

# HSBC Corporate Money Funds Limited

Annual Report April 2021

# HSBC Corporate Money Funds Limited

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*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 October 6, 2021 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, 2021

### Canadian Dollar Fund

#### Market review

Canadian bonds followed a similar pattern to US and other global bond markets, remaining underpinned through much of 2020, before selling off dramatically in 2021.

The 10-year government bond yield had fallen to 0.4% in early August, its lowest ever recorded level, reflecting the deep worries in the market about the state of the economy as COVID-19 raged. While Canada had not been as badly affected by COVID-19 as the US, the pandemic's effect on business and social activities, as well as the fall in oil prices since coronavirus broke out across the globe, negatively impacted the economy.

By the end of 2020, the yield had recovered to just over 0.6%. It then surged from February 2021 to reach a 14-month high of over 1.6% in March, reflecting an acute pickup in long-term inflation expectations. The yield finished the year at approximately 1.55%.

The Bank of Canada (BoC) kept its benchmark interest rate unchanged at 0.25%, having slashed interest rates from 1.75% in the early months of 2020 as COVID-19 struck. The Canadian government had previously announced a C\$52 billion fiscal stimulus package to help protect the economy. Having introduced a large-scale asset purchase programme during the spring months, the BoC extended this programme to include corporate bonds in October. However, by April 2021, the bank indicated that it would begin to taper its monthly bond purchases. The central bank also forecast that its mid-term inflation target of 2.0% would most likely be reached in the second half of 2022, rather than the previously forecast 2023, and that the market should expect higher interest rates from late 2022.

2020 second-quarter GDP contracted 11.4% on a quarterly basis, the steepest fall on record and one that confirmed a recession in the country. GDP recovered by 8.9% quarter on quarter, in the third quarter – a record quarterly growth rate – before rising a further 2.3% in the final quarter of 2020. Consumer prices had fallen 0.4% year on year in May but, by the end of the period, had picked up to an annual growth rate of 2.2% in March.

#### Portfolio review

The period beginning November 2020 saw the BoC at a rate of 0.25% where it has remained. Overall, the six-month period was relatively uneventful with the Canadian economy steadily recovering. Despite this improvement the earliest hike being considered is the 3rd quarter of 2022. This is still far beyond the reach of the longest allowable maturity. At its April meeting the BoC changed the amount of weekly bond purchases from C\$4 billion to C\$3 billion as a first step towards reducing support for the economy.

The sub-fund saw very little change in flow activity. The assets have ebbed and flowed in an approximate range of C\$90 million-110 million. Throughout the period we maintained our usual high levels of liquidity and allocation to government securities. The sub-fund kept about 20-30% in overnight time deposits and another 20-30% in Canadian Treasury bills.

Issuance was also benign with very little diversification of names. It was hard to find value in any product. For most of the period rates steadily declined. In the past month treasury bills began to bounce off the lows, but are still extremely low. As a result, the sub-fund's yield has continually gone lower, but recently at a reduced speed. The sub-fund has maintained a WAM and Weighted Average Life (WAL) in the mid-thirties to low forties.

### HSBC Global Asset Management (Bermuda) Limited September 2021

*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, 2021

### Sterling Fund

#### Market review

The UK bond market was markedly weak over the period. The weakness was largely confined to 2021, which saw a substantial rise in bond yields owing to fears about rising long-term inflation.

UK government bonds produced a positive return in the first half of the period, reflecting falling interest rates, economic recession and the widespread uncertainty caused by the global pandemic. The 10-year gilt yield fell to a new all-time low of below 0.1% in August. The uncertainties over the UK's future trading relationship with the European Union (EU) also kept yields low.

UK government bonds were very weak in the second half of the period as bond yields rose substantially owing to rising long-term inflationary expectations. This rise reflected the growing belief in a strong economic recovery in 2021, with lockdown restrictions expected to be eased further, and the huge amount of fiscal spending recently pledged by the UK, the US and other nations to mitigate the effects of the pandemic. The UK 10-year gilt yield rose above 0.8% in March, its highest since late 2019 and more than double its level at the beginning of 2021.

In November, the Bank of England (BoE) increased its bond-purchasing programme by a further £150 billion per month to £895 billion. Media reports also suggested that the BoE was seriously considering introducing negative interest rates. However, by the end of the period, this prospect appeared to be less likely as bond yields rose.

A recession in the UK was confirmed as Gross Domestic Product (GDP) fell by a record 19.5%, on a quarterly basis, in the second quarter of 2020 – the worst performance of any major developed economy – before recovering by 16.9% in the third quarter. Growth flattened in the fourth quarter, with just 1.3% growth achieved. For 2020 as a whole, GDP fell 9.8%, the worst figure ever recorded. While unemployment remained close to generational lows of around 4.0% in the early months of the period, it began to grow through the summer months, reaching 5.1% in the three months to December, before falling back to 4.9% two months later. Annual consumer price inflation fell to just 0.2% in August – the lowest rate for nearly five years, before recovering to end the period at a 0.7% annual rate (in March).

