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| Video: HSBC Protected Growth | Presenter: Eric Miller |
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| **Scene** | **Voice-Over** |
| 1 | Are your clients concerned about today’s turbulent market environment? Are they seeking ways to help protect against market downturns—but at the same time don’t want to miss a move higher?Hi, I’m Eric Miller with HSBC, and I’d like to introduce you to some Protected Growth investments that can allow your clients to help achieve these goals. These investments can provide your clients with a defined measure of downside protection to market moves, while keeping them exposed to potential upside gains in the market.The goal here is to help **manage risk**—while **staying invested**. |
| 2 | At HSBC, we offer several investment options that can help protect by providing a **buffer** against a market decline. They’re called buffered notes. Today we’re seeing increased volatility in the markets. Combine that with the potential of rising rates, and we have a recipe for further market fluctuations. HSBC Buffered Notes are designed help to counter these headwinds, and seek to redefine the traditional risk-reward relationship in equity investing. So let’s take a closer look… |
| 3 | First off—what are buffered notes? They’re short- to medium-term investments that are issued and backed by HSBC. These investments offer a return at maturity based on the performance of the stock market, and also provide a downside cushion. Buffered notes are typically linked to familiar ETFs or broad-based equity indices such as the S&P 500, Russell 2000 or the Euro Stoxx 50. So who might be interested?* Clients who want equity exposure but are worried about timing the market
* Equity investors who want downside protection, and
* Opportunistic clients looking for tactical market opportunities with enhanced participation.

Does this bring any of ***your*** clients to mind? |
| 4 | Each month, HSBC offers two types of buffered notes:* Buffered ***Uncapped*** Market Participation Securities; and
* Buffered ***Accelerated*** Market Participation Securities.
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| 5 | So how do these investments work? I can sum it up for you quite simply by focusing on what happens when the underlying index or ETF goes **up** and what happens when it goes **down**.* If the price of the underlying index goes down by an amount **less** than the buffer level, HSBC will effectively step in and absorb the loss, and investors will receive their original investment back at maturity.
* Now if the price of the index falls by **more** than the buffer level, investors lose one percent for each percent belowthe buffer level. For example, if the underlying index is down 17% and the buffer level is 15%, investors will lose 2% of their original investment. That’s it.
* What happens when the underlying index **is up** at maturity?
* This is where our two types of Buffered Notes differ.
* For the **Buffered Uncapped Note**, investors receive 100% of the return of the index. This note is intended for investors looking to fully track the upside price return of the index over a four- to five-year investment period.
* For the **Buffered Accelerated Note**, investors receive an enhanced or **accelerated** return, typically at 1.5 to 2 times the return of the underlying, up to a pre-defined maximum return level. This investment is intended for clients seeking a shorter-dated, tactical approach over a 2-to-3 year investment period.
* You may be thinking: what’s the tradeoff for this downside protection? Well, buffered notes do **not** offer dividends that a direct investment in the underlying stock index might. Another consideration is that these are buy-and-hold investments with maturities from 2-to-5 years that have exposure to the credit risk of HSBC, one of the world’s largest financial institutions.
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| 6 | At HSBC, our Structured Products team is dedicated to supporting you and your practice. We’re available to answer any questions you may have about our offerings, and we provide a host of client-approved marketing materials on our website hsbcnet.com/uswealth. |
| 7 | So if you have clients who are looking to take some downside risk off the table while remaining invested in the markets…HSBC’s Protected Growth investments may be the appropriate call over traditional solutions. |
| 8 | So enable So help your clients **manage risk** and **stay invested** with HSBC’s Buffered Notes. Please check out your monthly HSBC Structured Investments offerings today and take advantage of our webinars and resources on our website that will give you the support you need. Thank you, and we look forward to working with you! |