations	0.6
Total	100.0

HSBC U.S. Government Money Market Fund

Investment Allocation	Percentage of Investments at Value (%)
U.S. Treasury Obligations	57.3
Repurchase Agreements	26.0
U.S. Government and Government Agency Obligations	16.7
Total	100.0

HSBC U.S. Treasury Money Market Fund

Investment Allocation	Percentage of Investments at Value (%)
U.S. Treasury Obligations	100.0
Total	100.0

* Portfolio composition is subject to change.

HSBC PRIME MONEY MARKET FUND

Schedule of Portfolio Investments—as of October 31, 2013

Certificates of Deposit – 39.5%

	Principal Amount (\$)	Amortized Cost (\$)
Banking – 39.5%		
Bank of Montreal Chicago, 0.17%, 12/12/13	100,000,000	100,000,000
Bank of Montreal Chicago, 0.17%, 12/20/13	75,000,000	74,999,996
Bank of Nova Scotia Houston, 0.18%, 12/5/13 (a)	45,000,000	45,000,000
Bank of Nova Scotia Houston, 0.24%, 3/18/14 (a)	50,000,000	50,000,000
Bank of Tokyo-Mitsubishi UFJ, N.Y., 0.18%, 12/3/13	70,000,000	70,000,000
Bank of Tokyo-Mitsubishi UFJ, N.Y., 0.24%, 12/11/13	35,000,000	35,000,000
Bank of Tokyo-Mitsubishi UFJ, N.Y., 0.21%, 1/13/14	30,000,000	30,000,000
Bank of Tokyo-Mitsubishi UFJ, N.Y., 0.42%, 2/12/14	50,000,000	50,000,000
Bank of Tokyo-Mitsubishi UFJ, N.Y., 0.86%, 3/7/14 (a)	5,800,000	5,808,273
Credit Agricole CIB, N.Y., 0.12%, 11/1/13	80,000,000	80,000,000
Credit Industriel et Commercial, N.Y., 0.12%, 11/1/13	90,000,000	90,000,000
Credit Industriel et Commercial, N.Y., 0.15%, 11/1/13	50,000,000	50,000,000
Credit Industriel et Commercial, N.Y., 0.23%, 11/1/13	55,000,000	55,000,000
Credit Suisse, N.Y., 0.46%, 12/6/13 (a)	50,000,000	50,000,000
Credit Suisse, N.Y., 0.25%, 4/22/14	60,000,000	60,001,428
Deutsche Bank, N.Y., 0.25%, 4/30/14 (a)	100,000,000	100,000,000
DnB NOR Bank ASA, N.Y., 0.23%, 11/19/13	35,000,000	35,000,000
DnB NOR Bank ASA, N.Y., 0.23%, 12/3/13	10,000,000	10,000,000
JPMorgan Chase Bank N.A., 0.29%, 7/28/14 (a)	50,000,000	50,000,000
Mizuho Corporate Bank, N.Y., 0.21%, 11/26/13	20,000,000	20,000,138
Mizuho Corporate Bank, N.Y., 0.22%, 1/24/14	75,000,000	75,000,000
National Australia Bank Ltd., 0.22%, 6/18/14 (a)	60,000,000	60,000,000
National Australia Bank, N.Y., 1.44%, 1/30/14 (a)	14,075,000	14,117,610
Nordea Bank Finland, N.Y., 0.25%, 1/3/14	90,000,000	90,000,000
Norinchukin Bank, N.Y., 0.10%, 11/1/13	150,000,000	150,000,000
Norinchukin Bank, N.Y., 0.22%, 12/4/13	90,000,000	90,002,377
Norinchukin Bank, N.Y., 0.27%, 1/29/14 (a)	13,850,000	13,851,608
Royal Bank of Canada, N.Y., 0.31%, 2/3/14 (a)	65,000,000	65,000,000
Royal Bank of Canada, N.Y., 0.30%, 2/19/14 (a)	35,000,000	35,000,000

Certificates of Deposit, continued

	Principal Amount (\$)	Amortized Cost (\$)
Banking, continued		
Shinhan Bank, N.Y., 0.38%, 11/20/13	20,000,000	20,000,000
Skandinaviska Enskilda Bank, N.Y., 0.17%, 11/6/13	55,000,000	55,000,000
Sumitomo Mitsui Banking Corp., N.Y., 0.16%, 11/1/13	10,000,000	10,000,000
Sumitomo Mitsui Banking Corp., N.Y., 0.21%, 1/29/14	85,000,000	85,000,000
Svenska Handelsbanken, N.Y., 0.22%, 12/2/13	25,000,000	25,000,428
Svenska Handelsbanken, N.Y., 0.22%, 3/24/14	30,000,000	30,000,590
Toronto Dominion Bank, N.Y., 0.22%, 11/15/13 (a)	65,000,000	65,000,000
Toronto Dominion Bank, N.Y., 0.22%, 6/17/14 (a)	13,000,000	13,000,000
Toronto Dominion Bank, N.Y., 0.24%, 7/28/14 (a)	20,000,000	20,000,000
TOTAL CERTIFICATES OF DEPOSIT (COST \$1,976,782,448)		1,976,782,448

Commercial Paper and Notes – 27.1%

Banking – 14.0%		
ANZ New Zealand International Ltd., 0.28%, 4/15/14 (a)(c)	25,000,000	25,000,000
Australia & New Zealand Banking Group Ltd., 0.31%, 5/12/14 (a)(c)	25,000,000	25,000,000
Bank of Tokyo-Mitsubishi UFJ, N.Y., 0.12%, 11/1/13 (b)	50,000,000	50,000,000
Commonwealth Bank of Australia, N.Y., 0.31%, 11/15/13 (a)(c)	30,000,000	30,001,666
Commonwealth Bank of Australia, N.Y., 0.23%, 11/21/13 (b)(c)	65,000,000	64,991,875
Commonwealth Bank of Australia, N.Y., 0.26%, 5/16/14 (a)(c)	10,000,000	10,000,000
Commonwealth Bank of Australia, N.Y., 0.25%, 9/11/14 (a)(c)	40,000,000	40,000,000
Credit Agricole North America, Inc., 0.14%, 11/1/13 (b)	21,000,000	21,000,000
DBS Bank Ltd., 0.24%, 1/10/14 (b)(c)	24,000,000	23,988,800
DnB NOR Bank ASA, N.Y., 0.20%, 12/23/13 (b)(c)	30,000,000	29,991,333
National Australia Funding Delaware, Inc., 0.22%, 2/20/14 (b)(c)	20,000,000	19,986,742
Nordea Bank AB, 0.18%, 11/18/13 (b)(c)	50,000,000	49,995,750
Societe Generale N.A., 0.24%, 11/1/13 (b)	65,000,000	65,000,000
Societe Generale N.A., 0.24%, 12/6/13 (b)	30,000,000	29,993,146
Sumitomo Mitsui Banking Corp., N.Y., 0.12%, 11/1/13 (b)(c)	12,160,000	12,160,000
Svenska Handelsbanken, Inc., 0.25%, 2/4/14 (b)(c)	20,000,000	19,986,806

HSBC PRIME MONEY MARKET FUND

Schedule of Portfolio Investments—as of October 31, 2013 (continued)

Commercial Paper and Notes, continued

	Principal Amount (\$)	Amortized Cost (\$)
Banking, continued		
United Overseas Bank Ltd., 0.19%, 11/25/13 (b)(c)	30,000,000	29,996,200
United Overseas Bank Ltd., 0.22%, 3/10/14 (b)(c)	25,000,000	24,980,292
Westpac Banking Corp., 0.31%, 1/8/14 (a)(c)	15,000,000	15,000,000
Westpac Securities NZ Ltd., 0.34%, 11/29/13 (a)(c)	85,000,000	85,011,205
Westpac Securities NZ Ltd., 0.29%, 4/11/14 (a)(c)	29,000,000	29,000,482
		<u>701,084,297</u>

Diversified – 3.6%

Caisse des Depots et Consignations, 0.20%, 11/29/13 (c)	30,000,000	29,995,450
Caisse des Depots et Consignations, 0.24%, 1/2/14 (c)	20,000,000	19,991,906
Caisse des Depots et Consignations, 0.35%, 8/29/14 (b)(c)	30,000,000	29,912,208
Erste Abwicklungsanstalt, 0.20%, 2/5/14 (b)(c)	85,000,000	84,954,667
Erste Abwicklungsanstalt, 0.35%, 2/12/14 (b)(c)	15,000,000	14,984,979
		<u>179,839,210</u>

Finance – 9.5%

Antalis US Funding Corp., 0.30%, 11/8/13 (b)(c)	17,440,000	17,438,983
ASB Finance Ltd., Series GB, 0.30%, 9/2/14 (a)(c)	25,000,000	25,000,000
Caisse Centrale Desjardins du Quebec, 0.13%, 11/1/13 (b)(c)	15,000,000	15,000,000
Caisse Centrale Desjardins du Quebec, 0.19%, 11/15/13 (b)(c)	30,000,000	29,997,842
Caisse Centrale Desjardins du Quebec, 0.24%, 2/19/14 (b)(c)	20,000,000	19,985,333
Collateralized CP Co. LLC, 0.16%, 1/6/14 (b)	25,000,000	24,992,667
Collateralized CP II Co. LLC, 0.17%, 12/19/13 (b)(c)	60,000,000	59,986,400
MetLife Short Term Funding LLC, 0.16%, 12/10/13 (b)(c)	22,000,000	21,996,187
Natixis US Finance Co. LLC, 0.14%, 11/1/13 (b)	95,000,000	95,000,000
Rabobank USA Financial Corp., 0.21%, 4/2/14 (b)	70,000,000	69,937,934
Toyota Motor Credit Corp., 0.27%, 11/8/13 (b)	50,000,000	49,997,375

Commercial Paper and Notes, continued

	Principal Amount (\$)	Amortized Cost (\$)
Finance, continued		
Toyota Motor Credit Corp., 0.24%, 2/4/14 (b)	23,000,000	22,985,433
Toyota Motor Credit Corp., 0.28%, 5/9/14 (b)	20,000,000	19,970,600
		<u>472,288,754</u>

TOTAL COMMERCIAL

PAPER AND NOTES

(COST \$1,353,212,261)

1,353,212,261

Corporate Obligations – 3.6%

Banking – 2.9%

JPMorgan Chase Bank N.A., Series BKNT, 0.35%, 4/17/14, Callable 12/9/13 @ 100 (a)	25,000,000	25,000,000
JPMorgan Chase Bank N.A., Series 1, 0.37%, 10/21/14, Callable 12/20/13 @ 100 (a)	20,000,000	20,000,000
Wells Fargo Bank N.A., 0.30%, 10/15/14, MTN (a)	60,000,000	60,000,000
Wells Fargo Bank N.A., 0.31%, 10/7/14 (a)	40,000,000	40,000,000
		<u>145,000,000</u>

Finance – 0.6%

General Electric Capital Corp., 5.90%, 5/13/14	8,580,000	8,835,715
General Electric Capital Corp., Series A, 5.50%, 6/4/14, MTN	19,848,000	20,455,099
		<u>29,290,814</u>

Household Products – 0.1%

The Procter & Gamble Co., 0.70%, 8/15/14	7,250,000	7,274,329
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TOTAL CORPORATE OBLIGATIONS

(COST \$181,565,143)

181,565,143

Yankee Dollars – 3.9%

Banking – 3.4%

Barclays Bank plc, 2.38%, 1/13/14	12,100,000	12,149,598
National Australia Bank Ltd., 0.97%, 11/8/13 (a)(c)	15,800,000	15,802,538
Royal Bank of Canada, 0.48%, 12/20/13, MTN (a)	50,000,000	50,022,616
Toronto Dominion Bank, 0.72%, 11/1/13, MTN (a)	42,870,000	42,870,000
Westpac Banking Corp., 0.98%, 3/31/14 (a)(c)	15,750,000	15,795,802
Westpac Banking Corp., 0.40%, 10/1/14, MTN, Callable 12/31/13 @ 100 (d)	35,000,000	35,000,000
		<u>171,640,554</u>

