

HSBC Securities Commission and Fee Schedule

Effective October 01, 2018

HSBC Securities (USA) Inc.

Please take a moment to review our Commission and Fee Schedule.

This brochure outlines the commissions and fees for your HSBC Securities account. It is our goal to make sure you are fully informed of the charges incurred for HSBC Securities services.

Please contact HSBC Securities Client Service at **800.662.3343** for clarification on rates.

For a list of additional fees and disclosures, please visit us.hsbc.com/feeschedule.

Fees are subject to change.

Investment, Annuity and Insurance Products:

ARE NOT A BANK DEPOSIT OR OBLIGATION OF THE BANK OR ANY OF ITS AFFILIATES	ARE NOT FDIC INSURED	ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY	ARE NOT GUARANTEED BY THE BANK OR ANY OF ITS AFFILIATES	MAY LOSE VALUE
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Domestic Equities/ETF's

Orders entered online	\$10.99/trade
Orders called in and entered by the HSBC Securities Wealth Services Desk	\$35.00/trade
Orders entered by your financial professional*	0.05/share with a \$50.00 minimum

- Financial professional assisted orders that require manual handling (including but not limited to large block trades) may incur additional charges. For more information on additional charges please contact the Wealth Services Desk.
- Full Equity commissions and fees apply for each partial fill, except when transacted within the same day regardless of execution channel.
- Equity Transactions below \$3 per share may be subject to a maximum commission of 4% of principal.
- Certain Securities and/or quantities may incur additional charges.
- Orders requiring manual handling may incur additional charges.

International Equities/ETF's

International Equity Commission Schedule: 0.25% of principal value (\$65.00 minimum).

Note: There may be additional fees or taxes imposed on transactions including but not limited to: Foreign Exchange charges, Financial Transaction Taxes and Stamp Taxes in certain markets.

Options

Orders entered by the HSBC Securities Wealth Services Desk	\$12.99+1.25/contract
Orders entered by your financial professional*	\$1.50/contract with a \$50.00 minimum

- Options assigned due to expiration will be charged according to the online equity schedule. Options that are manually exercised will be charged as if they are entered by your financial professional.
- Agent assisted orders that require manual handling (including but not limited to large block trades) may incur additional charges. For more information on additional charges, please contact the Wealth Services Desk.
- Full Option commissions and fees apply for each partial fill, except when transacted within the same day regardless of execution channel.

No Load Funds

Amount	Commission
\$25,000.00 and below	\$38.88, plus 0.15% of principal
\$25,000.01 and above	\$48.88, plus 0.10% of principal

• The minimum commission per transaction is \$48.88.

Fixed Income

HSBC Securities may act as principal on any fixed income transactions, including Treasuries, Agencies, Corporates, Municipals, and all other Fixed Income Securities.

When HSBC Securities acts as agent, a commission will be charged on the transaction. When HSBC Securities acts as principal, the markup is included in the bond purchase price and markdown is subtracted from the sales price.

Markup/markdowns are based upon the particular circumstances of each transaction, which could include size, credit quality, unit price, maturity, liquidity, and market scarcity.

All fixed income transactions must be placed with a Registered Representative. Fixed income transactions cannot be entered online.

- The minimum markup, or per-trade fee, is \$75.00.
- The fee for Treasury auction orders is \$75.00.

Miscellaneous Fees

	Fee Amount	Frequency
Safekeeping Fees**		
HSBC Premier clients	No charge	
All others	\$2.00	Per position
Regulation T extension	\$20.00	Per position
Legal/Restricted Transfer	\$60.00	Per position
Direct Registration Transfer	\$20.00**	Per position
Overnight Mail Request	\$25.00	Per mailing
Duplicate Statements or 1099		
HSBC Premier clients	No charge	
All others	\$5.00	Per request
Statements for Periods Without Activity		
Quarterly	No charge	
Monthly (by request only)	\$2.00	Per month
Insufficient Funds		
ACH Reject Fee (electronic transfers)	\$20.00	Per rejected ACH
Returned Check Fee	\$35.00	Per returned check
Wire Withdrawal	\$25.00	Per wire
Stop Payment Fee	\$25.00	Per stop payment

*Orders entered by your financial professional are orders entered directly by your advisor.

Miscellaneous Fees (continued)

	Fee Amount	Frequency
Account Transfer Out – Full	\$95.00	Per transfer
Foreign Receive and Delivers		
Euroclear	\$50.00	Per position
Non-Euroclear	\$75.00	Per position
Reorganizations		
Mandatory	No charge	
Voluntary	\$25.00	Per event
Confirmation Fee***		
HSBC Premier clients	No charge	
Fixed income items and systematic transactions	No charge	
All others	\$2.00	Per Confirm
Inactivity Fee – Assessed annually if no trades are placed and settled within a calendar year.		
HSBC Premier clients	No charge	
Accounts with more than \$10,000 in HSBC Investor Money Market Funds	No charge	
All others, including custodian accounts	\$50.00	Annually
Paper Surcharge – Charged for brokerage accounts, receiving statements and trade confirmations in paper format via regular mail instead of electronically.		
HSBC Premier clients	No charge	
All others	\$1.75	Per document

** Additional fees may be assessed by transfer agents regarding all physical certificate processing.

*** Fees are charged for the generation of the confirm even when an account is set up for electronic delivery.

Interest Schedules & Other Disclosures

Interest Schedules

Cash Due Rate - Pershing Base Lending Rate (PBLR) + 100BPS

Margin Interest Rate:

Margin Debit	Rate
\$0 - \$24,999.99	Broker Call + 3.5 points
\$25,000 - \$49,999.99	Broker Call + 3.25 points
\$50,000 - \$99,999.99	Broker Call + 2.5 points
\$100,000 - \$249,999.99	Broker Call + 1.5 points
\$250,000 - \$999,999.99	Broker Call + 1.4 points
\$1,000,000 +	Broker Call + 1.25 points

Short Interest Rebate - 60% of Fed Funds Rate. If applicable Securities that are hard to borrow may have a higher interest rate than what is stated and in some instances a premium may be incurred. This will be communicated at the time of the transaction.

