SHORT AND LEVERAGED ETPs

MAKE MORE OF FOREIGN EXCHANGE

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 FX 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, and 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 foreign exchange pair, 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
Base Currency	This is the first currency shown in a Currency Pair (i.e. for EUR/USD, EUR is the Base Currency)
Currency Pair	A Currency Pair is an exchange rate quotation featuring two different currencies. For example, the EUR/USD Currency Pair refers to how many US Dollars one Euro is effectively worth.
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 FX.
Daily Performance	The change in price from the Fixing Price on one Trading Day to the Fixing 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 FX.
ETPs	Exchange Traded Products
Fixing Price	The level of the Underlying FX pair at the defined Fixing Time, this is the level from which the following day's Daily Performance will be measured.
Fixing Time	The time at which the closing level of the Underlying FX pair is recorded. For SG's Short and Leveraged FX ETPs this is defined as 16:00 UK GMT and is set according to the Foreign exchange market fixing process performed by The World Markets Company plc.
Forward Contract	A Forward Contract specifies an agreement between a buyer and seller to exchange a specific amount of a particular currency (currency X) into a different currency (currency Y) at a specific date in the future.
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 FX. For example, 5 times leverage means that a 1% move in the Underlying FX 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 FX.
Margin	The amount of money, or deposit, needed in order to secure an FX position when trading on leverage.
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.
Over-The-Counter	The term Over-The-Counter, or OTC, refers to a financial transaction occurring in a de-centralized market without a central location. Market participants trade with each other without the supervision of an Exchange.
Pip	A Pip is the smallest increment in which a Currency Pair can move (see page 6 for further details)
Spot Price	The live price between two parties to buy one currency and sell another.
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 13), 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 FX	The currency pair that the Short and Leveraged ETP provides leveraged exposure to.
Variable Currency	This is the second currency shown within a Currency Pair. It represents the number of units necessary to buy one unit of the Base Currency.
Warrant	Exposure to the Leveraged Index is gained through a financial instrument called a Warrant.

INVESTING IN FX: THE BASICS

The foreign exchange market represents the world's largest and most liquid market. Open 24 hours a day, foreign exchange is traded directly between parties and generally operates in a different way to buying or selling shares.

For a start, the trading of foreign exchange (also referred to as FX) occurs in pairs, or Currency Pairs, such as EUR/USD or GBP/USD. What this means is that for every FX transaction undertaken, one currency will be purchased and another will be sold. In theory this practice works quite simply, if you were to go to a travel exchange and convert your British Pounds to US Dollars, you would in effect be selling your British Pounds and buying US Dollars.

Let's take an example of how this would work in practice. If you were to be heading to the United States on holiday you may want to exchange some of your British Pounds (GBP) for US Dollars (USD). You might visit the post office or another travel exchange that, aside from GBP/USD, may show exchange rate quotations for a wide array of Currency Pairs.

When you approach the desk to exchange your money you will normally see a board of numbers and codes much like that on the right. What this shows you is at what price the travel exchange is willing to buy and sell currency.

	BID	ASK
EUR/USD	1.2200	1.2300
JPY/USD	0.0083	0.0085
GBP/USD	$\boxed{1.5405}$	$\boxed{1.5410}$
	The travel exchange will buy 1 unit of Base Currency for this amount of Variable Currency (i.e. they buy £1 and will pay $1.5405)	The travel exchange will sell 1 unit of Base Currency for this amount of Variable Currency (i.e. they sell £1 but expect to receive $1.5410)

If we take our US trip as an example, you would be looking to buy US Dollars (also known as going long USD) and sell British Pounds (also known as going short GBP). On the other hand, the travel exchange would be buying British Pounds (i.e. going long) and selling US Dollars (i.e. going short).

	Client's desired position	Travel Exchange's Position
GBP	SHORT (selling GBP)	LONG (buying GBP)
USD	LONG (buying USD)	SHORT (selling USD)

In order to buy US Dollars and sell British Pounds, you would need to look at the exchange rates shown in the BID column. This is the column that shows you what amount of the Variable Currency (USD) you would receive for each single unit of your Base Currency (GBP). For example, for every £1 of your money they would give you $1.5405.

On a larger scale you might like to exchange £100 for US Dollars, and you would therefore receive $154.05. This is simply calculated as Amount of Base Currency x Exchange Rate Bid Price (£100 x 1.5405).

