

# HSBC Corporate Money Funds Limited

Annual Report April 2015

# HSBC Corporate Money Funds Limited

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2015

### Canadian Dollar Fund

#### Market review

In Canada, prospects of rate cuts dimmed on higher inflation readings. May inflation figures showed annual inflation rising at an unexpectedly high 2.3%, and exceeded the Bank of Canada (the BoC) target for the first time in two years. Canada's strong inflation report and higher oil prices helped boost the Canadian Dollar. Helping too was the pace of growth in Canadian manufacturing, which picked up in June to its highest level of the year so far, according to the BoC Canadian Manufacturing PMI. Less positively, the central bank said that the pick-up in sales activity anticipated in recent surveys has been slow to materialize.

Falling commodity prices also impacted Canada's currency as 2014 progressed. The country's trade balance turned negative in August, as exports fell 2.5%, with the lower oil price playing a major part. Canada's annual inflation rate held steady at 2.1% in August. However, core inflation, which excludes more volatile energy and food categories, unexpectedly jumped to 2.1% from a rise of 1.7% in July. After years of low interest rates, however, the BoC seemed in no hurry to change its 'neutral' stance.

Canada's currency continued to fall against the resurgent US Dollar in the final months of 2014, to end the year down 8% overall. However, strong third-quarter GDP numbers revealed that the economy grew at an annualized rate of 2.8%. Business conditions for manufacturers continued to improve in December, but at a slower pace. The BoC PMI slipped to 53.9 in December from 55.3 in November and October, when the index matched the 12-month highs set in October and November 2013. Consumer price inflation remained relatively weak by historical standards: the annual inflation rate eased to 2% in November from 2.4% in October. According to the BoC, 2014 marked a turning point for Canada's economy in that both non-energy commodities and non-commodity exports started making larger contributions.

Canada's currency also weakened against the robust US Dollar in the early stages of 2015. The Bank of Canada cut its overnight interest rate to 0.75% in January, to bolster its economy after a plunging oil price damaged growth (oil is Canada's largest export). A survey by the BoC suggested the adverse effects of the falling oil price had moved beyond just the energy sector to undermine sales forecasts and hiring intentions. Its quarterly business outlook survey sampled representative sectors across the Canadian economy. Meanwhile, although consumer price inflation stayed closed to its 2% target, policymakers feared the effects of lower oil prices. In terms of GDP growth, Canada's economy expanded by 2.4% in the fourth quarter of 2014, compared with the same period in 2013. The reading was broadly in line with expectations.

#### Portfolio review

During the period under review, the sub-fund maintained an asset mix that has consisted predominantly of fixed-rate banker acceptances and fixed and floating rate bonds with maximum maturity tenors of one year. The primary maturity range during the reporting period was limited to the 1-3 month range, with some opportunistic extensions in 3-12 month securities within a select group of issuers in order to provide strong liquidity.

The sub-fund invests in high-quality global banking, financial, corporate, provincial and Canadian government debt issuers. Canadian government, agency and provincial obligations, including Canadian Treasuries, represented just below 30% of the sub-fund's assets at the end of the reporting period. Canadian issuers continue to show strong credit fundamentals and market liquidity.

The sub-fund's Weighted Average Maturity (WAM) remained in the 40s through the majority of the reporting period as market sentiment appeared to rule out the possibility of any short term changes in rates. However the BoC announced a surprising 25 basis point cut to its base rate in early 2015 which prompted the fund manager to extend the WAM slightly to beyond 50 days in the weeks following the rate cut. Late in the reporting period, the BoC intimated that this was most likely a "one and done" type of action, and that a rebound in energy prices should allow the BoC to maintain an overnight lending rate of 0.75%. The Manager continues to monitor the market's overall health and to manage the sub-fund accordingly whilst maintaining the focus on safety and liquidity.

### HSBC Global Asset Management (Bermuda) Limited

May 2015

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

# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2015

### Euro Fund

#### Market review

The reporting period began with bond investors encouraged by the European Central Bank (ECB), which introduced highly unusual stimulatory measures, including introducing negative deposit rates and cheap loans for banks. The ECB also cut its benchmark interest rate to 0.15% from 0.25%. Peripheral bond yields dropped to record lows. For instance, Spain's 10-year Government Bond ended the period 57 bps down and Italy's 44 bps lower. Germany's government debt benefited further from safe-haven buying on fears over political instability in Iraq. With declining yields in Eurozone government debt, investors sought higher returns in the corporate bond market, particularly in high yield. As a result, yield spreads over government bonds tightened further, despite warnings from central bankers of an overheating high-yield market.

The ECB's highly accommodative monetary policy helped to keep borrowing costs in Europe at historically low levels as the year progressed. The yield on the German 10-year government bond dropped below 1% for the first time in August, while the two-year yield fell below zero. However, this was due mainly to a surge in demand for the safest of all Eurozone bonds as tensions over Ukraine and the Middle East intensified. As Europe's economic outlook and central bank's policies diverged from those of the US, which is moving closer to a tightening bias, so too did their respective benchmark yields. For example, the spread between US and German 10-year Government Bond yields hit a record 157 bps in September.

The end of the year saw Eurozone government borrowing costs continue to drop, underpinned by central bank reassurance and low inflation. Demand for the sovereign debt of Germany, France, Spain and Italy was boosted by investors looking for relatively safe-haven bonds amid the political uncertainty in Greece. The region's bonds were further supported by expectations that the ECB would apply further measures to stimulate the region's economy, namely buying Government Bonds. The ECB was already providing banks with access to cheap four-year loans through its targeted longer-term refinancing operation, and purchasing covered bonds and asset-backed securities.

Eurozone Government Bond yields were broadly lower in the first three months of 2015, anchored by the ECB's asset-purchase programme. An exception was Greece, with the yield on its 10-year paper spiking from 9.6% at the end of December to 11.6% by the end of March. Market participants showed wariness of the Greek debt, as the country's ability and willingness to pay became increasingly doubtful. Longer-dated sovereign issues were in high demand over, as the ECB's asset-purchase programme pared back shorter-dated yields. April saw the Greek government's debt negotiations and bond yields in Athens rise as a consequence. The yield on 10-year German bunds moved close to a record low as the ECB's quantitative easing programme started in earnest.

#### Portfolio review

During the period under review, the investment profile of the sub-fund has remained conservative. The Manager's priority continues to be the preservation of capital and to maintain a high degree of liquidity at all times.

The sub-fund has maintained its policy of restricting investments on European financials to a six month maximum limit on a very short list of only the best quality names. Over the reporting period, there have only been minor changes to its investment policy. The portfolio still has no exposure to peripheral countries, such as Italy or Spain.

In term of asset mix, the management of the sub-fund has decided to switch around 15% of the sub-fund from Treasury Bills to agencies and supranationals as the pick-up was particularly attractive, while these kind of assets have remained extremely liquid. Most of these investments have been made between 6 and 12 months. The idea was to continue to hold around 30 to 40% of the sub-fund between natural overnight liquidity and ultra-liquid assets (agencies, Treasury Bills, supranationals).