Corporate and high yield bonds outperformed government bonds, taking their cue more from equity markets and growing risk appetite.

#### Portfolio review

The fund manager's priority has been to maintain a heightened level of liquidity on the sub-fund over the past year as the effects of the pandemic continue. As always, the preservation of capital and liquidity remain our prime objectives.

Over the period under review, the BoE has kept the base rate at a historically low level of 0.10% since they reduced the rate twice in March 2020 by a total of 0.65%. The Monetary Policy Committee (MPC) also announced that a total of £200 billion was being added to the Quantitative Easing (QE) program and Her Majesty's (HM) Treasury introduced an emergency COVID-19 Corporate Financing Facility to help secure funding for British SME.

The BoE's monetary policy has remained extremely accommodative throughout the period under review as the size of the QE program was increased further by £250 billion in two separate announcements at the June and November policy setting meetings. Once the asset purchases are completed, the size of the QE program will stand at £895 billion. In addition to measures undertaken by the BoE itself, the Government has also provided extensive relief either through fiscal incentives or the prolongation of the furlough scheme.

As in previous years, the past year was dominated, once again by Brexit. In December, the EU and UK announced that an eleventh hour trade agreement has been reached. This meant that the UK would not leave the EU under World Trade Organization (WTO) terms which would have been very destabilizing for markets and would almost certainly have meant that the MPC would be forced to introduce additional policy measures.

Another theme that was much discussed and commented on by the MPC was a negative interest rate policy (NIRP). During the pandemic, the UK saw the largest drop in GDP amongst the major world economies. Many of the external members of the MPC were quite vociferous in their defence of NIRP as a suitable policy tool given the unique set of circumstances facing the UK. A clear rift appeared between internal members who were largely hostile to NIRP, and external members of the MPC.

# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2021

### **Sterling Fund**

#### **Portfolio review (continued)**

Due to a combination of year end effects and heightened speculation, markets were pricing in the chances of a negative rates in the UK towards the end of 2020. However, the UK's successful vaccine roll out meant that this was totally reversed by March 2021. The BoE also clearly stated that the UK's financial sector would need until August 2021 to prepare for such a policy move which effectively postponed any possibility of a hike until at least that date.

During the past year, the fund manager has substantially increased both daily and weekly liquidity on the sub-fund. Our internal guidelines were continually revised throughout the year and towards the latter half of the period under review. Our investment policy was loosened somewhat and some longer dated maturities were purchased. The fund manager has also made extensive use of UK Treasury Bills as a liquidity management tool and as a means of securing the sub-fund further.

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

Since the start of 2021, the economic outlook for the UK has improved quite rapidly. This is of course due to the successful vaccine roll out. At the time of writing, markets have reacted to this by pricing out probabilities for negative interest rates. Indeed, interest rate hikes from the BoE are now partially priced in the market. The fund manager expects that the MPC will prioritize reducing QE before revising the policy rate and that this will lead to the base rate remaining at 0.10% for the foreseeable future.

The investment manager will continue to prioritize liquidity and security of investments over yield. However, given the improved outlook, and the steepening in interest rates, we will look to extend maturities on suitably secure names from our credit list when the return is attractive. Therefore, we would expect the Weighted Average Maturity (WAM) on the sub-fund to increase slightly for the foreseeable future.

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

**September 2021**

*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, 2021

### US Dollar Fund

#### Market review

The year to 30 April 2021 saw a substantial sell-off in US Treasuries, with the US proving to be the weakest of all major developed global government bond markets over the period. Much of the sell-off came in 2021. Long-term inflation expectations rose substantially through the early months of 2021, owing to recovering economic growth and the massive stimulus packages announced by the Biden administration.

Bonds had been supported early in the period by the fallout from the spread of COVID-19 across the US and the subsequent nationwide lockdown. The US 10-year Treasury yield equalled an all-time-low level of 0.5% in early August. Consequently, the US Federal Reserve (Fed) adopted an increasingly dovish stance.

Treasury yields gradually picked up through the autumn months as the market began to discount a likely recovery from the pandemic. The announcement of the successful development of COVID-19 vaccines late in 2020 proved to be a game-changer in both sentiment and the economic outlook. The 10-year Treasury yield reached approximately 0.9% by the end of 2020. It then began to rise steeply in the first few months of 2021, reaching just over 1.7% by the end of March – its highest level for almost 15 months – reflecting the growing concerns about rising inflation in the US and across the globe. Consumer price inflation began to pick up, rising to 2.6% annual growth in March, its highest level since August 2018. The Fed had previously announced that it would allow inflation to rise ahead of the target inflation rate for some time, without taking any remedial action. Late in the period, Fed Chairman Jerome Powell stated that interest rates were unlikely to rise before 2024 and that the pickup in inflation was likely to be temporary and containable.

