

HSBC USA Inc. 4Y International Equity Annually Adjusting Autocallable Step-Up Note

OBJECTIVE



Annually Adjusting Autocallable Step-Up Notes ("Annually Adjusting ASNs") provide investors who have a neutral or moderately bullish market outlook the potential for enhanced returns compared to traditional investments. Negative to moderate performance of the underlyings could benefit investors given their current market sentiment. Annually Adjusting ASNs should be viewed as an equity alternative appropriate for a portion of an investor's overall portfolio, similar to a growth sector mutual fund that bears market risk, and not as a replacement for a diversified equity portfolio.

OFFERING TERMS

CUSIP	40435FR41
Term	4 Years
Underlying	Worst-of: Euro Stoxx 50 Index, iShares MSCI Emerging Markets ETF
Contingent Protection	30% contingent protection barrier based on least-performing underlying
Callable	Annually; call level steps down 2.5% each year after Year 1 until maturity
Return if Called	Year 1: 13% - 14% Year 2: 26% - 28% Year 3: 39% - 42% Year 4: 52% - 56%
Min. Return	10% paid at maturity if note is never called and barrier is not breached
Issuer & Rating	HSBC USA Inc. A, A2*
Liquidity	Generally illiquid ¹
Minimum Investment	\$10,000
Compensation	0% upfront
RJ Distributor Fee	0.40% ²
Taxation	Long-Term Capital Gains ³
Structure	Note

IMPORTANT DATES

Indications Due By:	August 22, 2018 at 4pm ET
Trade/Strike Date:	August 24, 2018
Settlement Date:	August 31, 2018
Final Valuation Date:	September 16, 2022
Maturity Date:	September 21, 2022

INVESTMENT HIGHLIGHTS

- Provide a fixed annual return if called away by the issuer, which occurs automatically if the underlyings are at or above their applicable call levels on the annual observation date. The applicable call levels are based on initial values at the time the note was purchased and decrease by a stated percent each year until maturity.
- The fixed annual return steps up each year if the note is not called away.
- If the note is never called away and reaches maturity, investors receive the stated minimum return if the contingent protection barrier has not been breached. If the losses exceed the barrier, then investors are fully exposed to losses equaling the least-performing underlying.

CONSIDERATIONS

- If the underlyings exceed the contingent protection barrier at maturity, the investment may result in a substantial loss.
- Subject to early redemption. If called, investor receives principal and the stated fixed return for that period.
- Return potential is limited to fixed returns and does not fully reflect underlyings until maturity.
- Secondary market is not guaranteed and may not exist.
- Note is solely the obligation of the issuer. The issuer will likely hedge a portion of its exposure by taking positions in futures or other derivative contracts. Investors do not have any interest or rights in those activities.

The above considerations are for summary purposes only. Please review the offering documents for a comprehensive list of considerations.

SUITABILITY GUIDELINES

- **General Suitability Guidelines:** These investments are rated medium risk/growth.
- **Complex Product Guidelines⁴:** Complex products, which include structured investments, may present unique risks. As such, the following general concentration guidelines have been established. **Please note:** the percentages below are based on an investor's total investable assets held at Raymond James and outside the firm.

Guideline	Investor < Age 65	Investor Age 65+
Market-linked notes (per CUSIP)	5%	3%
Market-linked CDs (per CUSIP)	10%	7%
Total Callable Yield Note	10%	10%
Overall complex product exposure	30%	25%

*HSBC USA Inc. is a wholly-owned subsidiary and is fully and unconditionally guaranteed by HSBC.

Structured investments involve specific risks that should be carefully considered prior to investing and are not suitable for all investors. These risks include, but are not limited to: issuer credit worthiness, limited liquidity, taxation, fees, and secondary market value. Investors should only invest in structured investments if they do not require a liquid investment and can bear the risk of substantial losses. This financial advisor fact sheet is a summary only and should not be relied upon as advice or a recommendation. Please read the offering documents carefully prior to investing for a full description of terms and considerations.

