



Market-Linked Certificates of Deposits

The growth of the market.
The security of FDIC insurance.*

HSBC 

The world's local bank

Market-Linked Certificates of Deposits (CDs)

An important tool in helping investors address the question “How do I try to grow my money without losing it?”

Introduction

Over the past two decades, the marketplace for Structured Investments has grown significantly as investors ranging from young families to retirees have increasingly looked to these investments to help address wealth management objectives such as pursuing growth opportunities, generating income, and protecting principal.

Structured Investments can take many different forms - registered notes and CDs to name a few. A very common method in which Structured Investments are issued is in the form of principal protected Market-Linked Certificates of Deposit.

Market-Linked CDs offer investors the potential to earn enhanced returns compared to those available with traditional deposit products.

Benefits and features

All of HSBC's Market-Linked CDs are issued by HSBC Bank USA, National Association. These Market-Linked CDs are 100 percent principal protected **when held to maturity** and are FDIC insured up to the statutory limits.*

HSBC Market-Linked CDs can offer clients access to a wide range of markets such as US and international equities**, commodities, and foreign exchange by linking the returns on these CDs to the performance of these asset classes.

Equity Indices and Other Reference Assets

• S&P 500®	• Commodity Indices
• NASDAQ 100®	• Precious Metals
• Dow Jones Industrial Average®	• Foreign Currencies
• Nikkei 225® (Japan)	• Interest Rate Benchmarks
• DJ EuroStoxx 50® (Euro-zone)	• Equities
• Hang Seng China Enterprise (China)	• Exchange Traded Funds (ETFs)

Other considerations

Market-Linked CDs are linked to the performance of specific underlying assets and are not equivalent to investing directly in that asset. It is important to note that Market-Linked CDs may not always reflect the actual performance of the underlying assets and have different risks than traditional CDs.

Market-Linked CDs may be redeemable prior to maturity, but may redeem at less than the original amount due to fluctuations in the underlying assets and other market factors.

In all instances, like other investments, Market-Linked CDs should be carefully evaluated with respect to financial objectives, suitability, duration, calculation methods, tax considerations, and other risk factors. In addition, under US tax rules, investors may be subject to US taxes on interest income that have not been paid during the tax year. Investors should consult their own tax advisors prior to investment.

Please read the disclosure materials provided by your registered financial representative carefully before investing.





Financial objectives

Investor profile

There is no typical client when it comes to Market-Linked CDs. Designed for buy and hold strategies, the investor profile is broad, including retirees, baby boomers, vital adults, families saving for college expenses, and even pension funds.

Investors may be attracted by Market-Linked CDs' ability to provide:

- 100 percent principal protection when held to maturity, subject to the issuer's credit risk
- The potential for enhanced returns compared to those available with traditional deposit products
- Focused exposure to a specific financial view
- Investment horizons of one to seven years

Tools for shaping client portfolios

Market-Linked CDs may have broad applications in a well-balanced portfolio and have become a tool that individuals and their financial advisors should consider to meet certain financial objectives. These CDs can be used as a complement to existing assets in a portfolio or as a way to employ a tactical or strategic view.

Market-Linked CDs can also provide an efficient means to attain the true benefits of portfolio diversification, allowing investors and depositors to conveniently invest in alternative asset classes that may be difficult to invest in directly.

No two clients or investment objectives are the same, which is why HSBC continuously seeks to develop innovative investment and deposit products to provide clients with financial strategies to help balance risk and reward.

About HSBC

International banking reach

The HSBC Group is one of the largest banking and financial services organizations in the world. With our network of over 8,000 offices in 88 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East, and Africa, HSBC is 'The world's local bank'.

Recognized market leader

- HSBC - Voted Best Structured Products Brand and #1 in Overall Market Penetration (Greenwich Associates 2009 U.S. Retail Structured Products Survey)
- HSBC - Institutional Performance Award For Leadership in Market-Linked CD Issuance (MTN-I 2009 Americas Awards)
- HSBC - Named the World's Most Ethical Multinational in Business Today (2009)
- Ranked #1 (of 500 banking brands) in Brand-Finance's review of the world's top financial services brands (2009)

Financial strength and security

- HSBC Bank USA, NA
 - USD187 billion in assets (as of March 31, 2010)
- HSBC Bank USA, NA is highly rated by all three major rating agencies (as of June 2010)
 - Aa3 by Moody's
 - AA by S&P
 - AA by Fitch
- FDIC Insurance: This deposit qualifies for FDIC coverage generally up to the statutory limits
- As CDs, these Market-Linked Deposits can qualify for FDIC pass-through insurance, which can benefit certain types of ERISA and public pension funds

Market-Linked Certificates of Deposit are provided by Registered Representatives of HSBC Securities (USA) Inc., member NYSE/FINRA/SIPC, a registered Futures Commission Merchant, a wholly-owned subsidiary of HSBC Markets (USA) Inc. and an indirectly wholly-owned subsidiary of HSBC Holdings plc. Market-Linked CD Products are: Bank deposits; obligations of the issuing bank; FDIC insured within applicable limits; not a liquid investment; and are designed to be held to maturity. Market-Linked CDs are subject to investment risk and any early repayment could result in a loss of principal investment.

***FDIC Insurance:** A Market-Linked CD represents a bank deposit obligation and is FDIC insured together with all other deposits you may have with the issuing bank, up to \$250,000 per depositor. Any funds deposited with the issuing bank (including other CDs issued by such bank) in excess of these limits will not be eligible for FDIC insurance, so you should consider and inform your Financial Advisor if you have other deposits at the issuing bank. For more detailed information regarding FDIC insurance coverage, you may contact the FDIC Call Center at (877) 275-3342 or refer to the FDIC public website at www.fdic.gov, where you can obtain a copy of the FDIC's brochure, "[Your Insured Deposits, FDIC's Guide to Deposit Insurance Coverage](#)".

Products and services are offered by HSBC Bank USA, NA, member FDIC.

HSBC Bank USA, NA is a member of the HSBC Group. Any member of the HSBC Group may from time to time underwrite, make a market or otherwise buy or sell as principal securities or other instruments mentioned herein, or together with their directors, officers and employees may have either a long or short position in the securities, commodities currencies or other instruments mentioned in this brochure or futures or options contracts convertible into securities or other instruments mentioned in this brochure, or may perform or seek to perform investment banking services for those linked assets mentioned herein.

The information herein is derived from a variety of sources we believe to be reliable; however, we cannot guarantee its accuracy or completeness, nor shall we be liable for any incidental or consequential losses or damages including but not limited to errors (including errors of transmission), inaccuracies, omissions, changes in market factors or conditions, or any other circumstances beyond our control. The information, analysis and opinions contained herein constitute our present judgement which is subject to change at any time without notice.

This is not a recommendation, offer or solicitation to purchase or sell any CD, security, commodity, currency or other instrument. The information herein does not consider specific objectives, circumstances or needs of individual recipients. Recipients of this information should seek financial advice regarding the appropriateness of investing in any CD, security, commodity, currency or derivative instrument or strategy contained herein.

**Investing in foreign markets may present certain risks not associated with domestic investments, such as currency fluctuation, political and economic liability, and different accounting standards. This may result in greater price volatility.

Issued by HSBC Bank USA, NA.

Designed and produced by HSBC Global Publishing Services

© 2010 HSBC Bank USA, NA. All rights reserved.