SHORT AND LEVERAGED ETPs

MAKE MORE OF COMMODITIES

THIS COMMUINCATION IS DIRECTED AT SOPHISTICATED RETAIL CLIENTS IN THE UK

SOCIETE GENERALE

CONTENTS

IMPORTANT INFORMATION

- It is important to note that this brochure is designed to be read as an annex to the "Guide to Short and Leveraged ETPs" which can be found on our website www.sgetp.co.uk, and as such should not be read on its own prior to any investment. It is designed to highlight the key specificities of Commodity linked Short and Leveraged ETPs.
- Short and Leveraged Exchange Traded Products (ETPs) are directed at sophisticated retail clients in the UK, who have a good understanding of the underlying market and characteristics of the products.
- Capital is fully at risk. Short and Leveraged ETPs are not covered by the provisions of the Financial Services Compensation Scheme ("FSCS"), nor any similar compensation scheme.
- The information within this brochure does not constitute legal, tax or financial advice. Societe Generale has not given any such advice.
- Short and Leveraged ETPs are securities that are listed on the London Stock Exchange (LSE) and are issued by SG Issuer via an Issuing Programme which is approved by the UK Listing Authority. SG Issuer is a 100% subsidiary of Societe Generale.
- If SG Issuer, as the Issuer of the Short and Leveraged ETP, and Societe Generale as the Guarantor, were to default or become insolvent, the Short and Leveraged ETPs will terminate immediately. The amount that you receive back on your investment will depend on i) the market value of your investment at that time and on ii) the value of the Collateral Assets at the time of default. You may receive back less than your initial investment.
- This is a marketing document designed to convey the key features of the products. Final Terms are published for all Short and Leveraged ETPs detailing their specific characteristics and their pay-off, the product features given in the Final Terms are prescribed by the approved Base Prospectus. Both documents can be found at www.sgetp.co.uk and should be read prior to investment.
- You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.
- Short and Leveraged ETPs are issued as notes which track the value of a warrant (the "Warrant"). The Warrant in turn will track the value of a leveraged index which provides an amplified exposure to an underlying commodity, net of costs and fees. Please refer to the Final Terms and/or the specific product factsheet for further information on the Warrants applicable to each Short and Leveraged ETP which can be found on our website www.sgetp.co.uk.
- There is a possibility that Short and Leveraged ETPs may be redeemed early (i.e. before the intended maturity date) at the discretion of the Issuer for reasons which can include (but are not limited to) the product value is very small, the products are operationally inefficient, product and/or documentation inefficiencies that render the product or formulae behind such product as incorrect, changes in market standards / procedures / tax that mean the products are no longer viable etc. In such a case, investors will receive the market value of the product 5 business days after the notice of such event. The early redemption of the product may result in a loss of the amount invested. For full details please refer to product's Base Prospectus and the Final Terms which can be found on our website www.sgetp.co.uk.

KEY TERMS YOU WILL COME ACROSS IN THIS BROCHURE

TERM	DESCRIPTION
Backwardation	When long dated futures are cheaper than short dated futures, the market is said to be in Backwardation.
Collateral Yield	Interest payments received for the collateral posted against a Futures Contract.
Compounding	Consecutive gains or losses are accumulated over periods of more than a day. Read Societe Generale's Guide to Short and Leveraged ETPs for more information at www.sgetp.co.uk.
Contango	When long dated futures are more expensive than short dated futures, the market is said to be in Contango.
Cost of Carry	The cost of storing, maintaining and insuring a physical commodity.
Daily Long	A product which is designed for investors looking to gain a return of three or five times the positive compounded Daily Performance of the Underlying Asset.
Daily Performance	The change in price from the Closing Price on one Trading Day to the Closing Price the following Trading Day.
Daily Short	A product which is designed for investors looking to gain a return of three or five times the negative compounded Daily Performance of the Underlying Asset.
ETPs	Exchange Traded Products
Futures Contract	A contractual agreement between buyer and seller to trade a defined quantity of a commodity at a pre-agreed price, on a specific date.
Futures Curve	A graphical curve plotting the price of all available Futures Contracts for a given commodity against the expiry date.
Leverage	The amount by which the Short and Leveraged ETP's price moves in relation to a 1% change in the price of the Underlying Asset. For example, 5 times leverage means that a 1% move in the Underlying Asset would result in a 5% move in the price of the product, before costs & fees.
Leveraged Index	A Short and Leveraged ETP provides exposure to the performance of a Leveraged Index. It is the Leveraged Index which multiplies the performance of the Underlying Asset.
Maturity	The date that the Short and Leveraged ETPs will expire. At expiry investors will automatically receive a payout based on the final value of the Leveraged Index. In a worst case scenario this may be zero.
Roll Yield	The positive or negative return created by rolling from one Futures Contract to the next available contract.
Spot Price	The live price to trade and take delivery of a physical commodity.
Spread (Bid/Ask)	There is always a spread between the buy (Ask) and sell (Bid) price for Short and Leveraged ETPs. As with shares, investors always buy at the higher price (Ask price) and sell at the lower price (Bid price). Under normal market conditions (see Secondary Market on page 11), SG Option Europe, Societe Generale or any affiliate thereof provides Bid/Ask spreads throughout the regular Trading Day to provide liquidity.
Trading Day	The London Stock Exchange (LSE) Trading Day is from 8:05 to 16:30. Short and Leveraged ETPs can be bought or sold at any time during LSE market hours in normal market conditions.
Underlying Asset	The commodity that the Short and Leveraged ETP provides leveraged exposure to.
Warrant	Exposure to the Leveraged Index is gained through a financial instrument called a Warrant.

