

# AiGO

An Artificially Intelligent Multi Asset Index  
with IBM Watson®

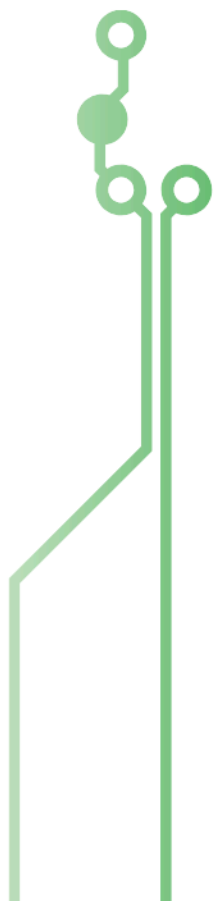


# Investing with the Power of AI

The AI Powered Global Opportunities Index is the latest addition to the one and only award winning family of rules-based strategies to use IBM Watson to turn data into investment insight.

By working around the clock to keep up with the increasing volume of data created every day, the AI Powered Global Opportunities Index (“AiGO” or the “Index”) uses the power of Artificial Intelligence (“AI”) to gain an informational advantage over the rest of the market and evolves its processes over time as headlines break and new information becomes available.

Harnessing the power of Big Data and cutting edge AI forecasting techniques, AiGO provides opportunistic exposure to a broad set of assets including global equities, fixed income, and inflation sensitive assets in an attempt to deliver resilient returns across all market environments.





# The Future of Investing

For investors seeking to grow their wealth by investing in the global markets, the birth of Big Data represents an unprecedented opportunity. Each new piece of data represents a new possible insight on a company or the markets that can lead to better investment decisions.

However, the sheer amount of data now available to investors is staggering, and the gap between what is available and what humans can take in and analyze is wide and will only continue to grow.

Successful investment strategies of the future must keep up with the growing amount of data being generated each day.



By some measures, 90% of the data that exists today has been created in just the past two years, and data continues to explode at an exponential pace.\*



Much of this data is non-traditional; newer data such as social media posts, satellite imagery, and website traffic patterns must be analyzed and organized to be useful.\*



Recent advances in machine learning and cloud computing enable AI systems to analyze and continuously learn from the vast amount of data being generated each day.\*

\*Please see the IBM website, [ibm.com/watson](http://ibm.com/watson), for more information. Information contained in IBM's website is not incorporated by reference in, and should not be considered as part of, this brochure.

# The AI Powered Global Opportunities Index

AiGO is a global investment strategy that uses IBM Watson's Artificial Intelligence to understand its investible universe and to read and analyze millions of traditional (e.g. financial statements) and non-traditional (e.g. news articles) data sources each day.

With Watson, AiGO builds intuition and experience with each new data point and evolves over time so that the AI forecasting techniques used today may be different from those that were used previously.

## Key Features



### **Informational Advantage**

AiGO is the newest addition to the only family of rules-based strategies to use IBM Watson® and other patented technologies to learn and evolve over time from the growing amount of data being generated each day.



### **Forward Looking**

AiGO looks forward, rather than backward, in an attempt to find growth and will continue to benefit as additional information becomes available.



### **Diversification**

AiGO opportunistically constructs its portfolio utilizing an expansive investible universe of 20 equity, fixed income, and inflation sensitive assets that provide the flexibility to adapt to a wide variety of market conditions.



### **Resilient Growth**

AiGO seeks resilient growth, utilizing cutting edge AI techniques to dynamically invest as well as to maintain a strong risk management framework.

# Expansive Investible Universe

AiGO objectively evaluates each of the assets in its investible universe in order to find those whose prices are poised for growth and can rebalance its portfolio each week to dynamically react to changing market conditions.