PERFORMANCE ANALYSIS⁵

EXAMPLE SCENARIOS

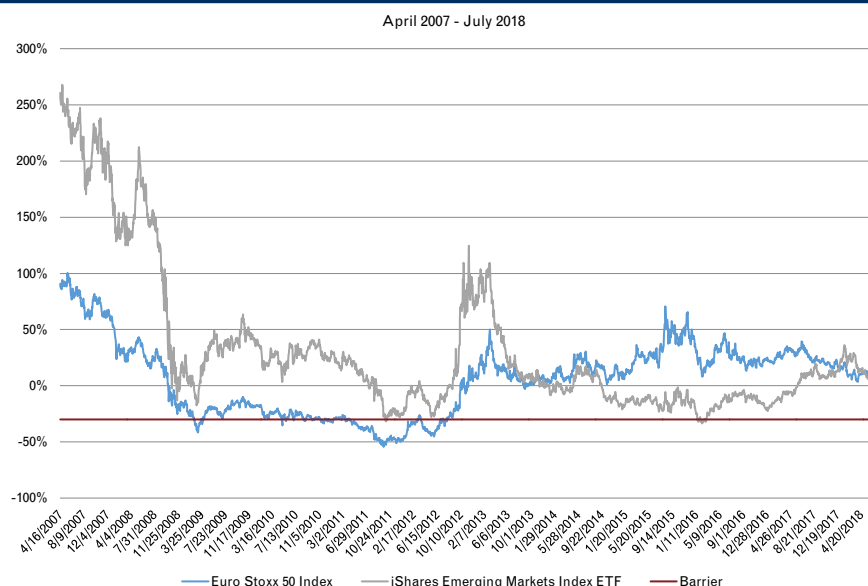
	Example Scenario	Outcome	Investment Return	Historic Frequency of Outcome 2007-2018
1	If one year from today both markets are higher, the note is called away and the investor gets back their original investment plus a 13.5% return.	Called at year 1	13.5%	59%
2	If the note is not called away at year 1, it continues to year 2 where if both markets are now above 97.5% of their initial value, the note is called away and the investor gets back their original investment plus a 27% return.	Called at year 2	27%	3.21%
3	If the note is not called away at year 2, it continues to year 3 where if both markets are now above 95% of their initial value, the note is called away and the investor gets back their original investment plus a 40.5% return.	Called at year 3	40.5%	3.94%
4	If the note is not called away at year 3, it continues to year 4 where if both markets are now above 92.5% of their initial value, the note is called away and the investor gets back their original investment plus a 54% return.	Called at year 4	54%	7.98%
5	If the note is not called away at year 4, the note will mature and the investor gets back their original investment plus a 10% return as long as both markets have not fallen by -30% from their initial value.	Never called; above barrier	10%	13.96%
6	If the note is not called away at year 4 and one of the markets has fallen below the -30% contingent protection barrier on the final observation date, the investor will lose a portion of their principal equal to the loss on the least performing underlying market.	Never called; below barrier	Loss on original investment	11.92%

UNDERLYING DESCRIPTIONS

iShares MSCI Emerging Markets ETF: The iShares MSCI Emerging Markets ETF seeks to track the investment results of an index composed of large- and mid-capitalization emerging market equities. This index charges a 0.35% index fee per annum. For more information, please visit the [Structured Investments Index Performance RJnet page](#).

Euro Stoxx 50 Index: The EURO STOXX 50 Index, Europe's leading Blue-chip index for the Eurozone, provides a Blue-chip representation of supersector leaders in the Eurozone. The index covers 50 stocks from 11 Eurozone countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. The EURO STOXX 50 Index is licensed to financial institutions to serve as underlying for a wide range of investment products such as exchange-traded funds (ETF), futures, options, and structured investments worldwide. This is a price return index, which does not reflect the reinvestment of dividends.

HISTORICAL PERFORMANCE



Structured investments involve specific risks that should be carefully considered prior to investing and are not suitable for all investors. These risks include, but are not limited to: issuer credit worthiness, limited liquidity, taxation, fees, and secondary market value. Investors should only invest in structured investments if they do not require a liquid investment and can bear the risk of substantial losses. This financial advisor fact sheet is a summary only and should not be relied upon as advice or a recommendation. Please read the offering documents carefully prior to investing for a full description of terms and considerations.

