

HSBC Global Asset Management (USA) Inc.

HSBC Funds

Semi-Annual Report

April 30, 2014

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

Semi-Annual Report - April 30, 2014

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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.

London Interbank Offered Rate (LIBOR): is a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money market.

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).

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.

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.

HSBC Global Asset Management (USA) Inc.

U.S. Economic Review

The global economy experienced modest growth during the six-month period between November 1, 2013 and April 30, 2014. Many economies reported disappointing economic data during the period. A harsh winter in the U.S. dragged on economic growth, while the economies of China and Japan faced some headwinds. Geopolitical concerns, including a crisis in the Ukraine, also weighed on investors. However, U.S. equity markets made significant gains, in our view, as investors grew encouraged by strong corporate earnings and improving economic data late in the period. Markets continued to benefit from the Federal Reserve Board's (the "Fed") accommodative monetary policy, although the Fed took its first steps toward "tapering" its bond-purchasing program. Upward pressure on interest rates caused bonds to struggle, especially during the first half of the period, though fixed income investments ended the period with modest gains.

In the U.S., steep drops in residential construction and home purchases caused concerns that the recovery of the housing market—a major bright spot throughout much of 2013—was losing steam. Automobile sales and retail sales also declined in early 2014. There was much debate regarding the extent to which the especially cold and snowy winter was to blame for these signs of economic weakness. More positive data emerged in April, showing a significant uptick in retail sales, job growth, industrial output, and consumer confidence. Home sales, however, declined to an eight-month low in March. The unemployment rate declined during the period, though the composition of employment numbers remained a cause of concern. A large number of workers remained underemployed and reliant on part-time and lower-paying jobs. Long-term unemployment declined during the period but remained high. This mixed flow of data was partly offset by more positive news, such as increased lending activity to corporates and consumers, as well as consumer and business sentiment surveys that remained high.

Concerns about slowing growth in emerging markets persisted throughout the period. New data confirmed that the growth of China's economy is slowing dramatically. Defaults in China's corporate bond market and poor data on Chinese manufacturing weighed on the global economy. Russia's annexation of Ukraine's Crimea region also created uncertainty and led to significant losses for Russian stocks.

Markets did not respond as dramatically as some feared to the first steps of the Fed's efforts to taper its aggressive quantitative easing policies. Interest rates did rise, however, shortly following the Fed's first reduction in monthly bond purchases in December. The central bank reduced its monthly bond purchases by \$5 billion at each of its last three meetings and Fed Chair Janet Yellen, who assumed the top position at the central bank in early February, indicated the reductions would continue unless there was a significant change in the economic outlook.

U.S. gross domestic product¹ (GDP) grew at a rate of 2.6% during the fourth quarter of 2013. A preliminary estimate puts GDP growth during the first quarter of 2014 at -2.9%.

Market Review

The period began with strong gains for U.S. equities. This climb continued through the end of the 2013. Early in 2014, stocks declined due in part to slowing growth in emerging markets. The prospect of higher interest rates and declining global liquidity fed fears of broader losses for emerging markets. Robust corporate earnings helped spark gains among stocks in February, in our view, and positive economic data on housing, manufacturing, and employment helped sustain that positive momentum.

The S&P 500 Index¹ of large-company stocks returned 8.36% for the six months ending April 2014. Large-cap stocks outperformed small- and mid-cap stocks during that period, and emerging markets generally underperformed developed economies. The Russell 2000 Index¹ of small-company stocks returned 3.08% and the MSCI Emerging Market Index¹ returned -2.87%.

Japanese stocks declined during the period, as the nation's economic recovery suffered modest setbacks. Many investors grew concerned that the efforts of the nation's central bank to revive its economy would not be enough. Meanwhile, European stocks made strong gains during the period, though they lagged behind U.S. markets. Some European economies continued to struggle with the aftermath of the region's credit crisis, but others posted significant gains. The MSCI EAFE Index¹ of international stocks in developed markets returned 4.67% for the period.

Fixed-income securities posted modest gains during the period. Upward pressure on interest rates led to rising yields on U.S. Treasuries during the fourth quarter of 2013, sending prices lower. By the end of the year, investment-grade bonds had fallen more than in any 12-month period since 1994. The picture changed during the following quarter, as yields on Treasuries of most duration declined and debt spreads tightened, leading to strong performance for many bond categories. Bonds with longer maturities made the most significant gains. Slower than expected economic growth and geopolitical turmoil also contributed to the strong first-quarter performance of fixed-income investments. The Barclays U.S. Aggregate Bond Index¹, which tracks the broad investment-grade fixed-income market, returned 1.74% for the six months through April, while the Barclays U.S. Corporate High-Yield Bond Index¹ returned 4.72% during that period. Fixed-income markets in Europe generated modest returns, while fixed-income in emerging markets posted positive returns for 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 remained near their historic low levels during the six months through April 30, 2014.

During the period, the regulatory environment played a significant role in keeping money market rates low, and pushing them lower. Banks and other issuers of money market securities increasingly need to issue more long-term securities and fewer short-term securities in order to comply with new liquidity requirements and demonstrate their ability to withstand an extended credit or liquidity crisis. In that environment, the supply of short-term issues in which money market funds invest fell significantly, as banks avoided funding inside of 30

days maturities. That reduction in supply coupled with continued stable investor demand pushed up prices on money market securities and caused their yields to fall.

Meanwhile, the Federal Reserve Board (the "Fed") reduced its current bond-buying program during the period due to signs of economic strength. This development did not significantly influence the money markets; however, the Fed also indicated that it sees no significant threat of higher inflation in the near term and suggested that it will maintain short-term interest rates at their current low levels well into 2015.

Given the low-yield environment and the outlook for continued low rates, the Fund maintained a relatively long weighted average maturity. That positioning allowed the Fund to capture the additional yield available on longer-term securities. We also maintained, in our view, the Fund's high-quality portfolio, with a balance of floating rate and fixed-rate issues that possess strong credit ratings to provide liquidity and stability.[†]

[†] Portfolio composition is subject to change.

Fund Performance				Average Annual Total Return (%)			Yield (%) ²	Expense Ratio (%) ³	
As of April 30, 2014	Inception Date	Six Months*	1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net
Class A	11/13/98	0.01	0.01	0.01	1.45	2.01	0.02	0.68	0.68
Class B ⁴	4/4/01	-3.98	-3.97	0.02	1.16	1.11	0.02	1.28	1.28
Class C ⁵	3/23/01	-1.00	-1.00	0.02	1.17	1.11	0.00	1.28	1.28
Class D	4/1/99	0.01	0.01	0.01	1.52	2.05	0.02	0.53	0.53
Class I	1/9/02	0.02	0.04	0.12	1.77	1.70	0.06	0.18	0.18
Class Y	11/12/98	0.01	0.01	0.04	1.66	2.29	0.02	0.28	0.28
Lipper Money Market Funds Average ⁶	—	0.01	0.01	0.02	1.40	1.97 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.

* Aggregate total return.

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 -0.46%, -1.06%, -1.06%, -0.31%, 0.04% and -0.06% 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, 2014.

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 and the entire six-months ended April 30, 2014.

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 and the entire six-months ended April 30, 2014.

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

7 Return for the period October 31, 1998 to April 30, 2014.

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

Yields on U.S. government money market securities remained low during the six-month period through April 30, 2014. Despite some signs of strength in the economy, the Federal Reserve Board (the "Fed") kept its key short-term interest rate, the federal funds rate, within a range of 0.00% to 0.25% due in part to its outlook that inflation was under control.

During the period, yields on government money market securities received support from the expansion of the Federal Reserve's Fixed-Rate Reverse-Repo Facility. The Fed launched the facility in 2013 to help improve its ability to manage short-term borrowing costs and to help unwind its monetary stimulus gradually over time. The facility allows some U.S.-based money market funds to lend overnight cash

to the Fed at a fixed rate in exchange for Treasury securities. It is now taking in approximately \$200 billion a day, on average, from U.S. money funds.

This development helped to alleviate the reduced supply of new money market securities that has occurred recently. Government agencies have preferred to issue longer-term securities in the low-rate environment. In addition, regulations are now prompting banks and other issuers to issue longer-term securities instead of short-term issues. By allowing additional repo collateral into the market, the Fed's facility helped to boost yields on government money market securities that otherwise may have yielded close to 0%.

The Fund's weighted average maturity was long relative to the Fund's benchmark, due to our outlook that the Fed will keep short-term interest rates low for an extended period of time. We implemented a barbell strategy whereby we heavily weighted both very short-term securities and longer-term securities such as LIBOR⁷-based floating rate notes with one- to two-year maturities. That positioning helped the Fund to maintain, in our view, the necessary levels of liquidity while also capturing the additional yield available from longer-term issues.[†]

[†] Portfolio composition is subject to change.

Fund Performance				Average Annual Total Return (%)			Yield (%) ²	Expense Ratio (%) ³	
As of April 30, 2014	Inception Date	Six Months*	1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net
Class A	5/3/90	0.01	0.01	0.01	1.35	2.87	0.02	0.68	0.68
Class B ⁴	9/11/98	-4.00	-3.99	0.01	1.26	1.71	0.02	1.28	1.28
Class C ⁵	11/20/06	—	—	—	—	1.39	—	1.28	1.28
Class D	4/1/99	0.01	0.01	0.01	1.42	1.91	0.02	0.53	0.53
Class I ⁶	12/24/03	0.01	0.01	0.05	—	1.29	0.02	0.18	0.18
Class Y	7/1/96	0.01	0.01	0.02	1.55	2.54	0.02	0.28	0.28
Lipper U.S. Government Money Market Funds Average ⁷	—	0.00	0.01	0.02	1.36	2.90 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.

* Aggregate total return.

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 -0.62%, -1.22%, -0.47%, -0.12% and -0.22% 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, 2014.

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 and the six-months ended April 30, 2014.

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 and the entire six-months ended April 30, 2014.

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

8 Return for the period April 30, 1990 to April 30, 2014.

HSBC U.S. Treasury Money Market Fund

(Class A 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. Treasury 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

Yields on Treasury bills remained low during the six-months through April 30, 2014. The Federal Reserve Board (the "Fed") held the federal funds rate (a short-term interest rate that significantly influences Treasury bill yields) steady at between 0.00% and 0.25%. Signs of moderately improving economic growth coupled with low inflation gave investors confidence that the Fed would not raise the federal funds rate in the near term.