The US fell into recession in the first half of 2020. Second-quarter GDP fell 31.4% on an annualized basis – the worst figure ever recorded. It then recovered to grow by 33.4% in the second quarter, a record quarterly growth rate. The economy grew by 4.3% in the final quarter of the year, leaving it down 3.5% over the whole of 2020, the worst performance since 1946. GDP grew by a further 6.4% in the first quarter of 2021. In terms of the labour market, jobless claims had surged to over 30 million by early May, close to one quarter of the entire US workforce. However, the unemployment rate fell steadily from a peak of 14.8% in April to 6.0% in March.

#### Portfolio review

At the start of the period in May 2020, employment data was very weak as expected, while markets continued to focus more on stimulus programs, re-openings, medication development and ultimately a vaccine. The Fed was on hold for at least 6-12 months, with futures markets pricing in little-to-no chance of a rate hike in 2021. Futures market expectations also pulled back from pricing in negative rates, as the Fed had been vocal against negative rates being a useful tool.

We continued to maintain higher levels of liquidity than in the past, while at the same time we were comfortable purchasing selective securities out to 1-year. These securities were mainly those that were eligible for the Fed's facility, which even though non-US domiciled funds could not participate, the liquidity in those programs was higher than those which were not eligible.

Retail sales rose 17.7% in May, more than twice as much as expected and just enough to reverse the revised 14.7% drop in April. The June employment report was strong all around. Nonfarm employment increased by 4.8 million jobs, 1.8 million more than expected. The unemployment rate also surprised favourably, falling from 13.3% in May to 11.1% in June. At its mid-September meeting, the Federal Open Market Committee (FOMC) rolled forward its forecast horizon by one year to 2023. We expected to see the Fed continue to be accommodative with its policies, focusing on stronger forward guidance, and allowing inflation to overshoot the 2% mark. Retail sales boomed in September, rising 1.9%, more than twice the 0.8% Bloomberg consensus, with only modest downward revisions to August.

We looked for fixed rates in 3-9 months along with floating in 6-12 months. This quarter end was expected to be challenging since many banks were planning to be out of the market. This led to us planning ahead to ensure we were able to meet our Daily Liquidity Assets (DLA) and Weekly Liquidity Assets (WLA) targets. Treasury Bills made sense for Prime Funds as their rates of 10-15bps were more attractive than most 1-week Commercial Papers (CPs) and Certificates of Deposit (CDs), and they counted towards our WLA. After a challenging quarter-end in trying to find late-day supply, we continued to maintain higher levels (20% DLA / 40% WLA) of liquidity than in the past. We remained comfortable purchasing securities out to 1-year, and utilizing our entire credit approved list matrix.

# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2021

### US Dollar Fund

#### Portfolio review (continued)

Fourth quarter 2020 investment strategy was heavily influenced by the forecast of the future drop in the Treasury General Account (TGA). The drawdown was known, and driven by the impending debt ceiling negotiations. To help quantify, in the fourth quarter the TGA balance ranged from around \$1.5 trillion to \$1.6 trillion and needed to be reduced to \$800 billion by March 31, \$500 billion by June 30 and \$133 billion by July 31 (all assuming there was no debt ceiling resolution).

For comparison, on average, this balance is normally around \$400 billion. In the past, short-term moves of \$100 billion have had a noticeable impact on frontend rates. As such, it was expected that repo and short bills would be pegged toward zero as we moved into the first quarter of 2021. This led to many conversations regarding if and when the Fed would intervene, with any adjustments to Interest on Excess Reserve (IOER) or overnight reverse repo program (RRP). In February, with Joe Biden winning the presidential election and the runoff election in Georgia, there were hopes for additional, larger than previously forecast stimulus to help offset these effects.

In April, as expected, the Fed maintained its Federal Funds rate target range at 0.00-0.25%, and kept its quantitative QE program unchanged. Policymakers acknowledged stronger activity amid further relaxation in COVID-19 prevention measures and said a recent inflation pickup was largely transitory. At his press conference, Fed Chairman Powell emphasized that the economic recovery was still "a long way" from reaching policymakers' inflation and maximum employment goals. As a result, it was too early to start discussions on any potential asset purchase reduction. As we get deeper into the second quarter and rates converge towards zero, we will need to watch the Fed closely to understand when and why they may intervene in the future.