20 Asset  
Classes

>

Go Anywhere  
Flexibly

>

Next Generation Global  
Diversification Strategy

## Equities

US Small Cap Equity Futures Index	MQFTUSS1
US Technology Equity Futures Index	MQFTUSN1
US Large Cap Equity Futures Index	MQFTUSE1
iShares MSCI EAFE	EFA
iShares MSCI Japan	EWJ
iShares MSCI Emerging Markets	EEM

## Fixed Income

2-Year US Treasuries Futures Index	MQFIUSTU
10-Year US Treasuries Futures Index	MQFIUSTY
30-Year US Treasuries Futures Index	MQFIUSUS
iShares iBOXX \$ Grade Corporate	LQD
iShares iBOXX \$ High Yield Corporate Bond	HYG
Vanguard Total International Bond ETF	BNDX
iShares J.P. Morgan USD Emerging Markets Bond ETF	EMB
Cash	SOFR

## Inflation Assets

iShares US Real Estate ETF	IYR
SPDR Gold Shares	GLD
iShares TIPS Bond	TIP
SPDR Metals & Mining ETF	XME
Energy Select Sector SPDR	XLE
HSBC Macroeconomic Treasury Yield	HSMETYSN

AiGO  
with IBM Watson™

# AiGO 3-Step Weekly Investment Process:

1



## AI Forecast & Confidence Scoring

AiGO applies its latest insights from millions of current and historical data points to forecast the risk-adjusted future return for each asset and to calculate the AI Confidence Score of each forecast

2



## Rank & Select Assets

The assets are ranked from highest to lowest forecasted return and assets with negative forecasts or confidence scores below 55% are eliminated from consideration. Of the remaining assets, only the 7 highest ranked are selected for inclusion in the portfolio<sup>1</sup>.

3



## Weight

The selected assets are assigned fixed weights in the portfolio with the highest ranked assets receiving the greatest weights, ensuring the portfolio reflects Watson's latest insights and highest conviction opportunities.

**AI Confidence Score** - Is a new innovation from IBM and EquBot and measures the level of certainty the system has in its forecasts. The AI Confidence Scores range from 0 to 100% and are derived by comparing the current data flowing through the system to all available historical data for each asset. The more similar the current data is to historical, the higher the score, the less similar the current data is with historical, the lower the score.

<sup>1</sup> If less than 7 assets meet this criteria, the remainder will be allocated to cash until the following week.

# Daily Risk Control Helps Provide Smoother Returns\*

## AiGO



**AiGO reacts** daily to changing market conditions, as rapid movement in the market, or volatility, can create greater potential risk.



**AiGO reduces** the impact of short-term volatility in the markets through daily re-allocations between the assets selected by the AI algorithms and a cash component.