Despite remaining low, yields did fluctuate somewhat over the course of the period due to supply and demand factors. For example, demand for Treasury money market securities rose near the end of 2013 and again near the end of the first quarter of 2014, when many institutional investors reallocated their assets into short term, liquid issues to strengthen their

balance sheets. At those times of increased demand, Treasury yields fell temporarily. However, the Fed announced in February that it would issue a large amount of short-term cash management bills. That increase in supply of Treasury bills caused yields to rise in March and into early April.

Yields were also impacted by the expansion of the Federal Reserve's Fixed-Rate Reverse-Repo Facility, which was launched in 2013. The facility enables select U.S.-based money market funds to lend overnight cash to the Fed at a fixed rate in exchange for Treasury securities. The expansion of the facility increased the supply of Treasury money market securities through increased repo product, which gave support to their yields.

The Fund was positioned with a relatively long weighted average maturity, which enabled the Fund to capture relatively high yields offered by longer-term securities. We also invested on an opportunistic basis in a new type of Treasury security called Treasury floating-rate notes. These notes, which have maturities of two years, offered relatively attractive yields during much of the period.[†]

The Fund also maintained a barbell strategy, concentrating its holdings 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 ensure, in our view, 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	
As of April 30, 2014	Inception Date	Six Months*	1 Year	5 Year	10 Year	Since Inception	7-Day Average	Gross	Net
Class A	5/24/01	0.00	0.00	0.01	1.14	1.08	0.00	0.68	0.68
Class C ⁴	12/24/03	—	—	—	—	0.04	—	1.28	1.28
Class D	5/14/01	0.00	0.00	0.01	1.21	1.17	0.01	0.53	0.53
Class I ⁵	12/30/03	0.00	0.00	0.01	—	1.40	0.01	0.18	0.18
Class Y	5/11/01	0.00	0.00	0.01	1.33	1.32	0.01	0.28	0.28
Lipper U.S. Treasury Money Market Funds Average ⁶	—	0.00	0.00	0.01	1.21	1.21 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.

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* Aggregate total return.

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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 -0.64%, -0.49%, -0.14% and -0.24% 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, 2014.

4 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 through 2013 and the entire six-months ended April 30, 2014.

5 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 through 2013 and the entire six-months ended April 30, 2014.

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

7 Return for the period April 30, 2001 to April 30, 2014.

Portfolio Composition*

April 30, 2014 (Unaudited)

HSBC Prime Money Market Fund

Investment Allocation	Percentage of Investments at Value (%)
Certificates of Deposit	43.0
Commercial Paper and Notes	25.5
Repurchase Agreements	13.4
Corporate Obligations	6.3
U.S. Treasury Obligations	4.7
Time Deposits	4.4
Yankee Dollars	2.7
Total	100.0

HSBC U.S. Government Money Market Fund

Investment Allocation	Percentage of Investments at Value (%)
U.S. Government and Government Agency Obligations	53.3
Repurchase Agreements	30.3
U.S. Treasury Obligations	16.4
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 April 30, 2014 (Unaudited)

Certificates of Deposit – 43.0%

	Principal Amount (\$)	Amortized Cost (\$)
Banking – 43.1%		
Agricultural Bank of China, N.Y., 0.37%, 5/1/14	70,000,000	70,000,000
Bank of China, N.Y., 0.23%, 5/5/14	60,000,000	60,000,000
Bank of Nova Scotia, Houston, 0.24%, 10/16/14 (a)	50,000,000	50,000,000
Bank of Tokyo-Mitsubishi UFJ, N.Y., 0.20%, 5/12/14	50,000,000	50,000,000
Bank of Tokyo-Mitsubishi UFJ, N.Y., 0.23%, 7/2/14	80,000,000	80,000,000
Bank of Tokyo-Mitsubishi UFJ, N.Y., 0.22%, 10/23/14	27,000,000	27,000,000
BNP Paribas, 0.46%, 4/14/15 (a)	50,000,000	50,000,000
China Construction Bank Corp., N.Y., 0.24%, 5/5/14	100,000,000	100,000,000
China Construction Bank Corp., N.Y., 0.24%, 5/7/14	10,000,000	10,000,000
China Construction Bank Corp., N.Y., 0.53%, 5/14/14	35,000,000	35,000,000
China Construction Bank Corp., N.Y., 0.35%, 5/27/14	29,000,000	29,000,000
China Construction Bank Corp., N.Y., 0.47%, 6/16/14	25,000,000	25,000,000
Credit Industriel et Commercial, N.Y., 0.14%, 5/1/14	90,000,000	90,000,000
Credit Industriel et Commercial, N.Y., 0.12%, 5/1/14	140,000,000	140,000,000
Industrial & Commercial Bank of China, N.Y., 0.23%, 5/1/14	120,000,000	120,000,000
Industrial & Commercial Bank of China, N.Y., 0.52%, 5/5/14	40,000,000	40,000,000
Industrial & Commercial Bank of China, N.Y., 0.36%, 5/23/14	35,000,000	35,000,000
JPMorgan Chase Bank N.A., 0.27%, 7/28/14 (a)	50,000,000	50,000,000
Kookmin Bank, N.Y., 0.25%, 6/5/14	50,000,000	50,000,000
Mizuho Bank Ltd./N.Y., 0.10%, 5/5/14	100,000,000	100,000,000
Mizuho Bank Ltd./N.Y., 0.15%, 5/23/14	65,000,000	65,000,000
Mizuho Bank Ltd./N.Y., 0.20%, 7/21/14	20,000,000	20,000,000
National Australia Bank, N.Y., 0.19%, 6/18/14 (a)	60,000,000	60,000,000
Norinchukin Bank, N.Y., 0.21%, 5/21/14	80,000,000	80,000,000
Rabobank Nederland NV, N.Y., 0.22%, 10/7/14	50,000,000	50,000,000
Rabobank Nederland NV, N.Y., 0.29%, 3/24/15 (a)	35,000,000	35,000,000
Royal Bank of Canada, N.Y., 0.27%, 1/13/15 (a)	50,000,000	50,000,000
Royal Bank of Canada, N.Y., 0.27%, 2/4/15 (a)	25,000,000	25,000,000
Royal Bank of Canada, N.Y., 0.32%, 5/4/15 (a)	15,500,000	15,500,000

Certificates of Deposit, continued

	Principal Amount (\$)	Amortized Cost (\$)
Banking, continued		
Shinhan Bank, N.Y., 0.34%, 5/21/14	20,000,000	20,000,000
Societe' Generale, N.Y., 0.28%, 5/2/14	5,000,000	5,000,022
Societe' Generale, N.Y., 0.27%, 10/31/14 (a)	80,000,000	80,000,000
State Street Bank & Trust, 0.17%, 7/9/14	90,000,000	90,000,000
Sumitomo Mitsui Bank, N.Y., 0.21%, 5/9/14	30,500,000	30,500,474
Svenska Handelsbanken, N.Y., 0.21%, 9/8/14	20,000,000	20,000,000
Toronto Dominion Bank, N.Y., 0.20%, 6/17/14 (a)	13,000,000	13,000,000
Toronto Dominion Bank, N.Y., 0.22%, 7/28/14 (a)	20,000,000	20,000,000
Toronto Dominion Bank, N.Y., 0.21%, 11/18/14 (a)	55,000,000	55,000,000
		<u>1,945,000,496</u>

TOTAL CERTIFICATES OF DEPOSIT

(COST \$1,945,000,496)

1,945,000,496

Commercial Paper and Notes – 25.4%

Banking – 13.8%

Australia & New Zealand		
Banking Group Ltd., 0.33%, 5/18/15 (a)(b)	25,000,000	25,000,000
Bank of China, N.Y., 0.44%, 5/21/14 (c)	50,000,000	49,987,778
Commonwealth Bank of Australia, N.Y., 0.23%, 5/16/14 (a)(b)	10,000,000	10,000,000
Commonwealth Bank of Australia, N.Y., 0.23%, 9/11/14 (a)(b)	40,000,000	40,000,000
Credit Suisse, N.Y., 0.26%, 8/11/14 (c)	20,000,000	19,985,267
Credit Suisse, N.Y., 0.35%, 12/19/14 (c)	25,000,000	24,943,611
DBS Bank Ltd., 0.23%, 9/2/14 (b)(c)	25,000,000	24,980,195
DnB NOR Bank ASA, N.Y., 0.17%, 7/2/14 (b)(c)	45,000,000	44,986,825
DnB NOR Bank ASA, N.Y., 0.22%, 8/4/14 (b)(c)	20,000,000	19,988,389
DnB NOR Bank ASA, N.Y., 0.24%, 9/9/14 (b)(c)	25,000,000	24,978,622
Kookmin Bank, N.Y., 0.25%, 6/12/14 (b)(c)	10,000,000	9,997,083
Korea Development Bank, N.Y., 0.30%, 5/22/14 (c)	10,000,000	9,998,250
National Australia Funding Delaware, Inc., 0.22%, 3/11/15 (a)(b)	50,000,000	49,998,290
Nordea Bank AB, 0.22%, 6/5/14 (b)(c)	30,000,000	29,993,729
Nordea Bank AB, 0.21%, 6/12/14 (b)(c)	45,000,000	44,988,975
Oversea-Chinese Banking Corp. Ltd., 0.19%, 7/1/14 (c)	75,000,000	74,975,854

HSBC PRIME MONEY MARKET FUND

Schedule of Portfolio Investments—as of April 30, 2014 (Unaudited) (continued)

Commercial Paper and Notes, continued

	Principal Amount (\$)	Amortized Cost (\$)
Banking, continued		
United Overseas Bank Ltd., 0.22%, 6/26/14 (b)(c)	28,000,000	27,990,418
United Overseas Bank Ltd., 0.21%, 9/23/14 (b)(c)	40,000,000	39,966,167
Westpac Banking Corp., 0.22%, 3/13/15 (a)(b)	50,000,000	49,996,017
		<u>622,755,470</u>
Diversified – 4.7%		
Caisse des Depots et Consignations, 0.17%, 6/6/14 (b)(c)	30,000,000	29,994,900
Caisse des Depots et Consignations, 0.35%, 8/29/14 (b)(c)	30,000,000	29,965,000
Erste Abwicklungsanstalt, 0.17%, 6/18/14 (b)(c)	50,000,000	49,988,667
Erste Abwicklungsanstalt, 0.16%, 7/1/14 (b)(c)	75,000,000	74,979,667
Sheffield Receivables Corp., 0.17%, 5/21/14 (b)(c)	25,000,000	24,997,639
		<u>209,925,873</u>
Finance – 7.0%		
Antalis US Funding Corp., 0.09%, 5/6/14 (b)(c)	19,760,000	19,759,753
ASB Finance Ltd., 0.27%, 9/2/14 (a)(b)	25,000,000	25,000,000
BNZ International Funding, 0.22%, 6/13/14 (b)(c)	30,000,000	29,992,117
BNZ International Funding, 0.16%, 7/2/14 (b)(c)	20,000,000	19,994,489
Collateralized CP II Co. LLC, 0.25%, 10/28/14 (b)(c)	40,000,000	39,950,000
Natixis US Finance Co., 0.13%, 5/1/14 (c)	90,000,000	89,999,999
Rabobank USA Finance Corp., 0.23%, 7/7/14 (c)	45,000,000	44,980,738
Toyota Motor Credit Corp., 0.28%, 5/9/14 (c)	20,000,000	19,998,756
Toyota Motor Credit Corp., 0.26%, 8/8/14 (c)	25,000,000	24,982,125
		<u>314,657,977</u>
TOTAL COMMERCIAL PAPER AND NOTES (COST \$1,147,339,320)		<u>1,147,339,320</u>