INVESTING IN COMMODITIES

Investing in commodities is not as simple as buying or selling shares. For a start, commodities are a physical item. Buying them entails payments for delivery, storage and ongoing management. Most investors simply do not have the appetite, space or funds to trade commodities physically.

In order to avoid these issues, commodities can be traded through Futures Contracts. A Futures Contract is, in essence, an agreement between a buyer and a seller to trade a defined quantity of a commodity at a pre-agreed price, on a specific date.

By using Futures Contracts to invest in commodities, you no not have to actually take delivery of the commodity in order to profit from its changing value. Instead, by buying a futures contract you will never have to actually own the commodity, as long as you sell the Futures Contract before it expires.

If you do not like the sound of continually buying and selling the futures yourself, you can instead invest in a commodity index which will do it for you. The introduction of commodity indices has certainly made it easier to gain an ongoing exposure to commodities, but it is important to know how they work and understand that the performance of a commodity index may in fact differ from that of a direct investment in futures.

Societe Generale's range of Commodity linked Short and Leveraged ETPs generate a performance through a type of commodity index. Like most Short and Leveraged ETPs this index is also designed to amplify gains and losses by applying leverage.

In this short guide we aim to steer you through some of the key concepts inherent in investing in commodities and demonstrate the impact these have on a Short & Leveraged ETPs. This brochure is designed to be used as an annex to our main Guide to Short and Leveraged ETPs which can be found on our website www.sgetp.co.uk.

Overview of Futures Contracts

A Futures Contract specifies an agreed price between a buyer and a seller to trade a given commodity on a fixed date in the future.

Let's take an example where you decide to buy a Futures Contract on Oil, i.e. you agree to buy one barrel of Oil in 1 years time, at a fixed price of £100.

If in 1 years time, when the contract expires, the value of one barrel of Oil is now worth £150 you would make a profit. You would pay the fixed agreed price of £100, but receive £150 worth of Oil. If, however, the value of one barrel of Oil was to be below the agreed fixed price on the contract expiry, say £50, you would actually lose money. This is because you have to pay the agreed price of £100 and receive the market value of Oil at only £50.

Holding Futures to expiry is simple as all terms are defined in the contract. Complications can arise when trading in and out of Futures Contracts prior to expiry. This is because a Futures Contract does not move in perfect harmony with the Spot Price, which is the live market value of a physical commodity. It will, in fact, move according to three variables; changes in Spot Price, the Cost of Carry and the Collateral Yield. We explain each of these in further detail later.

COMMODITY FUTURE PRICES

The Spot Price

The Spot Price is essentially the market value of a physical commodity at any given moment. If you want to buy a bar of gold, the Spot Price is the price you would pay to receive it now.

It is a simple function of supply and demand, if demand goes up and supply cannot meet that demand, the price will rise. However, if supply out strips demand, the Spot Price will fall.

The Collateral Yield

The Collateral Yield has a relatively minimal impact but is borne from the fact that when you buy a Futures Contract you do not pay the agreed price up front, instead you deposit a fraction of the value in the form of 'Collateral'. This Collateral earns a daily interest based on the return from US Treasuries. A total return commodity index includes the Collateral Yield in its performance.