For the remaining portion of the sub-fund, investments have been made on Certificates of Deposit and Commercial Paper mainly in the three-month area, even if management of the sub-fund has noticed that less and less issuers are looking for short term funding. Also, the sub-fund maintained a high degree of A-1+ paper and diversified names in Certificate of Deposits, Commercial Papers and sovereign issuers. The large portion of sovereign, agencies and supranational issuers helps us to face potential redemptions in the sub-fund as these products are extremely liquid and offer same day liquidity.

In early June 2014, the ECB announced a package of measures with the aim of stopping disinflation in the Eurozone from becoming outright deflation. In this context, the ECB started to operate towards a negative rate environment by cutting the deposit rate at -0.10% (with another cut at -0.20% in September 2014). In this context, the Euro Over Night Index Average ("EONIA") decreased over the reported period from above 0.20% at the beginning of the period to below 0% at the end of the period.

The sub-fund's Weighted Average Life (WAL) increased from 64 days at the end of April 2014 to 78 days on 30 April 2015, averaging 69 days over the reporting period. Over the same period, the WAM (Weighted Average Maturity) also increased in the mid-50s on average.

HSBC Global Asset Management (Bermuda) Limited  
May 2015

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2015

### Sterling Fund

#### Market review

Gilts performed well in the opening month of the reporting period, before coming under pressure in June after Bank of England Governor Mark Carney indicated that a UK rate rise could happen "sooner than market participants expect". Later in the month, however, gilts rose as he tried to dampen speculation of an early rate rise, citing weak wage growth. Demand for gilts was also boosted by signs of slowing growth in the US and fears over political instability in Iraq. Helping support the market, inflation fell to its lowest level in over four years, thanks to lower commodity prices and a stronger currency.

As we moved into the summer, UK Government Bond prices rose and yields fell on mainly positive economic news and as investors sought quality assets as concerns over the Ukraine and Middle East intensified. In September, this reversed and yields climbed sharply in the run-up to the Scottish referendum, when a poll suggested the pro-independence vote could win. Markets took fright at the uncertainty and likely consequences for the UK's economic recovery. However, gilt yields retreated and the British Pound soared straight after the 'No' vote, as the majority of Scottish voters chose to stay within the UK. Less positive for gilts, Mark Carney indicated the bank was closer to raising UK interest rates. However, inflation fell again in August, reducing the impetus for an early rate rise.

2014's downward trend in Government Bond yields accelerated in the final three months of the year, with the 10-year issue shedding 66 basis points by the year-end on declining inflation, and as renewed geopolitical fears boosted demand for the safest fixed income assets. Consumer price inflation fell to an annual rate of 1% in November from 1.3% a month earlier, according to the Office for National Statistics. UK inflation slowed the most in over 10 years as sharply lower oil prices drove down transport costs, and supermarket wars led to lower food prices. As a result an early interest rate rise became increasingly less likely, providing further support to gilts.

The early months of 2015 were a volatile quarter for UK gilts. January saw 10-year yields dip to near all-time lows before recovering in February on upbeat economic news. By March, however, they slipped back on positive job market data. As the reporting period ended, gilts rose again, bolstered by the possibility of an earlier-than-expected rate rise as well as uncertainty surrounding the outcome of the general election.

#### Portfolio review

During the period under review, the sub-fund maintained an asset mix that mainly consisted of fixed rate Certificates of Deposit and Commercial Paper. These asset classes typically accounted for 70% of holdings. The maturity tenor on these holdings is out to a maximum of 6 months, the majority of investments being out to 3 months. The longer dated maturities are mainly on German, Dutch or French agency names, with the remainder being invested in Canadian and Australian financials. The sub-fund has maintained its policy of restricting investments on European financials to a six month maximum limit on a very short list of only the best quality names. Over the reporting period, there have only been minor changes to the sub-fund's investment policy.

The Manager's priority continues to be the preservation of capital and to maintain a high degree of liquidity at all times. The sub-fund has been generally held between 25% and 30% in natural overnight liquidity with extensive use of reverse repos to invest excess daily cash holdings. In addition to this, the sub-fund continues to invest opportunistically in UK Treasury Bills as this asset class can offer, in relative value terms, an attractive yield and has remained extremely liquid.

During the reporting period, markets continued to be challenging in terms of the shift we are seeing in issuers funding profiles. We are seeing more and more issuers looking to attract funding only in longer dated maturities and this, combined with an ever narrower universe of investable names (due to actions undertaken by rating agencies), has made investing more difficult. Due to the dearth of suitable names issuing in short dates, the sub-fund continues to use Asset Backed Commercial Paper (ABCP) as a means to manage short dated holdings (mainly one month and under) as these products offer an attractive yield pick-up compared to banks in this space. However, this asset class is monitored closely and management of the sub-fund has a "soft cap" in place where investments are limited to 10% of the sub-fund.

Over the review period, the sub-fund has started to reinvest in primary Sterling FRN issuance. This has been on a small scale as this asset class only accounted for 0.6% of assets at the end of the period. These investments have been on highly rated entities and the intention is to keep investments on a limited scale as liquidity in Sterling markets is considered to be very constrained. This asset class will be held on a buy and hold basis.

The Weighted Average Maturity (WAM) was maintained at a relatively stable level throughout the past year at an average of 53 days. However, during the second semester, the management of the sub-fund did decrease WAM slightly due mainly to the supply issues and rating actions undertaken by the main credit rating agencies. Gross yield on the sub-fund has averaged 0.54% and reflects the stability seen in short term Sterling money markets over the past year.

#### HSBC Global Asset Management (Bermuda) Limited

May 2015

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2015

### US Dollar Fund

#### Market overview

Investor appetite for US Government Bonds continued throughout April and May as yields fell to record-low levels and prices rose. Global investors piled into the world's biggest sovereign-debt market amid an uneven pace of global economic growth, geopolitical tensions in Ukraine and Iraq, and ultralow official interest rates from major central banks. The five-month rally began to fade in June, however, as investors failed to see more upside in the asset class, and 10-year US Treasuries ended the quarter slightly below where they started.

As the year progressed, strong economic data prompted speculation the Federal Reserve System (the Fed) could raise rates before the middle of 2015, helping to push the yield on the policy-sensitive two-year US Treasury close to a three-year high. However, the 10-year Treasury yield, although up significantly in September as US second-quarter GDP growth was revised upwards, was little changed over the quarter as a whole. Meanwhile, the spread between US and German 10-year Government Bond yields hit a record 157 bps in September as the country's economic outlooks and central bank policies diverged.

US Treasuries closed the year with their best performance since 2011, buoyed by concerns over overseas growth, low inflation and competitive yields compared with other sovereign borrowers. This was despite the Fed ending its monthly bond purchases. Demand was also boosted by geopolitical crises, including the standoff with Russia over its annexation of Crimea and, in December, increasing political uncertainty over Greece. Record flows into longer-dated US government, agency and corporate debt were also reported, with investors attracted by the strengthening dollar and growth outlook.