The US GDP expanded at an annualized rate of 6.4% in Q1, with household spending and activity supported by fresh stimulus and easing public health measures, but trailed the market's expected 6.7% growth. Looking forward, the pace of economic growth is likely to pick up during Q2, as further re-opening occurs, before beginning to normalize towards the end of 2021.

There has been no material change in CP issuance out to one year. There is enough supply to keep the curve positively sloped. Investors are still trying to extend maturities and buy credit to pick up an additional yield. WAM is 50 days and is likely to remain there whilst opportunities exist in longer maturities.

#### HSBC Global Asset Management (Bermuda) Limited September 2021

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2021

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# HSBC Corporate Money Funds Limited

## Manager's Report

for the year ended April 30, 2021

### US Treasury Fund

#### Portfolio review (continued)

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#### HSBC Global Asset Management (Bermuda) Limited September 2021

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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 Treasury Fund), which comprise the statements of assets and liabilities, including the statements of net assets, as of April 30, 2021, 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, 2021, 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  
October 6, 2021

HSBC Corporate Money Funds Limited  
Statements of Assets and Liabilities  
as at April 30, 2021

	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)	46,603,096	327,669,056	8,345,954,751	320,626,104
Cash (note 3)	457	408,186	1,612,351	746,857
Interest and dividends receivable	5,637	15,625	1,069,404	9,784
Accounts receivable and prepaid expenses	15,712	12,483	89,379	6,690
	46,624,902	328,105,350	8,348,725,885	321,389,435
<b>Liabilities</b>				
Management fees payable (notes 4 & 14)	3,356	11,251	901,959	5,627
Dividends payable (note 13)	11	179	5,572	88
Accounts payable and accrued expenses	1,012	3,145	83,924	2,850
	4,379	14,575	991,455	8,565
<b>Net assets</b>	46,620,523	328,090,775	8,347,734,430	321,380,870
<b>Net assets attributable to:</b>				
Class A shares	37,310,898	172,286,310	4,093,745,268	315,271,061
Class B shares	4,566,246	7,099,629	960,780,395	6,109,809
Class C shares	1,260,066	148,308,177	3,154,586,519	-
Class I shares	-	-	130,082,070	-
Class R shares	3,483,313	396,659	8,540,178	-
	46,620,523	328,090,775	8,347,734,430	321,380,870
<b>Share capital</b> (note 10)				
Shares authorized 19,999,880,000 of USD 0.10 each				
<b>Shares outstanding</b>				
Class A shares	37,310,898	172,286,310	4,093,745,268	315,271,061
Class B shares	4,566,246	7,099,629	960,780,395	6,109,809
Class C shares	1,260,066	148,308,177	3,154,586,519	-
Class I shares	-	-	130,082,070	-
Class R shares	195,248	19,159	467,497	-

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, 2021

	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 R shares	CAD 17.84	£ 20.70	USD 18.27	-



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 Director



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 Director

INTERNAL

The accompanying notes form an integral part of these Financial Statements

HSBC Corporate Money Funds Limited  
 Statements of Net Assets  
 as at April 30, 2021

**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)	46,603,096	46,603,096	46,603,096	99.96
Other net assets			17,427	0.04
<b>Net assets</b>			<b>46,620,523</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)	327,669,056	327,669,056	327,669,056	99.87
Other net assets			421,719	0.13
<b>Net assets</b>			<b>328,090,775</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)	8,345,954,751	8,345,954,751	8,345,954,751	99.98
Other net assets			1,779,679	0.02
<b>Net assets</b>			<b>8,347,734,430</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, 2021

**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	86,794,670	86,794,670	86,794,670	27.01
HSBC Global Liquidity Funds Plc - HSBC US Treasury Liquidity Fund - Class Z (note 12)	233,831,434	233,831,434	233,831,434	72.76
Other net assets			754,766	0.23
<b>Net assets</b>			<b>321,380,870</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, 2021

	Canadian Dollar Fund CAD	Sterling Fund GBP	US Dollar Fund USD	US Treasury Fund USD
<b>Income</b>				
Dividend income (note 12)	89,342	512,856	19,206,962	251,123
Interest income (note 3(b))	-	-	13,685	1,338
	89,342	512,856	19,220,647	252,461
<b>Expenses</b>				
Management fees (notes 4 & 14)	134,802	886,370	17,925,110	690,988
Audit fees	446	3,044	69,421	3,475
Directors' fees (note 8)	159	912	34,764	1,188
Other expenses (note 3(b))	21,795	18,773	93,610	19,523
Total expenses	157,202	909,099	18,122,905	715,174
Reimbursed/ waived expenses	(76,214)	(438,287)	(4,184,711)	(490,169)
Net expenses	80,988	470,812	13,938,194	225,005
Net investment income	8,354	42,044	5,282,453	27,456
Net increase in net assets resulting from operations	8,354	42,044	5,282,453	27,456