The Cost of Carry

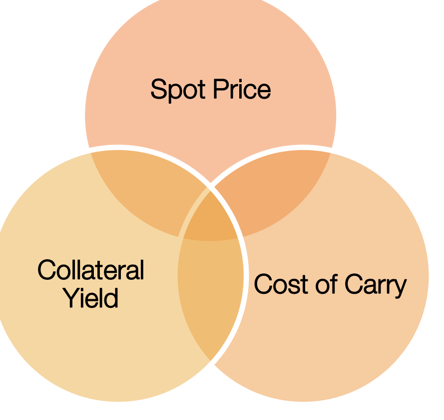
A Futures Contract price is not the same as the Spot Price. It is not based solely on what the commodity is worth now, but (i) what it is expected to be when the Futures Contract expires and (ii) what it would cost to own the physical commodity for the duration of the contract. For example, if you were to buy cattle you would have to house, feed, insure and take care of them. On top of that, by investing your money in buying the cattle, you forego the interest you could have earned from keeping your money in the bank.

These costs are together called the 'Cost of Carry'. It is the combined cost inherent in purchasing and holding a physical commodity. Typically, the longer the duration of the contract, the higher the Cost of Carry. The higher the Cost of Carry, the bigger the difference between the Spot Price and the Futures Contract Price. However, the Cost of Carry is not always negative and it falls as the Future nears expiry. Whether or not the result is positive for your investment will depend on the shape of the Futures Curve. We look at this more on page 6.

Bringing it all together

To sum it up, the price of a Futures Contract at any time is based on the combination of the Spot Price, the Cost of Carry and the Collateral Yield. In order to make a profit on a Futures Contract, the increase in Spot Price and Collateral Yield must outweigh any negative impact from the Cost of Carry.

The table below looks at the three month WTI Future trading at $61.82 with a Spot Price of $60.33. What this shows you is that the Spot Price is by far the largest contributor to the Futures Price, and as such, changes to the Spot Price will be the biggest contributor to the price of the Future.



Current Futures Price	Spot Price of Oil	Daily Collateral Yield	Cost of Carry
$61.82	$60.33	0.0064%	$1.49 (approximately)

THE FUTURES CURVE

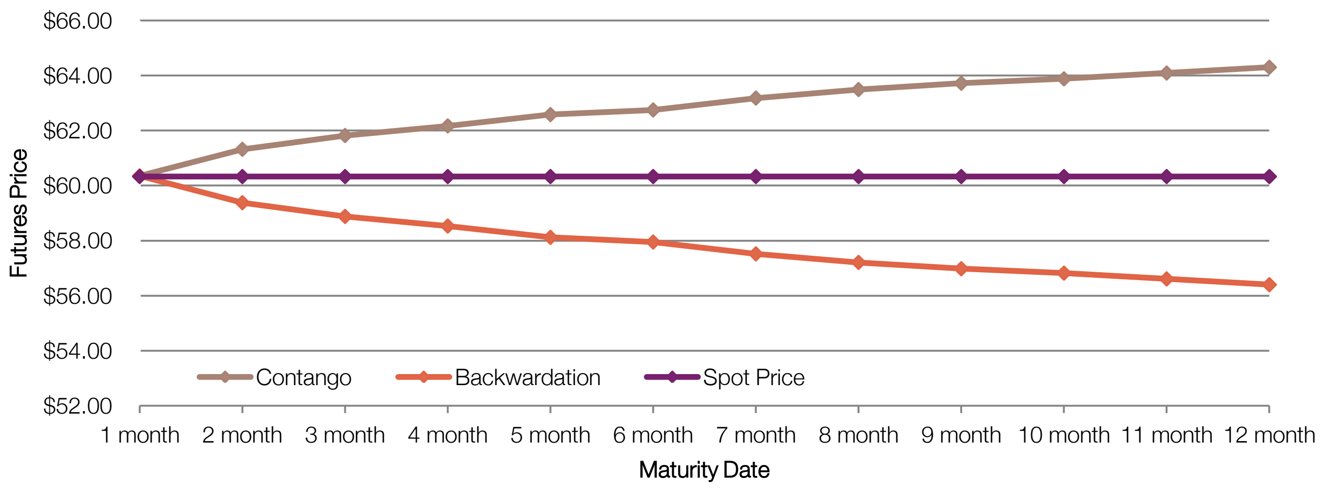
For any particular commodity there may, in fact, be many Futures Contracts available in the market, with expiries ranging from one month to many years. By plotting the price of each Future against its corresponding expiry date, we can create a 'Futures Curve'.