US Treasury yields declined further in the first three months of 2015, with the benchmark 10-year note falling from 2.17% to 1.92%. Although some data releases pointed to pockets of strength in the economy, disappointing employment figures tempered investors' enthusiasm and disappointed expectations of an imminent interest-rate rise. Falling inflation on the back of low oil prices also indicated that interest rates are unlikely to be raised in the short term. Moreover, the European Central Bank's asset-purchase programme weighed on bond yields in both Europe and the US. April saw yields recover amid indecision over the timing of its next interest rate rise.

#### Portfolio review

During the period under review, the sub-fund integrated an increasing amount of floating rate securities to its asset mix, which had predominantly consisted of fixed rate Commercial Paper and Certificates of Deposit with maximum maturity tenors of one year. The primary target maturity range for investments during the reporting period was in the 1-6 month range, with some opportunistic extension in 6-13 month floating rate securities within a select group of issuers which provide superior credit strength.

The sub-fund has continued to experience challenges related to a shift in issuer funding profiles. Some of the industry's largest financial institutions are facing regulatory pressures that have forced them to extend their liquidity funding beyond the investor community's short-term needs. As more banks adhere to Liquidity Coverage Ratios, which needed to be fully implemented by early 2015, issuance has decreased in the 1-90 day maturity range. This reduction in supply is in direct conflict with the regulatory requirements currently in place in the money fund industry which demand a large amount of 7 day liquidity, as well as high levels of one month and two month maturities due to the maximum 60 day weighted average maturity mandate. Therefore as diminishing market supply is strained to meet increasing buyer demand, short term rates have declined by several basis points. The sub-fund is satisfying its updated liquidity bucket requirement. With that objective met, the sub-fund has focused on maintaining adequate levels of liquidity, particularly seven days and shorter, in order to meet any additional liquidity needs related to maintaining a AAA rated fund, particularly in regards to the Moody's matrix. The Fed funds rate has been trading in an 11-13 basis point range since the middle of 2014. Management of the sub-fund continues to extend maturities on credits in perceived stronger markets, such as Canadian and Australian banks, as well as a select group of Northern European, Japanese, and U.S. banks. Much of these extensions were accomplished through floating rate issuance, adding to the sub-fund's Weighted Average Life (WAL), while maintaining a stable Weighted Average Maturity (WAM) in the 30-day range.

### HSBC Global Asset Management (Bermuda) Limited

May 2015

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## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of HSBC Corporate Money Funds Limited (comprised of the Canadian Dollar Fund, Euro Fund, Sterling Fund and the US Dollar Fund), which comprise the statements of assets and liabilities, including the statements of net assets as of April 30, 2015, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of HSBC Corporate Money Funds Limited as of April 30, 2015, and the results of its operations for the year then ended in accordance with U.S. generally accepted accounting principles.

*KPMG Audit Limited*

Chartered Professional Accountants  
Hamilton, Bermuda  
September 17, 2015

# HSBC Corporate Money Funds Limited

## Statements of Assets and Liabilities

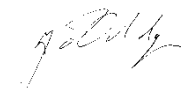
as at April 30, 2015

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Assets</b>				
Investments, at fair value (notes 12, 13 & 16)	57,789,291	77,992,152	69,274,443	4,875,303,307
Cash (note 3)	3,489	-	3	26,576,495
Interest and dividends receivable	38,867	92	31,067	884,533
Subscriptions receivable	15,250	-	-	-
Accounts receivable and prepaid expenses	1,134	87,406	608	304,776
	57,848,031	78,079,650	69,306,121	4,903,069,111
<b>Liabilities</b>				
Bank overdraft (note 3)	-	3,985,329	-	-
Redemptions payable	-	-	201,838	-
Management and administration fees payable (notes 4, 5 & 15)	164,067	114,496	87,146	552,836
Dividends payable (note 14)	18,778	132	1,566	20,138
Accounts payable and accrued expenses	51,154	174,624	138,355	808,738
	233,999	4,274,581	428,905	1,381,712
Net assets	57,614,032	73,805,069	68,877,216	4,901,687,399
<b>Net assets attributable to:</b>				
Class A shares	37,223,196	40,757,494	52,772,015	2,187,714,675
Class B shares	6,134,372	31,921,320	14,775,485	1,533,468,514
Class C shares				1,084,118,226
Class I shares				50,019,154
Class R shares	14,256,464	1,126,255	1,329,716	46,366,830
	57,614,032	73,805,069	68,877,216	4,901,687,399
<b>Share capital (note 11)</b>				
Shares authorized 19,999,880,000 of USD 0.10 each				
<b>Shares outstanding</b>				
Class A shares	37,223,196	40,757,494	52,772,015	2,187,714,675
Class B shares	6,134,372	31,921,320	14,775,485	1,533,468,514
Class C shares				1,084,118,226
Class I shares			-	50,019,154
Class R shares	817,707	70,005	64,416	2,646,885
<b>Net asset value per share</b>				
Class A shares	CAD 1.00	€ 1.00	£ 1.00	USD 1.00
Class B shares	CAD 1.00	€ 1.00	£ 1.00	USD 1.00
Class C shares				USD 1.00
Class I shares				USD 1.00
Class R shares	CAD 17.43	€ 16.09	£ 20.64	USD 17.52

The accompanying notes form an integral part of these Financial Statements



Director



Director



HSBC Corporate Money Funds Limited  
 Statements of Net Assets  
 as at April 30, 2015

**Canadian Dollar Fund**

	Holdings in Shares	Purchase Price CAD	Fair Value CAD	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc - HSBC Canadian Dollar Liquidity Fund - Class Z (note 13) Other	57,789,291	57,789,291	57,789,291	100.30
net liabilities			(175,259)	(0.30)
<b>Net assets</b>			<b>57,614,032</b>	<b>100.00</b>

**Euro Fund**

	Holdings in Shares	Purchase Price EUR	Fair Value EUR	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc - HSBC Euro Liquidity Fund - Class Z (note 13)	77,992,152	77,992,152	77,992,152	105.67
Other net liabilities			(4,187,083)	(5.67)
<b>Net assets</b>			<b>73,805,069</b>	<b>100.00</b>

The accompanying notes form an integral part of these Financial Statements

HSBC Corporate Money Funds Limited  
 Statements of Net Assets (Continued)  
 as at April 30, 2015

**Sterling Fund**

	Holdings in Shares	Purchase Price GBP	Fair Value GBP	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc -				
HSBC Sterling Liquidity Fund -				
Class Z (note 13)	69,274,443	69,274,443	69,274,443	100.58
Other net liabilities			(397,227)	(0.58)
Net assets			68,877,216	100.00