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, 2021

Canadian Dollar Fund

	Class A CAD	Class B CAD	Class C CAD	Class R CAD	Total
Net assets at start of the year	30,010,508	5,657,166	1,259,275	4,082,122	41,009,071
<b>Net increase in net assets resulting from operations</b>					
Net investment income	6,343	855	777	379	8,354
	6,343	855	777	379	8,354
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	12,101,317	694,022	-	180,000	12,975,339
Payments on redemption of shares	(4,806,858)	(1,785,345)	-	(779,188)	(7,371,391)
	7,294,459	(1,091,323)	-	(599,188)	5,603,948
Dividends (note 13)	(6,343)	(855)	(777)	-	(7,975)
Proceeds from reinvestments of dividends	5,931	403	791	-	7,125
Net assets at end of the year	37,310,898	4,566,246	1,260,066	3,483,313	46,620,523

Sterling Fund

	Class A GBP	Class B GBP	Class C GBP	Class R GBP	Total
Net assets at start of the year	217,166,749	10,630,842	292,433	722,522	228,812,546
<b>Net increase in net assets resulting from operations</b>					
Net investment income	25,206	958	15,821	59	42,044
	25,206	958	15,821	59	42,044
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	1,167,126,435	5,646,462	193,001,180	-	1,365,774,077
Payments on redemption of shares	(1,212,007,029)	(9,178,130)	(45,000,000)	(325,922)	(1,266,511,081)
	(44,880,594)	(3,531,668)	148,001,180	(325,922)	99,262,996
Dividends (note 13)	(25,206)	(958)	(15,821)	-	(41,985)
Proceeds from reinvestment of dividends	155	455	14,564	-	15,174
Net assets at end of the year	172,286,310	7,099,629	148,308,177	396,659	328,090,775

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, 2021

US Dollar Fund						
	Class A USD	Class B USD	Class C USD	Class I USD	Class R USD	Total
Net assets at start of the year	2,968,267,645	1,280,120,433	3,035,154,996	135,233,038	10,564,597	7,429,340,709
<b>Net increase in net assets resulting from operations</b>						
Net investment income	1,126,543	292,480	3,761,266	101,253	911	5,282,453
	1,126,543	292,480	3,761,266	101,253	911	5,282,453
<b>Subscriptions and redemptions</b>						
Proceeds on issue of shares	50,527,567,699	10,119,638,870	10,894,061,562	319,380,000	2,762,934	71,863,411,065
Payments on redemption of shares	(49,402,117,318)	(10,438,980,797)	(10,778,205,786)	(324,616,858)	(4,788,264)	(70,948,709,023)
	1,125,450,381	(319,341,927)	115,855,776	(5,236,858)	(2,025,330)	914,702,042
Dividends (note 13)	(1,126,543)	(292,480)	(3,761,266)	(101,253)	-	(5,281,542)
Proceeds from reinvestment of dividends	27,242	1,889	3,575,747	85,890	-	3,690,768
Net assets at end of the year	4,093,745,268	960,780,395	3,154,586,519	130,082,070	8,540,178	8,347,734,430
<b>US Treasury Fund</b>						
	Class A USD	Class B USD	Total			
Net assets at start of the year	206,415,165	4,166,584	210,581,749			
<b>Net increase in net assets resulting from operations</b>						
Net investment income	26,880	576	27,456			
	26,880	576	27,456			
<b>Subscriptions and redemptions</b>						
Proceeds on issue of shares	5,760,588,295	77,732,291	5,838,320,586			
Payments on redemption of shares	(5,651,732,399)	(75,789,066)	(5,727,521,465)			
	108,855,896	1,943,225	110,799,121			
Dividends (note 13)	(26,880)	(576)	(27,456)			
Proceeds from reinvestment of dividends	-	-	-			
Net assets at end of the year	315,271,061	6,109,809	321,380,870			

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, 2021

### 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, 2021, the Directors were not aware of any such specific existing or contingent liabilities. The Funds and share classes existing as at April 30, 2021 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, 2021.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2021

### 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

Preparing financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, including the fair value of investments, and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2021

### 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. Redemptions are recognized as liabilities when the amount requested in the redemption notices becomes fixed, which generally occurs on the last day of a fiscal quarter. As a result, redemptions paid after the end of the year, based on the NAV of the Fund at year-end, are included in redemptions payable at April 30, 2021. Redemption notices received for which the dollar amount is not fixed remain in net assets until the net asset values used to determine the redemption and share amounts are determined.