Corporate Obligations – 6.3%

Banking – 3.7%		
JPMorgan Chase Bank N.A., 0.38%, 5/18/15	25,000,000	25,000,000
JPMorgan Chase Bank N.A., 0.41%, 12/21/14	20,000,000	20,000,000
U.S. Bancorp, 4.20%, 5/15/14, MTN	20,733,000	20,765,471
Wells Fargo Bank N.A., 0.28%, 5/15/15, MTN	60,000,000	60,000,000
Wells Fargo Bank N.A., 0.29%, 5/8/15	40,000,000	40,000,000
		<u>165,765,471</u>

Corporate Obligations, continued

	Principal Amount (\$)	Amortized Cost (\$)
Finance – 2.4%		
General Electric Capital Corp., 3.75%, 11/14/14	4,000,000	4,076,379
General Electric Capital Corp., 5.50%, 6/4/14, MTN	23,733,000	23,848,477
General Electric Capital Corp., 5.90%, 5/13/14	19,380,000	19,416,429
MetLife Global Funding I, 2.00%, 1/9/15	8,000,000	8,095,477
MetLife Institutional Funding, 0.60%, 1/6/15	34,400,000	34,488,949
Toyota Motor Credit Corp., 1.00%, 2/17/15, MTN	19,136,000	19,247,367
		<u>109,173,078</u>
Household Products – 0.2%		
The Procter & Gamble Co., 0.70%, 8/15/14	7,250,000	7,259,046
TOTAL CORPORATE OBLIGATIONS (COST \$282,197,595)		<u>282,197,595</u>

Yankee Dollars – 2.6%

Banking – 2.0%		
Barclays Bank plc, 5.20%, 7/10/14	24,780,000	25,015,283
Toronto Dominion Bank, 0.53%, 7/14/14	30,000,000	30,021,803
Westpac Banking Corp., 0.41%, 5/1/15	35,000,000	35,000,000
		<u>90,037,086</u>
Commercial Banks – 0.6%		
Commonwealth Bank of Australia, N.Y., 1.95%, 3/16/15	25,090,000	25,434,221
TOTAL YANKEE DOLLARS (COST \$115,471,307)		<u>115,471,307</u>

U.S. Treasury Obligations – 4.9%

U.S. Treasury Notes – 4.9%		
0.38%, 11/15/14	20,000,000	20,023,931
2.25%, 5/31/14	50,000,000	50,086,267
2.38%, 8/31/14	50,000,000	50,366,089
2.38%, 9/30/14	100,000,000	100,914,678
		<u>221,390,965</u>
TOTAL U.S. TREASURY OBLIGATIONS (COST \$221,390,965)		<u>221,390,965</u>

HSBC PRIME MONEY MARKET FUND

Schedule of Portfolio Investments—as of April 30, 2014 (Unaudited) (continued)

Repurchase Agreements – 13.3%

	Principal Amount (\$)	Amortized Cost (\$)
BNP Paribas, 0.05%, 5/1/14, purchased on 4/30/14, 0.05%, due on 5/1/14 with a maturity value of \$300,000,417, collateralized by various U.S. Government and Government Agency Obligations, 2.5%-7.5%, 03/1/15-11/1/50, fair value \$306,000,000	300,000,000	300,000,000
Societe' Generale, 0.04%, 5/1/14, purchased on 4/30/14, 0.04%, due on 5/1/14 with a maturity value of \$300,000,333, collateralized by various U.S. Treasury Obligations, 0.13%-8.75%, 07/15/14-1/15/29, fair value \$306,000,065	300,000,000	300,000,000
TOTAL REPURCHASE AGREEMENTS (COST \$600,000,000)		600,000,000

Time Deposits – 4.4%

Abbey National Treasury Services plc, 0.09%, 5/1/14.	100,000,000	100,000,000
Credit Agricole CIB, N.Y., 0.08%, 5/1/14.	98,000,000	98,000,000
TOTAL TIME DEPOSITS (COST \$198,000,000)		198,000,000

TOTAL INVESTMENT SECURITIES (COST \$4,509,399,683) – 99.9%.		4,509,399,683
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Percentages indicated are based on net assets of \$4,512,640,426.

- (a) Variable rate security. The rate presented represents the rate in effect on April 30, 2014. 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) 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.
- (c) Rate presented represents the effective yield at time of purchase.

MTN — Medium Term Note

LLC — Limited Liability Company

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Schedule of Portfolio Investments—as of April 30, 2014 (Unaudited)

U.S. Government and Government Agency Obligations – 52.5%

	Principal Amount (\$)	Amortized Cost (\$)
Federal Farm Credit Bank – 5.3%		
0.09%, 1/8/16 (a)	100,000,000	99,974,948
0.09%, 10/24/14 (a)	18,000,000	17,999,552
0.11%, 5/26/15 (a)	50,000,000	50,000,000
0.12%, 6/6/14 (a)	30,000,000	29,999,699
0.16%, 6/11/14	15,000,000	14,999,793
0.16%, 2/27/15 (a)	3,695,000	3,695,927
0.19%, 7/24/15 (a)	22,150,000	22,168,548
		<u>238,838,467</u>
Federal Home Loan Bank – 22.7%		
0.05%, 5/28/14 (b)	15,000,000	14,999,494
0.05%, 5/30/14 (b)	50,000,000	49,998,026
0.05%, 6/27/14 (b)	50,000,000	49,996,042
0.06%, 6/25/14 (b)	122,700,000	122,688,753
0.07%, 6/16/14 (a)	400,000,000	400,000,817
0.08%, 6/27/14 (a)	15,000,000	14,999,765
0.09%, 9/2/14 (a)	15,000,000	14,999,745
0.09%, 6/5/14 (a)	75,000,000	74,999,591
0.11%, 3/6/15 (a)	99,000,000	98,995,763
0.12%, 6/24/14 (a)	105,000,000	105,008,643
0.13%, 7/25/14	15,000,000	14,998,366
0.13%, 6/16/14 (a)	30,000,000	30,000,206
0.19%, 7/22/14	25,000,000	24,999,270
2.75%, 12/12/14	6,125,000	6,223,930
		<u>1,022,908,411</u>
Federal Home Loan Mortgage Corp. – 16.9%		
0.05%, 6/16/14 (b)	200,000,000	199,987,222
0.07%, 9/3/14 (b)	100,000,000	99,977,431
0.10%, 9/5/14 (b)	50,000,000	49,982,361
0.12%, 6/18/14 (b)	25,000,000	24,996,000
0.13%, 10/16/15 (a)	210,000,000	210,011,238
0.14%, 11/25/15 (a)	75,000,000	75,000,000
0.21%, 2/27/15	40,000,000	40,000,000
1.00%, 8/27/14	10,000,000	10,029,228
3.00%, 7/28/14	50,000,000	50,354,091
		<u>760,337,571</u>
Federal National Mortgage Association – 7.7%		
0.05%, 5/21/14 (b)	100,000,000	99,997,222
0.06%, 9/8/14 (b)	100,000,000	99,980,139
0.37%, 1/27/15 (a)	3,065,000	3,070,180
0.49%, 11/21/14 (a)	6,000,000	6,011,877
0.63%, 10/30/14	31,573,000	31,646,044
0.88%, 8/28/14	7,500,000	7,517,136
1.13%, 6/27/14	100,000,000	100,166,547
		<u>348,389,145</u>
TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS (COST \$2,370,473,594)		<u>2,370,473,594</u>

U.S. Treasury Obligations – 16.2%

	Principal Amount (\$)	Amortized Cost (\$)
U.S. Treasury Bills – 4.0%		
0.01%, 5/1/14 (b)	180,000,000	180,000,000
U.S. Treasury Notes – 12.2%		
0.38%, 11/15/14	45,000,000	45,054,204
2.25%, 1/31/15	65,000,000	66,017,746
2.38%, 9/30/14	250,000,000	252,279,742
2.38%, 2/28/15	35,000,000	35,649,042
2.63%, 6/30/14	100,000,000	100,426,363
4.25%, 11/15/14	50,000,000	51,106,473
		<u>550,533,570</u>
TOTAL U.S. TREASURY OBLIGATIONS (COST \$730,533,570)		
		<u>730,533,570</u>
Repurchase Agreements – 29.9%		
Barclays Capital Group, 0.05%, 5/6/14, Purchased on 4/30/14, 0.05%, due on 5/6/14 with a maturity value of \$100,000,833, collateralized by various U.S. Government and Government Agency Obligations, 1.63%-7.50%, 7/15/18-4/15/49, fair value \$102,000,000	100,000,000	100,000,000
Barclays Capital Group, 0.02%, 5/1/14, Purchased on 4/30/14, 0.02%, due on 5/1/14 with a maturity value of \$200,000,111, collateralized by various U.S. Treasury Obligations, 0.63%-0.88%, 11/15/16-7/31/19, fair value \$204,000,001	200,000,000	200,000,000
BNP Paribas, 0.05%, 5/5/14, Purchased on 4/30/14, 0.05%, due on 5/5/14 with a maturity value of \$250,001,736, collateralized by various U.S. Government and Government Agency Obligations, 2.50%-5.50%, 6/1/25-3/20/44, fair value \$255,000,000	250,000,000	250,000,000
Citigroup Global Markets, 0.06%, 5/1/14, Purchased on 4/30/14, 0.06%, due on 5/1/14 with a maturity value of \$100,000,167, collateralized by various U.S. Government and Government Agency Obligations, 2.00%-6.00%, 8/15/23-9/15/53, fair value \$102,000,000	100,000,000	100,000,000
Deutsche Bank, 0.06%, 5/1/14, Purchased on 4/30/14, 0.06%, due on 5/1/14 with a maturity value of \$300,000,500, collateralized by various U.S. Government and Government Agency Obligations, 3.00%-3.50%, 7/20/42-10/15/42, fair value \$306,000,000	300,000,000	300,000,000

HSBC U.S. GOVERNMENT MONEY MARKET FUND

Schedule of Portfolio Investments—as of April 30, 2014 (Unaudited) (continued)

Repurchase Agreements, continued

	<u>Principal Amount (\$)</u>	<u>Amortized Cost (\$)</u>
Goldman Sachs, 0.05%, 5/1/14, Purchased on 4/30/14, 0.05%, due on 5/1/14 with a maturity value of \$100,000,139, collateralized by various U.S. Government and Government Agency Obligations, 2.50%- 9.50%, 8/1/14-3/1/44, fair value \$102,000,001	100,000,000	100,000,000
Goldman Sachs, 0.05%, 5/7/14, Purchased on 4/30/14, 0.05%, due on 5/7/14 with a maturity value of \$300,002,917, collateralized by various U.S. Government and Government Agency Obligations, 2.50%- 10.00%, 6/1/16-4/1/44, fair value \$306,000,000	300,000,000	300,000,000
TOTAL REPURCHASE AGREEMENTS (COST \$1,350,000,000)		1,350,000,000
TOTAL INVESTMENT SECURITIES (COST \$4,451,007,164) – 98.6%		4,451,007,164

Percentages indicated are based on net assets of \$4,513,333,182.