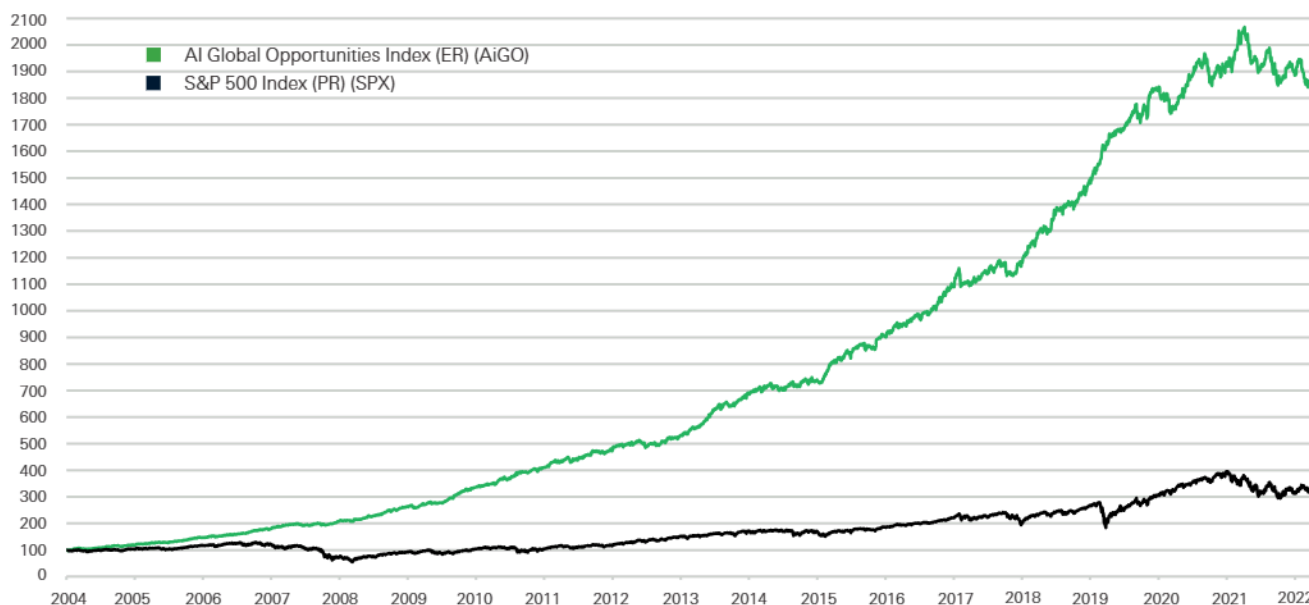


**AiGO seeks** a 7% daily volatility target. If the volatility falls below the target, the allocation to selected assets is increased up to a maximum of 150%. If the volatility is greater than the target, allocations to the selected assets may be reduced. Allocations below 100% to selected assets will be reallocated to a cash component.

\*Because this index applies a volatility control mechanism, the range of both the positive and negative performance of the index is limited.

# Performance: Historical & Simulated

According to certain simulated returns further described herein, the AI Powered Global Opportunities Index would have provided steady growth through a variety of market environments due in part to a weekly asset selection process intended to adapt to market changes and mitigate potential risks. While real-time calculations began on March 22, 2023 the graph below illustrates how AiGO would have provided long-term positive returns with low volatility.



**Ai Global Opportunities Index**

**17.39%**  
compound  
annual return

**S&P 500 Index**

**9.11%**  
compound  
annual return

## Key Statistics and Characteristics

	AiGO	Annualized index returns as of 4/28/2023	AiGO (ER)	SPX (PR)
Bloomberg Ticker	AiGO			
Asset Class	Multi Asset			
Geographical Focus	Global			
Launch Date	March 2023	1 Y	-5.38%	-1.08%
Type of Return	Excess Return	3 Y	4.43%	15.15%
Index Sponsor	EquBot, Inc.	5 Y	11.14%	11.23%
Calculation Agent	MerQube, Inc	10 Y	14.16%	12.21%
Index Fee <sup>1</sup>	0.85% per year	Volatility since inception	6.69%	19.33%

<sup>1</sup>AiGO values shown here, and as calculated and published by MerQube Inc., are a net of the 0.85% p.a. Index Fee.

The graph and table above sets forth the hypothetical back-tested performance of the Index from 12/23/2004 through 3/22/2023 and actual index performance thereafter through 4/28/2023. See "Use of Simulated Returns" herein.



# Growing Presence of Artificial Intelligence

AiGO is the first index of its kind, but likely isn't the first time investors have encountered AI Technology similar to that which AiGO uses to gain market insights is already helping to improve our daily lives, even if we don't realize it.



**AI is helping healthcare researchers develop mRNA based treatments, such as the COVID-19 vaccines, hundreds of times faster than conventional methods allow.\***



**AI is helping the Mayo Clinic improve their breast cancer early screening results and match patients with clinical trials.\***



**AI is helping power the billions of online searches each day, and has transformed the communication industry with software such as text message auto completion.\***

\*Please see [ibm.com/watson](http://ibm.com/watson) for more details.



# Index Collaborators

**IBM Watson is IBM's suite of enterprise Artificial Intelligence applications and APIs. IBM Watson represents a new era in computing, where systems understand the world the way humans do:** through intuition, learning, and experience. IBM Watson continuously learns, gaining value and knowledge from interactions over time.

EquBot, Inc. ("EquBot"), a San Francisco based asset manager, is a member of the IBM Global Entrepreneur Program and developed AiPEX to provide investors access to the opportunities that AI can uncover. EquBot was co-founded by the former Director of Engineering at Intel, was the first manager to develop an AI based ETF, and currently manages several funds and separate accounts for institutional investors.

HSBC is one of the world's largest banking and financial services companies, a global leader in AI based Quantitative Investment Solutions, and is the exclusive licensor of the AI Powered suite of indexes.