### 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.
- (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 1,920 and interest expense totaled GBP 3,373. These amounts have been netted and are included in other expenses. Interest income for the year resulting from sweep transactions for the US Dollar Fund totaled USD 18,563 and interest expense totaled USD 4,878. 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 1,358 and interest expense totaled USD 20. 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, 2021

#### 4. Manager

Under the amended management agreement dated February 1, 2006, September 12, 2016, April 23, 2018, June 20, 2018, September 18, 2018, Prospectus dated February 8, 2020 and Prospectus dated January 4, 2021 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.

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 April 30, 2021, management fees have been waived for Canadian Dollar Fund Class A, B and R, USD Dollar Fund A, B, I and R, Sterling Fund Class A, B, C and R and US Treasury Fund Class A and B shares.

As of April 30, 2021, the management fees for Class A, Class B, Class C, Class I 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%	-

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.

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2021

### 6. Custodian

HSBC Institutional Trust Services (Bermuda) Limited acted as the custodian of the Company up to January 3, 2021. Under the amended custodian agreement dated January 4, 2021, HSBC Continental Europe, (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. 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, 2021, Ms. Julie E. McLean and Ms. Robin Masters both received an annual fee of USD 8,500.

### 9. Related Parties and Directors' Interests

As at April 30, 2021, 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, 9,330,126.71 shares of Class A in the US Dollar Fund and 1 share each of Class C and I in the US Treasury Fund.

HSBC Continental Europe, 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

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2021

10. Share Capital (continued)

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.

Transactions in the Shares of the Company during the year ended April 30, 2021 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, 2020	30,010,508	5,657,166	1,259,275	228,835
Shares issued during the year	12,107,248	694,425	791	10,090
Shares redeemed during the year	(4,806,858)	(1,785,345)	-	(43,677)
Shares in issue April 30, 2021	37,310,898	4,566,246	1,260,066	195,248

  

	Sterling Fund Class A	Sterling Fund Class B	Sterling Fund Class C	Sterling Fund Class R
Shares in issue May 1, 2020	217,166,749	10,630,842	292,433	34,901
Shares issued during the year	1,167,126,590	5,646,917	193,015,744	-
Shares redeemed during the year	(1,212,007,029)	(9,178,130)	(45,000,000)	(15,742)
Shares in issue April 30, 2021	172,286,310	7,099,629	148,308,177	19,159

  

	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, 2020	2,968,267,645	1,280,120,433	3,035,154,996	135,233,038	578,374
Shares issued during the year	50,527,594,941	10,119,640,759	10,897,637,309	319,465,890	151,254
Shares redeemed during the year	(49,402,117,318)	(10,438,980,797)	(10,778,205,786)	(324,616,858)	(262,131)
Shares in issue April 30, 2021	4,093,745,268	960,780,395	3,154,586,519	130,082,070	467,497

  

	US Treasury Fund Class A	US Treasury Fund Class B
Shares in issue May 1, 2020	206,415,165	4,166,584
Shares issued during the year	5,760,588,295	77,732,291
Shares redeemed during the year	(5,651,732,399)	(75,789,066)
Shares in issue April 30, 2021	315,271,061	6,109,809

11. Cost of Investments

Cost of investments as at April 30, 2021

Canadian Dollar Fund	CAD	46,603,096
Sterling Fund	GBP	327,669,056
US Dollar Fund	USD	8,345,954,751
US Treasury Fund	USD	320,626,104

# HSBC Corporate Money Funds Limited

## Notes to the Financial Statements (Continued)

for the year ended April 30, 2021

### 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

Certain impacts from the COVID-19 outbreak may have a significant negative impact on the Company's operations and performance. These circumstances may continue for an extended period of time, and may have an adverse impact on economic and market conditions. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual companies, are not known. The extent of the impact to the financial performance and the operations of the Company will depend on future developments, which are highly uncertain and cannot be predicted.

#### 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, 2021 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, 2021, 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, 2021

### 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 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 22/07/2021 - 06/01/2022	7,224,360	7,220,392	15.49%
Crédit Agricole Group 03/05/2021	3,707,237	3,707,237	7.95%
National Bank of Canada 03/05/2021	4,467,696	4,467,696	9.58%

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 Assets
Acoss 0.05% - 0.07% due 17/05/2021 - 13/07/2021	17,361,019	17,360,252	5.29%
BRED 0.08% due 04/05/2021 - 11/08/2021	31,064,468	31,063,129	9.47%
Mizuho Bank due 04/05/2021	29,387,141	29,387,141	8.96%

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2021

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 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
China Construction Bank 0.21% - 0.25% due 03/05/2021 – 02/08/2021	502,001,079	501,994,523	6.01%

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 03/05/2021	16,582,661	16,582,661	5.16%
Fixed Income Clearing Corporation 03/05/2021	28,190,524	28,190,524	8.77%
United States Treasury FRN 31/07/2021	54,125,806	54,153,355	16.85%
United States Treasury Bill 0.00% due 04/05/2021 – 28/10/2021	173,255,643	173,241,897	53.91%