(a) Variable rate security. The rate presented represents the rate in effect on April 30, 2014. 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 April 30, 2014 (Unaudited)

U.S. Treasury Obligations – 101.5%

	Principal Amount (\$)	Amortized Cost (\$)
U.S. Treasury Bills – 50.5%		
0.01%, 5/1/14 (a)	335,000,000	334,999,999
0.02%, 5/29/14 (a)	150,000,000	149,998,163
0.03%, 5/15/14 (a)	150,000,000	149,998,542
0.05%, 5/8/14 (a)	330,000,000	329,997,227
		<u>964,993,931</u>
U.S. Treasury Notes – 51.1%		
0.08%, 1/31/16 (b)	75,000,000	74,984,936
0.25%, 5/31/14	75,000,000	75,012,968
0.25%, 8/31/14	150,000,000	150,080,424
0.63%, 7/15/14	30,000,000	30,028,200
1.00%, 5/15/14	75,000,000	75,027,135
2.38%, 8/31/14	25,000,000	25,183,174
2.38%, 9/30/14	100,000,000	100,952,556
2.38%, 2/28/15	25,000,000	25,464,410
2.63%, 6/30/14	100,000,000	100,424,877
4.25%, 8/15/14	300,000,000	303,675,161
4.25%, 11/15/14	15,000,000	15,329,929
		<u>976,163,770</u>
TOTAL U.S. TREASURY OBLIGATIONS (COST \$1,941,157,701)		<u>1,941,157,701</u>
TOTAL INVESTMENT SECURITIES (COST \$1,941,157,701) – 101.5%		<u>1,941,157,701</u>

Percentages indicated are based on net assets of \$1,911,683,062.

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

(b) Variable rate security. The rate presented represents the rate in effect on April 30, 2014. 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.

HSBC FAMILY OF FUNDS

Statements of Assets and Liabilities—as of April 30, 2014 (Unaudited)

	HSBC Prime Money Market Fund	HSBC U.S. Government Money Market Fund	HSBC U.S. Treasury Money Market Fund
Assets:			
Investments, at value and amortized cost	\$3,909,399,683	\$3,101,007,164	\$1,941,157,701
Repurchase agreements, at value and cost	600,000,000	1,350,000,000	—
Total Investments	4,509,399,683	4,451,007,164	1,941,157,701
Cash	463,160	58,683,984	186,708,797
Interest receivable	3,536,642	3,931,347	4,616,033
Receivable from Investment Adviser	—	36,530	37,635
Prepaid expenses	61,565	48,803	32,947
Total Assets	<u>4,513,461,050</u>	<u>4,513,707,828</u>	<u>2,132,553,113</u>
Liabilities:			
Dividends payable	31,343	11,164	449
Payable for investments purchased	—	—	220,673,650
Accrued expenses and other liabilities:			
Investment Management	357,685	—	—
Administration	194,342	149,461	58,429
Accounting	—	195	33
Custodian fees	75,049	65,570	37,961
Transfer Agent	7,570	5,792	5,783
Trustee	101,979	102,727	40,458
Other	52,656	39,737	53,288
Total Liabilities	<u>820,624</u>	<u>374,646</u>	<u>220,870,051</u>
Net Assets	<u>\$4,512,640,426</u>	<u>\$4,513,333,182</u>	<u>\$1,911,683,062</u>
Composition of Net Assets:			
Capital	4,512,644,313	4,513,395,045	1,911,720,672
Accumulated net realized gains (losses) from investments	(3,887)	(61,863)	(37,610)
Net Assets	<u>\$4,512,640,426</u>	<u>\$4,513,333,182</u>	<u>\$1,911,683,062</u>
Net Assets:			
Class A Shares	\$ 45,738,581	\$ 117,265	\$ 1,537
Class B Shares	8,191	48,744	—
Class C Shares	2	—	—
Class D Shares	1,223,177,690	1,200,170,946	301,112,916
Class I Shares	2,660,768,567	763,032,418	636,857,409
Class Y Shares	582,947,395	2,549,963,809	973,711,200
	<u>\$4,512,640,426</u>	<u>\$4,513,333,182</u>	<u>\$1,911,683,062</u>
Shares Outstanding:			
(\$0.001 par value, unlimited number of shares authorized):			
Class A Shares	45,739,230	117,276	1,537
Class B Shares	8,191	48,732	—
Class C Shares	2	—	—
Class D Shares	1,223,119,049	1,199,997,134	301,119,294
Class I Shares	2,660,848,824	763,161,352	636,902,853
Class Y Shares	582,943,242	2,550,070,909	973,701,958
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 six months ended April 30, 2014 (Unaudited)

	HSBC Prime Money Market Fund	HSBC U.S. Government Money Market Fund	HSBC U.S. Treasury Money Market Fund
Investment Income:			
Interest	\$ 4,815,609	\$ 1,966,943	\$ 788,485
Total Investment Income	<u>4,815,609</u>	<u>1,966,943</u>	<u>788,485</u>
Expenses:			
Investment Management	2,310,256	2,177,249	1,029,554
Advisory Services:			
Operational Support - Class A Shares	21,699	184	—
Operational Support - Class B Shares	4	23	—
Operational Support - Class D Shares	641,994	450,765	215,900
Operational Support - Class Y Shares	297,021	1,283,197	496,450
Administration:			
Class A Shares	11,162	93	—
Class B Shares	—	13	—
Class D Shares	330,046	232,282	110,618
Class I Shares	693,634	227,815	162,693
Class Y Shares	152,696	659,932	255,215
Distribution:			
Class B Shares	34	181	—
Shareholder Servicing:			
Class A Shares	86,795	736	4
Class B Shares	12	60	—
Class D Shares	1,604,997	1,126,920	539,754
Accounting	37,284	33,292	31,279
Audit	8,736	8,664	8,874
Compliance Services	55,678	49,703	24,894
Custodian	143,070	120,451	62,656
Printing	64,838	60,597	27,674
Transfer Agent	23,623	17,934	17,951
Trustee	172,152	161,293	81,665
Registration fees	36,921	36,986	34,197
Other	410,484	389,203	207,955
Total expenses before fee reductions	7,103,136	7,037,573	3,307,333
Fees voluntarily reduced/reimbursed by Investment Adviser	(1,194,047)	(3,873,856)	(1,832,489)
Fees voluntarily reduced by Administrator	(20,039)	(285,513)	(134,964)
Fees voluntarily reduced by Distributor	(34)	(181)	—
Fees voluntarily reduced by Shareholder Servicing Agent	(1,691,804)	(1,127,716)	(539,758)
Fees paid indirectly	(1,694)	(11,300)	(14,772)
Net Expenses	<u>4,195,518</u>	<u>1,739,007</u>	<u>785,350</u>
Net Investment Income	<u>620,091</u>	<u>227,936</u>	<u>3,135</u>
Net realized gains (losses) from investments	(1,474)	28,561	11,789
Change In Net Assets Resulting From Operations	<u>\$ 618,617</u>	<u>\$ 256,497</u>	<u>\$ 14,924</u>

See notes to financial statements.

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets

	HSBC Prime Money Market Fund		HSBC U.S. Government Money Market Fund	
	For the six months ended April 30, 2014 (Unaudited)	For the year ended October 31, 2013	For the six months ended April 30, 2014 (Unaudited)	For the year ended October 31, 2013
Investment Activities:				
Operations:				
Net investment income	\$ 620,091	\$ 2,588,714	\$ 227,936	\$ 575,413
Net realized gains/(losses) from investment transactions	(1,474)	8,744	28,561	(86,858)
Change in net assets resulting from operations	<u>618,617</u>	<u>2,597,458</u>	<u>256,497</u>	<u>488,555</u>
Dividends:				
Net investment income:				
Class A	(2,335)	(4,311)	(19)	(1,885)
Class B	(2)	(4)	(2)	(6)
Class C	—	(1)	—	—
Class D	(69,103)	(145,852)	(47,762)	(62,841)
Class I	(516,682)	(2,366,911)	(46,017)	(248,433)
Class Y	(31,969)	(71,635)	(134,136)	(262,248)
Net realized gains:				
Class A	(42)	(78)	—	—
Class D	(1,243)	(2,967)	—	—
Class I	(9,297)	(7,143)	—	—
Class Y	(575)	(1,258)	—	—
Change in net assets from shareholder dividends	<u>(631,248)</u>	<u>(2,600,160)</u>	<u>(227,936)</u>	<u>(575,413)</u>
Change in net assets resulting from capital transactions	<u>(486,702,041)</u>	<u>18,941,569</u>	<u>280,174,117</u>	<u>(760,210,896)</u>
Change in net assets	<u>(486,714,672)</u>	<u>18,938,867</u>	<u>280,202,678</u>	<u>(760,297,754)</u>
Net Assets:				
Beginning of period	4,999,355,098	4,980,416,231	4,233,130,504	4,993,428,258
End of period	<u>\$ 4,512,640,426</u>	<u>\$ 4,999,355,098</u>	<u>\$ 4,513,333,182</u>	<u>\$ 4,233,130,504</u>
Accumulated net investment income	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets (continued)

