

# HSBC Corporate Money Funds Limited

Annual Report April 2020

# HSBC Corporate Money Funds Limited

## Contents

Canadian Dollar Fund Manager's Report	2
Sterling Fund Manager's Report	3
US Dollar Fund Manager's Report	5
US Treasury Fund Manager's Report	6
Independent Auditor's Report	7
Statements	
Statements of Assets and Liabilities	8
Statements of Net Assets	10
Statements of Operations	12
Statements of Changes in Net Assets	13
Notes to the Financial Statements	15
Management and Administration	30

*The accompanying report of KPMG Audit Limited ("KPMG") is for the sole and exclusive use of the Company. No person, other than the Company, is authorized to rely upon the report of KPMG unless KPMG expressly so authorizes. Further, the report of KPMG is as of September 24, 2020 and KPMG has carried out no procedures of any nature subsequent to that date which in any way extends that date.*

# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2020

### Canadian Dollar Fund

#### Market review

The yield on the 10-year Canadian bond fell substantially over the period, in line with other global bond markets. It fell from approximately 1.7% to just below 0.7% over the period, providing strong returns to fixed income investors, with much of the decline in yields occurring from January onwards, as the Coronavirus spread across the world. Prior to that, other factors, such as slowing global growth rates and the trade dispute between China and the US, had seen yields slip.

Having kept interest rates steady throughout 2019, the Bank of Canada cut rates by 50bps three times in March, taking them to 0.25% and matching the Fed's cumulative 150bps of emergency easing. The Canadian government also announced a C\$52 billion fiscal stimulus package to help protect the economy.

GDP growth was just 0.1% in the final quarter of 2019, compared with 0.3% in the previous period, while annual growth for 2019 slowed to 1.6%. Fears are growing that GDP will fall substantially during the first half of the year, owing to the spread of the Coronavirus ("COVID-19"). Headline inflation fell to an annual rate of 0.9% in March, from 2.2% in February, marking the lowest rate of inflation for nearly five years.

Canadian Prime Minister Justin Trudeau's Liberal Party won last October's general election but failed to win a majority. This was after he was rocked by a string of controversies. The US-Mexico-Canada Agreement, which succeeded the North American Free Trade Agreement, boosted markets and served to reduce some economic uncertainty.

In August 2019, the Canadian bond market experienced its most extreme inversion in yields between long-term and short-term bonds since 2000. This, unsettled investors who were mindful that yield inversion has historically presaged an economic recession.

#### Portfolio review

At the beginning of the period in May 2019, the Bank of Canada left its policy rate unchanged at 1.75%, in line with consensus expectations. The Governing Council noted that future policy deliberations would be "especially attentive" to household spending, oil markets and the global trade environment. As we moved further into the second quarter, the sub-fund's portfolio was positioned away from its previous shorter stance to a more neutral bias. The sub-fund targeted a maturity range of at least 60 - 90 days, in order to lengthen the sub-fund's weighted average maturity (WAM), which the sub-fund aimed to move to approximately 45 days. The sub-fund also began to add a more select group of floating rate securities which performed well despite a decreasing rate environment.

In September, the Bank of Canada left its policy rate unchanged at 1.75% again, as expected. The escalation of the trade war was the primary cause for concern, with markets anticipating a rate cut at the next meeting towards the end of October. Due to a higher client concentration than expected, the sub-fund kept an oversized percentage of fund assets in overnight time deposits. The portfolio continued targeting a range of 60 - 90 days average maturity, with approximately 35 - 45 day WAM.

Despite continued expectations of a rate cut, the Bank of Canada kept rates on hold at 1.75% in late January 2020. The central bank had an overall dovish tone due to slowing global growth, as COVID-19 was starting to become more of a concern. The sub-fund's assets under management steadied at the start of the year, settling at around CAD 100 million. The sub-fund was rolling trades mostly three months and under, and looked to lock in rates for a bit longer when they saw maturities rolling off.

In March 2020, we saw a rate cut of 50 bps. The Bank of Canada added liquidity to the system, which kept rates in the very front end of the lower band of 25 bps. Economic projections began showing sharp contraction in the first half of the year, with Canada shedding over 1 million jobs in March. Despite the macroeconomic environment, the Canadian Dollar Fund saw very little change in flow activity. The sub-fund maintained its usual high levels of liquidity and allocation to government securities. The sub-fund kept about 30% in overnight time deposits and another 25% in Canadian Treasury Bills.

### HSBC Global Asset Management (Bermuda) Limited September 2020

*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, 2020

### Sterling Fund

#### Market review

Bond yields moved downwards over the period, with the yield on 10-year gilts dropping from just under 1.2% at the beginning of May 2019 to approximately 0.22% by the end of April 2020, having bottomed at around 0.1% in early March – a new all-time low. A mix of factors led to this steep fall in yields: uncertainty around Brexit, slowing economic growth, subdued inflation and the arrival of COVID-19 in early 2020.

For much of 2019, the key factor driving yields was Brexit, with fears of a resultant economic slowdown steadily eroding both business and consumer confidence. The lack of any satisfactory draft deal led to the departure of Theresa May as prime minister ("PM") in June and her replacement by Boris Johnson as leader of the Conservative Party. Johnson soon called a general election to resolve the parliamentary impasse. This resulted in the Conservative Party increasing its majority and a firm commitment by Johnson to exit the EU by 31 January 2020, a deadline that was duly met. Bond yields rose in the final months of 2019 as greater clarity around Brexit emerged.

For 2019, GDP rose a relatively meagre 1.4%. The Bank of England kept interest rates steady at 0.75% for much of the period, before cutting rates twice in quick succession in March to a new low of 0.1%, as the consequences of the global pandemic – the enforced lockdown and material negative impact on the economy – became clear. The central bank also extended its quantitative-easing program substantially.

The Chancellor of the Exchequer announced massive support measures to help support the economy from the effects of COVID-19. However, the damage to the economy began to become clear with the release of statistics late in the period, with the flash composite purchasing managers' index dropping to a new all-time low in April.

#### Portfolio review

The period under review has been a busy year for both the UK and Sterling markets. We saw Theresa May resign as PM with her successor, Boris Johnson, being announced in July. This was followed by a period of heightened political tensions which lead to the new PM deciding to prorogue Parliament and ultimately culminated in the decision to call a General Election which was held in December. The Conservative Party won the election, which meant Johnson was finally successful in getting the Withdrawal Agreement through Parliament in time for the UK to officially leave the EU on January 31, 2020.