NOT FOR CLIENT USE

ADDITIONAL INFORMATION

CLIENT MATERIALS

- Client offering documents can be found by clicking [here](#) or by visiting www.raymondjames.com and searching for "Preliminary Offering Documents."
- Visit the [Structured Investments Client-approved Resources RJnet page](#) to view the client-approved marketing materials and the [Structured Investments Advisor Resources RJnet page](#) to view advisor resources.

PURCHASING PROCEDURES

- Trades are entered in BondDesk and will remain open until trade date. For information on how to use BondDesk, view the [Structured Investments BondDesk Procedures](#) on RJnet.

REQUIRED FORMS

- Market-Linked Investments Account Approval Form ([Form 1229](#)) must be submitted to New Accounts by the indications due date and **must** be completed for each account.

PRICING

- **Initial pricing:** The initial investment value will reflect in accounts less the upfront sales charge and distributor servicing fee.
- **Ongoing pricing:** Generally, investments are priced daily and are reflected in accounts and on statements. This interim value reflects the price an issuer could repurchase the product for (however, a formal bid request must be made to receive actual pricing). Several factors affect ongoing pricing. For more information, read the [Valuing Structured Investments](#) [whitepaper](#).

PREVIOUS OFFERINGS

- Visit the [Previous Offerings page](#) for estimated basket performance, final terms, and more.

DISCLOSURES AND DEFINITIONS

The following comments are not complete and should be read in conjunction with the offering prospectus.

Information in this piece was obtained from sources believed to be reliable. Due to the possibility of human or mechanical errors, the Alternative Investments Group cannot and does not guarantee the accuracy, adequacy or completeness of any information contained herein, does not warrant its completeness or suitability for any purpose, and is not responsible for any errors or omissions or for the results obtained from the use of such information. The contents should not be considered as, or relied upon as, investment, legal, tax or accounting advice, or as a recommendation of any specific security or strategy.

The issuer has filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (SEC) for this offering. Before investing, clients should read the prospectus and any applicable supplements. Buyers should rely upon the prospectus, prospectus supplement, and any relevant free-writing prospectus for complete details. These documents and other documents the issuer has filed can be obtained for free by searching the SEC online database (EDGAR®) at www.sec.gov, with the issuer name as a search term. Alternatively, the Alternative Investments Group will provide the prospectus and any other client materials upon request.

1) The market value of the notes may be influenced by many factors that are unpredictable. Many factors, most of which are beyond Raymond James' control, will influence the value of the market-linked notes and the price at which the issuer may be willing to purchase or sell in the secondary market. Raymond James cannot provide assurance that clients will be able to sell market-linked notes prior to maturity. Therefore, clients should not rely on the ability to sell market-linked notes for any benefits, including achieving trading profits, limiting trading or other losses, realizing income prior to the stated maturity date, or having access to proceeds prior to the stated maturity date. Though not obligated to do so, a secondary market may develop. No additional markup is permitted on secondary market sells.

2) Raymond James may earn a fee on eligible accounts. Please refer to the final pricing supplement.

3) Please refer to the prospectus for specific tax implications.

4) Structured investments and other complex products often involve additional investor considerations including less liquidity and credit risk of the issuer. As such, concentration guidelines have been established with respect to these complex products. With regard to structured investments, there are general concentration guidelines specific to the amount of investable assets clients can invest in any one product, as well as general concentration guidelines specific to the amount of investable assets when referring to a client's total exposure to structured investments and other complex products. Note that the percentage of investable assets under the aforementioned guidelines is based on the age of the investor at the time of investment. Additional guidelines may exist for certain subtypes of structured investments. Please refer to the Suitability Guidelines section of the Advisor Fact Sheet for guidelines associated with each specific offering. Existing complex product exposure is reviewed at the time of purchase and all investments may be subject to review by a Compliance Officer.

5) Historical performance of the underlying basket is not indicative of future performance.

6) Fee-based structured investments are held in investment advisory accounts, thereby deeming the corresponding Financial Advisor(s) a fiduciary. As a fiduciary, the Financial Advisor(s) should be evidencing the advisory services provided to the client on the account and/or relationship level.

CONTACT INFORMATION

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