# Key Terms and Definitions



## **Artificial Intelligence**

enables computers to do things normally requiring human intelligence, such as visual perception, speech recognition, interpretation of language, and decision-making.



## **Big Data**

refers to large, fast, or complex sets of information that grow at ever-increasing rates and may not be easily processed using traditional methods.



## **Natural Language Processing**

is a branch of artificial intelligence that reads, deciphers, understands, and makes sense of human languages.



## **Machine Learning**

is a subset of artificial intelligence that gives computers the ability to learn without being explicitly programmed in order to identify patterns and make successful predictions.



## **Volatility**

is the range of price change a security experiences over a given period of time. If the price remains relatively stable, the security has low volatility and if the price moves erratically, the security has high volatility.

For more information on the AI Powered Global Opportunities Index (AiGO):  
Go to: [indices.gbm.hsbc.com/indices/AIGO](https://indices.gbm.hsbc.com/indices/AIGO)



# Risks Associated with the AI Global Opportunities Index ("AIGO")

Please review carefully these risk factors, and any risk factors in an offering document for any security or financial instrument referencing the Index, before making any investment.

The Index is an excess return index, which reflects the index return less the cost of funds, an index maintenance fee of 0.85% per annum, subtracted daily, and a transaction cost of 0.02%, deducted daily.

**The strategy tracked by AIGO and the views implicit in AIGO are not guaranteed to succeed.** The strategies tracked by AIGO are not guaranteed to be successful. It is impossible to predict whether and the extent to which AIGO or its underlying notional portfolio of exchange-traded funds (the "ETFs"), a fixed income index and cash (collectively, the "Portfolio") will yield positive or negative results. AIGO adjusts its exposure to the Portfolio based on historical economic relationships, which may not hold true in the future, and artificial intelligence ("AI") return forecasting. You should seek your own advice as necessary to assess AIGO and its strategy.

**AIGO was recently launched and has limited operating history.** AIGO was launched on March 22, 2023 and therefore has limited historical performance. As a result, limited actual historical performance information is available for you to consider in making an independent investigation of AIGO, which may make it more difficult for you to evaluate the historical performance of AIGO and make an informed investment decision than would be the case if AIGO had a longer trading history.

**Hypothetical back-tested performance prior to the launch of AIGO provided in this document refers to simulated performance data created by applying AIGO's calculation methodologies to, depending on the extent of the back-testing, historical prices of the ETFs and the index that comprise the Portfolio; historical levels of the ETFs' respective underlying indices if certain ETFs were not in existence prior to the back-tested date (adjusted to account for the expense ratio of the relevant ETF); or historical levels of a proxy index if the respective underlying index of the relevant ETF was not available prior to the back-tested date (adjusted to account for the expense ratio of the relevant ETF).** In creating such simulated performance data, AIGO's calculation methodology would also be applied to each of the Secured Overnight Funding Rate ("SOFR") and the Federal Funds Rate levels (on or after April 2, 2018, or prior to such date, respectively). Such simulated performance data has been produced by the retroactive application of a back-tested methodology in hindsight, and may give more preference towards ETFs or indices that have performed well in the past. Hypothetical back-tested results are neither an indicator nor a guarantor of future results.

**The hypothetical back-tested performance of AIGO prior to [March 2023] cannot fully reflect the actual results that would have occurred had AIGO actually been calculated during that period, and should not be relied upon as an indication of AIGO's future performance.** A longer history of actual performance could be helpful in providing more reliable information on which to assess AIGO.

**AIGO may not approximate the Target Volatility.** No assurance can be given that AIGO will maintain a realized volatility that approximates the Target Volatility, and the actual realized volatility of AIGO may be greater or less than the Target Volatility. AIGO seeks to maintain a realized volatility approximately equal to the Target Volatility of 7% by rebalancing its exposures to the Portfolio on each day based on two measures of realized volatility. However, there is no guarantee that trends exhibited by any such measures will continue in the future.