The shape of the Futures Curve is important as it can curve up, which means that longer dated Futures are more expensive than those with a shorter date, or it can curve down, which means that you will pay more for a shorter dated contract.

An upward sloping Futures curve suggests that the Spot Price is expected to rise over time. This Futures curve is known as being in 'Contango' and it is typically what you would expect to see in the market. A downward sloping Futures curve is called 'Backwardation' and it suggests that Spot Prices will fall over time.

The chart below illustrates Contango and Backwardation using the prices of WTI Oil Futures. The Backwardation example prices have been created by simply mirroring the actual prices in the Contango example. They are provided for illustrative purposes only and are not real.

An illustration of Contango & Backwardation



For illustrative purposes only. Source Bloomberg. Data as of May 12th, 2015.

IMPACT OF THE FUTURES CURVE

We have already seen how a Futures Contract price may differ from its Spot price owing to the Collateral Yield and Cost of Carry.

However, when investing directly in Futures Contracts for a sustained amount of time, a Futures Curve in Backwardation or Contango may also significantly impact your potential return.

A Futures Curve in Contango or Backwardation will (i) naturally impact the price of a Futures Contract as it nears expiry due to an effect known as Convergence and ii) incur a type of cost known as the Futures Roll Yield, when moving or rolling from one Futures Contract to the next.

Convergence. This is when the price of a Futures Contract will gradually approach its Spot price as it nears expiry.

In a Contango market, therefore, your Futures Contract price will gradually fall towards the Spot price as it nears expiry. Conversely, if the Futures Curve is in Backwardation your Futures Contract price will gradually increase towards the Spot price as it nears expiry.

Therefore, when investing directly in Futures Contracts, you may naturally make a gain or loss simply from this effect of Convergence.

Futures Roll Yield. This is the cost associated with rolling from one Futures Contract into the next available Futures Contract. As we have seen, a Futures Contract has a finite life marked by the expiry date. As a result, if you wish to remain exposed to a commodity through Futures Contracts, and your current Futures Contract is nearing expiry, you will need to sell this contract in order to buy a new longer maturity contract.

This process embeds an inherent cost. If you are in a Contango market for example, the next available contract would be more expensive than the current contract you own. You therefore either must pay more for the same exposure, or buy fewer contracts and reduce your exposure.

If the Futures Curve is in Backwardation, this Futures Roll Yield would be positive as your next available contract would be cheaper than the current contract that you are selling.

What does this mean for a Commodity linked Short and Leveraged ETP?

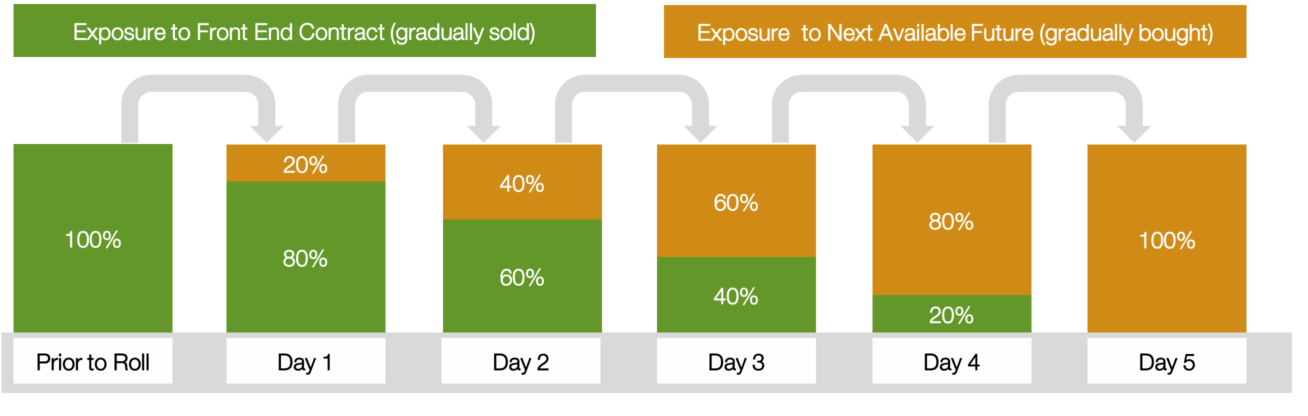
Most commodity indices were designed in order to simplify the process of investing in Futures Contracts. They will automatically roll from one contract to the next as they near expiry.

