

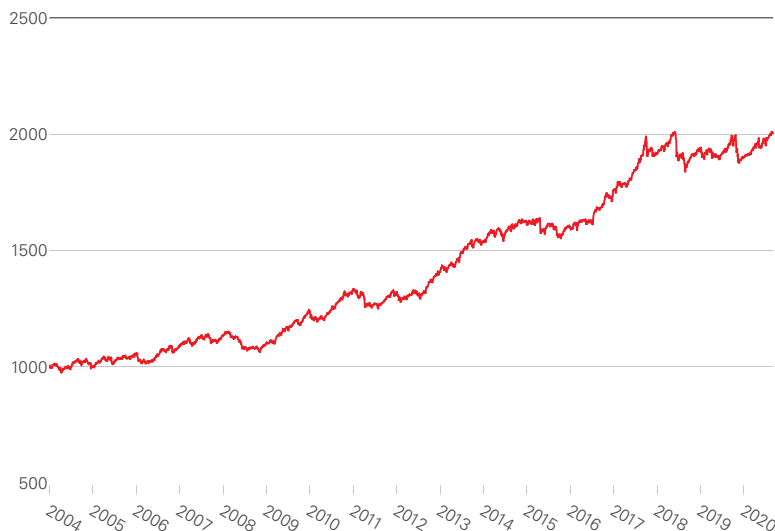


Monthly Performance Report - December 2020

About AiPEX5

The AI Powered US Equity Indexes are the first and only rules-based equity strategies to use IBM Watson's Artificial Intelligence ("AI") capabilities to turn data into investment insight. HSBC and San Francisco based asset manager EquBot have developed the AI Powered US Equity Index 5 ("AiPEX5"), a risk controlled, excess return index. AiPEX5 is comprised of approximately 250 U.S. publicly traded companies, selected monthly based on a 3-step equity selection process that utilizes objective artificial intelligence techniques to dynamically select the underlying constituents. The investment process is intended to provide growth through a variety of market conditions.

Index Return Summary: Historical & Simulated*



Index Overview

Website: aipex5.gbm.hsbc.com

Bloomberg Ticker: AiPEX5

Geographical Focus: **United States**

Launch Date: **05/04/2020**

Type of Return: **Excess Return**

Index Sponsor: **EquBot, Inc.**

Index Calculation Agent: **Solactive AG**

Index Fee: **0.85% per year**

Index Performance: Historical & Simulated*

1 Month	0.57%
YTD	2.66%
1Y	2.66%
3Y	5.21%
5Y	25.47%
10Y	56.78%
10Y Annualized Volatility	4.96%
10Y Sharpe Ratio	0.93
Cumulative Return	100.51%

Top 10 Holdings: As of 31/12/2020

	Index Weight(%)	Sector
ALPHABET INC-CL A	1.5%	Technology Services
ALPHABET INC C-SHARES	1.5%	Technology Services
ZOOM VIDEO COMMUNICATIONS INC	1.1%	Technology Services
SERVICENOW INC	1.0%	Technology Services
WILLIS TOWERS WATSON PLC	1.0%	Finance
LOWES COS INC	0.9%	Retail Trade
HUMANA INC	0.9%	Health Services
CADENCE DESIGN SYSTEMS INC	0.8%	Technology Services
NETFLIX INC	0.8%	Consumer Services
ENPHASE ENERGY INC	0.8%	Electronic Technology
Total	10.4%	

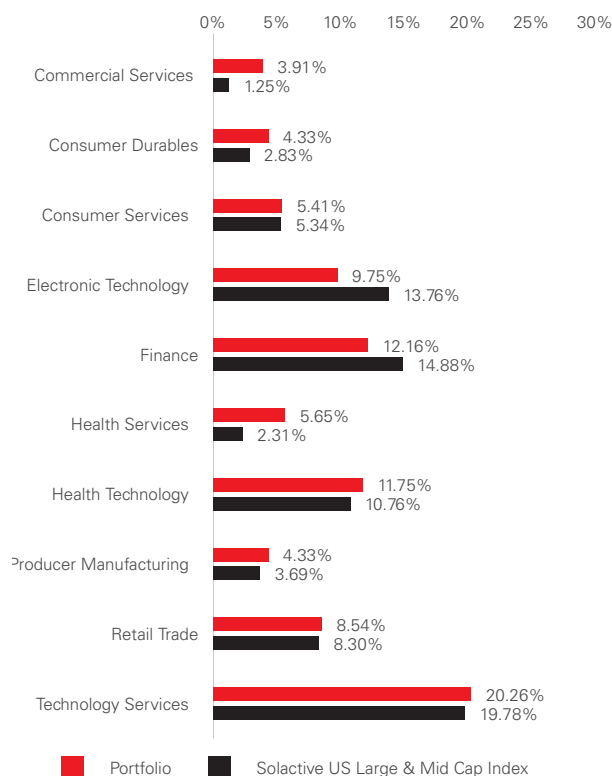
Annual Index Performance: Historical & Simulated*