**US Dollar Fund**

	Holdings in Shares	Purchase Price USD	Fair Value USD	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc -				
HSBC US Dollar Liquidity Fund -				
Class Z (note 13)	4,875,303,307	4,875,303,307	4,875,303,307	99.46
Other net assets			26,384,092	0.54
Net assets			4,901,687,399	100.00

The accompanying notes form an integral part of these Financial Statements

HSBC Corporate Money Funds Limited  
 Statements of Operations  
 for the year ended April 30, 2015

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Income</b>				
Dividend income (note 13)	616,026	224,144	465,042	10,805,028
Interest income (note 3(b))	- -		-	21,488
	616,026	224,144	465,042	10,826,516
<b>Expenses</b>				
Management and administration fees (notes 4, 5 & 15)	235,222	218,523	270,328	9,450,311
Audit fees (note 7)	810	(4,362)	1,124	34,560
Directors' fees (note 9)	291	847	438	14,820
Other expenses	17,518	2,614	26,355	96,432
	253,841	217,622	298,245	9,596,123
Net investment income	362,185	6,522	166,797	1,230,393
Net increase in net assets resulting from operations	362,185	6,522	166,797	1,230,393

The accompanying notes form an integral part of these Financial Statements

# HSBC Corporate Money Funds Limited

## Statements of Changes in Net Assets

for the year ended April 30, 2015

### Canadian Dollar Fund

	Class A CAD	Class B CAD	Class R CAD	Total
Net assets at start of the year	39,790,448	4,558,506	18,049,418	62,398,372
<b>Net increase in net assets resulting from operations</b>				
Net investment income	276,963	30,481	54,741	362,185
	276,963	30,481	54,741	362,185
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	15,319,998	1,746,933	775,946	17,842,877
Payments on redemption of shares	(18,134,990)	(201,548)	(4,623,641)	(22,960,179)
	(2,814,992)	1,545,385	(3,847,695)	(5,117,302)
Dividends (note 14)	(276,963)	(30,481)	-	(307,444)
Proceeds from reinvestment of dividends	247,740	30,481	-	278,221
Net assets at end of the year	37,223,196	6,134,372	14,256,464	57,614,032

### Euro Fund

	Class A EUR	Class B EUR	Class R EUR	Total
Net assets at start of the year	211,259,874	28,701,342	1,919,113	241,880,329
<b>Net increase in net assets resulting from operations</b>				
Net investment income	5,985	529	8	6,522
	5,985	529	8	6,522
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	256,265,358	10,108,148	-	266,373,506
Payments on redemption of shares	(426,772,514)	(6,888,694)	(792,866)	(434,454,074)
	(170,507,156)	3,219,454	(792,866)	(168,080,568)
Dividends (note 14)	(5,985)	(529)	-	(6,514)
Proceeds from reinvestment of dividends	4,776	524	-	5,300
Net assets at end of the year	40,757,494	31,921,320	1,126,255	73,805,069

The accompanying notes form an integral part of these Financial Statements

HSBC Corporate Money Funds Limited  
Statements of Changes in Net Assets (Continued)  
for the year ended April 30, 2015

**Sterling Fund**

	Class A GBP	Class B GBP	Class R GBP	Total
Net assets at start of the year	77,203,324	25,173,051	1,993,285	104,369,660
<b>Net increase in net assets resulting from operations</b>				
Net investment income	133,174	33,455	168	166,797
	133,174	33,455	168	166,797
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	292,995,173	235,426,508	5,364	528,427,045
Payments on redemption of shares	(317,448,656)	(245,835,838)	(669,101)	(563,953,595)
	(24,453,483)	(10,409,330)	(663,737)	(35,526,550)
Dividends (note 14)	(133,174)	(33,455)	-	(166,629)
Proceeds from reinvestment of dividends	22,174	11,764	-	33,938
Net assets at end of the year	52,772,015	14,775,485	1,329,716	68,877,216

**US Dollar Fund**

	Class A USD	Class B USD	Class C USD	Class I USD	Class R USD	Total
Net assets at start of the year	4,252,961,732	1,285,223,315	683,109,830	50,012,982	52,596,003	6,323,903,862
<b>Net increase in net assets resulting from operations</b>						
Net investment income	280,395	139,205	799,495	6,255	5,043	1,230,393
	280,395	139,205	799,495	6,255	5,043	1,230,393
<b>Subscriptions and redemptions</b>						
Proceeds on issue of shares	27,537,078,974	12,351,206,883	4,271,950,001		7,074,793	44,167,310,651
Payments on redemption of shares	(29,602,341,228)	(12,102,967,623)	(3,871,208,582)	-	(13,309,009)	(45,589,826,442)
	(2,065,262,254)	248,239,260	400,741,419	-	(6,234,216)	(1,422,515,791)
Dividends (note 14)	(280,395)	(139,205)	(799,495)	(6,255)	-	(1,225,350)
Proceeds from reinvestment of dividends	15,197	5,939	266,977	6,172	-	294,285
Net assets at end of the year	2,187,714,675	1,533,468,514	1,084,118,226	50,019,154	46,366,830	4,901,687,399

The accompanying notes form an integral part of these Financial Statements

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements

### for the year ended April 30, 2015

#### 1. The Company

HSBC Corporate Money Funds Limited (the "Company") is an open-ended exempted mutual fund company and was incorporated with limited liability and unlimited duration in Bermuda on December 4, 1997 in accordance with the Companies Act, 1981 of Bermuda.

The Company is organized as an umbrella fund with more than one class of shares, one or more of which participate in a separate segregated pool of assets called a Fund. The Company operates Canadian Dollar, Euro, Sterling and US Dollar denominated Funds.

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

The principal objective of the Company is to achieve a high level of current income consistent with the preservation of capital and the maintenance of liquidity by investing in a diversified portfolio of money market instruments.

The Company is managed by HSBC Global Asset Management (Bermuda) Limited (the "Manager"), a wholly-owned subsidiary of HSBC Bank Bermuda Limited (the "Bank"), a member of the HSBC Group.

The assets of each Fund of the Company are held exclusively for the benefit of the holders of the shares of the relevant classes. However, all assets of the Company are subject to the general creditors of the Company, in that the assets of each Fund may be exposed to the liabilities of other Funds within the Company. At April 30, 2015, the Directors were not aware of any such specific existing or contingent liabilities. The Funds and share classes existing as at April 30, 2015 were as follows (see also Note 11):

	<b>Date of inception</b>
Canadian Dollar Fund - Class A	December 19, 2008
Canadian Dollar Fund - Class B	December 10, 2008
Canadian Dollar Fund - Class R	February 1, 2006
Euro Fund - Class A	July 2, 2001
Euro Fund - Class B	July 2, 2001
Euro Fund - Class R	February 1, 2006
Sterling Fund - Class A	July 2, 2001
Sterling Fund - Class B	July 2, 2001
Sterling Fund - Class R	February 1, 2006
US Dollar Fund - Class A	December 4, 1997
US Dollar Fund - Class B	February 1, 1999
US Dollar Fund - Class C	July 1, 2005
US Dollar Fund - Class I	May 22, 2011
US Dollar Fund - Class R	February 1, 2006
US Treasury Fund - Class A*	October 1, 2010
US Treasury Fund - Class B*	October 1, 2010
US Treasury Fund - Class C*	October 1, 2010
US Treasury Fund - Class I*	October 1, 2010

\*These share classes are dormant as at April 30, 2015.