	HSBC Prime Money Market Fund		HSBC U.S. Government Money Market Fund	
	For the six months ended April 30, 2014 (Unaudited)	For the year ended October 31, 2013	For the six months ended April 30, 2014 (Unaudited)	For the year ended October 31, 2013
CAPITAL TRANSACTIONS*:				
Class A				
Proceeds from shares issued	\$ 4,701,291	\$ 10,044,534	\$ 12,109	\$ 100,773,881
Dividends reinvested	86	149	19	385
Value of shares redeemed	(1,121,045)	(1,432,410)	(323,000)	(100,584,674)
Class A Shares capital transactions	<u>3,580,332</u>	<u>8,612,273</u>	<u>(310,872)</u>	<u>189,592</u>
Class B				
Dividends reinvested	2	4	2	6
Value of shares redeemed	(20,021)	(13,118)	—	(27,646)
Class B Shares capital transactions	<u>(20,019)</u>	<u>(13,114)</u>	<u>2</u>	<u>(27,640)</u>
Class C				
Proceeds from shares issued	—	373	—	—
Dividends reinvested	—	1	—	—
Value of shares redeemed	—	(6,130)	—	—
Class C Shares capital transactions	<u>—</u>	<u>(5,756)</u>	<u>—</u>	<u>—</u>
Class D				
Proceeds from shares issued	1,824,898,088	5,119,755,763	1,747,225,780	2,284,815,817
Dividends reinvested	50,821	109,668	14,350	29,381
Value of shares redeemed	(1,889,844,948)	(5,135,614,581)	(1,217,967,756)	(2,228,438,235)
Class D Shares capital transactions	<u>(64,896,039)</u>	<u>(15,749,150)</u>	<u>529,272,374</u>	<u>56,406,963</u>
Class I				
Proceeds from shares issued	9,007,544,562	26,195,455,773	3,130,404,779	10,153,237,542
Dividends reinvested	414,863	1,231,509	33,322	152,717
Value of shares redeemed	(9,468,239,395)	(26,101,317,973)	(3,524,305,682)	(10,869,649,354)
Class I Shares capital transactions	<u>(460,279,970)</u>	<u>95,369,309</u>	<u>(393,867,581)</u>	<u>(716,259,095)</u>
Class Y				
Proceeds from shares issued	1,002,125,091	1,790,806,941	7,723,624,790	20,359,087,706
Dividends reinvested	31,290	66,154	133,303	259,866
Value of shares redeemed	(967,242,726)	(1,860,145,088)	(7,578,677,899)	(20,459,868,288)
Class Y Shares capital transactions	<u>34,913,655</u>	<u>(69,271,993)</u>	<u>145,080,194</u>	<u>(100,520,716)</u>
Change in net assets resulting from capital transactions:	<u>\$ (486,702,041)</u>	<u>\$ 18,941,569</u>	<u>\$ 280,174,117</u>	<u>\$ (760,210,896)</u>

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

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets (continued)

	HSBC U.S. Treasury Money Market Fund	
	For the six months ended April 30, 2014 (Unaudited)	For the year ended October 31, 2013
Investment Activities:		
Operations:		
Net investment income	\$ 3,135	\$ —
Net realized gains/(losses) from investment transactions	11,789	(37,989)
Change in net assets resulting from operations	<u>14,924</u>	<u>(37,989)</u>
Dividends:		
Net investment income:		
Class D	(495)	—
Class I	(1,028)	—
Class Y	(1,612)	—
Change in net assets from shareholder dividends	<u>(3,135)</u>	<u>—</u>
Change in net assets resulting from capital transactions	<u>(660,649,609)</u>	<u>198,372,690</u>
Change in net assets	<u>(660,637,820)</u>	<u>198,334,701</u>
Net Assets:		
Beginning of period	2,572,320,882	2,373,986,181
End of period	<u>\$ 1,911,683,062</u>	<u>\$ 2,572,320,882</u>
Accumulated net investment income	<u>\$ —</u>	<u>\$ —</u>

HSBC FAMILY OF FUNDS

Statements of Changes in Net Assets (continued)

	HSBC U.S. Treasury Money Market Fund	
	For the six months ended April 30, 2014 (Unaudited)	For the year ended October 31, 2013
CAPITAL TRANSACTIONS*:		
Class A		
Value of shares redeemed	\$ (3,554)	\$ —
Class A Shares capital transactions	<u>(3,554)</u>	<u>—</u>
Class B		
Value of shares redeemed	—	(1,031)
Class B Shares capital transactions	<u>—</u>	<u>(1,031)</u>
Class D		
Proceeds from shares issued	783,807,420	2,077,685,254
Dividends reinvested	356	—
Value of shares redeemed	(1,000,542,081)	(2,221,893,975)
Class D Shares capital transactions	<u>(216,734,305)</u>	<u>(144,208,721)</u>
Class I		
Proceeds from shares issued	2,274,021,735	5,092,587,899
Dividends reinvested	749	—
Value of shares redeemed	(2,723,348,647)	(4,561,678,583)
Class I Shares capital transactions	<u>(449,326,163)</u>	<u>530,909,316</u>
Class Y		
Proceeds from shares issued	561,151,555	1,876,855,817
Dividends reinvested	1,580	—
Value of shares redeemed	(555,738,722)	(2,065,182,691)
Class Y Shares capital transactions	<u>5,414,413</u>	<u>(188,326,874)</u>
Change in net assets resulting from capital transactions:	<u>\$ (660,649,609)</u>	<u>\$ 198,372,690</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 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 Fee Reductions)(b)	Ratio of Net Investment Income to Average Net Assets(b)
CLASS A SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.32%(c)	\$ 343,265	0.55%(c)	0.69%(c)	0.31%(c)
Year Ended October 31, 2010	1.00	—(d)	—	—	—	—	—	1.00	0.01%(e)	32,943	0.29%	0.67%	0.01%(e)
Year Ended October 31, 2011	1.00	—(d)	—	—	—	—	—	1.00	0.01%	27,763	0.26%	0.68%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.01%	33,546	0.30%	0.69%	0.01%
Year Ended October 31, 2013	1.00	—(d)	—	—	—	—	—	1.00	0.01%	42,158	0.23%	0.68%	0.01%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—(d)	—	—	—	—	—	1.00	0.01%	45,739	0.20%	0.69%	0.01%
CLASS B SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.17%(c)	\$ 312	0.68%(c)	1.30%(c)	0.13%(c)
Year Ended October 31, 2010	1.00	—(d)	—	—	—	—	—	1.00	0.01%(e)	226	0.29%	1.27%	0.01%(e)
Year Ended October 31, 2011	1.00	—(d)	—	—	—	—	—	1.00	0.01%	132	0.26%	1.28%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.01%	41	0.29%	1.29%	0.01%
Year Ended October 31, 2013	1.00	—(d)	—	—	—	—	—	1.00	0.01%	28	0.24%	1.28%	0.01%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—(d)	—	—	—	—	—	1.00	0.01%	8	0.20%	1.29%	0.01%
CLASS C SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.17%(c)	\$ 259,364	0.74%(c)	1.29%(c)	0.19%(c)
Year Ended October 31, 2010	1.00	—(d)	—	—	—	—	—	1.00	0.01%(e)	44	0.29%	1.27%	0.01%(e)
Year Ended October 31, 2011	1.00	—(d)	—	—	—	—	—	1.00	0.01%	6	0.25%	1.28%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.06%	6	0.25%	1.29%	0.06%
Year Ended October 31, 2013	1.00	—(d)	—	—	—	—	—	1.00	0.01%	—(f)	0.23%	1.26%	0.07%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—(d)	—	—	—	—	—	1.00	—%	—(f)	—%	—%	—%
CLASS D SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.40%(c)	\$1,994,448	0.49%(c)	0.54%(c)	0.42%(c)
Year Ended October 31, 2010	1.00	—(d)	—	—	—	—	—	1.00	0.01%(e)	1,695,222	0.29%	0.52%	0.01%(e)
Year Ended October 31, 2011	1.00	—(d)	—	—	—	—	—	1.00	0.01%	1,591,614	0.26%	0.53%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.01%	1,303,827	0.30%	0.54%	0.01%
Year Ended October 31, 2013	1.00	—(d)	—	—	—	—	—	1.00	0.01%	1,288,077	0.23%	0.53%	0.01%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—(d)	—	—	—	—	—	1.00	0.01%	1,223,178	0.20%	0.54%	0.01%

HSBC PRIME 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 Assets(b)	Ratio of Net Investment Income to Average Assets(b)
CLASS I SHARES												
Year Ended October 31, 2009	\$1.00	0.01	—	0.01	(0.01)	—	(0.01)	\$1.00	0.69%(c)	\$7,189,613	0.19%(c)	0.55%(c)
Year Ended October 31, 2010	1.00	—(d)	—	—	—	—	—	1.00	0.14%(e)	4,679,632	0.17%	0.14%(e)
Year Ended October 31, 2011	1.00	—(d)	—	—	—	—	—	1.00	0.10%	4,309,346	0.17%	0.10%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.14%	3,025,688	0.17%	0.14%
Year Ended October 31, 2013	1.00	—(d)	—	—	—	—	—	1.00	0.08%	3,121,056	0.17%	0.08%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—(d)	—	—	—	—	—	1.00	0.02%	2,660,769	0.17%	0.04%
CLASS Y SHARES												
Year Ended October 31, 2009	\$1.00	0.01	—	0.01	(0.01)	—	(0.01)	\$1.00	0.58%(c)	\$1,194,680	0.29%(c)	0.68%(c)
Year Ended October 31, 2010	1.00	—(d)	—	—	—	—	—	1.00	0.05%(e)	1,107,571	0.26%	0.04%(e)
Year Ended October 31, 2011	1.00	—(d)	—	—	—	—	—	1.00	0.01%	642,290	0.26%	0.02%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.03%	617,308	0.28%	0.03%
Year Ended October 31, 2013	1.00	—(d)	—	—	—	—	—	1.00	0.01%	548,035	0.23%	0.01%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—(d)	—	—	—	—	—	1.00	0.01%	582,947	0.20%	0.01%

(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) 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 been increased by 0.03%.

(d) Calculated based on average shares outstanding.

(e) During the period, 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.

Amounts designated as "—" are \$0 or have been rounded to \$0.