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
3.3%	-0.1%	3.7%	6.4%	-4.7%	10.1%	7.1%	-0.5%	4.0%	15.8%	4.8%	-0.5%	4.6%	14.0%	-2.1%	4.6%	2.7%

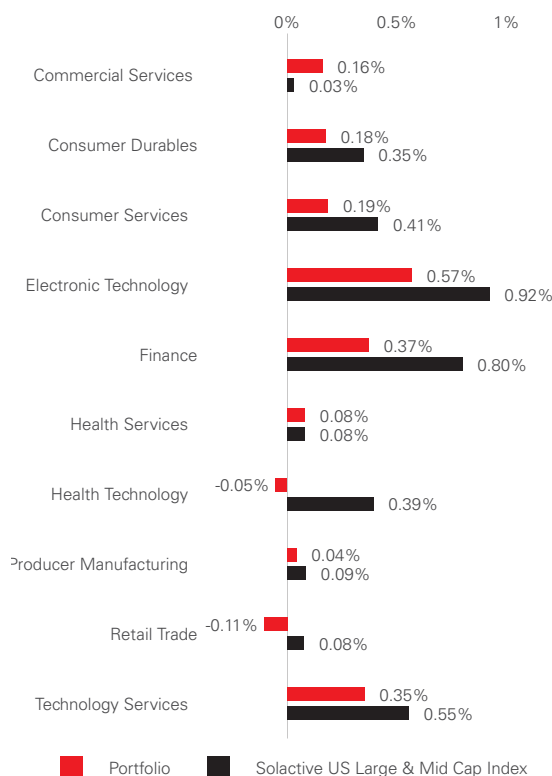
Source: Solactive, EquBot, HSBC, Bloomberg, from 04/30/2004 to 31/12/2020. The graph and tables above set forth the hypothetical back-tested performance of the Index from April 30, 2004 through August 9, 2019 and actual index performance thereafter. See the risk factors and "Use of Simulated Returns" herein.

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Top 10 Sector Allocations



Contributions to Return



Daily Risk Control Allocation - Historical & Simulated*

	As of 31/12/2020	3Y Average	5Y Average	10Y Average
Equity Portfolio	27.11%	30.88%	37.64%	36.06%
Cash	72.89%	69.12%	62.36%	63.94%

Source: Solactive, EquBot, HSBC, Bloomberg, from 04/30/2004 to 31/12/2020. The graph and tables above set forth the hypothetical back-tested performance of the Index from April 30, 2004 through August 9, 2019 and actual index performance thereafter. See the risk factors and "Use of Simulated Returns" herein.

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The Index may be partially uninvested. The strategy tracks the excess return of a notional dynamic basket of equities and cash over a change in the ICE LIBOR USD 3 Month interest rate. The weight of a Cash Investment (if any) for a Monthly Reference Portfolio at any given time represents the portion of the Monthly Reference Portfolio that is uninvested in the applicable equity basket at that time. As such, any allocation to a Cash Investment within the Index, which also accrues at the ICE LIBOR USD 3 Month interest rate, will not affect the level of the Index. The Index will reflect no return for any uninvested portion (i.e., any portion represented by a Cash Investment). Accordingly, to the extent that the Index is allocated to the Cash Investment, it may not reflect the full increase of any relevant equity component. Under certain circumstances, the Index may be 100% allocated to the Cash Investment.

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Investing in financial instruments linked to the AI Powered US Equity Index is not equivalent to a direct investment in any part of the AI Powered US Equity Index. Investments linked to the AI Powered US Equity Index 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 brochure 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.

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Use of Simulated Returns

Any historical performance information included in this document prior to August 9, 2019 represents only hypothetical historical results. No representation is being made that the AI Powered US Equity Index 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 the AI Powered US Equity Index use simulated analysis and hypothetical assumptions in order to illustrate the manner in which the AI Powered US Equity Index may have performed in periods prior to the actual existence of the AI Powered US Equity Index. Alternative modeling 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 the AI Powered US Equity Index methodology to historical data, including information and sources available at each specific point of time in history. New information and sources were incorporated one timestep at a time and only information with validated time stamps was considered.

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 the AI Powered US Equity Index. You should not place undue reliance on the "back-testing" information, which is provided for illustrative purposes only. HSBC provides no assurance or guarantee that the AI Powered US Equity Index 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 AI Powered US Equity Index methodology.

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