The Leveraged Indices used within Societe Generale's Commodity linked Short and Leveraged ETPs are designed to operate in a similar way. They maintain an exposure by automatically rolling futures contracts as they near expiry, embedding all effects of Convergence and the Futures Roll Yield within them.

The Leveraged Indices are independently calculated and managed by Solactive AG. They also attempt to reduce the impact of the Futures Roll Yield by gradually transferring exposure from one contract to the next over a 5 day period (illustrated below).

What this means, however, is that the performance of the Leveraged Index may differ when compared to a direct investment in Futures Contracts or other similar commodity indices.

An illustration of the roll process within the Leveraged Index



RECAP ON SHORT AND LEVERAGED ETPS

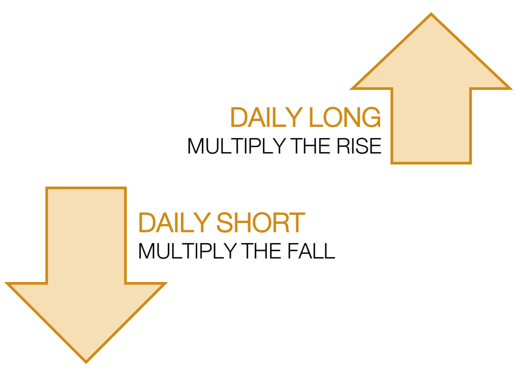
Short and Leveraged ETPs enable you to amplify the Daily Performance of a Commodity without risking more than you have invested.

Short and Leveraged ETPs are designed for frequent traders who are prepared to take more risk in pursuit of higher returns. A key feature of Short and Leveraged ETPs is that they will multiply the daily rise or fall of your chosen commodity future by 2, 3 or 5 times. This means that every £1 invested in a Short and Leveraged ETP provides the same profit or loss as £2, £3 or £5 invested directly.

You know what you stand to gain because the level of leverage is fixed at 2, 3 or 5 times the Daily Performance of your chosen currency. You know what you could lose because it will never be more than you have invested. You know that you can buy or sell your product at any point during the Trading Day, because live prices must be provided to the London Stock Exchange. You also know that the price you see is the same as anyone else; whether they are a professional trader, or a private individual.

A key difference with Short and Leveraged ETPs compared to other investments such as equities is that they are entirely designed around Daily Performance. This means that your profit or loss each day is determined by how much that currency has risen or fallen from its Closing Price the day before. You can hold a Short and Leveraged ETP for more than a day but gains and losses will be compounded over time.

Using them in your portfolio



Daily Longs are for the bullish investor who believes that a currency is set to rise against another specified commodity future over the Trading Day, and wants the opportunity to amplify their returns. As a long investment, a Daily Long will rise in value as the Underlying Asset rises.

Daily Shorts are for the bearish investor who believes that the a currency is set to fall against another specified commodity future over the Trading Day, and wants the opportunity to generate an enhanced return based on the fall. As a short investment, a Daily Short will rise in value as the Underlying Asset falls.

In either case, if you call the markets wrong, your Short and Leveraged ETP will amplify losses in the same way as it will profits, and your capital is entirely at risk.

Buying and selling

Societe Generale is the product provider. You cannot trade directly with Societe Generale. Short and Leveraged ETPs can be bought and sold like a share at any point during market hours in normal market conditions. Please see "Secondary Market" section on page 11 for further details on what may constitute abnormal market conditions.

Eligibility

The Product can be purchased in the following accounts:

- Individual Savings Account (ISA)
- A Self Invested Personal Pension Account (SIPP)
- Direct Dealing Account

For more information on what Short and Leveraged ETPs are, and how they work please read the Guide to Short and Leveraged ETPs which can be found at www.sgetp.co.uk.

CURRENCY RISK

Within Short and Leveraged ETPs, the Leveraged Index will offer amplified exposure to the Daily Performance of the Underlying Asset. If the Leveraged Index or the Short and Leveraged ETP is quoted in a currency different from the Underlying Asset, exchange rate fluctuations between these currencies would also further impact the product.

For example, if we take Gold as an Underlying Asset which is denominated in USD and a Gold linked Short and Leveraged ETP which is denominated in GBP.