#### 2. Significant Accounting Policies

The accompanying financial statements are prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). The Company is an investment company as outlined in the Financial Accounting Standards Board ("FASB") Accounting Standards Update No. 2013-08, *Financial Services – Investment Companies (Topic 946) – Amendments to the Scope, Measurement and Disclosure Requirements* ("ASU 2013-08"). The significant accounting and reporting policies adopted by the Company are as follows:

##### (a) Investment transactions and income

Investment transactions are recorded on the trade date. Realized gains and losses on investment transactions are calculated on an average cost basis. Realized and unrealized gains and losses arising from investment transactions are included in the statements of operations.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2015

### 2 Significant Accounting Policies (continued)

#### (b) Valuation of investments

Investments are valued at fair value. Investments in money market funds are valued based on reported net asset value per share as provided by the administrators of the money market funds.

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

Level 1 – observable prices and quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

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

The Company classifies all investments in money market funds as Level 1 within the fair value hierarchy (see also note 16).

#### (c) Allocation of profits and losses

All investment income, realized and unrealized gains and losses of each Fund are allocated to each class of shares outstanding on a daily basis in proportion to their interest in the net asset value of the Fund.

#### (d) Interest income

Interest income is recorded on the accrual basis.

#### (e) Expenses

The Company bears all operating expenses which are allocated between all the Funds in proportion to the respective net asset value of each Fund unless the expense is solely attributable to a specific Fund.

#### (f) Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### (g) Foreign currency translation

Assets and liabilities denominated in currencies other than the base currency of each Fund are translated into the base currency at the rate prevailing at the reporting date. Transactions during the year in currencies other than the base currency have been translated at the rate of exchange prevailing on the respective date of the transaction.

#### (h) Dividend income

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

#### (i) Financial instruments

The fair values of the Company's assets and liabilities which qualify as financial instruments under U.S. GAAP approximate the carrying amounts presented in the statements of net assets either due to their short-term nature or are recorded at fair value (see also note 2(b)).

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2015

### 2 Significant Accounting Policies (continued)

(j) Mandatory redeemable financial instruments

In accordance with FASB ASC Topic 480, *Distinguishing Liabilities from Equity*, financial instruments mandatorily redeemable at the option of the holder, are classified as liabilities when a redemption request has been received and the redemption amount has been determined.

(k) New accounting pronouncements

In August 2014 the FASB issued Accounting Standards Update 2014-15, *Presentation of Financial Statements – Going Concern* (“ASU 2014-15”) relating to the presentation of financial statements on a going concern basis under U.S GAAP. It sets forth that if conditions or events raise substantial doubt about an entity’s ability to continue as a going concern, but the substantial doubt is alleviated as a result of consideration of management’s plans, the entity should include a statement in the notes to the financial statements indicating that there is substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued (or available to be issued). Additionally, the entity should disclose information that enables users of the financial statements to understand all of the following: (i) principal conditions or events that raised substantial doubt about the entity’s ability to continue as a going concern (before consideration of management’s plans); (ii) management’s evaluation of the significance of those conditions or events in relation to the entity’s ability to meet its obligations; and (iii) management’s plans that alleviated substantial doubt about the entity’s ability to continue as a going concern. The requirements of the standard are effective for interim and annual reporting periods in fiscal periods that begin after December 15, 2016 with early application permitted. The impact on the Company’s financial statements’ disclosures is not expected to be material.

In May 2015, the FASB issued Accounting Standards Update No. 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its equivalent)* (“ASU 2015-07”). It removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value (“NAV”) per share practical expedient. The requirements of the standard are effective for interim and annual reporting periods in fiscal periods that begin after December 15, 2015 with early application permitted. The impact on the Company’s financial statements’ disclosures is not expected to be material.

### 3. Bank Overdraft and Sweep Facility

(a) Bank overdraft

Under an agreement dated October 16, 2006 and subsequently renewed on June 3, 2011, the Bank made a US Dollar uncommitted multicurrency overdraft facility available to the Company. The maximum amount that may be advanced is the lesser of USD 250,000,000 or 5% of the Net Value of Assets in Custody (“NVAC”) of the Company. Under the terms of the agreement all assets of the Company are pledged as security against advances made by the Bank. The amount outstanding is due upon demand and interest is payable monthly at an amount equal to 0.75% above the Bank’s base rate. This facility covers overdrafts arising from the sweep facility. Interest is charged as described below. At April 30, 2015 and for the year then ended, EUR 3,985,329 is outstanding under this facility.

(b) Sweep facility

Certain corporate customers of the Bank are provided with a sweep facility to enable an automatic transfer of funds at the end of each business day to or from their current accounts to or from the Company. The sweep transactions result in overnight balances that are reflected as cash or overdraft balances being transferred to the Company. These balances are settled through the trading of shares in the Company on the next business day. Interest is earned from or paid to shareholders on these balances at a rate equal to the previous day’s daily yield of the relevant Fund, so as not to affect the position of the shareholders of the Company who do not utilize the sweep facility. Interest income for the year resulting from sweep transactions for the US Dollar Fund totaled USD 32,114 and interest expense totaled USD 5,168. These amounts have been netted and are included in interest income.

### 4. Manager

Under the amended management agreement dated February 1, 2006, the Manager is entitled to receive a monthly management fee calculated at a rate of 0.30% for Class A Shares, 0.35% for Class B Shares, 0.20% for Class I Shares and 0.65% for Class R Shares per annum of the average daily values of the net assets of each class of shares. Effective October 25, 2010, a monthly management fee for Class C Shares is calculated at a rate of 0.12% per annum. With respect to Class A, Class B and Class R Shares, from May 1, 2010 and by amended agreements dated August 15, 2012 and March 5, 2013, on a temporary basis, the Manager may voluntarily reduce a proportion of the management fee for certain classes of the US Dollar Fund, Sterling Fund, Euro Fund and Canadian Dollar Fund. The Manager is entitled in its absolute discretion to increase (or decrease) these percentages from time to time up to the maximum management fee permitted under the terms of the agreement of 1% per annum of the average daily values of the net assets of each class of shares.



# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2015

#### 4. Manager (continued)

As of April 30, 2015, the management fees for Class A, Class B, Class C, Class I and Class R Shares of the US Dollar Fund, Sterling Fund, Euro Fund and Canadian Dollar Fund were as follows:

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Management Fee</b>				
Class A	0.30%	0.30%	0.30%	0.30%
Class B	0.35%	0.35%	0.35%	0.35%
Class C				0.12%
Class I				0.20%
Class R	0.65%	0.65%	0.65%	0.65%

The fees payable to the Custodian and Administrator by the Company will proportionately reduce amounts payable by the Company to the Manager (see also note 15).