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	Realized and Unrealized Gains (Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	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 Investment Income to Average Net Assets(b)
CLASS A SHARES											
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	\$1.00	0.14%(c)	\$ 574,577	0.52%(c)	0.14%(c)
Year Ended October 31, 2010	1.00	—	—	—	—	—	1.00	0.02%(d)	25,926	0.23%	0.01%(d)
Year Ended October 31, 2011	1.00	—	—	—	—	—	1.00	0.01%	3,995	0.16%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	1.00	0.01%	238	0.14%	0.01%
Year Ended October 31, 2013	1.00	—	—	—	—	—	1.00	0.01%	428	0.17%	0.01%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—	—	—	—	—	1.00	0.01%	117	0.08%	0.01%
CLASS B SHARES											
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	\$1.00	0.08%(c)	\$ 84	0.54%(c)	0.08%(c)
Year Ended October 31, 2010	1.00	—	—	—	—	—	1.00	0.02%(d)	88	0.22%	0.01%(d)
Year Ended October 31, 2011	1.00	—	—	—	—	—	1.00	0.01%	94	0.17%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	1.00	0.01%	76	0.16%	0.01%
Year Ended October 31, 2013	1.00	—	—	—	—	—	1.00	0.01%	49	0.14%	0.01%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—	—	—	—	—	1.00	—%	49	0.08%	0.01%
CLASS C SHARES											
Year Ended October 31, 2009(e)	\$1.00	—	—	—	—	—	\$1.00	0.08%(c)	\$ 229	0.50%(c)	0.04%(c)
Year Ended October 31, 2010(f)	1.00	—	—	—	—	—	1.00	0.02%(d)	—(g)	0.23%	0.01%(d)
Year Ended October 31, 2011(h)	1.00	—	—	—	—	—	1.00	—%	—	—%	—%
Year Ended October 31, 2012(h)	1.00	—	—	—	—	—	1.00	—%	—	—%	—%
Year Ended October 31, 2013(h)	1.00	—	—	—	—	—	1.00	—%	—	—%	—%
Six Months Ended April 30, 2014 (Unaudited)(h)	1.00	—	—	—	—	—	1.00	—%	—	—%	—%
CLASS D SHARES											
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	\$1.00	0.18%(c)	\$ 767,551	0.48%(c)	0.21%(c)
Year Ended October 31, 2010	1.00	—	—	—	—	—	1.00	0.02%(d)	922,510	0.22%	0.02%(d)
Year Ended October 31, 2011	1.00	—	—	—	—	—	1.00	0.01%	746,458	0.17%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	1.00	0.01%	614,499	0.16%	0.01%
Year Ended October 31, 2013	1.00	—	—	—	—	—	1.00	0.01%	670,893	0.13%	0.01%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—	—	—	—	—	1.00	0.01%	1,200,171	0.08%	0.01%

See notes to financial statements.

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 Expenses to Average Net Assets	Ratio of Net Investment Income to Average Net Assets(b)
CLASS I SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.43%(c)	\$8,176,980	0.22%(c)	0.22%(c)	0.38%(c)
Year Ended October 31, 2010	1.00	—	—	—	—	—	—	1.00	0.08%(d)	5,100,891	0.16%	0.17%	0.07%(d)
Year Ended October 31, 2011	1.00	—	—	—	—	—	—	1.00	0.03%	1,645,764	0.16%	0.18%	0.03%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.02%	1,873,166	0.16%	0.19%	0.01%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	0.01%	1,156,894	0.13%	0.18%	0.02%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—	—	—	—	—	—	1.00	0.01%	763,032	0.08%	0.19%	0.01%
CLASS Y SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.32%(c)	\$3,370,299	0.33%(c)	0.33%(c)	0.38%(c)
Year Ended October 31, 2010	1.00	—	—	—	—	—	—	1.00	0.02%(d)	2,918,347	0.22%	0.27%	0.02%(d)
Year Ended October 31, 2011	1.00	—	—	—	—	—	—	1.00	0.01%	1,711,397	0.17%	0.28%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	0.01%	2,505,448	0.17%	0.29%	0.01%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	0.01%	2,404,867	0.13%	0.28%	0.01%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—	—	—	—	—	—	1.00	0.01%	2,549,964	0.08%	0.29%	0.01%

(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) 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%.

(d) During the period, the Fund received a distribution from a "fair fund" established by the SEC in connection with a consent order against BILSYS 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%.

(e) 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.

(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 351 days during the period.

(g) Less than \$500.

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

Amounts designated as "—" are \$0 or have been rounded to \$0.

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	Realized and Unrealized Gains (Losses) from Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains from Investment Transactions	Total Dividends	Net Asset 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 Fee Reductions)(b)	Ratio of Net Investment Income to Average Net Assets(b)
CLASS A SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.07%	\$ 385,994	0.24%	0.66%	0.07%
Year Ended October 31, 2010	1.00	—(c)	—	—	—	—	—	1.00	0.01%(d)	32,973	0.14%	0.67%	0.01%(d)
Year Ended October 31, 2011	1.00	—(c)	—	—	—	—	—	1.00	0.01%	613	0.11%	0.68%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	—%	5	0.05%	0.70%	—%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	5	0.10%	0.69%	—%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—	—	—	—	—	—	1.00	—%	2	0.08%	0.68%	—%
CLASS C SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.07%	\$ 7,138	0.22%	1.26%	0.04%
Year Ended October 31, 2010(e)	1.00	—(c)	—	—	—	—	—	1.00	0.01%(d)	—(f)	0.13%	1.27%	—%(d)
Year Ended October 31, 2011(g)	1.00	—(c)	—	—	—	—	—	1.00	—%	—	—%	—%	—%
Year Ended October 31, 2012(g)	1.00	—	—	—	—	—	—	1.00	—%	—	—%	—%	—%
Year Ended October 31, 2013(g)	1.00	—	—	—	—	—	—	1.00	—%	—	—%	—%	—%
Six Months Ended April 30, 2014 (Unaudited)(g)	1.00	—	—	—	—	—	—	1.00	—%	—	—%	—%	—%
CLASS D SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.07%	\$ 955,652	0.23%	0.51%	0.06%
Year Ended October 31, 2010	1.00	—(c)	—	—	—	—	—	1.00	0.01%(d)	726,244	0.14%	0.52%	0.01%(d)
Year Ended October 31, 2011	1.00	—(c)	—	—	—	—	—	1.00	0.01%	619,940	0.10%	0.53%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	—%	662,063	0.08%	0.54%	—%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	517,845	0.09%	0.53%	—%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—	—	—	—	—	—	1.00	—%	301,119	0.08%	0.55%	—%
CLASS I SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.14%	\$3,322,962	0.16%	0.16%	0.14%
Year Ended October 31, 2010	1.00	—(c)	—	—	—	—	—	1.00	0.01%(d)	1,379,042	0.13%	0.17%	0.01%(d)
Year Ended October 31, 2011	1.00	—(c)	—	—	—	—	—	1.00	0.01%	982,974	0.10%	0.18%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	—%	555,287	0.08%	0.19%	—%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	1,086,181	0.09%	0.18%	—%
Six Months Ended April 30, 2014 (Unaudited)	1.00	—	—	—	—	—	—	1.00	—%	636,903	0.08%	0.20%	—%

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 Expenses to Average Net Assets (Excluding Fee Reductions)(b)	Ratio of Net Investment Income to Average Net Assets(b)
CLASS Y SHARES													
Year Ended October 31, 2009	\$1.00	—	—	—	—	—	—	\$1.00	0.08%	\$ 996,309	0.22%	0.26%	0.08%
Year Ended October 31, 2010	1.00	—(c)	—	—	—	—	—	1.00	0.01%(d)	1,147,150	0.14%	0.27%	0.01%(d)
Year Ended October 31, 2011	1.00	—(c)	—	—	—	—	—	1.00	0.01%	999,521	0.09%	0.28%	0.01%
Year Ended October 31, 2012	1.00	—	—	—	—	—	—	1.00	—%	1,156,631	0.09%	0.29%	—%
Year Ended October 31, 2013	1.00	—	—	—	—	—	—	1.00	—%	968,290	0.09%	0.28%	—%
Six Months Ended													
April 30, 2014 (Unaudited)	1.00	—	—	—	—	—	—	1.00	—%	973,702	0.08%	0.30%	—%

(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) Calculated based on average shares outstanding.

(d) During the period, 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%.

(e) 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.

(f) Less than \$500.

(g) During the period the class had no operations. The net asset values reflected represent the last day the class had shareholders. Amounts designated as "—" are \$0 or have been rounded to \$0.

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 April 30, 2014, the Trust is composed 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 April 30, 2014, 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 April 30, 2014, the Funds did not hold any restricted securities that were deemed illiquid. The restricted securities held as of April 30, 2014 are identified below:

Prime Money Market Fund	Acquisition Date	Acquisition Cost	Principal Amount	Fair Value	% of Net Assets
Antalis US Funding Corp., 0.09%, 5/6/14	4/30/14	\$19,759,753	\$19,760,000	\$19,759,753	0.4 %
ASB Finance Ltd., 0.27%, 9/2/14	8/29/13	25,000,000	25,000,000	25,000,000	0.6 %
Australia & New Zealand Banking Group Ltd., 0.33%, 5/18/15	4/11/13	25,000,000	25,000,000	25,000,000	0.6 %
BNZ International Funding, 0.22%, 6/13/14	12/11/13	29,992,117	30,000,000	29,992,117	0.7 %
BNZ International Funding, 0.16%, 7/2/14	4/1/14	19,994,489	20,000,000	19,994,489	0.4 %
Caisse des Depots et Consignations, 0.17%, 6/6/14	3/6/14	29,994,900	30,000,000	29,994,900	0.7 %
Caisse des Depots et Consignations, 0.35%, 8/29/14	9/6/13	29,965,000	30,000,000	29,965,000	0.7 %
Collateralized CP II Co. LLC, 0.25%, 10/28/14	4/25/14	39,950,000	40,000,000	39,950,000	0.9 %
Commonwealth Bank of Australia, N.Y., 0.23%, 5/16/14	5/17/13	10,000,000	10,000,000	10,000,000	0.2 %
Commonwealth Bank of Australia, N.Y., 0.23%, 9/11/14	9/11/13	40,000,000	40,000,000	40,000,000	0.9 %
DBS Bank Ltd., 0.23%, 9/2/14	3/3/14	24,980,195	25,000,000	24,980,195	0.6 %
DnB NOR Bank ASA, N.Y., 0.17%, 7/2/14	4/2/14	44,986,825	45,000,000	44,986,825	1.0 %
DnB NOR Bank ASA, N.Y., 0.22%, 8/4/14	2/3/14	19,988,389	20,000,000	19,988,389	0.4 %
DnB NOR Bank ASA, N.Y., 0.24%, 9/9/14	3/14/14	24,978,622	25,000,000	24,978,622	0.6 %
Erste Abwicklungsanstalt, 0.17%, 6/18/14	2/13/14	49,988,667	50,000,000	49,988,667	1.1 %
Erste Abwicklungsanstalt, 0.16%, 7/1/14	4/2/14	74,979,667	75,000,000	74,979,667	1.7 %
Kookmin Bank, N.Y., 0.25%, 6/12/14	3/14/14	9,997,083	10,000,000	9,997,083	0.2 %
National Australia Funding Delaware, Inc., 0.22%, 3/11/15	3/25/14	49,998,291	50,000,000	49,998,291	1.1 %
Nordea Bank AB, 0.22%, 6/5/14	12/5/13	29,993,729	30,000,000	29,993,729	0.7 %
Nordea Bank AB, 0.21%, 6/12/14	12/13/13	44,988,975	45,000,000	44,988,975	1.0 %
Sheffield Receivables Corp., 0.17%, 5/21/14	2/19/14	24,997,639	25,000,000	24,997,639	0.6 %
United Overseas Bank Ltd., 0.22%, 6/26/14	1/28/14	27,990,418	28,000,000	27,990,418	0.6 %
United Overseas Bank Ltd., 0.21%, 9/23/14	4/22/14	39,966,167	40,000,000	39,966,167	0.9 %
Westpac Banking Corp., 0.22%, 3/13/15	3/26/14	49,996,017	50,000,000	49,996,017	1.1 %