Given the political and economic uncertainties seen during the period under review, the Bank of England's task has been a difficult one. They have had to navigate relatively robust economic data such as employment which has remained strong, albeit weakening slightly towards the end of the year. Inflationary pressures have also been largely benign. However, Brexit uncertainties considerably complicated the Bank's data modelling work. In the end, the Bank was led into a neutral line and used as its base scenario an orderly and negotiated exit. This meant that the Base Rate was left unchanged until March.

However, the COVID-19 pandemic has led to a radical reassessment of the situation and the MPC decided at 2 extraordinary MPC committee meetings to cut rates twice by a total of 65bps in March. The BoE also announced a series of additional measures, the most significant of which was an extra £200bn QE, which brought the APF program to a total of £645bn.

As in previous years, the investment manager has privileged both the preservation of capital and liquidity when making investment decisions. During the past year, the sub-fund has made extensive use of UK Treasury Bills for liquidity management purposes and have participated very actively in the weekly auction.

There has been little to no change in the proportion of the sub-fund invested in quality short term credit and this has remained roughly between 60% to 70% invested in CD and CP. Naturally, this figure decreased towards the latter part of the period under review as the investment team sought to increase the proportion of the sub-fund in very liquid holdings such as UK Treasury Bills, one week MMI, repo and term deposits.

Throughout the period under review, the sub-fund adopted a very cautious approach to our investment strategy and have been holding increased amounts of liquid assets, either as overnight deposits, reverse repo, UK Treasury Bills or in very short term one-week CD.

As in the previous reporting period, the sub-fund has continued to view both Sonia and Libor linked instruments as a useful tool for hedging against interest rate risk. The sub-fund also found that some of the better rated credits on its buy list tend to favor such instruments which gives it an opportunity to purchase quality credits that would be difficult to source otherwise. The percentage of the sub-fund invested in such instruments has varied depending on the rate context.

The sub-fund continues to use Asset Backed Commercial Paper ("ABCP") as a means to manage short dated holdings (from one week out to three month) as these products offer an attractive yield pick-up compared to banks in this space and they fill a maturity gap for the sub-fund.

# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2020

### **Sterling Fund**

#### **Market Outlook and Portfolio Strategy**

At the time of writing, we would expect the Bank of England to maintain the base rate at 0.10%. The MPC has always said that they believe that the advantages of negative interest rates are not suitable for the British economy. We see no reason for the Bank to have fundamentally altered its opinion. The consensus view in money markets is for the MPC to add additional stimulus in the months ahead by increasing the size of its Quantitative Easing program further. This would lead to a flattening of the yield curve.

The investment manager anticipates that Sterling money markets will continue to normalize in the near future and that the pace of stabilization will accelerate. This will see interest rates gradually decrease and we should see signs of stress continue to dissipate.

However, we will continue to concentrate on maintaining very high levels of liquidity on the sub-fund with a particular focus on monitoring our overnight, one week and one month liquidity buffers.

#### **HSBC Global Asset Management (Bermuda) Limited September 2020**

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2020

### US Dollar Fund

#### Market review

US Treasury yields sank markedly over the period as investors discounted slowing economic growth, trade tensions with China – and in the final few months of the period – the impact of COVID-19 on the global economy.

The US 10-year Treasury yield fell from around 2.5% to approximately 0.6% during the 12-month period, providing strong returns to fixed income investors. In early March, the yield hit just above 0.3% – a new all-time low – as the disastrous impact of the global pandemic on the economy became clearer.

The US Federal Reserve (“Fed”) first cut interest rates in July last year as it recognized the emerging risks of economic slowdown across the globe. The Fed cut three times in 2019, before slashing interest rates by 150 basis points (bps) to a range of just 0–0.25% in March of this year, as the threat to the economy from COVID-19 emerged. The Fed also promised to use unlimited quantitative easing by buying more government and corporate bonds.

The government also provided support to the ailing economy with a massive relief package, worth over US\$2 trillion, approved by Congress in late March.

GDP growth slowed over 2019, falling from 3.1% annualized growth early in the year to 2.1% growth in the final two quarters of 2019. However, it remained relatively strong compared to other developed nations, supported by a robust labor market, with unemployment at the lowest level for 50 years. However, the first quarter of 2020 saw GDP growth drop by 4.8% – the worst showing since the final quarter of 2008, during the global financial crisis. Unemployment surged, with estimated job losses running at over 30 million since the lockdown occurred in mid-March. Inflation remained largely subdued over the period, with the rise in consumer prices falling to 1.5% annual growth in March.

The spread between 10-year and two-year government bonds inverted in the late summer of 2019, unsettling investors, as an inverted yield curve has often presaged a recession in the past. A recession is now all but guaranteed.

#### Portfolio review

At the start of the period in May 2019, calls for the Fed to begin lowering interest rates started to gain traction following a prolonged period of rate increases. The main drivers for a cut were the uncertainty surrounding the US trade war with China, inflation running steadily below the Fed's 2% objective, an inverted yield curve, and slightly weaker-than-expected economic data.

Due to the fact that we expected a rate cut over the next quarter, the sub-fund aimed to keep their Weighted Average Maturity (WAM) neutral to long, and ran a longer Weighted Average Life (WAL) given attractive spreads in all Floating Rate Notes (FRNs). The sub-fund locked in fixed rates in the 3-month to 6-month range. The sub-fund also added Secured Overnight Financing Rate (SOFR)-based FRNs when they saw value in the spread versus Libor-based FRNs.

Towards the end of summer 2019, economic data had been mixed following a 25 bps rate cut in July. 3-month and 6-month Treasury Bills increased in supply after the debt ceiling was lifted. Comments from the Fed became increasingly dovish, and two further 25 bps rate cuts occurred in September and October. The sub-fund maintained a heavy composition in FRNs at wide-enough spreads that even in a declining rate environment, these securities were expected to outperform fixed rate securities. Expectations of at least one more rate cut meant that the sub-fund kept their WAM neutral to long in the Prime fund.

At the start of 2020, domestic market conditions weakened, though were offset by an increase in net exports. US Treasuries pared their earlier gains amid emerging Coronavirus concerns. The World Health Organization (WHO) declared a public health emergency of international concern on January 30, 2020. At this time, the sub-fund's strategy remained the same, keeping a neutral position in the Prime fund and increasingly utilizing FRNs.