**The volatility-targeting feature may cause AIGO to perform poorly during certain market conditions.** AIGO allocates exposure to the Portfolio based on two measures of realized volatility. Realized volatility is not the same as implied volatility, which is an estimation of future volatility, and may better reflect market volatility expectation. Because exposure is adjusted based on historic levels and trends, AIGO may not meaningfully reduce its exposure to the Portfolio until a down-turn has already occurred, and by the time reduced exposure does take effect, the recovery may have already begun.

**AIGO varies its exposure to the Portfolio.** As a result, exposure to the Portfolio may be limited and the performance of AIGO may be adversely affected. AIGO, on each day on which it is calculated, adjusts its exposure to the Portfolio in an attempt to maintain a historical volatility approximately equal to the Target Volatility. If the exposure to the Portfolio is less than 100%, AIGO will include an uninvested position that does not earn interest or any other return. AIGO may include an uninvested position even when the Portfolio is performing favorably. As a result, AIGO may underperform a similar index that does not include an uninvested position.

**The performance of AIGO will be reduced by the performance of the reference rate and the embedded fees.** AIGO is an excess return index. The return of AIGO is determined by reference to the performance of the Portfolio (as adjusted based on the applicable exposure) in excess of the performance of a reference rate, SOFR. The level of AIGO also reflects an embedded index fee of 0.85% per annum, deducted daily, and a transaction cost of 0.02% of the relevant change in the composition of the Portfolio and/or exposure of AIGO to the Portfolio, as applicable, deducted every time such composition is adjusted, which is expected to occur daily. The performance of the reference rate, the embedded fees and the transaction cost will offset, in whole or in part, any positive performance and increase any negative performance of AIGO. As a result, any return on AIGO may be reduced or eliminated. When AIGO is uninvested (i.e., the exposure to the Portfolio is less than 100%), the negative effect of the embedded fees and the transaction cost will be magnified, and the return on AIGO may be negative even while the level of the Portfolio increases.

**SOFR reform may adversely affect the level of AIGO.** A discontinuance of SOFR or a change in its method of calculation could have a material adverse effect on the level of AIGO. The volatility of the Portfolio is calculated, in part, on the level of SOFR. If Solactive AG determines that SOFR is no longer representative or has been discontinued, it will substitute for SOFR an industry-accepted substitute or successor rate, including any adjustment to or related spread on such substitute or successor rate.

There can be no assurance that the use of a replacement rate for SOFR will not have a material adverse effect on the levels of AIGO.

**The Portfolio composition and weighting is based on AI models; the strategies and views implicit in such models and in AIGO are not guaranteed to succeed.** The strategy of the AI models and return forecasting, and therefore AIGO, is not guaranteed to be successful. It is impossible to predict whether and the extent to which any ETFs or the index comprising the Portfolio will yield positive or negative results.

**The method by which AIGO reweights the Portfolio and the reallocation period may negatively affect the level of AIGO.** The Portfolio is reviewed and rebalanced weekly. Each week, the AI models are used to recalculate the forecasted return for each ETF and the index (which is such ETF's expected change in price over a 1-month horizon, relative to its current price), and these scores are used by the index sponsor to rank, select and weight the Portfolio components, subject to pre-determined constraints. The Portfolio components are ranked in order of highest forecasted return, with the first and second highest ranking components each weighted 25%, the third and fourth highest components each weighted 15%, the fifth highest component weighted 10%, and the sixth and seventh highest component each weighted 5%.

**AIGO is exposed to equity risk, including from mid-capitalization companies.** AIGO is linked to the performance of the ETFs, which include U.S. large-capitalization and mid-capitalization stocks. The level of AIGO can rise or fall sharply due to factors specific to the underlying constituents, such as stock price volatility, earnings and financial conditions, corporate, industry and regulatory developments, management changes and decisions and other events, as well as general market factors, such as general market volatility and levels, interest rates and economic and political conditions.

**Changes in U.S. Treasury rates and the perceived creditworthiness of the United States may affect the level of AIGO.** Because the value of AIGO is linked, in part, to ETFs which track the value of U.S. Treasury bonds, changes in U.S. Treasury rates may affect the level of AIGO.