As the currency of the Underlying Asset and the Short and Leveraged ETP differs, the Short and Leveraged ETP will also be exposed to the GBP/USD exchange rate.

A strengthening of the GBP/USD rate would enhance the performance of the Short and Leveraged ETP denominated in GBP, but if GBP/USD weakens, its performance would suffer.

As a result, if you were to compare the returns of a Gold linked Short and Leveraged ETP in GBP versus the same product in USD, the potential disparity between the two product may be caused by the GBP/USD exchange rate.

Investors should be aware of how changes in the value of currencies can affect their positions.

ADVANTAGES AND RISKS

Advantages	Risks
Leverage. Gain amplified exposure to the Daily Performance of the Underlying Asset.	Capital risk. Capital is fully at risk and is not covered by the provisions of the Financial Services Compensation Scheme ("FSCS"), or any similar scheme.
Directional. Long or Short positions available for directional investment or hedging.	Leverage risk. If the investment results in a loss, any such losses will be increased by 2, 3 or 5 times, depending on the particular leverage. Consequently, you could lose more than you would if you invested directly in the Underlying Asset.
Access. Available on a wide range of commodities.	Currency risk. If the Leveraged Index is quoted in a currency different from the listing currency, exchange rate fluctuations between these currencies would impact the price of the product.
The Maximum loss you can make on your capital invested is the capital invested. You cannot lose more than you invest.	Compound returns. Gains and losses are compounded over periods of more than one Trading Day, and as such will deviate from the leveraged performance of the Underlying Asset. Read the Short and Leveraged ETP Guide for more information.
Liquidity: Intraday liquidity in normal market conditions with prices available on the London Stock Exchange between 8:05 and 16:30	Counterparty / Issuer risk. If Societe Generale were to default or become insolvent, the product will terminate. The amount you receive back will depend on the value of a basket of Collateral Assets. Read the Short and Leveraged ETP Guide for more information.
Risk management. The Air Bag mechanism included in Short and Leveraged ETPs is designed to slow the rate of loss in extreme market conditions. Read the Short and Leveraged ETP Guide for more information.	Liquidity risk. SG Option Europe, Societe Generale or any affiliate thereof is the only party providing prices for these products. Prices will only be available in normal market conditions.
Intended eligibility. Can be traded individually, just like a share in a SIPP, ISA or regular dealing account.	Prepayment risk: Societe Generale reserves the right to make adjustments or substitutions, or even prepay the product, especially in case of events affecting the Underlying Asset. The early redemption of the product may result in total or partial loss of the amount invested. For further details please refer to the Base prospectus and relevant terms and conditions.
Tax situation*. When investing outside of a SIPP or ISA, products with a remaining time to Expiry of more than 1 year may be subject to capital gains tax but not stamp duty.* When investing outside of a SIPP or ISA, products with a remaining time to Expiry of less than 1 year may be subject to income tax or capital gains tax but not stamp duty.* Financial traders trading outside of a SIPP or ISA may be subject to income tax but not stamp duty.*	

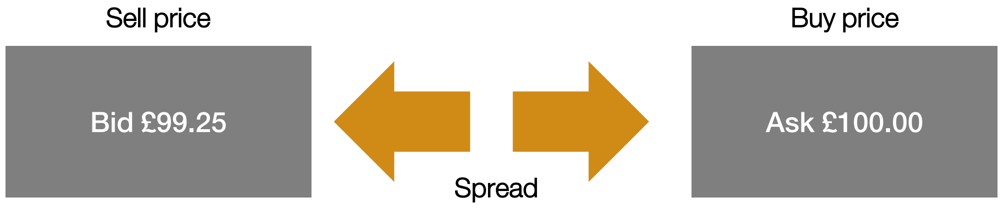
* Any statement in relation to tax, where made, is generic and non-exhaustive and is based on our understanding of the laws and practice in force as of the date of this document and is subject to any changes in law and practice and the interpretation and application thereof, which changes could be made with retroactive effect. Any such statement must not be construed as tax advice and must not be relied upon. The tax treatment of investments will, amongst other things, depend on an individual's circumstances. Investors must consult with an appropriate professional tax adviser to ascertain for themselves the taxation consequences of acquiring, holding and/or disposing of any investments mentioned in this brochure.

HOW TO TRADE

Short and Leveraged ETPs trade on exchange in a similar way to shares.