As March began, the Fed cut interest rates by 50 bps to a range of 1.00% - 1.25%. This was an unprecedented move as interest rates had not been cut by more than 25 bps since the 2008 financial crisis. The Fed then made another surprise rate cut mid-March by 100 bps, setting the target Fed funds range at 0.00% - 0.25%. The Fed continued to announce additional quantitative easing measures to support the ailing economy, including new facilities to purchase Commercial Paper and other securities. As a result, the sub-fund built higher liquidity levels by investing in shorted dated maturing assets, which is a more prudent strategy during times of economic stress.

### HSBC Global Asset Management (Bermuda) Limited September 2020

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2020

### US Treasury Fund

#### Market review

US Treasury yields sank markedly over the period as investors discounted slowing economic growth and the impact of Coronavirus on the global economy.

The US 10-year Treasury yield fell from around 1.7% to approximately 0.6% during the six-month period, providing strong returns to fixed income investors. In early March, the yield sank to just above 0.3% – a new all-time low – as the devastating impact of the pandemic on the economy became clearer.

The first two months of the period were a different story, as yields gently rose into year-end, owing to rising optimism around a trade settlement between China and the US, which duly occurred in January, when a 'phase one' agreement was signed between the two countries.

The US Federal Reserve (Fed) became more dovish over the period, initially concerned about slowing economic growth, and subsequently deeply worried by the impact of Coronavirus. The Fed slashed interest rates by 150 basis points (bps) to a range of just 0–0.25% in March as the threat to the economy from the global pandemic emerged. The Fed also promised to use unlimited quantitative easing by buying more government and corporate bonds.

The government also provided support to the ailing economy with a massive relief package, worth over US\$2 trillion, approved by Congress in late March.

GDP growth achieved annualized growth of 2.1% growth in the final quarter of 2019. Growth remained relatively strong compared to other developed nations, supported by a robust labor market, with unemployment at the lowest level for 50 years. However, the first quarter of 2020 saw GDP growth drop by 4.8% – the worst showing since the final quarter of 2008, during the global financial crisis. Unemployment surged, with estimated job losses running at over 30 million since the lockdown occurred in mid-March. Inflation remained largely subdued over the period, with the rise in consumer prices falling to 1.5% annual growth in March.

#### Portfolio review

At the start of the period in May 2019, calls for the Federal Reserve (Fed) to begin lowering interest rates started to gain traction following a prolonged period of rate increases. The main drivers for a cut were the uncertainty surrounding the US trade war with China, inflation running steadily below the Fed's 2% objective, an inverted yield curve, and slightly weaker-than-expected economic data.

Due to the fact that we expected a rate cut over the next quarter, the sub-fund aimed to keep Weighted Average Maturity (WAM) neutral to short in the Treasury fund, and ran a longer Weighted Average Life (WAL) due to attractive spreads in all Floating Rate Notes (FRNs).

Yields on US government money market securities fell substantially during the six-month period ended April 30, 2020. In response to the global economic shocks caused by the Coronavirus pandemic, the Federal Reserve (Fed) cut interest rates twice in March for a net decline of 150 basis points during the period. This decline in rates drove yields down sharply in the closing weeks of the period.

At this time, the sub-fund strategy remained the same, keeping a long position in the Treasury fund and increasingly utilizing FRNs. The sub-fund built higher liquidity levels by investing in shorted dated maturing assets, which is a more prudent strategy during times of economic stress.

### HSBC Global Asset Management (Bermuda) Limited

#### September 2020

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders and Board of Directors of HSBC Corporate Money Funds Limited**

We have audited the accompanying financial statements of HSBC Corporate Money Funds Limited (comprised of Canadian Dollar Fund, Sterling Fund, US Dollar Fund, and the US Dollar Treasury Fund), which comprise the statements of assets and liabilities, including the statements of net assets, as of April 30, 2020 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.

### **Auditor's 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 auditor's 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, 2020, 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 24, 2020



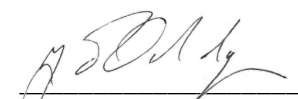
HSBC Corporate Money Funds Limited  
Statements of Assets and Liabilities  
as at April 30, 2020


	Canadian Dollar Fund CAD	Sterling Fund GBP	US Dollar Fund USD	US Treasury Fund USD
<b>Assets</b>				
Investments, at fair value (notes 2(b), 11 & 12)	40,999,472	232,236,931	7,425,860,919	210,612,896
Cash (note 3)	-	-	37,480	-
Interest and dividends receivable	25,270	70,727	5,222,515	42,649
Accounts receivable and prepaid expenses	3,147	2,672	43,781	3,657
	41,027,889	232,310,330	7,431,164,695	210,659,202
<b>Liabilities</b>				
Bank overdraft (note 3)	-	3	-	32,788
Redemption payable	-	3,436,974	-	-
Management fees payable (notes 4 & 14)	11,479	55,037	1,646,007	37,942
Dividends payable (note 13)	1,105	153	86,886	83
Accounts payable and accrued expenses	6,234	5,617	91,093	6,640
	18,818	3,497,784	1,823,986	77,453
<b>Net assets</b>	<b>41,009,071</b>	<b>228,812,546</b>	<b>7,429,340,709</b>	<b>210,581,749</b>
<b>Net assets attributable to:</b>				
Class A shares	30,010,508	217,166,749	2,968,267,645	206,415,165
Class B shares	5,657,166	10,630,842	1,280,120,433	4,166,584
Class C shares	1,259,275	292,433	3,035,154,996	-
Class I shares	-	-	135,233,038	-
Class X shares	-	-	-	-
Class R shares	4,082,122	722,522	10,564,597	-
	41,009,071	228,812,546	7,429,340,709	210,581,749
<b>Share capital</b> (note 10)				
Shares authorized 19,999,880,000 of USD 0.10 each				
<b>Shares outstanding</b>				
Class A shares	30,010,508	217,166,749	2,968,267,645	206,415,165
Class B shares	5,657,166	10,630,842	1,280,120,433	4,166,584
Class C shares	1,259,275	292,433	3,035,154,996	-
Class I shares	-	-	135,233,038	-
Class X shares	-	-	-	-
Class R shares	228,835	34,901	578,374	-

The accompanying notes form an integral part of these Financial Statements

HSBC Corporate Money Funds Limited  
 Statements of Assets and Liabilities (Continued)  
 as at April 30, 2020

	Canadian Dollar Fund CAD	Sterling Fund GBP	US Dollar Fund USD	US Treasury Fund USD
<b>Net asset value per share</b>				
Class A shares	CAD 1.00	£ 1.00	USD 1.00	USD 1.00
Class B shares	CAD 1.00	£ 1.00	USD 1.00	USD 1.00
Class C shares	CAD 1.00	£ 1.00	USD 1.00	-
Class I shares	-	-	USD 1.00	-
Class X shares	-	-	-	-
Class R shares	CAD 17.84	£ 20.70	USD 18.27	-