**AIGO is exposed to currency exchange risk.** Because the prices of some or all of the securities composing certain of the ETFs are converted into U.S. dollars for the purposes of calculating the value of the applicable ETFs, AIGO will be exposed to currency exchange rate risk with respect to each of the relevant currencies.

**AIGO is subject to risks associated with non-U.S. securities markets, including emerging markets.** Investments in securities linked to the value of non-U.S. securities (such non-US securities compose certain of the ETFs) involve risks associated with the securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross shareholdings in companies in certain countries.

**AIGO is subject to significant risks associated with fixed-income securities, including interest rate-related risks and credit risk.** Certain of the ETFs are comprised of bonds and, therefore, rising interest rates may cause the value of the bonds underlying such ETFs and AIGO to decline, possibly significantly. Furthermore, prices of the underlying bonds are significantly influenced by the creditworthiness of the issuers of the bonds, which may affect the prices of such ETFs and, therefore, the level of AIGO.

**AIGO is subject to risks associated with small capitalization stocks.** The stocks that constitute the Russell 2000® Index and that are held by the iShares® Russell 2000 ETF are issued by companies with relatively small market capitalization and, generally, such companies are subject to more volatility in their stock prices.

**Risks associated with the real estate industry will affect the price of shares of the iShares® U.S. Real Estate ETF and the level of AIGO.** The real estate industry is cyclical and has from time to time experienced significant difficulties and such factors may affect the prices of the securities included in the Dow Jones U.S. Real Estate Capped Index and held by the iShares® U.S. Real Estate ETF.

**Risks associated with Real Estate Investment Trusts will affect the level of AIGO.** The Dow Jones U.S. Real Estate Capped Index and the iShares® U.S. Real Estate ETF are composed of a variety of real-estate-related stocks including real estate investment trusts ("REITs") and investments in REITs are subject to certain risks that may increase the volatility of the market price of securities issued by those REITs.

**Distortions or disruptions of market trading in gold and related futures markets may adversely affect the level of AIGO.** The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. These circumstances could adversely affect the price of shares of the SPDR® Gold Shares and therefore, the level of AIGO.

**The price of gold is volatile and is affected by numerous factors.** The value of the SPDR® Gold Shares is closely related to the price of gold, which is volatile, and therefore, a decrease in the price of gold may have a material adverse effect on the level of AIGO.

**The performance of the SPDR® Gold Shares may not correlate with the price of gold.** The performance of the SPDR® Gold Shares may not fully replicate the performance of the price of gold due to the fees and expenses charged by the SPDR® Gold Shares or by restrictions on access to gold due to other circumstances.

**AIGO is exposed to risks associated with the energy sector.** The Energy Select Sector SPDR® Fund invests in companies that develop and produce crude oil and natural gas and provide drilling and other energy resources production and distribution related services and is therefore the price of the Energy Select Sector SPDR® Fund is subject to the risks specific to the energy sector.

**AIGO is exposed to risks associated with the metals and mining industry.** All or substantially all of the underlying constituents held by the SPDR® S&P Metals & Mining ETF are issued by companies whose primary lines of business are directly associated with the metals and mining industry therefore the price of the SPDR® S&P Metals & Mining ETF is subject to the risks specific to the metals and mining industry.

**The performance of each ETF may not correlate with the performance of its underlying index.** Each applicable ETF invests in a representative sample of securities that collectively has an investment profile similar to its underlying index; however, each applicable ETF may not hold all or substantially all of the securities included in its underlying index. Therefore, the performance of each ETF may not correlate with the performance of the relevant underlying index.

**The ETFs may have a limited operating history.** Although the ETFs are listed for trading and a number of similar products have been traded on the same and other securities exchanges for varying periods of time, there is no assurance that an active trading market will continue for the ETFs or that there will be liquidity in the trading market.

**The trading prices of the ETFs may be affected by limited liquidity.** Although the ETFs are listed for trading and a number of similar products have been traded on the same and other securities exchanges for varying periods of time, there is no assurance that an active trading market will continue for the ETFs or that there will be liquidity in the trading market.