HSBC PRIME MONEY MARKET FUND

Schedule of Portfolio Investments—as of October 31, 2013 (continued)

Commercial Paper and Notes, continued

	Principal Amount (\$)	Amortized Cost (\$)
Commercial Banks – 0.5%		
Commonwealth Bank of Australia, 0.98%, 3/17/14 (a)(c)	12,500,000	12,534,265
Commonwealth Bank of Australia, 2.13%, 3/17/14 (c).	10,000,000	10,068,205
		<u>22,602,470</u>
TOTAL YANKEE DOLLARS (COST \$194,243,024)		<u>194,243,024</u>

U.S. Government and Government Agency Obligations – 0.6%

Federal Farm Credit Bank – 0.6%		
0.19%, 12/20/13(a), Series 2.	30,000,000	30,000,000
TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS (COST \$30,000,000)		<u>30,000,000</u>

U.S. Treasury Obligations – 13.8%

U.S. Treasury Bills – 7.0%		
0.24%, 11/7/13(b)	150,000,000	149,994,033
0.15%, 11/14/13(b).	100,000,000	99,994,746
0.16%, 11/29/13(b)	100,000,000	99,987,556
		<u>349,976,335</u>
U.S. Treasury Notes – 6.8%		
4.25%, 11/15/13.	50,000,000	50,076,662
1.50%, 12/31/13	35,000,000	35,073,959
1.88%, 2/28/14	50,000,000	50,275,907
1.75%, 3/31/14	50,000,000	50,321,428
2.25%, 5/31/14	50,000,000	50,606,053
2.38%, 8/31/14	50,000,000	50,914,764
2.38%, 9/30/14	50,000,000	50,994,186
		<u>338,262,959</u>
TOTAL U.S. TREASURY OBLIGATIONS (COST \$688,239,294)		<u>688,239,294</u>

Time Deposits – 5.0%

	Principal Amount (\$)	Amortized Cost (\$)
Abbey National Treasury Services plc, 0.10%, 11/1/13 . . .	100,000,000	100,000,000
ABN AMRO Bank NV, 0.12%, 11/1/13	150,000,000	150,000,000
TOTAL TIME DEPOSITS (COST \$250,000,000)		<u>250,000,000</u>
TOTAL INVESTMENT SECURITIES (COST \$4,674,042,170) – 93.5%		<u>4,674,042,170</u>

Percentages indicated are based on net assets of \$4,999,355,098.

- (a) Variable rate security. The interest rates on these securities are adjusted periodically to reflect then-current short-term interest rates. The rates presented represent the rates in effect on October 31, 2013. The maturity dates presented reflect the final maturity dates. However, some of these securities may contain put or demand features that allow the Fund to require the issuer to repurchase the security from the fund within various time periods, including daily, weekly, monthly, or semi-annually.
- (b) Rate presented represents the effective yield at time of purchase.
- (c) Rule 144A security or other security which is restricted as to resale to institutional investors. This security has been deemed liquid by the Investment Adviser based on procedures approved by the Board of Trustees.
- (d) Step Bond. Income recognition is on the effective yield method for Step Bonds.

LLC — Limited Liability Company

MTN — Medium Term Note

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Schedule of Portfolio Investments—as of October 31, 2013

U.S. Government and Government Agency Obligations – 16.6%

	Principal Amount (\$)	Amortized Cost (\$)
Federal Farm Credit Bank – 3.5%		
0.19%, 12/13/13	7,500,000	7,500,064
0.19%, 12/20/13(a), Series 2 . . .	6,000,000	6,000,000
0.23%, 12/30/13(a)	8,000,000	8,000,522
0.18%, 1/14/14(a)	7,500,000	7,499,848
0.03%, 2/10/14(a)	18,000,000	17,995,885
0.11%, 3/26/14(a), Series 1	23,500,000	23,500,153
0.12%, 6/6/14(a)	30,000,000	29,998,188
0.16%, 6/11/14	15,000,000	14,998,880
0.11%, 10/24/14(a), Series 1 . . .	18,000,000	17,999,092
0.18%, 2/27/15(a)	3,695,000	3,696,483
0.21%, 7/24/15(a)	7,500,000	7,509,217
		<u>144,698,332</u>
Federal Home Loan Bank – 7.5%		
0.13%, 11/8/13	6,850,000	6,849,910
0.10%, 11/20/13, Series 2	25,000,000	24,999,905
0.38%, 11/27/13	11,000,000	11,002,082
0.13%, 12/6/13	11,550,000	11,549,252
0.13%, 12/10/13	7,000,000	6,999,569
0.34%, 12/18/13	4,300,000	4,300,704
0.16%, 12/20/13(a)	30,000,000	30,001,630
0.16%, 3/3/14(b)	45,000,000	44,976,362
0.17%, 3/24/14(b)	15,000,000	14,990,169
0.13%, 3/27/14	18,000,000	17,997,349
0.11%, 6/5/14(a)	75,000,000	74,997,478
0.10%, 6/27/14(a), Series 1	15,000,000	14,999,019
0.19%, 7/22/14	25,000,000	24,997,658
0.13%, 7/25/14	15,000,000	14,994,887
0.11%, 9/2/14(a)	15,000,000	14,999,372
		<u>318,655,346</u>
Federal Home Loan Mortgage Corp. – 4.2%		
0.15%, 12/20/13(b)	19,000,000	18,996,121
0.16%, 10/16/15(a)	160,000,000	160,000,000
		<u>178,996,121</u>
Federal National Mortgage Association – 1.4%		
0.09%, 2/5/14(b)	12,734,000	12,730,842
0.88%, 8/28/14	7,500,000	7,543,200
0.63%, 10/30/14	31,573,000	31,718,687
0.46%, 11/21/14(a), Series 1 . . .	6,000,000	6,022,416
0.34%, 1/27/15(a)	3,065,000	3,073,639
		<u>61,088,784</u>
TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS (COST \$703,438,583)		<u>703,438,583</u>

U.S. Treasury Obligations – 57.2%

	Principal Amount (\$)	Amortized Cost (\$)
U.S. Treasury Bills – 30.8%		
0.21%, 11/14/13(b)	725,000,000	724,943,820
0.10%, 11/21/13(b)	280,000,000	279,984,047
0.12%, 12/5/13(b)	150,000,000	149,983,354
0.13%, 4/24/14(b)	150,000,000	149,907,563
		<u>1,304,818,784</u>
U.S. Treasury Notes – 26.4%		
0.50%, 11/15/13	425,000,000	425,057,626
4.25%, 11/15/13	30,000,000	30,046,403
2.00%, 11/30/13	215,000,000	215,305,058
0.75%, 12/15/13	50,000,000	50,032,305
1.25%, 2/15/14	75,000,000	75,229,947
1.75%, 3/31/14	15,000,000	15,096,123
1.25%, 4/15/14	15,000,000	15,073,456
2.38%, 9/30/14	200,000,000	203,980,839
0.50%, 10/15/14	34,500,000	34,624,651
4.25%, 11/15/14	50,000,000	52,117,946
		<u>1,116,564,354</u>
TOTAL U.S. TREASURY OBLIGATIONS (COST \$2,421,383,138)		<u>2,421,383,138</u>
Repurchase Agreements – 26.0%		
Merrill Lynch Pierce, Fenner & Smith, Inc. purchased on 10/31/13, 0.09%, due on 11/7/13 with a maturity value of \$150,002,625, collateralized by various U.S. Government and Government Agency Obligations, 2.39%-3.00%, 4/1/33-4/1/43, fair value \$153,000,001	150,000,000	150,000,000
Barclays Capital Group, purchased on 10/31/13, 0.07%, due on 11/7/13 with a maturity value of \$250,003,403, collateralized by various U.S. Government and Government Agency Obligations, 3.50%-5.00%, 2/15/39-10/20/62, fair value \$255,000,001	250,000,000	250,000,000
BNP Paribas, purchased on 10/31/13, 0.11%, due on 11/1/13 with a maturity value of \$250,000,764, collateralized by various U.S. Government and Government Agency Obligations, 3.00%-4.50%, 2/1/27-5/1/43, fair value \$255,000,000	250,000,000	250,000,000

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Schedule of Portfolio Investments—as of October 31, 2013 (continued)

Repurchase Agreements, continued

	Principal Amount (\$)	Amortized Cost (\$)
Citigroup Global Markets, purchased on 10/31/13, 0.10%, due on 11/1/13 with a maturity value of \$250,000,694, collateralized by various U.S. Government and Government Agency Obligations, 1.95%-6.50%, 11/1/19-10/1/43, fair value \$255,000,000	250,000,000	250,000,000
Deutsche Bank, purchased on 10/31/13, 0.12%, due on 11/1/13 with a maturity value of \$200,000,667, collateralized by various U.S. Government and Government Agency Obligations, 3.00%-4.00%, 11/1/26-8/1/43, fair value \$204,000,000	200,000,000	200,000,000
TOTAL REPURCHASE AGREEMENTS (COST \$1,100,000,000)		1,100,000,000
TOTAL INVESTMENT SECURITIES (COST \$4,224,821,721) — 99.8%		4,224,821,721

Percentages indicated are based on net assets of \$4,233,130,504.

- (a) Variable rate security. The rate presented represents the rate in effect at October 31, 2013. These securities are deemed to have a maturity remaining until the next adjustment of the interest rate or the longer of the demand period or time to the next readjustment.
- (b) Discount note. Rate presented represents the effective yield at time of purchase.

HSBC U.S. TREASURY MONEY MARKET FUND

Schedule of Portfolio Investments—as of October 31, 2013

U.S. Treasury Obligations – 99.5%

	Principal Amount (\$)	Amortized Cost (\$)
U.S. Treasury Bills – 52.2%		
0.14%, 11/7/13 (a)	217,000,000	216,996,142
0.14%, 11/14/13 (a)	908,000,000	907,950,029
0.16%, 11/29/13 (a)	75,000,000	74,990,667
0.05%, 12/19/13 (a)	75,000,000	74,995,001
0.03%, 1/2/14 (a)	70,000,000	69,996,082
		<u>1,344,927,921</u>
U.S. Treasury Notes – 47.3%		
0.50%, 11/15/13.	325,000,000	325,054,584
4.25%, 11/15/13.	125,000,000	125,200,270
2.00%, 11/30/13	225,000,000	225,336,259
0.75%, 12/15/13.	65,000,000	65,050,462
1.00%, 1/15/14	150,000,000	150,280,534
4.00%, 2/15/14	10,000,000	10,112,855
0.25%, 2/28/14	40,000,000	40,012,571
1.25%, 3/15/14	125,000,000	125,532,255
0.63%, 7/15/14	30,000,000	30,095,755
2.38%, 8/31/14	25,000,000	25,457,708
2.38%, 10/31/14	25,000,000	25,557,816
4.25%, 11/15/14.	65,000,000	67,757,229
		<u>1,215,448,298</u>
TOTAL U.S. TREASURY OBLIGATIONS (COST \$2,560,376,219)		<u>2,560,376,219</u>
TOTAL INVESTMENT SECURITIES — 99.5%		<u>2,560,376,219</u>

Percentages indicated are based on net assets of \$2,572,320,882.

(a) Discount note. Rate presented represents the effective yield at time of purchase.

HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities—as of October 31, 2013

	Prime Money Market Fund	U.S. Government Money Market Fund	U.S. Treasury Money Market Fund
Assets:			
Investments, at value and amortized cost	\$ 4,674,042,170	\$ 3,124,821,721	\$ 2,560,376,219
Repurchase agreements, at value and cost	—	1,100,000,000	—
Total Investments	<u>4,674,042,170</u>	<u>4,224,821,721</u>	<u>2,560,376,219</u>
Cash	322,081,559	3,566,463	4,733,511
Interest receivable	4,034,903	5,300,727	7,467,502
Receivable for capital shares issued	78,396	35,021	—
Prepaid expenses	103,900	107,809	73,083
Total Assets	<u>5,000,340,928</u>	<u>4,233,831,741</u>	<u>2,572,650,315</u>
Liabilities:			
Dividends payable	97,723	39,714	—
Accrued expenses and other liabilities:			
Investment Management	376,642	275,690	117,076
Administration	204,269	153,503	77,925
Compliance Services	259	47	130
Accounting	373	252	451
Custodian	71,446	58,670	33,530
Transfer Agent	8,154	6,034	6,055
Trustee	15,190	4,454	130
Other	211,774	162,873	94,136
Total Liabilities	<u>985,830</u>	<u>701,237</u>	<u>329,433</u>
Net Assets	<u>\$ 4,999,355,098</u>	<u>\$ 4,233,130,504</u>	<u>\$ 2,572,320,882</u>
Composition of Net Assets:			
Capital	4,999,346,354	4,233,220,928	2,572,370,281
Accumulated net realized gains (losses) from investments	8,744	(90,424)	(49,399)
Net Assets	<u>\$ 4,999,355,098</u>	<u>\$ 4,233,130,504</u>	<u>\$ 2,572,320,882</u>
Net Assets:			
Class A Shares	\$ 42,158,371	\$ 428,135	\$ 5,099
Class B Shares	28,181	48,741	—
Class C Shares	2	—	—
Class D Shares	1,288,077,154	670,892,508	517,845,253
Class I Shares	3,121,056,022	1,156,893,808	1,086,180,728
Class Y Shares	548,035,368	2,404,867,312	968,289,802
	<u>\$ 4,999,355,098</u>	<u>\$ 4,233,130,504</u>	<u>\$ 2,572,320,882</u>
Shares Outstanding (\$0.001 par value, unlimited number of shares authorized):			
Class A Shares	42,158,898	428,148	5,091
Class B Shares	28,210	48,730	—
Class C Shares	2	—	—
Class D Shares	1,288,015,088	670,724,760	517,853,599
Class I Shares	3,121,128,793	1,157,028,933	1,086,229,016
Class Y Shares	548,029,587	2,404,990,715	968,287,545
Net Asset Value, Offering Price and Redemption Price per share:			
Class A Shares	\$ 1.00	\$ 1.00	\$ 1.00
Class B Shares(a)	\$ 1.00	\$ 1.00	\$ —
Class C Shares(a)	\$ 1.00	\$ —	\$ —
Class D Shares	\$ 1.00	\$ 1.00	\$ 1.00
Class I Shares	\$ 1.00	\$ 1.00	\$ 1.00
Class Y Shares	\$ 1.00	\$ 1.00	\$ 1.00

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

HSBC FAMILY OF FUNDS

Statements of Operations—For the year ended October 31, 2013

	Prime Money Market Fund	U.S. Government Money Market Fund	U.S. Treasury Money Market Fund
Investment Income:			
Interest	\$ 12,606,310	\$ 6,812,816	\$ 2,335,533
Total Investment Income	<u>12,606,310</u>	<u>6,812,816</u>	<u>2,335,533</u>
Expenses:			
Investment Management	5,131,209	4,745,532	2,566,350
Advisory Services:			
Operational Support - Class A Shares	40,057	18,952	4
Operational Support - Class B Shares	32	61	—
Operational Support - Class C Shares	2	—	—
Operational Support - Class D Shares	1,359,346	614,527	656,884
Operational Support - Class Y Shares	619,399	2,566,083	1,343,234
Administration:			
Class A Shares	19,937	9,312	2
Class B Shares	15	31	—
Class D Shares	675,695	305,595	325,809
Class I Shares	1,546,685	768,238	281,884
Class Y Shares	308,099	1,274,738	667,932
Distribution:			
Class B Shares	241	459	5
Class C Shares	10	—	—
Shareholder Servicing:			
Class A Shares	160,114	75,809	22
Class B Shares	80	152	2
Class C Shares	3	—	—
Class D Shares	3,396,688	1,536,330	1,642,223
Accounting	77,399	68,524	66,255
Compliance Services	110,467	100,146	54,603
Custodian	306,828	272,011	155,093
Printing	161,588	53,656	13,772
Professional	407,211	362,247	216,569
Transfer Agent	49,211	36,333	36,424
Trustee	322,451	300,630	154,014
Registration fees	81,964	79,344	77,694
Other	274,538	159,470	119,978
Total expenses before fee reductions	15,049,269	13,348,180	8,378,753
Fees voluntarily reduced/reimbursed by Investment Adviser	(1,474,820)	(4,977,753)	(4,055,018)
Fees voluntarily reduced by Administrator	(6,088)	(489,242)	(325,686)
Fees voluntarily reduced/reimbursed by Distributor	(251)	(459)	(5)
Fees voluntarily reduced/reimbursed by Shareholder Servicing Agent	(3,550,514)	(1,612,291)	(1,642,247)
Fees paid indirectly	—	(31,032)	(20,264)
Net Expenses	<u>10,017,596</u>	<u>6,237,403</u>	<u>2,335,533</u>
Net Investment Income	<u>2,588,714</u>	<u>575,413</u>	<u>—</u>
Net realized gains (losses) from investments	8,744	(86,858)	(37,989)
Change In Net Assets Resulting From Operations	<u>\$ 2,597,458</u>	<u>\$ 488,555</u>	<u>\$ (37,989)</u>

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets

	Prime Money Market Fund		U.S. Government Money Market Fund	
	For the year ended October 31, 2013	For the year ended October 31, 2012	For the year ended October 31, 2013	For the year ended October 31, 2012
Investment Activities:				
Operations:				
Net investment income	\$ 2,588,714	\$ 5,657,344	\$ 575,413	\$ 589,074
Net realized gains (losses) from investments	8,744	24,826	(86,858)	2,240
Change in net assets resulting from operations	<u>2,597,458</u>	<u>5,682,170</u>	<u>488,555</u>	<u>591,314</u>
Dividends:				
Net investment income:				
Class A Shares	(4,311)	(2,958)	(1,885)	(169)
Class B Shares	(4)	(7)	(6)	(8)
Class C Shares	(1)	(4)	—	—
Class D Shares	(145,852)	(143,373)	(62,841)	(64,809)
Class I Shares	(2,366,911)	(5,344,845)	(248,433)	(290,312)
Class Y Shares	(71,635)	(166,157)	(262,248)	(233,776)
Net realized gains:				
Class A Shares	(78)	—	—	(35)
Class B Shares	—	—	—	(1)
Class D Shares	(2,967)	—	—	(7,445)
Class I Shares	(7,143)	—	—	(19,650)
Class Y Shares	(1,258)	—	—	(18,416)
Change in net assets resulting from shareholder dividends	<u>(2,600,160)</u>	<u>(5,657,344)</u>	<u>(575,413)</u>	<u>(634,621)</u>
Change in net assets resulting from capital transactions	<u>18,941,569</u>	<u>(1,590,758,408)</u>	<u>(760,210,896)</u>	<u>885,763,811</u>
Change in net assets	<u>18,938,867</u>	<u>(1,590,733,582)</u>	<u>(760,297,754)</u>	<u>885,720,504</u>
Net Assets:				
Beginning of period	4,980,416,231	6,571,149,813	4,993,428,258	4,107,707,754
End of period	<u>\$ 4,999,355,098</u>	<u>\$ 4,980,416,231</u>	<u>\$ 4,233,130,504</u>	<u>\$ 4,993,428,258</u>
Accumulated net investment income	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2</u>

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets (continued)

	Prime Money Market Fund		U.S. Government Money Market Fund	
	For the year ended October 31, 2013	For the year ended October 31, 2012	For the year ended October 31, 2013	For the year ended October 31, 2012
CAPITAL TRANSACTIONS:*				
Class A Shares:				
Proceeds from shares issued	\$ 10,044,534	\$ 11,405,354	\$ 100,773,881	\$ 12,635,616
Dividends reinvested	149	102	385	18
Value of shares redeemed	(1,432,410)	(5,622,050)	(100,584,674)	(16,391,097)
Class A Shares capital transactions	<u>8,612,273</u>	<u>5,783,406</u>	<u>189,592</u>	<u>(3,755,463)</u>
Class B Shares:				
Proceeds from shares issued	—	19,430	—	—
Dividends reinvested	4	6	6	9
Value of shares redeemed	(13,118)	(110,006)	(27,646)	(17,135)
Class B Shares capital transactions	<u>(13,114)</u>	<u>(90,570)</u>	<u>(27,640)</u>	<u>(17,126)</u>
Class C Shares:				
Proceeds from shares issued	373	745	—	—
Dividends reinvested	1	4	—	—
Value of shares redeemed	(6,130)	(777)	—	—
Class C Shares capital transactions	<u>(5,756)</u>	<u>(28)</u>	<u>—</u>	<u>—</u>
Class D Shares:				
Proceeds from shares issued	5,119,755,763	5,747,496,581	2,284,815,817	2,112,895,877
Dividends reinvested	109,668	112,060	29,381	41,463
Value of shares redeemed	(5,135,614,581)	(6,035,401,728)	(2,228,438,235)	(2,244,889,380)
Class D Shares capital transactions	<u>(15,749,150)</u>	<u>(287,793,087)</u>	<u>56,406,963</u>	<u>(131,952,040)</u>
Class I Shares:				
Proceeds from shares issued	26,195,455,773	37,580,221,468	10,153,237,542	15,350,488,166
Dividends reinvested	1,231,509	2,814,430	152,717	206,034
Value of shares redeemed	(26,101,317,973)	(38,866,710,107)	(10,869,649,354)	(15,123,273,533)
Class I Shares capital transactions	<u>95,369,309</u>	<u>(1,283,674,209)</u>	<u>(716,259,095)</u>	<u>227,420,667</u>
Class Y Shares:				
Proceeds from shares issued	1,790,806,941	2,112,812,015	20,359,087,706	16,530,799,457
Dividends reinvested	66,154	146,189	259,866	250,271
Value of shares redeemed	(1,860,145,088)	(2,137,942,124)	(20,459,868,288)	(15,736,981,955)
Class Y Shares capital transactions	<u>(69,271,993)</u>	<u>(24,983,920)</u>	<u>(100,520,716)</u>	<u>794,067,773</u>
Change in net assets resulting from capital transactions	<u>\$ 18,941,569</u>	<u>\$ (1,590,758,408)</u>	<u>\$ (760,210,896)</u>	<u>\$ 885,763,811</u>

* Share transactions are at net asset value of \$1.00 per share.