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2021

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, 2021 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	73,831	600,093,693	634,212,290	90,818,362
Financial assets at fair value through profit and loss	97,996,990	6,718,535,771	32,504,453,455	875,694,412
Accrued interest income	170	411,583	3,007,369	323,528
<b>Total assets</b>	<b>98,070,991</b>	<b>7,319,041,047</b>	<b>33,141,673,114</b>	<b>966,836,302</b>
Liabilities				
Due to broker	-	69,999,194	49,966,445	-
Accrued management fees	10,945	1,458,675	4,943,097	68,809
Distributions payable	7,478	29,293	2,273,028	16,432
<b>Total liabilities</b>	<b>18,423</b>	<b>71,487,162</b>	<b>57,182,570</b>	<b>85,241</b>
<b>Net assets</b>	<b>98,052,568</b>	<b>7,247,553,885</b>	<b>33,084,490,544</b>	<b>966,751,061</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	219,004	12,417,118	89,776,615	1,206,693
Net loss on financial assets and liabilities at fair value through profit or loss	(22,477)	(794,671)	(5,899,060)	-
Expenses				
Management fees	(71,308)	(7,624,027)	(31,584,104)	(755,912)
Other expenses	-	-	-	-
Net investment income from operations before finance costs	125,219	3,998,420	52,293,451	450,781
Finance costs				
Bank interest expense	(456)	(28)	(575)	-
Distribution to holders of redeemable participating shares				
Paid	(138,650)	(4,658,780)	(51,329,107)	(434,349)
Payable	(7,478)	(29,293)	(2,273,028)	(16,432)
	(146,584)	(4,688,101)	(53,602,710)	(450,781)
Change in net assets attributable to holders of redeemable participating shares	(21,365)	(689,681)	(1,309,259)	-

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2021

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	24.73%	-	-	-
Certificates of Deposit	-	36.82%	23.68%	-
Commercial Paper	5.88%	33.41%	57.35%	-
Floating Rate Notes	-	0.70%	2.12%	16.89%
Corporate Bonds	8.16%	-	-	-
Government Bonds	12.64%	-	-	-
Reverse Repurchase Agreements/ Repurchase Agreements	-	-	-	13.96%
Time Deposits	17.54%	19.28%	15.04%	-
Treasury Bills	30.99%	2.49%	0.06%	56.10%
Treasury Notes/Bonds	-	-	-	3.63%
Total investment assets	99.94%	92.70%	98.25%	90.58%

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, 2021.

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 89,342 in the Canadian Dollar Fund, USD 19,206,962 in the US Dollar Fund, GBP 512,856 in the Sterling Fund and USD 251,123 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, 2021

13. Dividends

The table below reflects the dividends declared during the year and dividends payable as at April 30, 2021.

	Canadian Dollar Fund CAD	Sterling Fund GBP	US Dollar Fund USD	US Treasury Fund USD
<b>Dividends Declared</b>				
Class A dividends declared	6,343	25,206	1,126,543	26,880
Class B dividends declared	855	958	292,480	576
Class C dividends declared	777	15,821	3,761,266	-
Class I dividends declared	-	-	101,253	-
<b>Total dividends declared</b>	<b>7,975</b>	<b>41,985</b>	<b>5,281,542</b>	<b>27,456</b>
<b>Dividends Payable</b>				
Class A dividends payable	10	94	1,121	86
Class B dividends payable	1	4	263	2
Class C dividends payable	-	81	4,152	-
Class I dividends payable	-	-	36	-
<b>Total dividends payable</b>	<b>11</b>	<b>179</b>	<b>5,572</b>	<b>88</b>

14. Management Fees

	Canadian Dollar Fund CAD	Sterling Fund GBP	US Dollar Fund USD	US Treasury Fund USD
Class A management fees	91,555	698,690	9,858,262	670,857
Class B management fees	17,159	33,418	4,309,380	20,131
Class C management fees	19,749	150,419	3,410,295	-
Class I management fees	-	-	288,050	-
Class R management fees	6,339	3,843	59,123	-
<b>Total management fees</b>	<b>134,802</b>	<b>886,370</b>	<b>17,925,110</b>	<b>690,988</b>
<b>Management fees payable</b>	<b>3,356</b>	<b>11,251</b>	<b>901,959</b>	<b>5,627</b>