#### 5. Administrator

Under the amended administration agreement dated February 1, 2006 between the Company and HSBC Securities Services (Bermuda) Limited (the "Administrator"), a wholly-owned subsidiary of the Bank, the Administrator agreed to act as secretary, registrar, and accountant to the Company and to provide administrative services to the Company.

The Administrator is entitled to receive fees from the Company for services provided at such rates as may be agreed from time to time between the Company and the Administrator out of the fees payable to the Manager.

The Administrator is also entitled to receive from the Company an amount equal to the out-of-pocket expenses incurred in carrying out its duties.

#### 6. Custodian

Under the amended custodian agreement dated February 1, 2006, HSBC Institutional Trust Services (Bermuda) Limited (the "Custodian"), a wholly-owned subsidiary of the Bank, was appointed as Custodian for the Company.

The Custodian is entitled to receive fees from the Company for services provided at such rates as may be agreed from time to time between the Company and the Custodian out of the fees payable to the Manager.

The Custodian is also entitled to receive from the Company an amount equal to the out-of-pocket expenses incurred in carrying out its duties.

#### 7. Audit

The audit fees were adjusted during the year, due to an over accrual in the previous year.

#### 8. Taxation

At the present time no income, corporation profit, withholding or capital gains taxes are levied in Bermuda and, accordingly, no provision for such taxes has been recorded by the Company. In the event that such taxes are levied, the Company has received an undertaking from the Bermuda Government, under the Exempted Undertaking Tax Protection Act 1966, exempting it from all such taxes until March 31, 2035.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2015

#### 9. Directors' Fees

Each of the Directors is entitled to receive from the Company a fee at such rate as may be set from time to time by the Board of Directors, provided such remuneration shall not exceed an aggregate amount of USD 30,000 per annum without prior consent of the Shareholders in a general meeting. The Directors may also be reimbursed for all travel, hotel and other expenses properly incurred by them in attending meetings of the Company. No such fees will be payable where the Director is employed by the Bank or any of its subsidiaries or affiliates.

For the year ended April 30, 2015, Ms. Julie E. McLean received an annual fee of USD 7,500 and Mr. L. Anthony Joaquin received an annual fee of USD 12,500.

#### 10. Related Parties and Directors' Interests

As at April 30, 2015, the Directors do not have any interests in the Funds.

The Manager held 1 share each of Class A and B in the Canadian Dollar Fund, 1 share of Class I in the Euro Fund, 2 shares of Class I in the Sterling Fund and 12,014,543 shares of Class A in the US Dollar Fund.

#### 11. Share Capital

The present authorized share capital of USD 2,000,000,000 of the Company is divided into 19,999,880,000 voting participating common shares ("Shares") of USD 0.10 par value each and 12,000 non-voting, non-participating founders' shares of USD 1.00 par value each. As of April 30, 2015, US Treasury Fund Class A, B, C and I had no shares in issue. The Manager holds all founders' shares, nil paid. The founders' shares are not entitled to vote unless there are no other shares in issue, and are not entitled to any dividends. Participating common shares may be subscribed for and redeemed on a daily basis.

The Directors' intention is to declare dividends for all classes of shares in all Funds, except Class R shares, on each dealing day. Dividends are paid monthly and are automatically reinvested in the form of additional shares of the same class, unless the shareholder elects for payment in cash. With respect to Class R shares, shareholders do not receive dividends since their share of income or profits are accumulated and reflected in the daily net asset value per share.

The Company has a policy of maintaining a constant net asset value for the following Funds and Share Classes:

Canadian Dollar Fund - Class A,	CAD 1.00
B Euro Fund - Class A, B	EUR 1.00
Sterling Fund - Class A, B	GBP 1.00
US Dollar Fund - Class A, B, C, I	USD 1.00

Shares of each of the distributing share classes are subject to compulsory redemption automatically as at any dealing day, from time to time in the sole and absolute discretion of the directors, where the applicable distributing share class has suffered a negative yield. Shares of a distributing share class affected by a negative yield event will be redeemed pro-rata across all shareholders in the applicable class. The proceeds of such special redemption will be retained by the company and will be applied to discharge the applicable shareholder's pro-rata share of such negative yield. Shareholders subject to a special redemption will have no right to receive the proceeds of such special redemption and will cease to have any rights with respect to the shares so redeemed after the close of business on the relevant dealing day as of which the special redemption is effected.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2015

### 11. Share Capital (continued)

Transactions in the Shares of the Company during the year ended April 30, 2015 are as follows:

	Canadian Dollar Fund Class A	Canadian Dollar Fund Class B	Canadian Dollar Fund Class R			
Shares in issue May 1, 2014	39,790,448	4,558,506	1,038,893			
Shares issued during the year	15,567,738	1,777,414	44,609			
Shares redeemed during the year	(18,134,990)	(201,548)	(265,795)			
Shares in issue April 30, 2015	37,223,196	6,134,372	817,707			
	Euro Fund Class A	Euro Fund Class B	Euro Fund Class R			
Shares in issue May 1, 2014	211,259,874	28,701,342	119,288			
Shares issued during the year	256,270,134	10,108,672	-			
Shares redeemed during the year	(426,772,514)	(6,888,694)	(49,283)			
Shares in issue April 30, 2015	40,757,494	31,921,320	70,005			
	Sterling Fund Class A	Sterling Fund Class B	Sterling Fund Class R			
Shares in issue May 1, 2014	77,203,324	25,173,051	96,571			
Shares issued during the year	293,017,347	235,438,272	280			
Shares redeemed during the year	(317,448,656)	(245,835,838)	(32,415)			
Shares in issue April 30, 2015	52,772,015	14,775,485	64,416			
	US Dollar Fund Class A	US Dollar Fund Class B	US Dollar Fund Class C	US Dollar Fund Class I	US Dollar Fund Class R	
Shares in issue May 1, 2014	4,252,961,732	1,285,223,315	683,109,830	50,012,982	3,002,783	
Shares issued during the year	27,537,094,171	12,351,212,822	4,272,216,978	6,172	403,892	
Shares redeemed during the year	(29,602,341,228)	(12,102,967,623)	(3,871,208,582)	-	(759,790)	
Shares in issue April 30, 2015	2,187,714,675	1,533,468,514	1,084,118,226	50,019,154	2,646,885	

### 12. Cost of Investments

Cost of investments as at April 30, 2015

Canadian Dollar Fund	CAD	57,789,291
Euro Fund	EUR	77,992,152
Sterling Fund	GBP	69,274,443
US Dollar Fund	USD	4,875,303,307

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2015

### 13. Financial Instruments and Associated Risks

#### Price Risk

Price risk arises primarily from uncertainty around the future prices of financial instruments held by the Company and represents the loss the Company might incur through holding such instruments in the face of price movements. The Manager allocates the Company's portfolio of investments with a view to minimizing the risk associated with particular countries and industry sectors. Each Fund's overall market position is monitored on a daily basis by the Manager.