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets (continued)

	U.S. Treasury Money Market Fund	
	For the year ended October 31, 2013	For the year ended October 31, 2012
Investment Activities:		
Operations:		
Net investment income	\$ —	\$ 9
Net realized gains (losses) from investments transactions	(37,989)	8,482
Change in net assets resulting from operations	<u>(37,989)</u>	<u>8,491</u>
Dividends:		
Net realized gains:		
Class D Shares	—	(6,485)
Class I Shares	—	(6,826)
Class Y Shares	—	(10,955)
Change in net assets resulting from shareholder dividends	<u>—</u>	<u>(24,266)</u>
Change in net assets resulting from capital transactions	<u>198,372,690</u>	<u>(229,081,790)</u>
Change in net assets	198,334,701	(229,097,565)
Net Assets:		
Beginning of period	2,373,986,181	2,603,083,746
End of period	<u>\$ 2,572,320,882</u>	<u>\$ 2,373,986,181</u>
Accumulated net investment income	<u>\$ —</u>	<u>\$ 9</u>

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets (continued)

	U.S. Treasury Money Market Fund	
	For the year ended October 31, 2013	For the year ended October 31, 2012
CAPITAL TRANSACTIONS:*		
Class A Shares:		
Value of shares redeemed	\$ —	\$ (607,887)
Class A Shares capital transactions	<u>—</u>	<u>(607,887)</u>
Class B Shares:		
Value of shares redeemed	(1,031)	(34,382)
Class B Shares capital transactions	<u>(1,031)</u>	<u>(34,382)</u>
Class C Shares:		
Proceeds from shares issued	—	114,177
Value of shares redeemed	—	(114,177)
Class C Shares capital transactions	<u>—</u>	<u>—</u>
Class D Shares:		
Proceeds from shares issued	2,077,685,254	1,836,487,946
Dividends reinvested	—	2,757
Value of shares redeemed	(2,221,893,975)	(1,794,363,660)
Class D Shares capital transactions	<u>(144,208,721)</u>	<u>42,127,043</u>
Class I Shares:		
Proceeds from shares issued	5,092,587,899	2,342,393,162
Dividends reinvested	—	3,734
Value of shares redeemed	(4,561,678,583)	(2,770,079,317)
Class I Shares capital transactions	<u>530,909,316</u>	<u>(427,682,421)</u>
Class Y Shares:		
Proceeds from shares issued	1,876,855,817	1,844,352,806
Dividends reinvested	—	10,587
Value of shares redeemed	(2,065,182,691)	(1,687,247,536)
Class Y Shares capital transactions	<u>(188,326,874)</u>	<u>157,115,857</u>
Change in net assets resulting from capital transactions	<u>\$ 198,372,690</u>	<u>\$ (229,081,790)</u>

* Share transactions are at net asset value of \$1.00 per share.

HSBC PRIME MONEY MARKET FUND

Financial Highlights

Selected data for a share outstanding throughout the periods indicated.

Investment Activities							Dividends		Ratios/Supplementary Data					
Net Asset Value, Beginning of Period	Net Realized and Unrealized Gains (Losses) from Investments			Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Dividends	Net Asset Value, End of Period	Total Return(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets	Ratio of Net Expenses to Average Net Assets (Excluding Fees Paid Indirectly)	Ratio of Investment Income to Average Net Assets	Ratios of Expenses to Average Net Assets (Excluding Fee Reductions)
	Net Investment Income	Realized Gains (Losses)	Unrealized Gains (Losses)											
CLASS A SHARES														
Year Ended October 31, 2009	\$1.00	—(b)	—(b)	—(b)	—(b)	—	—(b)	\$1.00	0.32%(c)	\$ 343,265	0.55%(c)	0.55%(c)	0.31%(c)	0.69%(c)
Year Ended October 31, 2010	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%(e)	32,943	0.29%	0.29%	0.01%(e)	0.67%
Year Ended October 31, 2011	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%	27,763	0.26%	0.26%	0.01%	0.68%
Year Ended October 31, 2012	1.00	—(b)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%	33,546	0.30%	0.30%	0.01%	0.69%
Year Ended October 31, 2013	1.00	—(b)(d)	—(b)	—(b)	—(b)	—(b)	—(b)	1.00	0.01%	42,158	0.23%	0.23%	0.01%	0.68%
CLASS B SHARES														
Year Ended October 31, 2009	\$1.00	—(b)	—(b)	—(b)	—	—	—	\$1.00	0.17%(c)	\$ 312	0.68%(c)	0.68%(c)	0.13%(c)	1.30%(c)
Year Ended October 31, 2010	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%(e)	226	0.29%	0.29%	0.01%(e)	1.27%
Year Ended October 31, 2011	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%	132	0.26%	0.26%	0.01%	1.28%
Year Ended October 31, 2012	1.00	—(b)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%	41	0.29%	0.29%	0.01%	1.29%
Year Ended October 31, 2013	1.00	—(b)(d)	—(b)	—(b)	—(b)	—(b)	—(b)	1.00	0.01%	28	0.24%	0.24%	0.01%	1.28%
CLASS C SHARES														
Year Ended October 31, 2009	\$1.00	—(b)	—(b)	—(b)	—(b)	—	—(b)	\$1.00	0.17%(c)	\$ 259,364	0.74%(c)	0.74%(c)	0.19%(c)	1.29%(c)
Year Ended October 31, 2010	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%(e)	44	0.29%	0.29%	0.01%(e)	1.27%
Year Ended October 31, 2011	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%	6	0.25%	0.25%	0.01%	1.28%
Year Ended October 31, 2012	1.00	—(b)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.06%	6	0.25%	0.25%	0.06%	1.29%
Year Ended October 31, 2013	1.00	—(b)(d)	—(b)	—(b)	—(b)	—(b)	—(b)	1.00	0.01%	—(f)	0.23%	0.23%	0.07%	1.26%
CLASS D SHARES														
Year Ended October 31, 2009	\$1.00	—(b)	—(b)	—(b)	—(b)	—	—(b)	\$1.00	0.40%(c)	\$ 1,994,448	0.49%(c)	0.49%(c)	0.42%(c)	0.54%(c)
Year Ended October 31, 2010	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%(e)	1,695,222	0.29%	0.29%	0.01%(e)	0.52%
Year Ended October 31, 2011	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%	1,591,614	0.26%	0.26%	0.01%	0.53%
Year Ended October 31, 2012	1.00	—(b)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%	1,303,827	0.30%	0.30%	0.01%	0.54%
Year Ended October 31, 2013	1.00	—(b)(d)	—(b)	—(b)	—(b)	—(b)	—(b)	1.00	0.01%	1,288,077	0.23%	0.23%	0.01%	0.53%

HSBC PRIME MONEY MARKET FUND

Financial Highlights (continued)

Investment Activities							Dividends		Ratios/Supplementary Data					
Net Asset Value, Beginning of Period	Net Realized and Unrealized Gains (Losses) from Investments			Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Dividends	Net Asset Value, End of Period	Total Return(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets	Ratio of Expenses to Average Net Assets (Excluding Fees Paid Indirectly)	Ratio of Net Expenses to Average Net Assets (Excluding Fee Reductions)	
	Net Investment Income	Realized Gains from Investments	Unrealized Gains (Losses)											
CLASS I SHARES														
Year Ended October 31, 2009	\$1.00	0.01	—(b)	0.01	(0.01)	—	(0.01)	\$1.00	0.69%(c)	\$7,189,613	0.18%(c)	0.18%(c)	0.55%(c)	0.19%(c)
Year Ended October 31, 2010	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.14%(e)	4,679,632	0.17%	0.17%	0.14%(e)	0.17%
Year Ended October 31, 2011	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.10%	4,309,346	0.17%	0.17%	0.10%	0.18%
Year Ended October 31, 2012	1.00	—(b)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.14%	3,025,688	0.17%	0.17%	0.14%	0.19%
Year Ended October 31, 2013	1.00	—(b)(d)	—(b)	—(b)	—(b)	—(b)	—(b)	1.00	0.08%	3,121,056	0.17%	0.17%	0.08%	0.18%
CLASS Y SHARES														
Year Ended October 31, 2009	\$1.00	0.01	—(b)	0.01	(0.01)	—	(0.01)	\$1.00	0.58%(c)	\$1,194,680	0.29%(c)	0.29%(c)	0.68%(c)	0.29%(c)
Year Ended October 31, 2010	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.05%(e)	1,107,571	0.26%	0.26%	0.04%(e)	0.27%
Year Ended October 31, 2011	1.00	—(b)(d)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.01%	642,290	0.26%	0.26%	0.02%	0.28%
Year Ended October 31, 2012	1.00	—(b)	—(b)	—(b)	—(b)	—	—(b)	1.00	0.03%	617,308	0.28%	0.28%	0.03%	0.29%
Year Ended October 31, 2013	1.00	—(b)(d)	—(b)	—(b)	—(b)	—(b)	—(b)	1.00	0.01%	548,035	0.23%	0.23%	0.01%	0.28%

(a) Total returns do not include redemption charges.

(b) Represents less than \$0.005 or \$(0.005).

(c) Included in the ratios are the Treasury Guarantee Program fees incurred by the Fund during the period. Without these fees, the gross and net expense ratios would have been decreased by 0.03% and the total return and net investment income ratio would have increased by 0.03%.

(d) Calculated based on average shares outstanding.

(e) During the year ended October 31, 2010, the Fund received a distribution from a "fair fund" established by the SEC in connection with a consent order against BISYS Fund Services, Inc. (See Note 6 in Notes to Financial Statements). The corresponding impact to the net income ratio and the total return was less than 0.005%.

(f) Less than \$500.

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Financial Highlights (continued)

Selected data for a share outstanding throughout the periods indicated.

Investment Activities										Dividends		Ratios/Supplementary Data				
Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Dividends	Net Asset Value, End of Period	Total Return(a)	Net Assets at End of Period (000's)	Ratio of Expenses to Average Net Assets (b)		Ratio of Net Investment Income to Average Net Assets (b)	Ratios of Expenses to Average Net Assets (Excluding Fee Reductions) (b)			
										Indirectly	Directly					
CLASS A SHARES																
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.14%(d)	\$ 574,577	0.52%(d)	0.14%(d)	0.72%(d)				
Year Ended October 31, 2010	1.00	—	—	—(c)	—(c)	—(c)	1.00	0.02%(e)	25,926	0.23%	0.01%(e)	0.67%				
Year Ended October 31, 2011	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%	3,995	0.16%	0.01%	0.68%				
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.01%	238	0.14%	0.01%	0.69%				
Year Ended October 31, 2013	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%	428	0.17%	0.01%	0.68%				
CLASS B SHARES																
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.08%(d)	\$ 84	0.54%(d)	0.08%(d)	1.30%(d)				
Year Ended October 31, 2010	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.02%(e)	88	0.22%	0.01%(e)	1.27%				
Year Ended October 31, 2011	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%	94	0.17%	0.01%	1.28%				
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.01%	76	0.16%	0.01%	1.29%				
Year Ended October 31, 2013	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%	49	0.14%	0.01%	1.28%				
CLASS C SHARES																
Year Ended October 31, 2009(f)	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.08%(d)	\$ 229	0.50%(d)	0.04%(d)	1.32%(d)				
Year Ended October 31, 2010(g)	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.02%(e)	—(h)	0.23%	0.01%(e)	1.27%				
Year Ended October 31, 2011(i)	1.00	—	—	—	—	—	1.00	—%	—	—%	—%	—%				
Year Ended October 31, 2012(i)	1.00	—	—	—	—	—	1.00	—%	—	—%	—%	—%				
Year Ended October 31, 2013(i)	1.00	—	—	—	—	—	1.00	—%	—	—%	—%	—%				
CLASS D SHARES																
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.18%(d)	\$ 767,551	0.48%(d)	0.21%(d)	0.58%(d)				
Year Ended October 31, 2010	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.02%(e)	922,510	0.22%	0.02%(e)	0.52%				
Year Ended October 31, 2011	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%	746,458	0.17%	0.01%	0.53%				
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.01%	614,499	0.16%	0.01%	0.54%				
Year Ended October 31, 2013	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%	670,893	0.13%	0.01%	0.53%				

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Financial Highlights (continued)

Investment Activities										Dividends		Ratios/Supplementary Data				
Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Dividends	Net Asset Value, End of Period	Total Return (a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets (b)	Ratio of Net Expenses to Average Net Assets (Excluding Fees Paid Indirectly) (b)	Ratio of Net Investment Income to Average Net Assets (b)	Ratios of Expenses to Average Net Assets (Excluding Fee Reductions) (b)			
CLASS I SHARES																
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.43%(d)	\$8,176,980	0.22%(d)	0.22%(d)	0.38%(d)	0.22%(d)			
Year Ended October 31, 2010	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.08%(e)	5,100,891	0.16%	0.16%	0.07%(e)	0.17%			
Year Ended October 31, 2011	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.03%	1,645,764	0.16%	0.16%	0.03%	0.18%			
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.02%	1,873,166	0.16%	0.16%	0.01%	0.19%			
Year Ended October 31, 2013	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%	1,156,894	0.13%	0.13%	0.02%	0.18%			
CLASS Y SHARES																
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.32%(d)	\$3,370,299	0.33%(d)	0.33%(d)	0.38%(d)	0.33%(d)			
Year Ended October 31, 2010	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.02%(e)	2,918,347	0.22%	0.22%	0.02%(e)	0.27%			
Year Ended October 31, 2011	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%	1,711,397	0.17%	0.17%	0.01%	0.28%			
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.01%	2,505,448	0.17%	0.17%	0.01%	0.29%			
Year Ended October 31, 2013	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%	2,404,867	0.13%	0.13%	0.01%	0.28%			

(a) Not annualized for periods less than one year. Total return calculations do not include any sales or redemption charges.