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2021

15. Schedule of Financial Highlights

Schedule of Financial Highlights for Canadian Dollar Fund for year ended April 30, 2021				
	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	17.8386
<b>Income from investment operations</b>				
Net investment income	0.0002	0.0002	0.0006	0.0018
Less distributions from net investment income	(0.0002)	(0.0002)	(0.0006)	-
Net asset value at end of the year	1.0000	1.0000	1.0000	17.8404
Total return	0.02%	0.02%	0.06%	0.01%
<b>Ratios to average net assets</b>				
Total expenses	0.36%	0.40%	0.17%	0.70%
Reimbursed/waived expenses	(0.16)%	(0.19)%	(0.01)%	(0.48)%
Net expenses	0.20%	0.21%	0.16%	0.22%
Net investment income	0.02%	0.02%	0.06%	0.01%
<b>Supplemental data</b>				
Net assets at end of the year	37,310,898	4,566,246	1,260,066	3,483,313
<b>Schedule of Financial Highlights for Sterling Fund for year ended April 30, 2021</b>				
	GBP			
	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	20.7019
<b>Income from investment operations</b>				
Net investment income	0.0001	0.0001	0.0005	0.0021
Less distributions from net investment income	(0.0001)	(0.0001)	(0.0005)	-
Net asset value at end of the year	1.0000	1.0000	1.0000	20.7040
Total return	0.01%	0.01%	0.05%	0.01%
<b>Ratios to average net assets</b>				
Total expenses	0.30%	0.36%	0.13%	0.66%
Reimbursed/waived expenses	(0.14)%	(0.23)%	(0.06)%	(0.53)%
Net expenses	0.16%	0.13%	0.07%	0.13%
Net investment income	0.01%	0.01%	0.01%	0.01%
<b>Supplemental data</b>				
Net assets at end of the year	172,286,310	7,099,629	148,308,177	396,659

HSBC Corporate Money Funds Limited  
Notes to the Financial Statements (Continued)  
for the year ended April 30, 2021

15. Schedule of Financial Highlights (continued)

<b>Schedule of Financial Highlights for US Dollar Fund</b>					
<b>for year ended April 30, 2021</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	18.2661
<b>Income from investment operations</b>					
Net investment income	0.0004	0.0003	0.0014	0.0007	0.0018
Less distributions from net investment income	(0.0004)	(0.0003)	(0.0014)	(0.0007)	-
Net asset value at end of the year	1.0000	1.0000	1.0000	1.0000	18.2679
Total return	0.04%	0.03%	0.14%	0.07%	0.01%
<b>Ratios to average net assets</b>					
Total expenses	0.30%	0.35%	0.12%	0.20%	0.65%
Reimbursed/waived expenses	(0.08)%	(0.12)%	(0.00)%	(0.01)%	(0.40)%
Net expenses	0.22%	0.23%	0.12%	0.19%	0.25%
Net investment income	0.03%	0.02%	0.13%	0.07%	0.01%
<b>Supplemental data</b>					
Net assets at end of the year	4,093,745,268	960,780,395	3,154,586,519	130,082,070	8,540,178
<b>Schedule of Financial Highlights for US Treasury Fund</b>					
<b>for year ended April 30, 2021</b>					
	USD				
	Class A	Class B			
<b>Selected per share data</b>					
Net asset value at beginning of the year	1.0000	1.0000			
<b>Income from investment operations</b>					
Net investment income	0.0001	0.0001			
Less distributions from net investment income	(0.0001)	(0.0001)			
Net asset value at end of the year	1.0000	1.0000			
Total return	0.01%	0.01%			
<b>Ratios to average net assets</b>					
Total expenses	0.26%	0.36%			
Reimbursed/waived expenses	(0.18)%	(0.28)%			
Net expenses	0.08%	0.08%			
Net investment income	0.01%	0.01%			
<b>Supplemental data</b>					
Net assets at end of the year	315,271,061	6,109,809			

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, 2021

### 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 October 6, 2021 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 April 30, 2021, there were net capital activities of USD (2,422,157,806) for US Dollar Fund, USD 65,148,288 for US Treasury Fund, CAD 6,079,129 for Canadian Dollar Fund and GBP (82,686,411) for Sterling Fund.

**HSBC Corporate Money Funds Limited  
Management and Administration**  
for the year ended April 30, 2021

**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

Julie E. McLean, Director  
Conyers

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

Robin Masters, Director  
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**

(From May 1, 2020 to January 3, 2021)  
HSBC Institutional Trust Services (Bermuda) Limited  
37 Front Street  
Hamilton HM 11, Bermuda

(Appointed with effect from January 4, 2021)  
HSBC Continental Europe  
1 Grand Canal Square  
Dublin 02 P820, Ireland

**Banker**

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

**Administrator**

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

**Auditors**

KPMG Audit Limited  
Crown House  
4 Par-la-Ville Road  
Hamilton HM 08, Bermuda

**Legal Advisers**

Conyers Dill & Pearman Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

**Bermuda Stock Exchange Listing Sponsor**

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Bermuda

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Monetary Authority