#### Currency Risk

The investments of each Fund are denominated in the related base currency. Therefore, the Funds are not subject to significant currency risk.

#### Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the fair value of the Company's financial instruments may fluctuate with movements in interest rates.

#### Liquidity Risk

The Company invests in certain sub-funds of HSBC Global Liquidity Funds Plc ("HSBC GLF") which provides daily redemptions. The Company may invest in debt securities that are not publicly traded or for which there is no liquid market. The Company is exposed to liquidity risk to the extent that it is unable to realize its positions to meet liabilities and redemptions as they fall due (see also note 11). The Manager manages liquidity risk by maintaining sufficient liquid assets to meet liabilities and redemptions as they fall due.

#### Credit Risk

Financial assets that potentially expose the Company to credit risk consist primarily of cash, investments, interest and dividends receivable, subscriptions receivable and accounts receivable. The extent of the Company's exposure to credit risk in respect of these financial assets approximates the carrying values as recorded in the statements of assets and liabilities. Credit risk is managed by dealing with reputable counterparties.

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

#### Investments in Other Investment Funds

The investments in other investment funds (the "investee funds") are valued at their fair value. The fair value represents the amount the Company would have received at April 30, 2015 if it had liquidated its investments. The Company has the ability to liquidate its investments periodically depending on the provisions of the respective investee fund's offering documents.

The investee funds in which the Company has invested utilize a variety of financial instruments in their trading strategies including equity and debt securities of both U.S. and foreign issuers, options, futures contracts, forward contracts and swap contracts, which may be denominated in various currencies. Several of these financial instruments contain varying degrees of off-balance sheet risk whereby changes in market values of the securities underlying the financial instruments may be in excess of the amounts recorded on each investee fund's balance sheet. However, due to the nature of the Company's interests in the investee funds, such risks are limited to the Company's capital balance in each investee fund.

As of April 30, 2015, all Funds have investments in certain sub-funds of HSBC GLF, a related party managed by HSBC Global Asset Management (UK) Limited in connection with HSBC Canadian Dollar Liquidity Fund, HSBC Sterling Liquidity Fund and HSBC US Dollar Liquidity Fund, and by HSBC Global Asset Management FLP (France) in connection with HSBC Euro Liquidity Fund. The objective of HSBC GLF is described for each sub-fund as follows:

#### HSBC Canadian Dollar Liquidity Fund

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

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2015

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

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

##### HSBC Euro Liquidity Fund

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

##### HSBC Sterling Liquidity Fund

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

##### HSBC US Dollar Liquidity Fund

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

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

Description	Nominal Value GBP	Value GBP	% of Sterling Fund's Net Assets
JP Morgan Securities 0.43%-0.62% due 01/05/2015-05/06/2015	7,425,490	7,425,490	10.78%
Bred 0.46% due 01/05/2015	4,773,529	4,773,529	6.93%

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

Description	Nominal Value EUR	Value EUR	% of Euro Fund's Net Assets
HSBC France 0.06% due 04/05/2015	7,789,816	7,789,816	10.55%

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

Description	Nominal Value CAD	Value CAD	% of Canadian Fund's Net Assets
Barclays Capital Inc 0.70% due 01/05/2015	7,445,287	7,445,287	12.92%
Canadian Treasury Bill 0.00%	5,807,324	5,800,622	10.07%
Financement-Quebec 1.12% due 14/10/2015	3,573,738	3,579,130	6.21%
Canada Housing Trust No 1 1.12% due 15/03/2016	2,978,115	2,986,912	5.18%

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2015

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

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

Summarized financial information pertaining to the relevant HSBC GLF sub-fund based on its April 30, 2015 audited financial statements is as follows:

	HSBC Canadian Dollar Liquidity Fund CAD	HSBC Euro Liquidity Fund EUR	HSBC Sterling Liquidity Fund GBP	HSBC US Dollar Liquidity Fund USD
<b>Current assets</b>				
Cash and cash equivalents	58,652	15,976	15,270	1,715,714
Financial assets at fair value through profit and loss	195,645,833	2,321,247,013	6,562,001,921	21,511,433,285
Securities sold receivable	-	93,005,436	-	-
Accrued interest income	202,263	109,647	1,526,289	7,848,387
<b>Total assets</b>	<b>195,906,748</b>	<b>2,414,378,072</b>	<b>6,563,543,480</b>	<b>21,520,997,386</b>
<b>Liabilities</b>				
Securities purchased payable	1,728,802	10,152,200	30,090,458	174,859,489
Accrued management fees	24,249	104,786	1,103,899	2,316,771
Distributions payable	107,141	3,738	1,856,458	1,581,479
<b>Total liabilities</b>	<b>1,860,192</b>	<b>10,260,724</b>	<b>33,050,815</b>	<b>178,757,739</b>
<b>Net assets</b>	<b>194,046,556</b>	<b>2,404,117,348</b>	<b>6,530,492,665</b>	<b>21,342,239,647</b>
<b>Income</b>				
Interest income	2,213,339	5,242,955	33,479,121	49,388,692
<b>Expenses</b>				
Management fees	(309,990)	(4,268,413)	(11,800,925)	(29,034,973)
<b>Net investment income from operations before finance costs</b>	<b>1,903,349</b>	<b>974,542</b>	<b>21,678,196</b>	<b>20,353,719</b>
<b>Finance costs</b>				
Distribution to holders of redeemable participating shares				
Paid	1,759,593	881,332	18,597,643	18,491,631
Payable	107,141	3,738	1,856,458	1,581,479
	1,866,734	885,070	20,454,101	20,073,110
<b>Change in net assets attributable to holders of redeemable participating shares</b>	<b>36,615</b>	<b>89,472</b>	<b>1,224,095</b>	<b>280,609</b>

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2015

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

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

	HSBC Canadian Dollar Liquidity Fund % of Net Assets	HSBC Euro Liquidity Fund % of Net Assets	HSBC Sterling Liquidity Fund % of Net Assets	HSBC US Dollar Liquidity Fund % of Net Assets
<b>Investment Assets</b>				
<b>Debt Investments</b>				
Certificates of Deposit	-	48.08	42.10	39.53
Commercial Paper	39.94	25.92	37.30	37.31
Corporate Bonds	2.06	2.72	-	2.35
Floating Rate Notes	11.79	-	0.61	2.75
Government Bonds	17.54	5.35	-	
Repurchase Agreements	12.88	-	10.72	
Time Deposits	4.64	13.79	9.76	17.44
Treasury Bills	11.97	0.69	-	1.41
<b>Total investment assets</b>	<b>100.82</b>	<b>96.55</b>	<b>100.49</b>	<b>100.79</b>

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

The Company earned dividend income from the HSBC GLF funds of CAD 616,026 in the Canadian Dollar Fund, USD 10,805,028 in the US Dollar Fund, GBP 465,042 in the Sterling Fund and EUR 224,144 in the Euro Fund.