(b) Annualized for periods less than one year.

(c) Represents less than \$0.005 or \$(0.005).

(d) Included in the ratios are the Treasury Guarantee Program fees incurred by the Fund during the period. Without these fees, the gross and net expense ratios would have been decreased by 0.06% and the total return and net investment income ratio would have increased by 0.06%.

(e) During the year ended October 31, 2010, the Fund received a distribution from a "fair fund" established by the SEC in connection with a consent order against BLSYS Fund Services, Inc. (See Note 6 in Notes to Financial Statements). The corresponding impact to the net income ratio and the total return was less than 0.005%.

(f) Class C Shares were operational during a portion of the year only. Amounts reflect performance for the period of time the class had operations, which was 362 days during the period.

(g) Class C Shares were operational during a portion of the year only. Amounts reflect performance for the period of time the class had operations, which was 351 days during the period.

(h) Less than \$500.

(i) During the period the class had no operations. The net asset values reflected represent the last day the class had shareholders.

HSBC U.S. TREASURY MONEY MARKET FUND

Financial Highlights (continued)

Selected data for a share outstanding throughout the periods indicated.

Investment Activities										Dividends		Ratios/Supplementary Data				
Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Dividends	Net Asset Value, End of Period	Total Return(a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets (b)	Ratio of Expenses to Average Net Assets (Excluding Fees Paid Indirectly) (b)	Ratio of Net Investment Income to Average Net Assets (b)	Ratios of Expenses to Average Net Assets (Excluding Fee Reductions) (b)			
CLASS A SHARES																
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.07%	\$ 385,994	0.24%	0.24%	0.07%	0.66%			
Year Ended October 31, 2010	1.00	—(c)(d)	—(c)	—(c)	—	—(c)	1.00	0.01%(e)	32,973	0.14%	0.14%	0.01%(e)	0.67%			
Year Ended October 31, 2011	1.00	—(c)(d)	—(c)	—(c)	—(c)	—(c)	1.00	0.01%	613	0.11%	0.12%	0.01%	0.68%			
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	—%	5	0.05%	0.06%	—%	0.70%			
Year Ended October 31, 2013	1.00	—(c)	—(c)	—(c)	—	—	1.00	—%	5	0.10%	0.10%	—%	0.69%			
CLASS B SHARES																
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.07%	\$ 60	0.24%	0.24%	0.07%	1.26%			
Year Ended October 31, 2010	1.00	—(c)(d)	—(c)	—(c)	—	—(c)	1.00	0.01%(e)	50	0.14%	0.14%	0.01%(e)	1.27%			
Year Ended October 31, 2011	1.00	—(c)(d)	—(c)	—(c)	—(c)	—(c)	1.00	0.01%	35	0.10%	0.10%	0.01%	1.28%			
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	—%	1	0.06%	0.06%	—%	1.29%			
Year Ended October 31, 2013(f)	1.00	—(c)	—(c)	—(c)	—	—	1.00	—%	—	0.02%	0.02%	—%	0.76%			
CLASS C SHARES																
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.07%	\$ 7,138	0.22%	0.22%	0.04%	1.26%			
Year Ended October 31, 2010(g)	1.00	—(c)(d)	—(c)	—(c)	—	—(c)	1.00	0.01%(e)	—(h)	0.13%	0.13%	—%(e)	1.27%			
Year Ended October 31, 2011(i)	1.00	—(d)	—	—	—	—	1.00	—%	—	—%	—%	—%	—%			
Year Ended October 31, 2012(i)	1.00	—	—	—	—	—	1.00	—%	—	—%	—%	—%	—%			
Year Ended October 31, 2013(i)	1.00	—	—	—	—	—	1.00	—%	—	—%	—%	—%	—%			
CLASS D SHARES																
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.07%	\$ 955,652	0.23%	0.23%	0.06%	0.51%			
Year Ended October 31, 2010	1.00	—(c)(d)	—(c)	—(c)	—	—(c)	1.00	0.01%(e)	726,244	0.14%	0.14%	0.01%(e)	0.52%			
Year Ended October 31, 2011	1.00	—(c)(d)	—(c)	—(c)	—(c)	—(c)	1.00	0.01%	619,940	0.10%	0.10%	0.01%	0.53%			
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—	—(c)	1.00	—%	662,063	0.08%	0.09%	—%	0.54%			
Year Ended October 31, 2013	1.00	—(c)	—(c)	—(c)	—	—	1.00	—%	517,845	0.09%	0.09%	—%	0.53%			

HSBC U.S. TREASURY MONEY MARKET FUND

Financial Highlights (continued)

	Investment Activities				Dividends		Ratios/Supplementary Data							
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Dividends	Net Asset Value, End of Period	Total Return (a)	Net Assets at End of Period (000's)	Ratio of Net Expenses to Average Net Assets (b)	Ratio of Net Expenses (Excluding Fees Paid Indirectly) (b)	Ratio of Net Expenses to Average Net Assets (Excluding Fee Reductions) (b)	
CLASS I SHARES														
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.14%	\$3,322,962	0.16%	0.16%	0.14%	0.16%
Year Ended October 31, 2010	1.00	—(c)(d)	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%(e)	1,379,042	0.13%	0.13%	0.01%(e)	0.17%
Year Ended October 31, 2011	1.00	—(c)(d)	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.01%	982,974	0.10%	0.10%	0.01%	0.18%
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—(c)	—	—(c)	1.00	—%	555,287	0.08%	0.08%	—%	0.19%
Year Ended October 31, 2013	1.00	—(c)	—(c)	—(c)	—(c)	—	—	1.00	—%	1,086,181	0.09%	0.09%	—%	0.18%
CLASS Y SHARES														
Year Ended October 31, 2009	\$1.00	—(c)	—(c)	—(c)	—(c)	—(c)	—(c)	\$1.00	0.08%	\$ 996,309	0.22%	0.22%	0.08%	0.26%
Year Ended October 31, 2010	1.00	—(c)(d)	—(c)	—(c)	—(c)	—	—(c)	1.00	0.01%(e)	1,147,150	0.14%	0.14%	0.01%(e)	0.27%
Year Ended October 31, 2011	1.00	—(c)(d)	—(c)	—(c)	—(c)	—(c)	—(c)	1.00	0.01%	999,521	0.09%	0.10%	0.01%	0.28%
Year Ended October 31, 2012	1.00	—(c)	—(c)	—(c)	—(c)	—	—(c)	1.00	—%	1,156,631	0.09%	0.09%	—%	0.29%
Year Ended October 31, 2013	1.00	—(c)	—(c)	—(c)	—(c)	—	—	1.00	—%	968,290	0.09%	0.09%	—%	0.28%

(a) Not annualized for periods less than one year. Total return calculations do not include any sales or redemption charges.

(b) Annualized for periods less than one year.

(c) Represents less than \$0.005 or \$(0.005).

(d) Calculated based on average shares outstanding.

(e) During the year ended October 31, 2010, the Fund received a distribution from a "fair fund" established by the SEC in connection with a consent order against BLSYS Fund Services, Inc. (See Note 6 in Notes to Financial Statements). The corresponding impact to the net income ratio and the total return was less than 0.005%.

(f) Class B shares were operational during a portion of the year only. Amounts reflect performance for the period of time the class had operations, which was 249 days during the period. The net asset value reflected represents the last day the class had operations.

(g) Class C Shares were operational during a portion of the year only. Amounts reflect performance for the period of time the class had operations, which was 351 days during the period. The net asset value reflected represents the last day the class had operations.

(h) Less than \$500.

(i) During the period the class had no operations. The net asset values reflected represent the last day the class had shareholders.

1. Organization:

The HSBC Funds (the “Trust”), a Massachusetts business trust organized on April 22, 1987, is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. As of October 31, 2013, the Trust is comprised of 15 separate operational funds, each a series of the HSBC Family of Funds, which also includes the HSBC Advisor Funds Trust and the HSBC Portfolios (the “Trusts”). The accompanying financial statements are presented for the following 3 funds (individually a “Fund,” collectively the “Funds”):

<u>Fund</u>	<u>Short Name</u>
HSBC Prime Money Market Fund	Prime Money Market Fund
HSBC U.S. Government Money Market Fund	U.S. Government Money Market Fund
HSBC U.S. Treasury Money Market Fund	U.S. Treasury Money Market Fund

All the Funds are diversified funds. Financial statements for all other funds of the Trusts are published separately.

The Funds are authorized to issue an unlimited number of shares of beneficial interest with a par value of \$ 0.001 per share. The Funds are authorized to issue seven classes of shares: Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class I Shares and Class Y Shares. The Class B Shares of the Funds are offered without any front-end sales charge but will be subject to a contingent deferred sales charge (“CDSC”) ranging from a maximum of 4.00% if redeemed less than one year after purchase to 0.00% if redeemed more than four years after purchase. Class C Shares of the Funds are offered without any front-end sales charge but will be subject to a maximum CDSC of 1.00% if redeemed less than one year after purchase. No sales charges are assessed with respect to Class A, Class D, Class E, Class I or Class Y Shares of the Funds. Each class of shares in each Fund has identical rights and privileges, except with respect to arrangements pertaining to shareholder servicing and/or distribution, class-related expenses, voting rights on matters affecting a single class of shares, and exchange privileges. As of October 31, 2013, Class E Shares were not operational. Effective as of August 1, 2013, Class B Shares may no longer be purchased or acquired by any new or existing Class B shareholder, except through dividend and/or capital gains reinvestment.

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

2. Significant Accounting Policies:

The following is a summary of the significant accounting policies followed by the Funds in the preparation of their financial statements. The policies are in conformity with U.S. generally accepted accounting principles (“GAAP”). The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Securities Valuation:

Investments of the Funds are valued using the amortized cost method pursuant to Rule 2a-7 under the Act, which approximates fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation techniques used to determine fair value are further described in Note 3 below.

Investment Transactions and Related Income:

Investment transactions are accounted for no later than one business day after trade date. However, for financial reporting purposes, investment transactions are accounted for on trade date. Investment gains and losses are calculated on the identified cost basis. Interest income is recognized on the accrual basis and includes, where applicable, the amortization or accretion of premium or discount. Dividend income is recorded on the ex-dividend date.