  
 Director

  
 Director

The accompanying notes form an integral part of these Financial Statements

HSBC Corporate Money Funds Limited  
 Statements of Net Assets  
 as at April 30, 2020

**Canadian Dollar Fund**

	Holdings in Shares	Purchase Price CAD	Fair Value CAD	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc - HSBC Canadian Dollar Liquidity Fund - Class Z (note 12)				
	40,999,472	40,999,472	40,999,472	99.98
Other net assets			9,599	0.02
<b>Net assets</b>			<b>41,009,071</b>	<b>100.00</b>

**Sterling Fund**

	Holdings in Shares	Purchase Price GBP	Fair Value GBP	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc - HSBC Sterling Liquidity Fund - Class Z (note 12)				
	232,236,931	232,236,931	232,236,931	101.50
Other net liabilities			(3,424,385)	(1.50)
<b>Net assets</b>			<b>228,812,546</b>	<b>100.00</b>

**US Dollar Fund**

	Holdings in Shares	Purchase Price USD	Fair Value USD	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
HSBC Global Liquidity Funds Plc - HSBC US Dollar Liquidity Fund - Class Z (note 12)				
	7,425,860,919	7,425,860,919	7,425,860,919	99.95
Other net assets			3,479,790	0.05
<b>Net assets</b>			<b>7,429,340,709</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, 2020

**US Treasury Fund**

	Holdings in Shares	Purchase Price USD	Fair Value USD	% of Net Assets
<b>Money Market Fund</b>				
<b>Ireland</b>				
BNY Mellon Liquidity Funds Plc - BNY Mellon US Treasury Fund	53,244,752	53,244,752	53,244,752	25.28
HSBC Global Liquidity Funds Plc - HSBC US Treasury Liquidity Fund - Class Z (note 12)	157,368,144	157,368,144	157,368,144	74.73
Other net liabilities			(31,147)	(0.01)
<b>Net assets</b>			<b>210,581,749</b>	<b>100.00</b>

The accompanying notes form an integral part of these Financial Statements

HSBC Corporate Money Funds Limited  
 Statements of Operations  
 for the year ended April 30, 2020

	Canadian Dollar Fund CAD	Sterling Fund GBP	US Dollar Fund USD	US Treasury Fund USD
<b>Income</b>				
Dividend income (note 12)	553,872	1,507,461	144,964,253	3,767,111
Interest income (note 3(b))	-	4,154	135,621	7,891
	553,872	1,511,615	145,099,874	3,775,002
<b>Expenses</b>				
Management fees (notes 4 & 14)	121,040	564,832	17,567,528	462,911
Audit fees	207	(1,376)	66,030	4,053
Directors' fees (note 8)	227	958	33,658	1,879
Other expenses (note 3(b))	26,557	20,954	85,427	5,306
	148,031	585,368	17,752,643	474,149
Net investment income	405,841	926,247	127,347,231	3,300,853
Net increase in net assets resulting from operations	405,841	926,247	127,347,231	3,300,853

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, 2020

Canadian Dollar Fund

	Class A CAD	Class B CAD	Class C CAD	Class R CAD	Total
Net assets at start of the year	10,532,796	6,939,025	1,241,402	6,329,539	25,042,762
<b>Net increase in net assets resulting from operations</b>					
Net investment income	261,179	85,785	17,835	41,042	405,841
	261,179	85,785	17,835	41,042	405,841
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	27,688,083	2,226,518	-	300,000	30,214,601
Payments on redemption of shares	(8,452,300)	(3,569,817)	-	(2,588,459)	(14,610,576)
	19,235,783	(1,343,299)	-	(2,288,459)	15,604,025
Dividends (note 13)	(261,179)	(85,785)	(17,835)	-	(364,799)
Proceeds from reinvestments of dividends	241,929	61,440	17,873	-	321,242
Net assets at end of the year	30,010,508	5,657,166	1,259,275	4,082,122	41,009,071

Sterling Fund

	Class A GBP	Class B GBP	Class C GBP	Class I GBP (note 1)	Class R GBP	Total
Net assets at start of the year/period	110,613,933	21,487,685	107,342,198	-	902,395	240,346,211
<b>Net increase in net assets resulting from operations</b>						
Net investment income	707,946	66,760	146,063	4,419	1,059	926,247
	707,946	66,760	146,063	4,419	1,059	926,247
<b>Subscriptions and redemptions</b>						
Proceeds on issue of shares	1,202,262,297	8,605,806	20,002,063	11,000,000	-	1,241,870,166
Payments on redemption of shares	(1,095,751,858)	(19,480,132)	(127,200,000)	(11,002,680)	(180,932)	(1,253,615,602)
	106,510,439	(10,874,326)	(107,197,937)	(2,680)	(180,932)	(11,745,436)
Dividends (note 13)	(707,946)	(66,760)	(146,063)	(4,419)	-	(925,188)
Proceeds from reinvestment of dividends	42,377	17,483	148,172	2,680	-	210,712
Net assets at end of the year/period	217,166,749	10,630,842	292,433	-	722,522	228,812,546

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, 2020

<b>US Dollar Fund</b>						
	Class A USD	Class B USD	Class C USD	Class I USD	Class R USD	Total
Net assets at start of the year	2,775,485,688	1,425,010,709	2,258,785,158	155,425,553	18,646,444	6,633,353,552
<b>Net increase in net assets resulting from operations</b>						
Net investment income	53,849,831	20,165,023	49,919,740	3,216,358	196,279	127,347,231
	53,849,831	20,165,023	49,919,740	3,216,358	196,279	127,347,231
<b>Subscriptions and redemptions</b>						
Proceeds on issue of shares	54,460,433,307	9,781,341,384	14,241,855,913	815,027,959	1,251,696	79,299,910,259
Payments on redemption of shares	(54,268,833,187)	(9,926,429,449)	(13,514,862,047)	(837,467,244)	(9,529,822)	(78,557,121,749)
	191,600,120	(145,088,065)	726,993,866	(22,439,285)	(8,278,126)	742,788,510
Dividends (note 13)	(53,849,831)	(20,165,023)	(49,919,740)	(3,216,358)	-	(127,150,952)
Proceeds from reinvestment of dividends	1,181,837	197,789	49,375,972	2,246,770	-	53,002,368
Net assets at end of the year	2,968,267,645	1,280,120,433	3,035,154,996	135,233,038	10,564,597	7,429,340,709
<b>US Treasury Fund</b>						
	Class A USD	Class B USD	Class X USD (note 1)	Total		
Net assets at start of the year	69,018,121	2,449,082	195,597,405	267,064,608		
<b>Net increase in net assets resulting from operations</b>						
Net investment income	2,303,743	51,266	945,844	3,300,853		
	2,303,743	51,266	945,844	3,300,853		
<b>Subscriptions and redemptions</b>						
Proceeds on issue of shares	4,525,762,637	89,372,665	1,009,201,486	5,624,336,788		
Payments on redemption of shares	(4,388,365,593)	(87,655,163)	(1,204,798,891)	(5,680,819,647)		
	137,397,044	1,717,502	(195,597,405)	(56,482,859)		
Dividends (note 13)	(2,303,743)	(51,266)	(945,844)	(3,300,853)		
Proceeds from reinvestment of dividends	-	-	-	-		
Net assets at end of the year	206,415,165	4,166,584	-	210,581,749		