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). Securities subject to repurchase agreements are held by the Funds’ custodian or another qualified custodian or in the Federal Reserve/Treasury book-entry system. Master Repurchase Agreements (“MRA”) permit the Fund, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset receivables under the MRA with collateral posted by the counterparty and create one net payment due to or from the Fund. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty’s bankruptcy or insolvency. Pursuant to terms of the MRA, the Fund receives securities as collateral with a market value in excess of the repurchase price to be received by the Fund upon the maturity of the transaction. Upon bankruptcy or insolvency of the MRA counterparty, the Fund would recognize a liability with respect to such excess collateral to reflect the Fund’s obligation under bankruptcy law to return the excess to the counterparty. 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 gains distributed 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, 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.

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 is 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 period ended April 30, 2014, 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 April 30, 2014 (Unaudited) (continued)

The following is a summary of the valuation inputs used as of April 30, 2014 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	—	1,945,000,496	—	1,945,000,496
Commercial Paper and Notes	—	1,147,339,320	—	1,147,339,320
Corporate Obligations	—	282,197,595	—	282,197,595
Yankee Dollars.	—	115,471,307	—	115,471,307
U.S. Treasury Obligations	—	221,390,965	—	221,390,965
Time Deposits.	—	198,000,000	—	198,000,000
Repurchase Agreements.	—	600,000,000	—	600,000,000
Total Investment Securities	<u>—</u>	<u>4,509,399,683</u>	<u>—</u>	<u>4,509,399,683</u>

U.S. Government Money Market Fund

Investment Securities:

U.S. Government and Government Agency Obligations	—	2,370,473,594	—	2,370,473,594
U.S. Treasury Obligations	—	730,533,570	—	730,533,570
Repurchase Agreements.	—	1,350,000,000	—	1,350,000,000
Total Investment Securities	<u>—</u>	<u>4,451,007,164</u>	<u>—</u>	<u>4,451,007,164</u>

U.S. Treasury Money Market Fund

Investment Securities:

U.S. Treasury Obligations	—	1,941,157,701	—	1,941,157,701
Total Investment Securities	<u>—</u>	<u>1,941,157,701</u>	<u>—</u>	<u>1,941,157,701</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 period ended April 30, 2014, Citi voluntarily reduced its sub-administration fees by \$99,600.

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 \$146,606 for the period ended April 30, 2014, 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 period ended April 30, 2014, Foreside, as Distributor, also received \$115,659, \$0, and \$21,989 in commissions from sales of the Trusts, for Class A Shares, Class B Shares, and Class C Shares, respectively of which \$23, \$0, 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 period ended April 30, 2014 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 period ended April 30, 2014 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 certain 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 of Trustees 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 contractually agreed to limit through March 1, 2015 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 limitation 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 April 30, 2014, Class E Shares were not operational.

Notes to Financial Statements—as of April 30, 2014 (Unaudited) (continued)

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 April 30, 2014, 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 period ended April 30, 2014 are reflected on the Statements of Operations as "Fees paid indirectly," as applicable.

5. Federal Income Tax Information:

At April 30, 2014, 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	4,509,399,683	—	—	—
U.S. Government Money Market Fund . . .	4,451,031,062	—	(23,898)	(23,898)
U.S. Treasury Money Market Fund	1,941,157,701	—	—	—

The tax character of dividends paid by the Funds as of the latest 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

(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.

As of the latest 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 latest 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:

	<u>Short Term Amount(\$)</u>	<u>Long Term Amount(\$)</u>	<u>Total(\$)</u>
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.

Section 15(c) of the Investment Company Act of 1940, as amended (the “1940 Act”), generally requires that a majority of the trustees of a mutual fund who are not parties to an investment advisory agreement for the fund or “interested persons” of the fund or the investment adviser, as defined in the 1940 Act (the “Independent Trustees”), review and approve the investment advisory agreement at an in person meeting for an initial period of up to two years and thereafter on an annual basis. A summary of the material factors considered by the Independent Trustees and the Boards of Trustees (the “Board”) of HSBC Funds, HSBC Advisor Funds Trust and HSBC Portfolios (each, a “Trust”) in connection with approving investment advisory and sub-advisory agreements for the series of the Trusts (each, a “Fund”) during the semi-annual period ended April 30, 2014 and the conclusions the Independent Trustees and Board made as a result of those considerations are set forth below.

Annual Continuation of Advisory and Sub-Advisory Agreements

The Board met in person and the Contracts and Expense Committee thereof, which consists of the Independent Trustees of the Trusts (the “Contracts Committee”), met separately to consider, among other matters, the approval of the continuation of the: (i) Investment Advisory Contracts and related Supplements (“Advisory Contracts”) between the Trusts and the Adviser and (ii) Sub-Advisory Agreements (“Sub-Advisory Contracts”) between the Adviser and each investment sub-adviser (“Sub-Adviser”) on behalf of one or more Funds.

Prior to the meetings, the Independent Trustees requested, received and reviewed information to help them evaluate the terms of the Advisory Contracts and Sub-Advisory Contracts (collectively, the “Agreements”). This information included, among other things, information about: (i) the services that the Adviser and Sub-Advisers provide; (ii) the personnel who provide such services; (iii) investment performance, including comparative data provided by Lipper Inc. (“Lipper”); (iv) trading practices of the Adviser and Sub-Advisers; (v) fees received or to be received by the Adviser and Sub-Advisers, including in comparison with the advisory fees paid by other similar funds based on materials provided by Lipper; (vi) total expense ratios, including in comparison with the total expense ratios of other similar funds provided by Lipper; (vii) the profitability of the Adviser and certain of the Sub-Advisers; and (viii) compliance-related matters pertaining to the Adviser and Sub-Advisers. Counsel to the Trusts and counsel to the Independent Trustees were present at each Contracts Committee meeting and the Board meeting. The Independent Trustees also met in executive session with their counsel.

During the December 4, 2013 and December 16-17, 2013 Contracts Committee meetings, the Contracts Committee discussed, among other things: (i) the information provided in advance of the meeting; (ii) the Funds’ investment advisory arrangements and expense limitation agreements with the Adviser; (iii) the Trusts’ arrangements with the unaffiliated investment sub-advisers to the Trusts, Westfield Capital Management Company, LP (“Westfield”) and Winslow Capital Management, LLC; (iv) the Trusts’ arrangements with the affiliated investment sub-advisers to the Trusts, HSBC Global Asset Management (UK) Limited and HSBC Global Asset Management (Hong Kong) Limited (“AMHK”); (v) the fees paid to the Adviser pursuant to the Trusts’ agreements with the Adviser for the provision of various non-advisory services, including the Administration Agreement, Support Services Agreement and Operational Support Services Agreement; (vi) regulatory considerations; (vii) the Adviser’s Multimanager function; (viii) the Adviser’s advisory services with respect to the Funds that are money market funds (“Money Market Funds”); (ix) the Adviser’s profitability; and (x) additional information provided by the Adviser at the request of the Board. Following the December 4, 2013 and December 16-17, 2013 Contracts Committee meetings, the members of the Contracts Committee determined to recommend to the Board that the Agreements be continued for an additional one-year period.

At the in-person meeting held on December 17, 2013, the Board, including the Independent Trustees, reviewed and discussed the materials and other information provided by the Adviser and Sub-Advisers and considered the previous deliberations and recommendation of the Contracts Committee. In addition, the Board also took into account its experience with the Adviser and the Sub-Advisers and information provided to the Board in its meetings throughout the year with respect to the services provided by the Adviser and the Sub-Advisers, including quarterly performance reports prepared by management containing reviews of investment results and periodic presentations from the Adviser and certain of the Sub-Advisers with respect to the Funds that they manage. As a result of this process, the Board and Independent Trustees determined to approve the continuation of the Agreements with respect to each Fund.

Nature, Extent, and Quality of Services Provided by Adviser and Sub-Advisers. The Independent Trustees examined the nature, quality and extent of the investment advisory services provided by the Adviser to the Funds, as well as the quality and experience of the Adviser's personnel.

The Independent Trustees also took note of: (i) the long-term relationship between the Adviser and the Funds; (ii) the Adviser's reputation and financial condition; (iii) the stabilization during the period in the decline of the HSBC Family of Fund's net assets, the role of the growth of certain HSBC Funds in this stabilization, and the Independent Trustees' perspective on the role of the stabilization in the improving economics of the Adviser's business; (iv) certain structural changes made by the Adviser that have improved the overall efficiency of the fund complex; (v) the possibility of regulatory reform regarding derivative securities and the money market funds, and any potential investments that would be required by the Adviser to implement such regulatory reforms; and (vi) the business strategy of the Adviser and its parent company, including potential new distribution initiatives and fund offerings, and their commitment to the Funds' business. With respect to the Money Market Funds, the Independent Trustees also considered the continued fee waivers and reimbursements made by the Adviser and its affiliates to maintain a competitive yield for the Money Market Funds, and noted the impact of these subsidies and waivers on the profitability of the Adviser. In addition, the Independent Trustees considered the Adviser's performance in fulfilling its responsibilities for overseeing its own and the Sub-Advisers' compliance with the Funds' compliance policies and procedures and investment objectives.