Restricted and Illiquid Securities:

A restricted security is a security which has been purchased through a private offering and cannot be resold to the general public without prior registration under the Securities Act of 1933 (the “1933 Act”) or pursuant to the resale limitations provided by Rule 144 under the 1933 Act, or another exemption from the registration requirements of the 1933 Act. Certain restricted securities may be resold in transactions exempt from registration, normally to qualified institutional buyers, and may be deemed liquid by the Investment Adviser (as defined in Note 4) based on procedures established by the Board of Trustees (the “Board”). Therefore, not all restricted securities are considered illiquid. At October 31, 2013, the Funds did not hold any restricted securities that were deemed illiquid. The restricted securities held as of October 31, 2013 are identified below:

Prime Money Market Fund	Acquisition Date	Acquisition Cost	Principal Amount	Fair Value	% of Net Assets
Antalis US Funding Corp., 0.30%, 11/8/13	8/7/2013	\$17,426,629	\$17,440,000	\$17,438,983	0.3%
ANZ New Zealand International Ltd., 0.28%, 4/15/14	4/15/2013	25,000,000	25,000,000	25,000,000	0.5%
ASB Finance Ltd., Series GB, 0.30%, 9/2/14	8/29/2013	25,000,000	25,000,000	25,000,000	0.5%
Australia & New Zealand Banking Group Ltd., 0.31%, 5/12/14	4/11/2013	25,000,000	25,000,000	25,000,000	0.5%
Caisse Centrale Desjardins du Quebec, 0.13%, 11/1/13	10/1/2013	14,998,321	15,000,000	15,000,000	0.3%
Caisse Centrale Desjardins du Quebec, 0.19%, 11/15/13	8/15/2013	29,985,817	30,000,000	29,997,842	0.6%
Caisse Centrale Desjardins du Quebec, 0.24%, 2/19/14	9/10/2013	19,978,400	20,000,000	19,985,333	0.4%
Caisse des Depots et Consignations, 0.20%, 11/29/13	7/30/2013	29,980,175	30,000,000	29,995,450	0.6%
Caisse des Depots et Consignations, 0.24%, 1/2/14	7/26/2013	19,979,111	20,000,000	19,991,906	0.4%
Caisse des Depots et Consignations, 0.35%, 8/29/14	9/6/2013	29,896,750	30,000,000	29,912,208	0.6%
Collateralized CP II Co. LLC, 0.17%, 12/19/13	9/17/2013	59,973,933	60,000,000	59,986,400	1.2%
Commonwealth Bank of Australia, 0.26%, 5/16/14	5/17/13	10,000,000	10,000,000	10,000,000	0.2%
Commonwealth Bank of Australia, 0.98%, 3/17/14	2/14/2013	12,597,257	12,500,000	12,534,265	0.3%
Commonwealth Bank of Australia, 2.13%, 3/17/14	5/21/2013	10,147,900	10,000,000	10,068,205	0.2%
Commonwealth Bank of Australia, N.Y., 0.23%, 11/21/13	5/22/2013	64,925,656	65,000,000	64,991,875	1.3%
Commonwealth Bank of Australia, N.Y., 0.25%, 9/11/14	9/11/2013	40,000,000	40,000,000	40,000,000	0.8%
Commonwealth Bank of Australia, N.Y., 0.31%, 11/15/13	9/11/2013	30,007,140	30,000,000	30,001,666	0.6%
DBS Bank Ltd., 0.24%, 1/10/14	7/9/2013	23,970,560	24,000,000	23,988,800	0.5%
DnB NOR Bank ASA, N.Y., 0.20%, 12/23/13	9/4/2013	29,981,667	30,000,000	29,991,333	0.6%
Erste Abwicklungsanstalt, 0.20%, 2/5/14	9/3/2013	84,927,750	85,000,000	84,954,667	1.7%
Erste Abwicklungsanstalt, 0.35%, 2/12/14	2/12/2013	14,947,208	15,000,000	14,984,979	0.3%
MetLife Short Term Funding LLC, 0.16%, 12/10/13	9/16/2013	21,991,689	22,000,000	21,996,187	0.4%
National Australia Bank Ltd., 0.97%, 11/8/13	10/18/2013	15,807,612	15,800,000	15,802,538	0.3%
National Australia Funding Delaware, Inc., 0.22%, 2/20/14	8/20/2013	19,978,022	20,000,000	19,986,742	0.4%
Nordea Bank AB, 0.18%, 11/18/13	8/19/2013	49,977,500	50,000,000	49,995,750	1.0%
Sumitomo Mitsui Banking Corp., N.Y., 0.12%, 11/1/13	10/25/2013	12,159,716	12,160,000	12,160,000	0.2%
Svenska Handelsbanken, Inc., 0.25%, 2/4/14	8/8/2013	19,975,000	20,000,000	19,986,806	0.4%
United Overseas Bank Ltd., 0.19%, 11/25/13	8/20/2013	29,984,800	30,000,000	29,996,200	0.6%
United Overseas Bank Ltd., 0.22%, 3/10/14	10/23/2013	24,978,917	25,000,000	24,980,292	0.5%
Westpac Banking Corp., 0.31%, 1/8/14	1/8/2013	15,000,000	15,000,000	15,000,000	0.3%
Westpac Banking Corp., 0.98%, 3/31/14	3/22/2013	15,862,008	15,750,000	15,795,802	0.3%
Westpac Securities NZ Ltd., 0.29%, 4/11/14	4/25/2013	29,001,044	29,000,000	29,000,482	0.6%
Westpac Securities NZ Ltd., 0.34%, 11/29/13	9/25/2013	85,026,010	85,000,000	85,011,205	1.7%

Repurchase Agreements:

The Funds (except U.S. Treasury Money Market Fund) may enter into repurchase agreements with an entity which is a member of the Federal Reserve System or which is a “primary dealer” (as designated by the Federal Reserve Bank of New York) in U.S. government obligations. The U.S. Treasury Money Market Fund may temporarily invest in repurchase agreements collateralized by U.S. Treasury Obligations. The repurchase price generally equals the price paid by a Fund plus interest negotiated on the basis of current short-term rates, which may be more or less than the rate on the underlying portfolio securities. The seller, under a repurchase agreement, is required to maintain the collateral held pursuant to the agreement, with a fair value equal to or greater than the repurchase price (including accrued interest). Collateral subject to repurchase agreements is held by the Funds’ custodian or another qualified custodian or in the Federal Reserve/ Treasury book-entry system. In the event of counterparty default, the Fund has the right to use the collateral to offset losses incurred. There is potential for loss to a Fund in the event the Fund is delayed or prevented from exercising its rights to dispose of the collateral securities, including the risk of a possible decline in the fair value of the underlying securities during the period while the Fund seeks to assert its rights.

Allocations:

Expenses directly attributable to a Fund are charged to that Fund. Expenses not directly attributable to a Fund are allocated proportionately among the applicable series within the Trusts in relation to the net assets of each fund or on another reasonable basis. Class specific expenses are charged directly to the class incurring the expense. In addition, income, expenses (other than class specific expenses), and unrealized and realized gains and losses are allocated to each class based on relative net assets on a daily basis.

Dividends to Shareholders:

Dividends to shareholders from net investment income, if any, are declared daily and paid monthly from each Fund. Dividends from net realized gains, if any, are declared and paid at least annually by the Funds. Additional distributions are also made to the Funds’ shareholders to the extent necessary to avoid the federal excise tax on certain undistributed income and net realized gains of regulated investment companies.

The amount and character of net investment income and net realized gain distributions are determined in accordance with federal income tax regulations, which may differ from GAAP. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature (e.g., reclassification of market discounts, certain gain/loss, paydowns, and distributions), such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences (e.g., wash losses and post-October loss deferrals) do not require reclassification. To the extent distributions to shareholders from net investment income and net realized gains exceed net investment income and net realized gains for tax purposes, they are reported as distributions of capital.

Federal Income Taxes:

Each Fund is a separate taxable entity for federal income tax purposes. Each Fund has qualified and intends to continue to qualify each year as a “regulated investment company” under Subchapter M of the Internal Revenue Code, as amended, and to distribute substantially all of its taxable net investment income and net realized gains, if any, to its shareholders. Accordingly, no provision for federal income or excise tax is required.

Management of the Funds has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the last four tax year ends and the interim tax period since then, as applicable). Management believes that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken.

New Accounting Pronouncements:

In January 2013, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2013-01 “Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities” (“ASU 2013-01”), which amended Accounting Standards Codification Subtopic 210-20, Balance Sheet Offsetting. ASU 2013-01 clarified the scope of ASU No. 2011-11 “Disclosures about Offsetting Assets and Liabilities” (“ASU 2011-11”). ASU 2011-11 requires an entity to disclose information about offsetting and related arrangements to enable users of the financial statements to understand the effect of those arrangements on the entity’s financial position. ASU 2013-01 clarifies the scope of ASU 2011-11 as applying 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 offset either in accordance with other requirements of GAAP or subject to an enforceable master netting arrangement or similar agreement. The guidance in ASU 2013-01 and ASU 2011-11 is effective for interim and annual periods beginning on or after January 1, 2013. Management is evaluating any impact ASU 2013-01 and ASU 2011-11 may have on the Funds’ financial statements.

3. Investment Valuation Summary:

The valuation techniques employed by the Funds, as described below, maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. The inputs used for valuing the Funds’ investments are summarized in the three broad levels listed below:

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The Funds determine transfers between fair value hierarchy levels at the reporting period end. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Investments of the Funds are valued using the amortized cost method pursuant to Rule 2a-7 under the Act, which approximates fair value and are typically categorized as Level 2 in the fair value hierarchy. The amortized cost method involves valuing an instrument at its cost initially and thereafter assuming a constant amortization to maturity of any discounts or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. The amortized cost method may result in periods during which value, as determined by amortized cost, is higher or lower than the price a Fund holding the instrument would receive if it sold the instrument. The fair value of securities in the Funds can be expected to vary with changes in prevailing interest rates.

Investments in other money market funds are priced at net asset value as reported by such companies and are typically categorized as Level 1 in the fair value hierarchy.

Repurchase agreements are valued at original cost and are typically categorized as Level 2 in the fair value hierarchy.

For the year ended October 31, 2013, there were no Level 3 investments for which significant unobservable inputs were used to determine fair value.

HSBC FAMILY OF FUNDS

Notes to Financial Statements—as of October 31, 2013 (continued)

The following is a summary of the valuation inputs used as of October 31, 2013 in valuing the Funds' investments based upon the three levels defined above. The breakdown of investment categorization is disclosed in the Schedule of Portfolio Investments for each Fund:

	<u>LEVEL 1(\$)</u>	<u>LEVEL 2(\$)</u>	<u>LEVEL 3(\$)</u>	<u>Total(\$)</u>
Prime Money Market Fund				
Investment Securities:				
Certificates of Deposit	—	1,976,782,448	—	1,976,782,448
Commercial Paper and Notes	—	1,353,212,261	—	1,353,212,261
Corporate Obligations	—	181,565,143	—	181,565,143
Yankee Dollars.	—	194,243,024	—	194,243,024
U.S. Government and Government Agency Obligations	—	30,000,000	—	30,000,000
U.S. Treasury Obligations	—	688,239,294	—	688,239,294
Time Deposits.	—	250,000,000	—	250,000,000
Total Investment Securities	<u>—</u>	<u>4,674,042,170</u>	<u>—</u>	<u>4,674,042,170</u>
U.S. Government Money Market Fund				
Investment Securities:				
U.S. Government and Government Agency Obligations	—	703,438,583	—	703,438,583
U.S. Treasury Obligations	—	2,421,383,138	—	2,421,383,138
Repurchase Agreements.	—	1,100,000,000	—	1,100,000,000
Total Investment Securities	<u>—</u>	<u>4,224,821,721</u>	<u>—</u>	<u>4,224,821,721</u>
U.S. Treasury Money Market Fund				
Investment Securities:				
U.S. Treasury Obligations	—	2,560,376,219	—	2,560,376,219
Total Investment Securities	<u>—</u>	<u>2,560,376,219</u>	<u>—</u>	<u>2,560,376,219</u>

4. Related Party Transactions and Other Agreements and Plans:

Investment Management:

HSBC Global Asset Management (USA) Inc. ("HSBC" or the "Investment Adviser"), a wholly owned subsidiary of HSBC Bank USA, N.A., a national bank organized under the laws of the United States, acts as Investment Adviser to the Funds. As Investment Adviser, HSBC manages the investments of the Funds and continuously reviews, supervises and administers the Funds' investments pursuant to an Investment Advisory Contract. For its services as investment adviser, HSBC receives a fee from each Fund, accrued daily and paid monthly, based on the average daily net assets of each respective Fund, at an annual rate of 0.10%.