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, 2020

### 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 out of which the Euro denominated Fund is dormant as at April 30, 2020.

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, 2020, the Directors were not aware of any such specific existing or contingent liabilities. Sterling Fund – Class I commenced on August 5, 2019 and became dormant on February 25, 2020. US Treasury Fund – Class X became dormant on July 24, 2019. The Funds and share classes existing as at April 30, 2020 were as follows (see also Note 10):

	<b>Date of inception</b>
Canadian Dollar Fund - Class A	December 19, 2008
Canadian Dollar Fund - Class B	December 10, 2008
Canadian Dollar Fund - Class C	November 25, 2018
Canadian Dollar Fund - Class R	February 1, 2006
Sterling Fund - Class A	July 2, 2001
Sterling Fund - Class B	July 2, 2001
Sterling Fund - Class C	November 26, 2018
Sterling Fund - Class I*	December 13, 2018
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
US Treasury Fund - Class X*	July 23, 2018

\*These share classes are dormant as at April 30, 2020.



# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2020

### 2. Significant Accounting Policies

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The Company meets the typical characteristics of an investment company and is therefore applying the accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 946, *Financial Services – Investment Companies*.

The significant accounting and reporting policies adopted by the Company are as follows:

Investment transactions and income

(a) 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.

(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 in its entirety is determined based on the lowest level input that is significant to the fair value measurement. Private investment companies measured using net asset value as a practical expedient are not categorized within the fair value hierarchy.

(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.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2020

### 2. Significant Accounting Policies (continued)

- (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)).
- (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 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement, which changes the fair value measurement disclosure requirements of ASC 820. For non-public entities such as the Company, the amendments involve the elimination of certain disclosure requirements of ASC 820. These include transfers between Level 1 and Level 2 of the fair value hierarchy, the Company's policy for the timing of transfers between levels, the valuation processes for Level 3 fair value measurements, and the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period and the roll-forward of Level 3 fair value measurements. The ASU is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods therein. Early adoption is permitted. The impact on the Company's financial statement disclosures is not expected to be material.

### 3. Bank Overdraft and Sweep Facility

- (a) Bank overdraft  
Under an agreement dated October 16, 2006 and subsequently renewed on June 3, 2011 and further amended on November 1, 2016, 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 45,000,000 or 1% 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. As at April 30, 2020, US Dollar Treasury Fund is in overdraft of USD 32,788.
- (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 GBP Fund totaled GBP 3,737 and interest expense totaled GBP 1,715. These amounts have been netted and are included in interest income. Interest income for the year resulting from sweep transactions for the US Dollar Fund totaled USD 104,955 and interest expense totaled USD 17,525. These amounts have been netted and are included in interest income. Similarly, interest income for the year resulting from sweep transactions for the US Dollar Treasury Fund totaled USD 9,381 and interest expense totaled USD 1,490. These amounts have been netted and are included in interest income.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2020

#### 4. Manager

Under the amended management agreement dated February 1, 2006, September 12, 2016, April 23, 2018, June 20, 2018, September 18, 2018 and Prospectus dated February 8, 2020, 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 of Canadian Dollar Fund, Sterling Fund, US Dollar Fund and 0.25% for Class A Shares, 0.35% for Class B Shares and 0.18% for Class I Shares per annum of the average daily values of the net assets of each class of shares of US Treasury Fund. 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, Canadian Dollar Fund and US Treasury 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.

As of April 30, 2020, the management fees for Class A, Class B, Class C, Class I, Class X and Class R Shares of the US Dollar Fund, Sterling Fund, Canadian Dollar Fund and US Treasury Fund were as follows:

	Canadian Dollar Fund CAD	Sterling Fund GBP	US Dollar Fund USD	US Treasury Fund USD
<b>Management Fee</b>				
Class A	0.30%	0.30%	0.30%	0.25%
Class B	0.35%	0.35%	0.35%	0.35%
Class C	0.12%	0.12%	0.12%	0.12%
Class I	0.20%	0.20%	0.20%	0.18%
Class R	0.65%	0.65%	0.65%	-
Class X	-	-	-	0.05%*

\*Rate prior to Class X becoming dormant on July 24, 2019.

The Manager, out of the management fees paid to it for its services provided pursuant to this agreement, shall be responsible for the payment of fees and/or expenses of the Custodian and Administrator of the Company (see also note 14).

#### 5. Administrator

Under the amended administration agreement dated February 1, 2006, May 20, 2016 and as amended and signed on November 8, 2017 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 shall be paid fees by the Company by way of remuneration for its services pursuant to this agreement 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 by the Company.

The Administrator is also entitled to receive from the Company or the Company shall procure that the Manager as its delegate shall pay 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.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

### for the year ended April 30, 2020

#### 7. Taxation

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

#### 8. Directors' Fees

Each of the Directors is entitled to receive from the Company a fee at such rate as may be determined 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, 2020, Ms. Julie E. McLean received an annual fee of USD 8,500, Mr. L. Anthony Joaquin received directors' fees of USD 6,554 and Ms. Robin Masters received directors' fees of USD 1,876. Mr. Joaquin retired as a Director of the Company on February 7, 2020 and Ms. Masters was appointed as a Director of the Company on February 11, 2020.

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

As at April 30, 2020, the Directors do not have any interests in the Funds except for Ms. Julie E. McLean who held 2.4 million shares in Class A in the US Dollar Fund.