**The trading prices of the ETFs may be affected by management events.** The ETFs are subject to management risk, which is the risk that the applicable investment adviser's investment strategy, the implementation of which is subject to a number of constraints, may not produce the intended results.

**Correlation of performances among the ETFs may reduce the performance of AIGO.** Performances of the ETFs may become highly correlated from time to time, including, but not limited to, when there is a substantial decline in a particular sector or asset type represented by the ETFs, which could have an adverse effect on the levels of AIGO.

**Changes in the value of the ETFs may offset each other.** AIGO is linked to the performance of ETFs representing a diverse range of asset classes and geographic regions, price movements between the ETFs may not correlate with each other, therefore, declines in the value of ETFs that have a higher percentage weighting in AIGO at any time will result in a greater loss in the level of AIGO.

**An ETF may be replaced by another ETF in certain extraordinary events.** Following an extraordinary event described in AIGO's methodology, such as an ETF being delisted, liquidated or otherwise terminated, that ETF will be replaced by a successor ETF whose underlying commodities are same as those of the replaced ETF or whose underlying index is the same as used in the replaced ETF or an index using, in Solactive AG's determination, the same or a substantially similar method of calculation as for the underlying index for the replaced ETF. There can be no assurance that such a replacement will not have a material adverse effect on the levels of AIGO.

**AIGO and the Portfolio are purely notional.** The exposures to the ETFs are purely notional and will exist solely in the records maintained by or on behalf of Solactive AG. There is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. Consequently, you will not have any claim against any of the ETFs that are referenced by AIGO.

**Solactive AG administers, calculates and publishes AIGO.** Solactive AG has the authority to determine whether certain events affecting AIGO have occurred including, but not limited to, events affecting the reference rate or the ETF or index constituents of the Portfolio.

**Potential investors in any financial instrument of which AIGO is an underlying need to be aware that any determination or calculation made by Solactive AG may affect the level of AIGO and, as appropriate, the performance of any instruments linked to the performance of AIGO.** Solactive AG has no obligation to consider the interest of investors in any such instruments when making any determination or calculation. Such discretion in the decisions taken by Solactive AG (in the absence of manifest or proven error) are binding on all investors and holders of such instruments.

**We cannot predict the effect on AIGO if the AI models become unavailable.** In the event that the AI models become temporarily or permanently unavailable, Solactive AG will make such adjustments as it deems appropriate in light of relevant methodologies and policies regarding its exercise of discretion with respect to an index. These adjustments may have a material adverse effect on the level and performance of AIGO.

# Disclaimers

## Important Disclaimer Information

HSBC USA Inc. and HSBC Bank USA, N.A. (together, "HSBC"), are members of the HSBC Group. Any member of the HSBC Group may from time to time underwrite, make a market or otherwise buy and sell, as principal, structured investments, or together with their directors, officers and employees may have either long or short positions in the structured investments, or stocks, commodities or currencies to which the structured investments are linked, or may perform or seek to perform investment banking services for those linked assets mentioned herein. These activities may be in conflict with the interests of investors of debt obligations or certificates of deposit issued by members of the HSBC Group.

The AI Global Opportunities Index ("AIGO") may be partially uninvested. The strategy tracks the excess return of an underlying notional portfolio of exchange-traded funds (the "ETFs") an index and cash (collectively, the "Portfolio") over a change in the Secured Overnight Financing Rate ("SOFR"). The weight of a "Cash Investment" (if any) for the Portfolio at any given time represents the portion of the Portfolio that is uninvested in the ETFs at that time. As such, any allocation to a Cash Investment within the Portfolio, which also accrues at the rate of change in SOFR, will not affect the level of AIGO. AIGO will reflect no return for any uninvested portion (i.e., any portion represented by a Cash Investment). Accordingly, to the extent that AIGO is allocated to the Cash Investment, it may not reflect the full increase of any relevant equity component. Under certain circumstances, AIGO may be 100% allocated to the Cash Investment.

This document is for informational purposes only and intended to provide a general overview of AIGO and does not provide the terms of any specific issuance of structured investments. The material presented does not constitute and should not be construed as a recommendation to enter into a securities or derivatives transaction. Prior to any decision to invest in a specific structured investment, investors should carefully review the disclosure documents for such issuance which contains a detailed explanation of the terms of the issuance as well as the risks, tax treatment and other relevant information.