HSBC also provides operational support services to the Funds pursuant to an Operational Support Services Agreement. For its services in this capacity, HSBC receives a fee, accrued daily and paid monthly, based on the average daily net assets of Class A Shares, Class B Shares, Class C Shares, Class D Shares and Class Y Shares, at an annual rate of:

Fund	Fee Rate(%)
Prime Money Market Fund	0.10
U.S. Government Money Market Fund	0.10
U.S. Treasury Money Market Fund	0.10

The Bank of New York Mellon (the “Servicer”) provides recordkeeping, reporting and processing services to the Prime Money Market Fund, U.S. Government Money Market Fund and U.S. Treasury Money Market Fund, Class I Shares. The Servicer is paid by the Investment Adviser from its profits and not by the Funds, for these services.

Administration:

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

Based on Combined Average Daily Net Assets of	Fee Rate(%)
Up to \$10 billion.	0.0550
In excess of \$10 billion but not exceeding \$20 billion	0.0350
In excess of \$20 billion but not exceeding \$50 billion.	0.0275
In excess of \$50 billion	0.0250

The fee rates and breakpoints are determined on the basis of the aggregate average daily net assets of the Trusts. The total administration fee paid to HSBC is allocated to each series based upon its proportionate share of the aggregate net assets of the Trusts, subject to certain allocations in cases where one fund invests some or all of its assets in another fund. An amount equal to 50% of the administration fee is deemed to be class specific.

Pursuant to a Sub-Administration Agreement with HSBC, Citi Fund Services Ohio, Inc. (“Citi”), a wholly-owned subsidiary of Citigroup, Inc., serves as the Trusts’ Sub-Administrator, subject to the general supervision by the Trusts’ Board and HSBC. For these services, Citi is entitled to a fee, payable by HSBC, at an annual rate equivalent to the fee rates set forth above subject to certain reductions associated with services provided to new funds, minus 0.02% which is retained by HSBC. During the year ended October 31, 2013, Citi voluntarily reduced its sub-administration fees by \$217,136.

Under a Compliance Services Agreement between the Trusts and Citi (the “CCO Agreement”), Citi makes an employee available to serve as the Trusts’ Chief Compliance Officer (the “CCO”). Under the CCO Agreement, Citi also provides infrastructure and support in implementing the written policies and procedures comprising the Trusts’ compliance program, including support services to the CCO. For the services provided under the CCO Agreement, the Trusts paid Citi \$287,560 for the year ended October 31, 2013, plus reimbursement of certain out of pocket expenses. Expenses incurred by each Fund are reflected on the Statements of Operations as “Compliance Services.” Citi pays the salary and other compensation earned by individuals performing these services, as employees of Citi.

Distribution Arrangements:

Foreside Distribution Services, L.P. (“Foreside”), a wholly-owned subsidiary of Foreside Financial Group LLC, serves the Trust as Distributor (the “Distributor”). The Trust has adopted a non-compensatory Distribution Plan and Agreement (the “Distribution Plan”) pursuant to Rule 12b-1 of the Act. The Distribution Plan provides for reimbursement of expenses incurred by the Distributor related to distribution and marketing, at a rate not to exceed 0.25%, 1.00%, 1.00% and 0.25% of the average daily net assets of Class A Shares (currently not being charged), Class B Shares (currently charging 0.75%), Class C Shares (currently charging 0.75%) and

Class D Shares (currently not being charged) of the Funds, respectively. For the year ended October 31, 2013, Foreside, as Distributor, also received \$213,520, \$105,439, and \$49,940 in commissions from sales of the Trusts, for Class A Shares, Class B Shares, and Class C Shares, respectively of which \$584, \$89, and \$0 were reallocated to HSBC-affiliated brokers and dealers, for Class A Shares, Class B Shares, and Class C Shares, respectively. Expenses reduced during the year ended October 31, 2013 are reflected on the Statements of Operations as “Fees voluntarily reduced by Distributor.”

Shareholder Servicing:

The Trust has adopted a Shareholder Services Plan, which provides for payments to shareholder servicing agents (which primarily consist of HSBC and its affiliates) for providing various shareholder services. For performing these services, the shareholder servicing agents receive a fee that is computed daily and paid monthly up to 0.60%, 0.25%, 0.25%, 0.25% and 0.10% of the average daily net assets of Class A Shares (currently charging 0.40%), Class B Shares, Class C Shares, Class D Shares and Class E Shares (expected to charge 0.05%) of the Funds, respectively. The aggregate fees paid to the Distributor pursuant to the Distribution Plan and to shareholder servicing agents pursuant to the Shareholder Services Plan may not exceed, in the aggregate, 0.85%, 1.00%, 1.00%, 0.50% and 0.10% annually of each Fund’s average daily net assets of Class A Shares, Class B Shares, Class C Shares, Class D Shares and Class E Shares, respectively. Expenses reduced during the year ended October 31, 2013 are reflected on the Statements of Operations as “Fees voluntarily reduced by Shareholder Servicing Agent.”

Fund Accounting and Transfer Agency:

Citi provides fund accounting and transfer agency services for each Fund. As transfer agent, Citi receives a fee based on the number of funds and shareholder accounts, subject to certain minimums, reductions associated with services provided to new funds and reimbursement of certain expenses. As fund accountant, Citi receives an annual fee per Fund and share class, subject to minimums, reductions associated with services provided to new funds and reimbursement of certain expenses. Citi receives additional fees paid by the Trust for blue sky exemption services and money market fund reporting services.

Independent Trustees:

The Trusts pay each Independent Trustee an annual retainer of \$100,000. The Trusts pay a fee of \$10,000 for each regular meeting of the Board attended and a fee of \$ 3,000 for each special meeting attended. The Trusts pay each Committee Chair an annual retainer of \$ 3,000, with the exception of the Chair of the Audit Committee, who receives a retainer of \$ 6,000. The Trusts also pay the Chairman of the Board, an additional annual retainer of \$24,000. In addition, for time expended on Board duties outside normal meetings, which is authorized by the Board, a Trustee is compensated at the rate of \$ 500 per hour, up to a maximum of \$ 3,000 per day.

Fee Reductions:

The Investment Adviser has agreed to contractually limit through March 1, 2014 the annual total expenses, exclusive of interest, taxes, brokerage commissions, and extraordinary expenses, of certain classes of the Funds. Each affected Fund Class has its own expense limitations based on the average daily net assets for any full fiscal year as follows:

<u>Fund</u>	<u>Class</u>	<u>Contractual Expense Limitations(%)</u>
Prime Money Market Fund	E	0.25*
Prime Money Market Fund	I	0.20
U.S. Government Money Market Fund	E	0.25*
U.S. Government Money Market Fund	I	0.20
U.S. Treasury Money Market Fund	E	0.25*
U.S. Treasury Money Market Fund	I	0.20

* As of October 31, 2013, Class E Shares were not operational.

Any amounts contractually waived or reimbursed by the Investment Adviser will be subject to repayment by the respective Fund to the Investment Adviser within three years to the extent that the repayment will not cause the Fund's operating expenses to exceed the contractual expense limit that was in effect at the time of such waiver or reimbursement. At October 31, 2013, there were no remaining contractual reimbursements that are subject to repayment by the Funds in subsequent years.

The Administrator and Citi may voluntarily waive/reimburse fees to help support the expense limits of the Funds. In addition, HSBC, in its role as Investment Adviser and Administrator, may waive/reimburse additional fees at its discretion. Any voluntary fee waivers/reimbursements are not subject to recoupment in subsequent fiscal periods. Voluntary waivers/reimbursements may be stopped at any time. Amounts waived/reimbursed by the Investment Adviser, Administrator and Citi are reported separately on the Statements of Operations, as applicable.

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. Expenses reduced during the year ended October 31, 2013 are reflected on the Statements of Operations as "Fees paid indirectly," as applicable.

5. Federal Income Tax Information:

At October 31, 2013, the cost basis of securities for federal income tax purposes, gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation/depreciation were as follows:

	Tax Cost(\$)	Tax Unrealized Appreciation(\$)	Tax Unrealized Depreciation(\$)	Net Unrealized Appreciation/ Depreciation(\$)
Prime Money Market Fund	4,674,044,583	—	(2,413)	(2,413)
U.S. Government Money Market Fund . . .	4,224,870,236	—	(48,515)	(48,515)
U.S. Treasury Money Market Fund	2,560,404,902	—	(28,683)	(28,683)

The tax character of dividends paid by the Funds as of the tax year ended October 31, 2013 was as follows:

	Dividends paid from				
	Ordinary Income(\$)	Net Long Term Capital Gains(\$)	Total Taxable Dividends(\$)	Tax Exempt Distributions(\$)	Total Dividends Paid(\$) ⁽¹⁾
Prime Money Market Fund	2,947,993	148	2,948,141	—	2,948,141
U.S. Government Money Market Fund	619,866	—	619,866	—	619,866

The tax character of dividends paid by the Funds as of the tax year ended October 31, 2012 was as follows:

	Dividends paid from				
	Ordinary Income(\$)	Net Long Term Capital Gains(\$)	Total Taxable Dividends(\$)	Tax Exempt Distributions(\$)	Total Dividends Paid(\$) ⁽¹⁾
Prime Money Market Fund	5,507,290	—	5,507,290	—	5,507,290
U.S. Government Money Market Fund	584,227	—	584,227	—	584,227
U.S. Treasury Money Market Fund	24,266	—	24,266	—	24,266

(1) Total dividends paid may differ from the amount reported in the Statement of Changes in Net Assets because dividends are recognized when actually paid for tax purposes.

HSBC FAMILY OF FUNDS

Notes to Financial Statements—as of October 31, 2013 (continued)

As of the tax year ended October 31, 2013, the components of accumulated earnings/(deficit) on a tax basis for the Funds were as follows:

	Undistributed Ordinary Income(\$)	Undistributed Tax Exempt Income(\$)	Undistributed Long Term Capital Gains(\$)	Accumulated Earnings(\$)	Dividends Payable(\$)	Accumulated Capital and Other Losses(\$)	Unrealized Appreciation/ (Depreciation)(\$)	Total Accumulated Earnings/ (Deficit)(\$)
Prime Money Market Fund . . .	108,880	—	—	108,880	(97,723)	—	(2,413)	8,744
U.S. Government Money Market Fund	39,714	—	—	39,714	(39,714)	(41,909)	(48,515)	(90,424)
U.S. Treasury Money Market Fund	—	—	—	—	—	(20,716)	(28,683)	(49,399)

As of the tax year ended October 31, 2013, the Funds have net capital loss carryforwards (“CLCFs”) as summarized in the tables below. CLCFs subject to expiration are applied as short-term capital loss regardless of whether the originating capital loss was short-term or long-term. CLCFs that are not subject to expiration must be utilized before those that are subject to expiration. The Board does not intend to authorize a distribution of any realized gain for the Funds until any applicable CLCF has been offset or expires.

CLCFs not subject to expiration:

	Short Term Amount(\$)	Long Term Amount(\$)	Total(\$)
U.S. Government Money Market Fund	41,909	—	41,909
U.S. Treasury Money Market Fund	9,306	11,410	20,716

6. Legal and Regulatory Matters:

On September 26, 2006 BISYS Fund Services, Inc. (“BISYS”), an affiliate of BISYS Fund Services Ohio, Inc. which provided various services to the Funds, reached a settlement with the Securities and Exchange Commission (the “SEC”) regarding the SEC’s investigation related to BISYS’ past payment of certain marketing and other expenses with respect to certain of its mutual fund clients. The related settlement monies were received by the Funds during the year ended October 31, 2010. The corresponding impact to the net income ratio and total return for the year ended October 31, 2010 are disclosed in the Funds’ Financial Highlights.