Each product has an EPIC code which is used to identify the product with your stockbroker. You can buy or sell a Short and Leveraged ETP at any time between 08:05 and 16:30 in a regular dealing account, ISA or a SIPP.

Like a share, you buy at the 'Ask Price', and sell at the 'Bid Price'. There will be a small difference between the two prices.



Prior to trading a Short and Leveraged ETP your stockbroker will require you to complete a Complex Instruments Appropriateness Assessment, in the same way that you would with any leveraged product.

HIGHLY REGULATED TRADING

Short and Leveraged ETPs are regulated by the Financial Conduct Authority (FCA). They are also governed by the rules of the LSE, which include:

- Minimum tradable volumes to ensure liquidity
- Max spread: 0.75%
- Live prices must be provided throughout the Trading Day in normal market conditions

COSTS AND FEES

Investors holding the products for less than a day will simply pay a dealing commission to their broker, and a small spread on the Bid & Ask prices. However, investors holding their position overnight will incur a commission and collateral charge.

For Example, as of May, 2015, the commission on 5GOL (SG Gold 5x Daily Long USD) was 1% per year, and the Collateral Charge was 0.05%. The collateral charge may increase in times of increased volatility. Up to date collateral charge levels will be shown on the SG listed products website www.sgetp.co.uk.

The commission and collateral charge are together known as the Annualised Cost, which is prorated and charged daily.

Products with a higher leverage of 5 times and above will also incur a Gap Premium. Gap Premium is a hedging cost that protects against extreme market movements overnight. Without Gap Premium, the Short and Leverage ETP could lose more than 100% of its value. However, because of the Gap Premium, the worst that can happen is that the product is worth nothing. Gap Premium is calculated daily according to the prevailing level of volatility. For example, as of May, 2015, 5GOL had a Gap Premium of 0.0022% per day.

SECONDARY MARKET

SG Option Europe, Societe Generale or any affiliate thereof is the only market-maker, and therefore the only liquidity provider for Short and Leveraged ETPs.

This means we are governed by LSE rules to buy back and sell our products at the prevailing market price between (8:05 to 16:30).

By investing in a Short and Leveraged ETP you can be assured that Societe Generale will buy back your product at any time during market hours in normal market conditions. However, during abnormal market conditions, there is no guarantee that liquidity or live prices will be available on the secondary market.

Abnormal market conditions include (but are not limited to):

- The Underlying is suspended or not tradable
- There is a period of extreme volatility in the Underlying Asset
- There is a failure in the LSE system

This means that you may find it difficult or impossible in certain circumstances to sell the Short and Leveraged ETP or may be offered a price less than you paid for it.

The products described within this document are not suitable for everyone. Investors' capital is at risk. Investors should not deal in this product unless they understand its nature and the extent of their exposure to risk. The value of the product can go down as well as up and can be subject to volatility due to factors such as price changes in the underlying instrument.

Prior to any investment in this product, investors should make their own appraisal of the risks from a financial, legal and tax perspective, without relying exclusively on the information provided by us, both in this document and the Final Terms of the product available on the website www.sgetp.co.uk. We recommend that you consult your own independent professional advisers.

Investors should note that holdings in this product will not be covered by the provisions of the Financial Services Compensation Scheme, nor by any similar scheme in the country where the Issuer is domiciled.

The securities can be neither offered in nor transferred to the United States.

Any statement in relation to tax, where made, is generic and non-exhaustive and is based on our understanding of the laws and practice in force as of the date of this document and is subject to any changes in law and practice and the interpretation and application thereof, which changes could be made with retroactive effect. Any such statement must not be construed as tax advice and must not be relied upon. The tax treatment of investments will, amongst other things, depend on an individual's circumstances. Investors must consult with an appropriate professional tax adviser to ascertain for themselves the taxation consequences of acquiring, holding and/or disposing of any investments mentioned in this brochure.

For more information: see the Terms and Conditions available on our website www.sgetp.co.uk

Index Disclaimer

The index referred to herein (the "Index") is not sponsored, approved or sold by Societe Generale, Societe Generale shall not assume any responsibility in this respect.

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CONTACT

For further information on the range of SG Listed Products, go to www.sgetp.co.uk
Alternatively, call the Free phone line 0800 328 1199 or email listedproducts@sgcib.com
Telephone calls may be recorded and/or monitored for training and quality purposes.