Investing in financial instruments linked to AIGO is not equivalent to a direct investment in any part of AIGO. Investments linked to AIGO require investors to assess several characteristics and risk factors that may not be present in other types of transactions. In reaching a determination as to the appropriateness of any proposed transaction, clients should undertake a thorough independent review of the legal, regulatory, credit, tax, accounting and economic consequences of such transaction in relation to their particular circumstances. This document contains market data from various sources other than us and our affiliates, and, accordingly, we make no representation or warranty as to the market data's accuracy or completeness and we are not obligated to update any market data presented in this document. All information is subject to change without notice. We or our affiliated companies may make a market or deal as principal in the investments mentioned in this document or in options, futures or other derivatives based thereon.

## MerQube, Inc

MerQube, Inc is the administrator and calculation agent of AIGO. The financial instruments that are based on AIGO are not sponsored, endorsed, promoted or sold by MerQube, Inc in any way and MerQube, Inc makes no express or implied representation, guarantee or assurance with regard to: (a) the advisability in investing in the financial instruments; (b) the quality, accuracy and/or completeness of AIGO; and/or (c) the results obtained or to be obtained by any person or entity

from the use of AIGO. MerQube, Inc does not guarantee the accuracy and/or the completeness of AIGO and shall not have any liability for any errors or omissions with respect thereto. MerQube, Inc reserves the right to change the methods of calculation or publication and MerQube, Inc shall not be liable for any miscalculation of or any incorrect, delayed or interrupted publication with respect to AIGO. MerQube, Inc shall not be liable for any damages, including, without limitation, any loss of profits or business, or any special, incidental, punitive, indirect or consequential damages suffered or incurred as a result of the use (or inability to use) of AIGO.

## Use of Simulated Returns

Any historical performance information included in this document prior to [March 2023] represents only hypothetical historical results. No representation is being made that AIGO will achieve a performance record similar to that shown. In fact, there may often be sharp differences between hypothetical performance and actual performance. Back-testing and other statistical analysis material provided to you in connection with the explanations of the potential returns associated with an investment in a debt obligation or certificate of deposit linked to AIGO use simulated analysis and hypothetical assumptions in order to illustrate the manner in which AIGO may have performed in periods prior to the actual existence of AIGO. Alternative modelling techniques or assumptions may produce different hypothetical information that might prove to be more appropriate and that might differ significantly from the hypothetical information set forth above.

The back-tested data was produced by applying AIGO's methodology to historical prices of the ETFs that compose the Portfolio, including information and sources available at each specific point of time in history. However, some of the ETFs in the Portfolio commenced after the start of the back-tested data, depending on the extent of the backtesting. In those cases, the historical levels of a the ETF's respective underlying index were used to create the back-tested data, or historical levels of a proxy index if the respective underlying index of the relevant ETF was not available prior to the back-tested date, in each case adjusted to account for the expense ratio of the relevant ETF. New information and sources were incorporated one step at a time and only information with validated time stamps was considered. In creating such back-tested data, AIGO's calculation methodology would also be applied to each of SOFR and the Federal Funds Rate levels (on or after April 2, 2018, or prior to such date, respectively).

The results obtained from "back-testing" information should not be considered indicative of actual results that might be obtained from an investment or participation in a financial instrument or transaction referencing AIGO. You should not place undue reliance on the "back-testing" information, which is provided for illustrative purposes only. provides no assurance or guarantee that AIGO will operate or would have operated in the past in a manner consistent with the results presented in these materials. Hypothetical back-tested results are neither an indicator nor a guarantee of future returns. Actual results will vary, perhaps materially, from the analysis implied in the hypothetical information. You should review and consider the hypothetical information only with the full AIGO methodology.

HSBC operates in various jurisdictions through its affiliates, including, but not limited to, HSBC Securities (USA) Inc., member of NYSE, FINRA and SIPC.

© 2023 HSBC USA Inc. All rights reserved.



Together we thrive