7. Subsequent Events:

Management has evaluated events and transactions through the date the financial statements were issued, for purposes of recognition or disclosure in these financial statements and there are no subsequent events to report.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
HSBC Funds:

We have audited the accompanying statements of assets and liabilities of HSBC Prime Money Market Fund, HSBC U.S. Government Money Market Fund and HSBC U.S. Treasury Money Market Fund (the Funds), including the schedules of portfolio investments, as of October 31, 2013, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2013, by correspondence with custodians and brokers or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Funds as of October 31, 2013, the results of their operations for the year then ended, the changes in their net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Columbus, Ohio
December 27, 2013

HSBC FAMILY OF FUNDS

Other Federal Income Tax Information—as of October 31, 2013 (Unaudited)

During the year ended October 31, 2013, the following Fund declared capital gain distributions:

	Short Term Capital Gain Distributions (\$)	Long Term Capital Gain Distributions (\$)
Prime Money Market Fund	11,299	148

During the year ended October 31, 2013, the following Fund designated the maximum amount allowable as interest-related dividends for certain non-U.S. resident investors:

	Qualified Interest Income (%)
Prime Money Market Fund	100.00
U.S. Government Money Market Fund	100.00

Table of Shareholder Expenses—as of October 31, 2013 (Unaudited)

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchases, redemption fees and exchange fees; and (2) ongoing costs, including management fees, distribution fees and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare the cost with the ongoing costs of investing in other mutual funds.

These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from May 1, 2013 through October 31, 2013 (unless otherwise noted).

Actual Example

The table below provides information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

		Beginning Account Value 5/1/13	Ending Account Value 10/31/13	Expenses Paid During Period* 5/1/13 - 10/31/13	Annualized Expense Ratio During Period 5/1/13 - 10/31/13
Prime Money Market Fund	Class A Shares	1,000.00	1,000.00	1.06	0.21%
	Class B Shares	1,000.00	1,000.10	1.01	0.20%
	Class C Shares	1,000.00	1,000.00	0.76	0.15%
	Class D Shares	1,000.00	1,000.00	1.01	0.20%
	Class I Shares	1,000.00	1,000.20	0.86	0.17%
	Class Y Shares	1,000.00	1,000.00	1.06	0.21%
U.S. Government Money Market Fund	Class A Shares	1,000.00	1,000.10	0.50	0.10%
	Class B Shares	1,000.00	1,000.00	0.50	0.10%
	Class D Shares	1,000.00	1,000.10	0.50	0.10%
	Class I Shares	1,000.00	1,000.10	0.45	0.09%
	Class Y Shares	1,000.00	1,000.10	0.50	0.10%
U.S. Treasury Money Market Fund	Class A Shares	1,000.00	1,000.00	0.40	0.08%
	Class B Shares**	1,000.00	1,000.00	0.06	0.03%
	Class D Shares	1,000.00	1,000.00	0.35	0.07%
	Class I Shares	1,000.00	1,000.00	0.35	0.07%
	Class Y Shares	1,000.00	1,000.00	0.35	0.07%

* Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratio, multiplied by 184/365 (to reflect the one half year period).

** Information shown reflects values using the expense ratio and rate of return for the period May 1, 2013 to July 7, 2013 (number of operational days in period).

HSBC FAMILY OF FUNDS

Table of Shareholder Expenses—as of October 31, 2013 (Unaudited) (continued)

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

		Beginning Account Value 5/1/13	Ending Account Value 10/31/13	Expenses Paid During Period* 5/1/13 - 10/31/13	Annualized Expense Ratio During Period 5/1/13 - 10/31/13
Prime Money Market Fund	Class A Shares	1,000.00	1,024.15	1.07	0.21%
	Class B Shares	1,000.00	1,024.20	1.02	0.20%
	Class C Shares	1,000.00	1,024.45	0.77	0.15%
	Class D Shares	1,000.00	1,024.20	1.02	0.20%
	Class I Shares	1,000.00	1,024.35	0.87	0.17%
	Class Y Shares	1,000.00	1,024.15	1.07	0.21%
U.S. Government Money Market Fund	Class A Shares	1,000.00	1,024.70	0.51	0.10%
	Class B Shares	1,000.00	1,024.70	0.51	0.10%
	Class D Shares	1,000.00	1,024.70	0.51	0.10%
	Class I Shares	1,000.00	1,024.75	0.46	0.09%
	Class Y Shares	1,000.00	1,024.70	0.51	0.10%
U.S. Treasury Money Market Fund	Class A Shares	1,000.00	1,024.80	0.41	0.08%
	Class B Shares**	1,000.00	1,009.26	0.06	0.03%
	Class D Shares	1,000.00	1,024.85	0.36	0.07%
	Class I Shares	1,000.00	1,024.85	0.36	0.07%
	Class Y Shares	1,000.00	1,024.85	0.36	0.07%

* Expenses are equal to the average account value over the period, multiplied by the Fund's annualized expense ratio, multiplied by 184/365 (to reflect the one half year period).

** Information shown reflects values using the expense ratio for the period from May 1, 2013 to July 7, 2013 (number of operational days in period) and has been annualized to reflect values for the period May 1, 2013 to October 31, 2013.

MANAGEMENT OF THE TRUST

The following table contains information regarding the HSBC Family of Funds' Board of Trustees ("Trustees"). Asterisks indicate those Trustees who are "interested persons," as defined in the Investment Company Act of 1940, as amended, of the HSBC Family of Funds. The HSBC Family of Funds' Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request by calling (888) 525-5757.

Name, Address, Age	Position(s) Held with Funds	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Portfolios in Fund Complex Overseen By Trustee*	Other Directorships Held by Trustee
NON-INTERESTED TRUSTEES					
MARCIA L. BECK P.O. Box 182845 Columbus, OH 43218-3035 Age: 58	Trustee	Indefinite; 2008 to present	Private Investor (June 1999 – present); Executive Vice President, Prudential Investments (1997 – 1999); President and Trustee, The Goldman Sachs Mutual Funds (1992 – 1996)	21	None
SUSAN C. GAUSE P.O. Box 182845 Columbus, OH 43218-3035 Age: 60	Trustee	Indefinite; 2013 to present	Since 2003, Private Investor; Independent Trustee of Met Investors Series Trust (2008-2012); Chief Executive Officer, Dresdner RCM Global Investors and Allianz Dresdner Asset Management (2000-2002); Board Member of Dresdner Global Asset Management Board (2000-2002); Chief Operating Officer and Senior Managing Director of Dresdner RCM Global Investors (1998-2000)	21	Since 2012, Trustee, Metropolitan Series Fund
SUSAN S. HUANG P.O. Box 182845 Columbus, OH 43218-3035 Age: 59	Trustee	Indefinite; 2008 to present	Private Investor (2000- present); Senior Vice President, Schroder Investment Management (2001 – 2004); Managing Director, Chase Asset Management (1995-2000)	21	None
ALAN S. PARSOW P.O. Box 182845 Columbus, OH 43218-3035 Age: 63	Trustee	Indefinite; 1987 to present	General Partner, Elkhorn Partners, L.P. (a private investment partnership) (1989 – present)	21	None
THOMAS F. ROBARDS P.O. Box 182845 Columbus, OH 43218-3035 Age: 67	Trustee	Indefinite; 2005 to present	Partner, Robards & Co. LLC (investment and advisory services) (2005-present); Chief Financial Officer, American Museum of Natural History (2003- 2004); Chief Financial Officer, Datek Online Holdings (2000-2003); Previously EVP and CFO Republic New York Corporation	21	Overseas Shipholding Group (energy transportation); Ellington Financial LLC (NYSE listed financial services); Ellington Residential Mortgage REIT (NYSE listed real estate investment trust)
MICHAEL SEELY P.O. Box 182845 Columbus, OH 43218-3035 Age: 68	Chairman and Trustee	Indefinite; 1987 to present	Private Investor (2003-present); General Partner, Global Multi Manager Partners (1999-2003); President of Investor Access Corporation (1981-2003)	21	None
INTERESTED TRUSTEE					
DEBORAH HAZELL 452 Fifth Avenue New York NY 10018 Age: 50	Trustee	Indefinite; 2011 to present	CEO, HSBC Global Asset Management (USA) Inc. (2011-present); President and CEO, Fisher Francis Trees & Watts ("FFTW") (investment advisor), February 2008-June 2011; Head of Client Service, Business Development and Marketing Group, FFTW (October 1999-February 2008)	21	None

*Includes the Trust, the HSBC Advisor Fund Trust and the HSBC Portfolios.

HSBC FAMILY OF FUNDS

Board of Trustees and Officers (Unaudited) (continued)

Name, Address, Age	Position(s) Held Funds	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
OFFICERS			
RICHARD A. FABIETTI 452 Fifth Avenue New York, NY 10018 Age: 55	President	One year; 2004 to present	Senior Vice President, Head of Product Management, HSBC Global Asset Management (USA) Inc. (1998 - present)
STEPHEN SIVILLO 452 Fifth Avenue New York, NY 10018 Age: 42	Vice President	One year; 2010 to present	Vice President of Product Administration, HSBC Global Asset Management (USA) Inc. (2010 - present); Chief Compliance Officer, Managers Funds (2009 – 2010); Director, Mutual Fund Compliance, AllianceBernstein (2007-2009)
TY EDWARDS* 3435 Stelzer Road Columbus, OH 43219-3035 Age: 47	Treasurer	One year; 2010 to present	Senior Vice President, Citi Fund Services (2010– present); Director, Product Management, Columbia Management (2007-2009); Deputy Treasurer, Columbia Funds, (2006-2007)
JENNIFER A. ENGLISH* 100 Summer Street Suite 1500 Boston, MA 02110 Age: 41	Secretary	One year; 2008 to present	Senior Vice President, Regulatory Administration, Citi (2005 - present)
FREDERICK J. SCHMIDT* 1 Rexcorp Plaza Uniondale, NY 11556 Age: 54	Chief Compliance Officer	One year; 2004 to present	Director and Chief Compliance Officer, CCO Services, Citi (2004 - present)

* Mr. Edwards, Mr. Schmidt, and Ms. English also are officers of other investment companies of which Citi (or an affiliate) is the administrator or sub-administrator.

Other Information (Unaudited):

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30th is available (i) without charge, upon request, by calling 1-800-525-5757 for HSBC Bank USA and HSBC Brokerage (USA) Inc. clients and 1-800-782-8183 for all other shareholders; (ii) on the Funds' website at www.investorfunds.us.hsbc.com; and (iii) on the Security and Exchange Commission's ("Commission") website at <http://www.sec.gov>.

The Funds file their complete schedules of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the Commission's website at <http://www.sec.gov>. The Funds' Forms N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Funds' Schedules of Investments will be available no later than 60 days after each period end, without charge, on the Funds' website at www.investorfunds.us.hsbc.com.

Each Fund will disclose on its website at www.investorfunds.us.hsbc.com, within five business days after the end of each month, a complete schedule of portfolio holdings and information regarding the weighted average maturity of the Fund. In addition, each Fund will file with the Commission on Form N-MFP, within five business days after the end of each month, more detailed portfolio holdings information. The Funds' Forms N-MFP will be available on the Commission's website at <http://www.sec.gov>, on a delayed basis, and the Funds' website will also contain a link to these filings.

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

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HSBC FAMILY OF FUNDS:**INVESTMENT ADVISER AND ADMINISTRATOR**

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452 Fifth Avenue
New York, NY 10018

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For All Other Shareholders:

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Columbus, OH 43218
1-800-782-8183

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Columbus, OH 43219

DISTRIBUTOR

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CUSTODIAN

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