The Manager held 1 share each of Class A and B in the Canadian Dollar Fund, 2 shares of Class I in the Sterling Fund, 10,775,152.92 shares of Class A in the US Dollar Fund and 1 share each of Class C and I in the US Treasury Fund.

HSBC Institutional Trust Services (Bermuda) Limited, Custodian to the Company is a related party, by virtue of it being a wholly owned subsidiary of HSBC Holdings plc.

#### 10. 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. 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, B, C	CAD 1.00
Sterling Fund - Class A, B, C, I	GBP 1.00
US Dollar Fund - Class A, B, C, I	USD 1.00
US Treasury 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 affected.

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2020

10. Share Capital (continued)

Transactions in the Shares of the Company during the year ended April 30, 2020 are as follows:

	Canadian Dollar Fund Class A	Canadian Dollar Fund Class B	Canadian Dollar Fund Class C	Canadian Dollar Fund Class R
Shares in issue May 1, 2019	10,532,796	6,939,025	1,241,402	358,022
Shares issued during the year	27,930,012	2,287,958	17,873	16,839
Shares redeemed during the year	(8,452,300)	(3,569,817)	-	(146,026)
Shares in issue April 30, 2020	30,010,508	5,657,166	1,259,275	228,835

	Sterling Fund Class A	Sterling Fund Class B	Sterling Fund Class C	Sterling Fund Class I (note 1)	Sterling Fund Class R
Shares in issue May 1, 2019	110,613,933	21,487,685	107,342,198	-	43,649
Shares issued during the year/period	1,202,304,674	8,623,289	20,150,235	11,002,680	-
Shares redeemed during the year/period	(1,095,751,858)	(19,480,132)	(127,200,000)	(11,002,680)	(8,748)
Shares in issue April 30, 2020	217,166,749	10,630,842	292,433	-	34,901

	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, 2019	2,775,485,688	1,425,010,709	2,258,785,158	155,425,553	1,034,916
Shares issued during the year	54,461,615,144	9,781,539,173	14,291,231,885	817,274,729	69,047
Shares redeemed during the year	(54,268,833,187)	(9,926,429,449)	(13,514,862,047)	(837,467,244)	(525,589)
Shares in issue April 30, 2020	2,968,267,645	1,280,120,433	3,035,154,996	135,233,038	578,374

	US Treasury Fund Class A	US Treasury Fund Class B	US Treasury Fund Class X (note 1)
Shares in issue May 1, 2019	69,018,121	2,449,082	195,597,405
Shares issued during the year	4,525,762,637	89,372,665	1,009,201,486
Shares redeemed during the year	(4,388,365,593)	(87,655,163)	(1,204,798,891)
Shares in issue April 30, 2020	206,415,165	4,166,584	-

11. Cost of Investments

Cost of investments as at April 30, 2020

Canadian Dollar Fund	CAD	40,999,472
Sterling Fund	GBP	232,236,931
US Dollar Fund	USD	7,425,860,919
US Treasury Fund	USD	210,612,896

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2020

### 12. Financial Instruments and Associated Risks

#### Price Risk

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

#### Currency Risk

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

#### Interest Rate Risk

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

#### Liquidity Risk

The Company invests in certain sub-funds of HSBC Global Liquidity Funds Plc ("HSBC GLF") and BNY Mellon Liquidity Funds Plc ("BNY MLF") which provide 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 10). The Manager manages liquidity risk by maintaining sufficient liquid assets to meet liabilities and redemptions as they fall due.

#### Credit Risk

Financial assets that potentially expose the Company to credit risk consist primarily of cash, investments, interest and dividends 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.

#### COVID-19 Risk

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. Management have considered the general impact resulting from COVID-19 on the Company and have ongoing engagement with its delegates. The delegates have invoked their Business Continuity Plans (BCPs) which are operating effectively allowing the Company to continue to service its client base. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Company's performance. Given the current degree of market volatility it is not appropriate or practical to quantify the impact to the Company's portfolios. Management continue to closely monitor market conditions taking into account any changes in liquidity or other market volatility and/or restrictions.

#### 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, 2020 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, 2020, 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, HSBC US Dollar Liquidity Fund and HSBC US Treasury Liquidity Fund. The US Treasury Fund also has an investment in BNY Mellon U.S. Treasury Fund, a sub-fund of BNY Mellon Liquidity Funds Plc.

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2020

12. Financial Instruments and Associated Risks (continued)

Investments in Other Investment Funds (continued)

The objective of HSBC GLF and BNY MLF 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 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.

HSBC US Treasury Liquidity Fund

The investment objective of the HSBC US Treasury Liquidity Fund is to provide investors with security of capital and daily liquidity together with targeting an investment return which is comparable to normal, short dated US Dollar denominated US Treasury returns.

BNY Mellon US Treasury Fund

The investment objective of the BNY Mellon US Treasury Fund is to provide investors with as high a level of current income in US Dollar terms as is consistent with the preservation of capital in US Dollar terms and the maintenance of liquidity.

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

Description	Nominal Value GBP	Fair Value GBP	% of Sterling Fund's Net
Acos 0.00% - 0.28% due 14/05/2020 – 04/06/2020	11,811,193	11,809,724	5.16%
BCo Santander SA 0.10% 01/05/2020	17,591,139	17,591,139	7.69%
Bred 0.09% - 0.77% due 01/05/2020 – 03/09/2020	15,094,705	15,959,177	6.97%
Mizuho Bank 0.08% - 0.77% due 01/05/2020 – 11/06/2020	19,475,904	19,475,952	8.51%
Nationwide Building Society 0.05% 01/05/2020	12,565,099	12,565,099	5.49%
Qatar National Bank 0.18% - 0.23% due 04/05/2020 – 11/05/2020	12,313,798	12,313,407	5.38%

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

Description	Nominal Value USD	Fair Value USD	% of US Dollar Fund's Net Assets
Banco Santander 0.07% - 1.63% due 01/05/2020 – 27/07/2020	432,326,862	432,296,518	5.82%
Crédit Agricole 0.03% - 1.84% due 01/05/2020 – 24/02/2021	522,138,332	521,796,373	7.02%
Mizuho Financial Group 0.06% 01/05/2020	459,628,813	459,628,813	6.19%
United States Treasury Bill 0.00% due 12/05/2020 – 09/07/2020	587,175,809	587,059,431	7.89%

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2020

12. Financial Instruments and Associated Risks (continued)

Investments in Other Investment Funds (continued)