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

### 14. Dividends

The table below reflects the dividends declared during the year and dividends payable as at April 30, 2015.

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Dividends Declared</b>				
Class A dividends declared	276,963	5,985	133,174	280,395
Class B dividends declared	30,481	529	33,455	139,205
Class C dividends declared	-	-	-	799,495
Class I dividends declared	-	-	-	6,255
<b>Total dividends declared</b>	<b>307,444</b>	<b>6,514</b>	<b>166,629</b>	<b>1,225,350</b>
<b>Dividends Payable</b>				
Class A dividends payable	16,796	126	1,275	9,661
Class B dividends payable	1,963	6	291	5,458
Class C dividends payable	-	-	-	4,868
Class I dividends payable	19	-	-	151
<b>Total dividends payable</b>	<b>18,778</b>	<b>132</b>	<b>1,566</b>	<b>20,138</b>

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2015

**15. Management and Administration Fees**

	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
Class A management and administration fees	118,297	172,320	189,988	5,414,836
Class B management and administration fees	16,444	44,082	72,046	2,698,282
Class C management and administration fees				1,144,552
Class I management and administration fees				95,370
Class R management and administration fees	100,481	2,121	8,294	97,271
<b>Total management and administration fees</b>	<b>235,222</b>	<b>218,523</b>	<b>270,328</b>	<b>9,450,311</b>
Management and administration fees payable	164,067	114,496	87,146	552,836

**16. Fair Value Measurements**

The following table summarizes the valuation of the Company's investments by investment type within each Fund by the fair value hierarchy levels (see note 2(b)) as of April 30, 2015:

Level	Canadian Dollar Fund CAD	Euro Fund EUR	Sterling Fund GBP	US Dollar Fund USD
<b>Money Market Fund</b>				
Level 1	57,789,291	77,992,152	69,274,443	4,875,303,307
Level 2				
Level 3				
<b>Total</b>	<b>57,789,291</b>	<b>77,992,152</b>	<b>69,274,443</b>	<b>4,875,303,307</b>

The Company's policy is to recognize transfers into and out of various levels of the fair value hierarchy as at the actual date of the event or change in circumstances that caused the transfer. No transfers were made between Levels 1, 2 or 3 during the year ended April 30, 2015.



# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2015

### 17. Schedule of Financial Highlights

#### Schedule of Financial Highlights for Canadian Dollar Fund for year ended April 30, 2015

	CAD		
	Class A	Class B	Class R
<b>Selected per share data</b>			
Net asset value at beginning of the year	1.0000	1.0000	17.3736
<b>Income from investment operations</b>			
Net investment income	0.0070	0.0065	0.0610
Less distributions from net investment income	(0.0070)	(0.0065)	-
Net asset value at end of the year	1.0000	1.0000	17.4346
Total return	0.70%	0.65%	0.35%
<b>Ratios to average net assets</b>			
Total expenses	0.33%	0.38%	0.68%
Net investment income	0.70%	0.65%	0.35%
<b>Supplemental data</b>			
Net assets at end of the year	37,223,196	6,134,372	14,256,464

#### Schedule of Financial Highlights for Euro Fund for the year ended April 30, 2015

	EUR		
	Class A	Class B	Class R
<b>Selected per share data</b>			
Net asset value at beginning of the year	1.0000	1.0000	16.0881
<b>Income from investment operations</b>			
Net investment income	0.0000	0.0000	0.0001
Less distributions from net investment income	(0.0000)	(0.0000)	-
Net asset value at end of the year	1.0000	1.0000	16.0882
Total return	0.00%	0.00%	0.00%
<b>Ratios to average net assets</b>			
Total expenses	0.16%	0.12%	0.14%
Net investment income	0.01%	0.00%	0.00%
<b>Supplemental data</b>			
Net assets at end of the year	40,757,494	31,921,320	1,126,255

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2015

17. Schedule of Financial Highlights (continued)

**Schedule of Financial Highlights for Sterling Fund  
for the year ended April 30, 2015**

	GBP		
	Class A	Class B	Class R
<b>Selected per share data</b>			
Net asset value at beginning of the year	1.0000	1.0000	20.6405
<b>Income from investment operations</b>			
Net investment income	0.0021	0.0016	0.0021
Less distributions from net investment income	(0.0021)	(0.0016)	-
Net asset value at end of the year	1.0000	1.0000	20.6426
Total return	0.21%	0.16%	0.01%
<b>Ratios to average net assets</b>			
Total expenses	0.33%	0.38%	0.53%
Net investment income	0.21%	0.16%	0.01%
<b>Supplemental data</b>			
Net assets at end of the year	52,772,015	14,775,485	1,329,716

**Schedule of Financial Highlights for US Dollar Fund  
for year ended April 30, 2015**

	USD				
	Class A	Class B	Class C	Class I	Class R
<b>Selected per share data</b>					
Net asset value at beginning of the year	1.0000	1.0000	1.0000	1.0000	17.5159
<b>Income from investment operations</b>					
Net investment income	0.0001	0.0001	0.0008	0.0001	0.0018
Less distributions from net investment income	(0.0001)	(0.0001)	(0.0008)	(0.0001)	-
Net asset value at end of the year	1.0000	1.0000	1.0000	1.0000	17.5177
Total return	0.01%	0.01%	0.08%	0.01%	0.01%
<b>Ratios to average net assets</b>					
Total expenses	0.20%	0.20%	0.12%	0.19%	0.20%
Net investment income	0.01%	0.01%	0.08%	0.01%	0.01%
<b>Supplemental data</b>					
Net assets at end of the year	2,187,714,675	1,533,468,514	1,084,118,226	50,019,154	46,366,830

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

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2015

### **18. Commitments and Contingencies**

In the normal course of operations the Company enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

### **19. Subsequent Events**

The Directors have assessed and evaluated all subsequent events arising from the date of the statements of assets and liabilities up until September 17, 2015 and have concluded that no other additional disclosures are required.

# HSBC Corporate Money Funds Limited Management and Administration for the year ended April 30, 2015

## **Directors and Officers**

L Anthony Joaquin, President  
Retired Managing Partner  
Ernst & Young

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

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

Julie E. McLean, Director  
Conyers Dill & Pearman Limited

## **Secretary and Registered Office**

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

## **Manager**

HSBC Global Asset Management (Bermuda) Limited  
6 Front Street  
Hamilton HM 11, Bermuda

## **Custodian**

HSBC Institutional Trust Services (Bermuda) Limited  
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Hamilton HM 11, Bermuda

## **Banker**

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

## **Administrator**

HSBC Securities Services (Bermuda) Limited  
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## **Auditors**

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Hamilton HM 08, Bermuda

## **Legal Advisers**

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Clarendon House  
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## **Bermuda Stock Exchange Listing Sponsor**

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