

# AiPEX5

## AI Powered US Equity Index 5



### Monthly Performance Report - May 2024

#### 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](http://aipex5.gbm.hsbc.com)

Bloomberg Ticker: AIPEX5 Index

Geographical Focus: United States

Launch Date: 5/4/2020

Index Type: Excess Return

Index Sponsor: EquBot, Inc.

Index Calculation Agent: Solactive AG

Index Fee: 0.85% per year

#### Index Performance: Historical & Simulated\*

|                           |        |
|---------------------------|--------|
| 1 Month                   | 0.52%  |
| YTD                       | -0.00% |
| 1Y                        | 2.17%  |
| 3Y                        | -6.10% |
| 5Y                        | 1.77%  |
| 10Y                       | 23.75% |
| 10Y Annualized Volatility | 4.94%  |
| 10Y Sharpe Ratio          | -0.64  |
| Cumulative Return         | 92.71% |

#### Top 10 Holdings: As of 5/31/2024

|                            | Index Weight(%) | Sector              |
|----------------------------|-----------------|---------------------|
| MORGAN STANLEY             | 5.3%            | Finance             |
| AMERICAN EXPRESS CO        | 5.2%            | Finance             |
| AMAZON.COM INC             | 4.4%            | Retail Trade        |
| SCHWAB (CHARLES) CORP      | 3.3%            | Finance             |
| EXXON MOBIL CORP           | 3.3%            | Energy Minerals     |
| GENERAL MOTORS CO          | 2.9%            | Consumer Durables   |
| CINTAS CORP                | 2.8%            | Consumer Services   |
| BLACKSTONE INC             | 2.5%            | Finance             |
| REPUBLIC SERVICES INC      | 2.3%            | Industrial Services |
| CHARTER COMMUNICATIONS INC | 2.3%            | Consumer Services   |
| Total                      | 34.3%           |                     |

#### Annual Index Performance: Historical & Simulated\*

| 2007 | 2008  | 2009  | 2010 | 2011  | 2012 | 2013  | 2014 | 2015  | 2016 | 2017  | 2018  | 2019 | 2020 | 2021 | 2022  | 2023 |
|------|-------|-------|------|-------|------|-------|------|-------|------|-------|-------|------|------|------|-------|------|
| 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% | 1.9% | -6.4% | 0.8% |

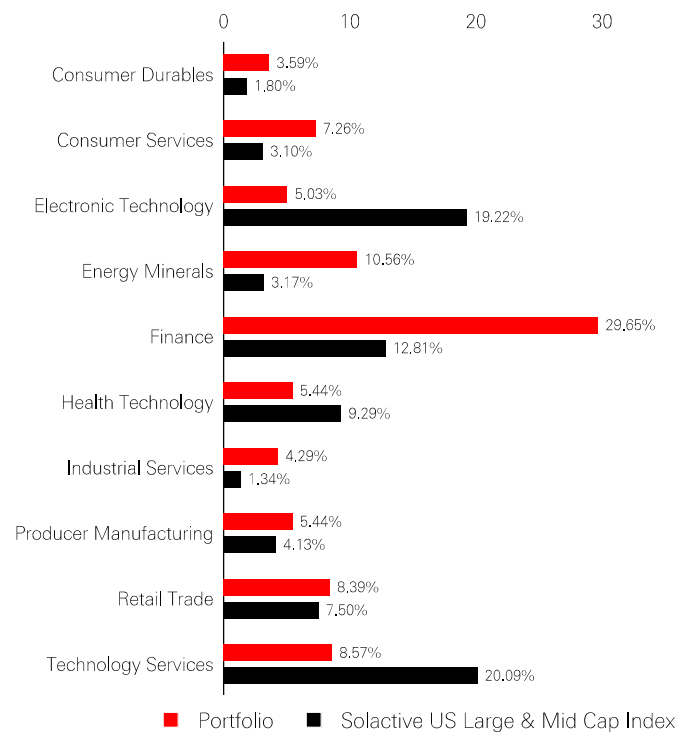
\* Source: Solactive, EquBot, HSBC, Bloomberg, from 4/30/2004 to 5/31/2024. The graph and tables above set forth the hypothetical back-tested performance of the Index from April 30, 2004 through May 4, 2020 and actual index performance thereafter. See the risk factors and "Use of Simulated Returns" herein.



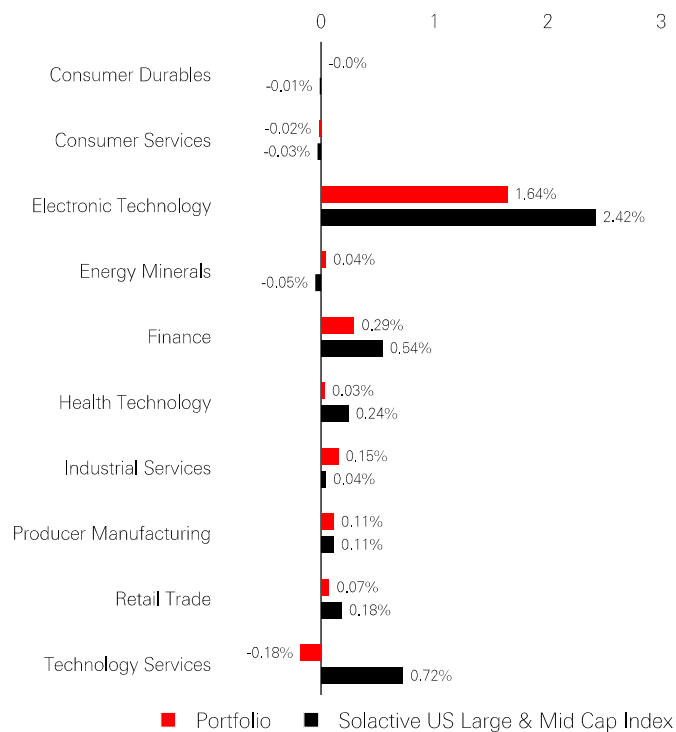
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Filed Pursuant to Rule 433  
Registration No. 333-277211  
June 03, 2024

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## Top 10 Sector Allocations



## Contributions to Return



## Daily Risk Control Allocation - Historical & Simulated\*

|                  | As of 5/31/2024 | 3Y Average | 5Y Average | 10Y Average |
|------------------|-----------------|------------|------------|-------------|
| Equity Portfolio | 37.38%          | 28.38%     | 27.45%     | 34.31%      |
| Cash             | 62.62%          | 71.62%     | 72.55%     | 65.69%      |

\* Source: Solactive, EquBot, HSBC, Bloomberg, from 4/30/2004 to 5/31/2024. The graph and tables above set forth the hypothetical back-tested performance of the Index from April 30, 2004 through May 4, 2020 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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