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

Description	Nominal Value CAD	Fair Value CAD	% of Canadian Dollar Fund's Net Assets
Canadian Treasury Bill 0.00% due 14/05/2020 - 17/09/2020	9,878,946	9,876,182	24.08%
Crédit Agricole 0.20% 01/05/2020	3,879,586	3,879,586	9.46%
National Bank of Canada 0.20% 01/05/2020	3,999,573	3,999,573	9.75%
Societe Generale 0.10% 01/05/2020	3,959,577	3,959,577	9.66%

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

Description	Nominal Value USD	Fair Value USD	% of US Treasury Fund's Net Assets
BNP Paribas 0.03% 01/05/2020	14,201,982	14,201,982	6.74%
Bank of Montreal 0.02% 01/05/2020	12,086,793	12,086,793	5.74%
Crédit Agricole 0.02% 01/05/2020	19,641,039	19,641,039	9.33%
Standard Chartered Bank 0.02% 01/05/2020	12,086,793	12,086,793	5.74%
United States Treasury FRN 31/07/2020 – 31/10/2020	58,923,116	58,912,566	27.98%
United States Treasury Bill 0.00% 12/05/2020 – 05/11/2020	83,096,702	83,062,254	39.44%
United States Cash Management Bill 0.00% 21/07/2020 – 15/09/2020	10,575,944	10,570,087	5.02%



HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2020

12. Financial Instruments and Associated Risks (continued)

Investments in Other Investment Funds (continued)

Summarized financial information pertaining to the relevant HSBC GLF sub-fund based on its April 30, 2020 audited financial statements is as follows:

	HSBC Canadian Dollar Liquidity Fund CAD	HSBC Sterling Liquidity Fund GBP	HSBC US Dollar Liquidity Fund USD	HSBC US Treasury Liquidity Fund USD
Current assets				
Cash and cash equivalents	127,885	70,732	145,171	25,049
Financial assets at fair value				
through profit and loss	102,436,807	9,733,874,545	32,521,137,826	766,877,663
Accrued interest income	3,501	2,260,388	18,458,340	265,033
<b>Total assets</b>	<b>102,568,193</b>	<b>9,736,205,665</b>	<b>32,539,741,337</b>	<b>767,167,745</b>
Liabilities				
Due to broker	-	491,955,523	209,887,722	69,980,429
Accrued management fees	6,490	912,089	2,218,413	82,525
Distributions payable	52,084	1,989,295	15,209,581	103,042
<b>Total liabilities</b>	<b>58,574</b>	<b>494,856,907</b>	<b>227,315,716</b>	<b>70,165,996</b>
<b>Net assets</b>	<b>102,509,619</b>	<b>9,241,348,758</b>	<b>32,312,425,621</b>	<b>697,001,749</b>
	HSBC Canadian Dollar Liquidity Fund CAD	HSBC Sterling Liquidity Fund GBP	HSBC US Dollar Liquidity Fund USD	HSBC US Treasury Liquidity Fund USD
Income				
Interest income	1,798,620	54,945,233	623,483,130	7,654,042
Net gain on financial assets and liabilities at fair value through profit or loss	34,431	413,391	3,916,180	-
Expenses				
Management fees	(107,083)	(8,602,706)	(28,938,594)	(669,259)
Other expenses	-	-	-	-
Net investment income from operations before finance costs	1,725,968	46,755,918	598,460,716	6,984,783
Finance costs				
Bank interest expense	-	106	73	-
Distribution to holders of redeemable participating shares				
Paid	1,617,402	42,043,663	536,105,583	6,881,741
Payable	52,084	1,989,295	15,209,581	103,042
	1,669,486	44,033,064	551,315,237	6,984,783
Change in net assets attributable to holders of redeemable participating shares	56,482	2,722,854	47,145,479	-

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2020

12. Financial Instruments and Associated Risks (continued)

Investments in Other Investment Funds (continued)

Investment Assets	HSBC Canadian Dollar Liquidity Fund % of Net Assets	HSBC Sterling Liquidity Fund % of Net Assets	HSBC US Dollar Liquidity Fund % of Net Assets	HSBC US Treasury Liquidity Fund % of Net Assets
Debt Investments				
Bankers Acceptances	17.57%	-	-	-
Certificates of Deposit	5.41%	38.03%	21.86%	-
Commercial Paper	13.93%	27.60%	43.98%	-
Corporate Bonds	2.50%	-	0.16%	-
Floating Rate Notes	-	3.38%	1.94%	27.97%
Government Bonds	-	-	-	-
Reverse Repurchase Agreements/ Repurchase Agreements	-	-	-	33.29%
Time Deposits	28.88%	32.54%	22.64%	-
Treasury Bills	31.64%	3.78%	10.07%	44.46%
Treasury Notes/Bonds	-	-	-	4.31%
<b>Total investment assets</b>	<b>99.93%</b>	<b>105.33%</b>	<b>100.65%</b>	<b>110.03%</b>

Complete information about the underlying investments held by BNY Mellon US Treasury Fund is not readily available, so it is unknown whether the BNY Mellon US Treasury Fund holds any single investment whereby the Company's proportionate share exceeds 5% of the Company's net assets at April 30, 2020.

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 and BNY Mellon Liquidity Fund of CAD 553,872 in the Canadian Dollar Fund, USD 144,964,253 in the US Dollar Fund, GBP 1,507,461 in the Sterling Fund and USD 3,767,111 in the US Treasury Fund.

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

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2020

13. Dividends

The table below reflects the dividends declared during the year and dividends payable as at April 30, 2020.

	Canadian Dollar Fund CAD	Sterling Fund GBP	US Dollar Fund USD	US Treasury Fund USD
<b>Dividends Declared</b>				
Class A dividends declared	261,179	707,946	53,849,831	2,303,743
Class B dividends declared	85,785	66,760	20,165,023	51,266
Class C dividends declared	17,835	146,063	49,919,740	-
Class I dividends declared	-	4,419	3,216,358	-
Class X dividends declared	-	-	-	945,844
<b>Total dividends declared</b>	<b>364,799</b>	<b>925,188</b>	<b>127,150,952</b>	<b>3,300,853</b>
<b>Dividends Payable</b>				
Class A dividends payable	1,073	-	30,005	71
Class B dividends payable	-	152	9,949	2
Class C dividends payable	13	1	44,756	-
Class I dividends payable	19	-	2,176	-
Class X dividends payable	-	-	-	10
<b>Total dividends payable</b>	<b>1,105</b>	<b>153</b>	<b>86,886</b>	<b>83</b>