Currency Deposits Interest Rate Charges*

The central banks for the following currencies are currently charging negative interest rates: (Swiss Franc (CHF), Danish Krona (DKK), Swedish Krona (SEK) and European Central Bank (EUR). Customers holding balances in these currencies will be charged at the prevailing market interest rate.

If other Central Banks start to charge negative interest rates, customers holding balances in those currencies may start to be charged at the prevailing market interest rate, which will be communicated accordingly.

Please contact HSBC Securities Client Service at 800.662.3343 for exact rates.

* Does not apply to HSBC Premier clients

Transfers from Non-Resident Decedent Accounts

According to U.S. Treasury Regulation Section 20.6325-1, estates of certain nonresident decedents must obtain a Transfer Certificate from the IRS prior to requesting transfer of assets from the decedent's account. The impacted estates of nonresident decedents that must obtain a Transfer Certificate prior to requesting transfer of assets from the decedent's account(s) are:

- Non-U.S. citizens – The estates of nonresidents who are not U.S. citizens (including citizens of U.S. possessions, such as Puerto Rico)
- U.S. citizens – The estates of U.S. citizens (including those with dual citizenship) who reside permanently outside the U.S. at the time of death

Interest Schedules & Other Disclosures (cont.)

To obtain a Transfer Certificate, the estate of the decedent must satisfy the requirements in Part A or B in the Transfer Certificate Filing Requirements for U.S. citizens or in the Transfer Certificate Filing Requirements for Non-U.S. citizens posted on the IRS websites. The websites' addresses appear below. This may require the filing of IRS Form 706 for U.S. citizens permanently residing abroad (at death) or the filing of IRS Form 706-NA for nonresidents who are not U.S. citizens. The required form, along with payment of U.S. federal estate tax due (if any), should be forwarded to the IRS along with any additional required documentation. The IRS will review the filing and, if it determines that no additional estate tax is due, issue a Transfer Certificate to the decedent's estate. The Transfer Certificate issued by the IRS generally represents evidence that the decedent's estate has met its U.S. federal estate tax liability and may request the transfer of assets from the decedent's account(s).

Prior to accepting instructions to transfer assets from a nonresident decedent's account(s), Pershing will require a copy of the Transfer Certificate, along with any additional documents required for the approval of an asset movement from a decedent's account or an estate account in the normal course of business. These additional documents include:

- Death Certificate
- Letters Testamentary or Letters of Administration (applicable where no will is probated) or the legal equivalent issued by an appropriate court or governmental authority in the country of the decedent's residence at his or her death
- A letter of instruction signed by the executor or administrator of the estate or the legal equivalent in the country of the decedent's residence at his or her death

Investments and Annuity Products are provided by Registered Representatives and Insurance Agents 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. In California, HSBC Securities (USA) Inc., conducts insurance business as HSBC Securities Insurance Services. License #: OE67746. **Investments and Annuity Products are: Not a bank deposit or obligation of the bank or any of its affiliates; Not FDIC insured; Not insured by any federal government agency; Not guaranteed by the bank or any of its affiliates; May lose value.**

All decisions regarding the tax implications of your investment(s) should be made in connection with your independent tax advisor.

HSBC Securities may impose various service charges and other fees relating to your account as well as charge commissions and/or other fees and charges for execution of transactions to purchase and sell securities, options, foreign securities, commercial paper or other property, which amounts may include, but not be limited to, transaction fees (rounded to the nearest penny on each sale transaction); subscription fees for U.S. Government and Government agency issues; security transfer fees; insurance premiums, and other charges associated with the handling and transfer of securities funds and assets. You agree to pay such charges, commissions and or fees at HSBC Securities' then prevailing rates. Fees and expenses for mutual funds are stated in their respective prospectuses.

Interest Schedules & Other Disclosures (cont.)

All foreign documents presented to Pershing for documentation purposes must be translated into English by an accredited translation service and certified as representing a true and complete translation of the original document. Where the nonresident decedent has multiple accounts with your firm, please advise the estate to include these accounts in the IRS filing for the Transfer Certificate. Forward a listing of these additional accounts to Pershing so the assets in these accounts can be escrowed until the Transfer Certificate is obtained.

The Transfer Certificate requirement applies only to "natural person" accounts that would be includable in the gross estate for U.S. federal estate tax purposes. These include:

- Single accounts
- Joint accounts (all types)
- Transfer on Death (TOD) accounts
- Trust accounts
- Qualified accounts (all types)
- Sole Proprietorship accounts
- Uniform Gifts to Minors Act (UGMA), Uniform Transfers to Minors (UTMA) and education savings accounts, including 529 College Savings Plan accounts
- Conservatorship, guardianship, custodianship accounts

The Transfer Certificate is not required when the estate of a nonresident decedent (regardless of citizenship) is being administered by an executor or administrator duly appointed, qualified, and acting within the United States.