The Independent Trustees also examined the nature, quality and extent of the services that the Sub-Advisers provide to their respective Funds. In this regard, the Independent Trustees considered the investment performance, as described below, and the portfolio risk characteristics achieved by the Sub-Advisers and the Sub-Advisers' portfolio management teams, their experience, and the quality of their compliance programs, among other factors. The Independent Trustees noted favorably enhanced compliance programs and oversight at Westfield and AMHK in their roles as Sub-Advisers to the HSBC Opportunity Portfolio and HSBC RMB Fixed Income Fund, respectively.

Based on these considerations, the Independent Trustees concluded that the nature, quality and extent of the services provided by the Adviser and Sub-Advisers supported continuance of the Agreements.

Investment Performance of the Funds, Adviser and Sub-Advisers. The Independent Trustees considered the investment performance of each Fund over various periods of time, as compared to one another as well as to comparable funds and one or more benchmark indices. In the context of the Aggressive Strategy Fund, Balanced Strategy Fund, Moderate Strategy Fund, Conservative Strategy Fund and Income Strategy Fund (the "World Selection Funds"), they noted the difficulties in identifying an appropriate peer group for the World Selection Funds. The Independent Trustees also considered the volatility, performance and expense levels of the World Selection Funds as compared to other funds of funds, and noted that the Adviser was considering changes to the investment strategies of the World Selection Funds.

In the context of the HSBC Growth Portfolio, the Independent Trustees noted that the Portfolio's performance had improved relative to its peers over the prior year, although it was not in the top quintile as compared to its competitor funds. The Independent Trustees also discussed the fact that the HSBC Growth Portfolio was slightly more volatile than its competitor funds, but was receiving only marginal returns for that volatility. In the context of the HSBC Opportunity Portfolio, the Independent Trustees considered the volatility of the Portfolio and that the Portfolio had higher fees than certain of its peers, based on the Lipper materials, and that although it performed better than many of its peers in previous years, relative performance was somewhat lower in the past year.

In the context of the HSBC Emerging Markets Debt Fund and HSBC Emerging Markets Local Debt Fund, the Independent Trustees noted that although each Fund's contractual advisory fee was relatively low compared to its Lipper peers, each Fund had relatively lower performance compared to its peers. With respect to the HSBC RMB Fixed Income Fund, the Independent Trustees, while noting issues with creating an appropriate peer group for comparison of the Fund, discussed how the contractual fees of the Fund, the contractual sub-advisory fees paid by the Adviser to AMHK, and the Fund's performance compared favorably to its Lipper peers, and noted the Fund's relatively low volatility and positive absolute performance. In the context of the HSBC Frontier Markets Fund, the Independent Trustees again considered difficulties in creating an appropriate peer group for the Fund. Taking into account these difficulties, the Independent Trustees noted that although the HSBC Frontier Markets Fund had relatively high fees, including sub-advisory fees, and relatively high brokerage commissions as compared to some of the peers included in its Lipper peer group, the Fund had strong relative performance and positive absolute performance.

Regarding the HSBC Total Return Fund, the Independent Trustees noted that while the Fund's contractual management fees and total expenses were higher than some of its Lipper peers, its performance was strong. In the context of the Money Market Funds, the Independent Trustees considered the yield support that the Adviser had provided in order for the Money Market Funds to maintain positive yield and performance, and that although the returns of the Funds were similar to their competitors, industry-wide fee waivers may somewhat distort comparative performance information.

The Independent Trustees considered the Adviser's commitment to continue to evaluate and undertake actions to help generate competitive investment performance. The Independent Trustees concluded that under the circumstances, the investment performance of each Fund was such that each Agreement should continue.

Costs of Services and Profits Realized by the Adviser and Sub-Advisers. The Independent Trustees considered the costs of the services provided by the Adviser and Sub-Advisers and the expense ratios of the Funds more generally. The Independent Trustees considered the Adviser's profitability and costs, including, but not limited to, an analysis provided by the Adviser of its estimated profitability attributable to its relationship with the Funds. The Independent Trustees also considered the contractual advisory fees under the Advisory Contracts and compared those fees to the fees of similar funds, which had been compiled and provided by Lipper. The Independent Trustees determined that, although certain competitors had lower fees than the Funds, in general, the Fund's advisory fees were not unreasonable when compared to other comparable competitive funds, noting the resources, expertise and experience provided to the Funds by the Adviser and Sub-Advisers.

The Independent Trustees also compared the advisory fees under the Advisory Contracts with those of other accounts managed by the Adviser, and evaluated information provided as to why advisory fees may differ between mutual funds and other advisory relationships, including increased shareholder activity.

The Independent Trustees further considered the costs of the services provided by the Sub-Advisers, as applicable; the relative portions of the total advisory fees paid to the Sub-Advisers and retained by the Adviser in its capacity as the Funds' investment adviser; and the services provided by the Adviser and Sub-Advisers. In the context of the HSBC Growth Portfolio and HSBC Opportunity Portfolio, the Independent Trustees considered the sub-advisory fee structures, and any applicable breakpoints. In addition, the Independent Trustees discussed the distinction between the services provided by the Adviser to HSBC Funds with sub-advisers pursuant to the Advisory Contracts and the services provided by the sub-advisers pursuant to the Sub-Advisory Contracts. The Independent Trustees also considered information on profitability where provided by the Sub-Advisers.

The Independent Trustees concluded that the advisory fees payable to the Adviser and the Funds' Sub-Advisers were reasonable in light of the factors set forth above.

Other Relevant Considerations. The Independent Trustees also considered the extent to which the Adviser and Sub-Advisers had achieved economies of scale, whether the Funds' expense structure permits economies of scale to be shared with the Funds' shareholders and, if so, the extent to which the Funds' shareholders may benefit from these economies of scale. The Independent Trustees noted that, as the non-Money Market Funds grow in assets, they will look for the Funds to achieve greater economies of scale. Also, the Independent Trustees discussed the economies of scale that may be derived with respect to the HSBC Growth Portfolio due to the breakpoint structure in the Sub-Advisory Contract, and any economies of scale that may be derived because of potential increases in assets in certain strategies. The Independent Trustees also noted the contractual caps on certain Fund expenses provided by the Adviser with respect to many of the Funds in order to reduce or control the overall operating expenses of those Funds. In addition, the Independent Trustees considered certain information provided by the Adviser and Sub-Advisers with respect to the benefits they may derive from their relationships with the Funds, including the fact that certain Sub-Advisers have "soft dollar" arrangements with respect to Fund brokerage and therefore may have access to research and other permissible services.

In approving the renewal of the Agreements, the Board, including the Independent Trustees, did not identify any single factor as controlling, and generally attributed different weights to various factors for the various Funds. The Independent Trustees evaluated all information available to them on a Fund-by-Fund basis, and their decisions were made separately with respect to each Fund. In light of the above considerations and such other factors and information it considered relevant, the Board by a unanimous vote of those present in person at the meeting (including a separate unanimous vote of the Independent Trustees present in person at the meeting) approved the continuation of each Agreement.

HSBC FAMILY OF FUNDS

Table of Shareholder Expenses—as of April 30, 2014 (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 November 1, 2013 through April 30, 2014.

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 11/1/13	Ending Account Value 4/30/14	Expenses Paid During Period* 11/1/13 - 4/30/14	Annualized Expense Ratio During Period 11/1/13 - 4/30/14
Prime Money Market Fund	Class A Shares	1,000.00	1,000.10	0.99	0.20%
	Class B Shares	1,000.00	1,000.10	0.99	0.20%
	Class C Shares	1,000.00	1,000.00	0.99	0.20%
	Class D Shares	1,000.00	1,000.10	0.99	0.20%
	Class I Shares	1,000.00	1,000.20	0.84	0.17%
	Class Y Shares	1,000.00	1,000.10	0.99	0.20%
U.S. Government Money Market Fund	Class A Shares	1,000.00	1,000.10	0.40	0.08%
	Class B Shares	1,000.00	1,000.00	0.40	0.08%
	Class D Shares	1,000.00	1,000.10	0.40	0.08%
	Class I Shares	1,000.00	1,000.10	0.40	0.08%
	Class Y Shares	1,000.00	1,000.10	0.40	0.08%
U.S. Treasury Money Market Fund	Class A Shares	1,000.00	1,000.00	0.40	0.08%
	Class D Shares	1,000.00	1,000.00	0.40	0.08%
	Class I Shares	1,000.00	1,000.00	0.40	0.08%
	Class Y Shares	1,000.00	1,000.00	0.40	0.08%

* Expenses are equal to the average account value over the period, multiplied by the Fund’s annualized expense ratio, multiplied by 181/365 (to reflect the one half year period).

Table of Shareholder Expenses—as of April 30, 2014 (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 11/1/13	Ending Account Value 4/30/14	Expenses Paid During Period* 11/1/13 - 4/30/14	Annualized Expense Ratio During Period 11/1/13 - 4/30/14
Prime Money Market Fund	Class A Shares	1,000.00	1,023.80	1.00	0.20%
	Class B Shares	1,000.00	1,023.80	1.00	0.20%
	Class C Shares	1,000.00	1,023.80	1.00	0.20%
	Class D Shares	1,000.00	1,023.80	1.00	0.20%
	Class I Shares	1,000.00	1,023.95	0.85	0.17%
	Class Y Shares	1,000.00	1,023.80	1.00	0.20%
U.S. Government Money Market Fund	Class A Shares	1,000.00	1,024.40	0.40	0.08%
	Class B Shares	1,000.00	1,024.40	0.40	0.08%
	Class D Shares	1,000.00	1,024.40	0.40	0.08%
	Class I Shares	1,000.00	1,024.40	0.40	0.08%
	Class Y Shares	1,000.00	1,024.40	0.40	0.08%
U.S. Treasury Money Market Fund	Class A Shares	1,000.00	1,024.40	0.40	0.08%
	Class D Shares	1,000.00	1,024.40	0.40	0.08%
	Class I Shares	1,000.00	1,024.40	0.40	0.08%
	Class Y Shares	1,000.00	1,024.40	0.40	0.08%

* Expenses are equal to the average account value over the period, multiplied by the Fund's annualized expense ratio, multiplied by 181/365 (to reflect the one half year period).

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.

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

HSBC Global Asset Management (USA) Inc.
452 Fifth Avenue
New York, NY 10018

SHAREHOLDER SERVICING AGENTS

For HSBC Bank USA, N.A. and
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