14. Management Fees

	Canadian Dollar Fund CAD	Sterling Fund GBP	US Dollar Fund USD	US Treasury Fund USD
Class A management fees	65,365	478,144	9,627,129	427,894
Class B management fees	24,879	55,356	4,262,654	14,195
Class C management fees	1,503	25,110	3,232,629	-
Class I management fees	-	1,455	357,601	-
Class X management fees	-	-	-	20,822
Class R management fees	29,293	4,767	87,515	-
<b>Total management fees</b>	<b>121,040</b>	<b>564,832</b>	<b>17,567,528</b>	<b>462,911</b>
<b>Management fees payable</b>	<b>11,479</b>	<b>55,037</b>	<b>1,646,007</b>	<b>37,942</b>

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2020

15. Schedule of Financial Highlights

**Schedule of Financial Highlights for Canadian Dollar Fund  
for year ended April 30, 2020**

	CAD			
	Class A	Class B	Class C	Class R
<b>Selected per share data</b>				
Net asset value at beginning of the year	1.0000	1.0000	1.0000	17.6791
<b>Income from investment operations</b>				
Net investment income	0.0125	0.0120	0.0143	0.1595
Less distributions from net investment income	(0.0125)	(0.0120)	(0.0143)	-
Net asset value at end of the year	1.0000	1.0000	1.0000	17.8386
Total return	1.25%	1.20%	1.43%	0.90%
<b>Ratios to average net assets</b>				
Total expenses	0.38%	0.43%	0.20%	0.73%
Net investment income	1.20%	1.21%	1.43%	0.91%
<b>Supplemental data</b>				
Net assets at end of the year	30,010,508	5,657,166	1,259,275	4,082,122

**Schedule of Financial Highlights for Sterling Fund  
for the year ended April 30, 2020**

	GBP				
	Class A	Class B	Class C	Class I (note 1)	Class R
<b>Selected per share data</b>					
Net asset value at beginning of the year/period	1.0000	1.0000	1.0000	1.0000	20.6737
<b>Income from investment operations</b>					
Net investment income	0.0046	0.0041	0.0064	0.0031	0.0282
Less distributions from net investment income	(0.0046)	(0.0041)	(0.0064)	(0.0031)	-
Net asset value at end of the year/period	1.0000	1.0000	1.0000	1.0000	20.7019
Total return	0.46%	0.41%	0.64%	0.31%	0.14%
<b>Ratios to average net assets</b>					
Total expenses	0.31%	0.36%	0.13%	0.21%	0.64%
Net investment income	0.44%	0.42%	0.70%	0.60%	0.14%
<b>Supplemental data</b>					
Net assets at end of the year/period	217,166,749	10,630,842	292,433	-	722,522

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2020

15. Schedule of Financial Highlights (continued)

<b>Schedule of Financial Highlights for US Dollar Fund for year ended April 30, 2020</b>					
	USD				
	Class A	Class B	Class C	Class I	Class R
<b>Selected per share data</b>					
Net asset value at beginning of the year	1.0000	1.0000	1.0000	1.0000	18.0174
<b>Income from investment operations</b>					
Net investment income	0.0172	0.0167	0.0190	0.0182	0.2487
Less distributions from net investment income	(0.0172)	(0.0167)	(0.0190)	(0.0182)	-
Net asset value at end of the year	1.0000	1.0000	1.0000	1.0000	18.2661
Total return	1.72%	1.67%	1.90%	1.82%	1.38%
<b>Ratios to average net assets</b>					
Total expenses	0.30%	0.35%	0.12%	0.20%	0.65%
Net investment income	1.67%	1.67%	1.86%	1.82%	1.46%
<b>Supplemental data</b>					
Net assets at end of the year	2,968,267,645	1,280,120,433	3,035,154,996	135,233,038	10,564,597

<b>Schedule of Financial Highlights for US Treasury Fund for year ended April 30, 2020</b>			
	USD		
	Class A	Class B	Class X (note 1)
<b>Selected per share data</b>			
Net asset value at beginning of the year	1.0000	1.0000	1.0000
<b>Income from investment operations</b>			
Net investment income	0.0145	0.0136	0.0052
Less distributions from net investment income	(0.0145)	(0.0136)	(0.0052)
Net asset value at end of the year/period	1.0000	1.0000	1.0000
Total return	1.45%	1.36%	0.52%
<b>Ratios to average net assets</b>			
Total expenses	0.25%	0.34%	0.06%
Net investment income	1.35%	1.21%	2.27%
<b>Supplemental data</b>			
Net assets at end of the year/period	206,415,165	4,166,584	-

*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, 2020

### 16. 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.

### 17. Subsequent Events

Management have assessed and evaluated all subsequent events arising from the date of the statements of assets and liabilities up until September 24, 2020 and have determined that there are no material events other than those disclosed below that would require disclosure in the Company's financial statements through this date.

Subsequent to year end given the falling interest rate environment and the impact this has had on the Company's yield, the Manager waived a portion of its management fee which is in line with the management agreement. For the period May 1, 2020 to July 31, 2020, management fees have been waived for Canadian Dollar Fund Class A, B and R, USD Dollar Fund A, B and R, Sterling Fund Class A, B and R and US Treasury Fund Class A and B shares which amount to USD 165,263.

Subsequent to April 30, 2020, there were net capital activities of USD (959,172,829) for US Dollar Fund, USD 96,621,082 for US Treasury Fund, CAD (1,855,887) for Canadian Dollar Fund and GBP 214,003,321 for Sterling Fund.

**HSBC Corporate Money Funds Limited  
Management and Administration**  
for the year ended April 30, 2020

**Directors and Officers**

Paul Dawe, President  
Chief Operating Officer  
HSBC Global Asset Management  
USA

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

L Anthony Joaquin, Director (Resigned: February 7, 2020)  
Retired Managing Partner  
Ernst & Young

Julie E. McLean, Director  
Conyers

Anthony T. Riker, Director  
Vice President  
HSBC Bank Bermuda Limited

Robin Masters, Director (Appointed: February 11, 2020)  
Non-Executive Director  
Bermuda Monetary Authority

**Secretary and Registered Office**

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

**Manager**

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

**Custodian**

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

**Banker**

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

**Administrator**

HSBC Securities Services (Bermuda) Limited  
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Hamilton HM 11, Bermuda

**Auditors**

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**Legal Advisers**

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Clarendon House  
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Hamilton HM 11, Bermuda

**Bermuda Stock Exchange Listing Sponsor**

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