Now, if following your trip you were to have some left over US Dollars you might like to exchange them back to British Pounds. If we take the same exchange rate table as before, you would now need to look at the ASK column to find the correct exchange rate to use. This highlights the amount of Variable Currency (USD) the travel exchange will ask for in order to give you 1 unit of the Base Currency (GBP). So, assuming you had $50 left after your trip, you would be able to convert it back into £32.45 (i.e. you would be able to sell your $50 to the travel exchange and they would pay you £32.45). In order to calculate this amount you would have to divide the currency you were selling or converting from by the ASK price. So by dividing $50 by 1.5410 you end up with £32.45.

As you can see, the BID and ASK prices do differ. Travel exchanges will commonly charge you a higher amount for the currency you wish to buy, than they will pay you if you wish to sell to them. As a result, BID prices will be below ASK prices (i.e. this is known as the BID / ASK spread).

ALTERNATIVE FX INVESTMENTS

When using FX as an investment or hedging tool, the scale, scope and logistics behind such activity can begin to increase beyond those more commonly associated with simply visiting the local post office or travel exchange for holiday money.

Let's again take an example, this time looking at how a large institution might trade within the foreign exchange market.

Let's assume a client wishes to purchase Euros (e.g. €10,000,000) and would like to do so by selling US Dollars. They may believe for example that the Euro is set to appreciate against the US Dollar and would like to benefit from such a market movement. Let's assume the currency exchange rate between Euro and US Dollar (EUR/USD) is at a level of 1.1220.

In order to facilitate this transaction the following process would occur:

1. The client would request a broker to purchase €10,000,000 on his behalf, thus taking a Long (positive) position in Euros. This would likely be held in a Euro denominated account.
2. Simultaneously, the Client would pay the broker for the €10,000,000 out of his US Dollar account for an amount equal to $11,220,000 (10,000,000 x 1.1220). In his US Dollar account he will therefore be short (or negative) US Dollars.
3. Across the two accounts the client now holds a long position in their EUR account, which may accrue interest, as well as a short position in the USD account, which may incur overdraft costs.
4. The client has to decide whether to maintain these long and short positions, incurring any relevant costs, or to cover the short position which again may incur costs.
5. It is also common for clients to take exposure to FX using instruments that would commonly embed Margin Payments. A Margin Payment is a small deposit that is made to a broker which effectively provides you with a larger exposure to a Currency Pair than you have paid for (i.e. based on a exchange rate of GBP/USD = 1.5405, you could pay £1 to be exposed to the full movement of say £100, thus leveraging the effect of any changes in the exchange rate). Although this process does leverage your exposure to exchange rate movements, it also increases risk as you may end up losing more than you invest via Margin Payments.

In order for such large multi currency transactions to occur, the client will need to have correspondents present all over the world at various times in order to facilitate the process. Whilst for larger institutions this is feasible, for smaller individual investors this may not be possible.

However, it is now possible for investors to access FX markets using certain financial instruments that take an exposure to Currency Pairs, for a small fee, without the inherent costs that are commonly associated with FX trading and investment.

SG has developed a range of such instruments, known as Short and Leveraged FX ETPs, that are designed to offer investors a leveraged exposure to foreign exchange Currency Pairs. Moreover, when investing in these instruments only the capital you invest is at risk. You cannot lose more than you invest unlike other direct FX investments.

In this short guide we aim to steer you through the main features of SG's Short and Leveraged FX ETPs, how they work, their main features and the key points you need to consider when investing in such a product.

If you want to know more about Short and Leveraged ETPs themselves, you should read our Guide to Short and Leveraged ETPs which can be found on our website www.sgetp.co.uk.

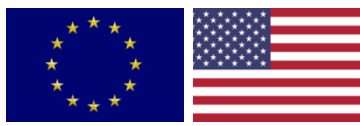
CURRENCY PAIRS AND PIPS

A Currency Pair is the exchange rate quotation comparing the relative value of one currency against another. Within the Currency Pair, the first currency shown is called the Base Currency and the second is known as the Variable Currency. The exchange rate of a Currency Pair demonstrates how much of the Variable Currency is needed to purchase one unit of the Base Currency.

Example of a Currency Pair

EUR/USD = 1.1312

Base currency — Variable currency



1.000 EUR = 1.1312 USD

BUYING base currency and SELLING Variable currency

The Currency Pair above illustrates that 1.1312 US Dollars are required to purchase one Euro. As the value of the Base Currency (EUR) increases, more units of the Variable Currency (USD) will be required to purchase it.

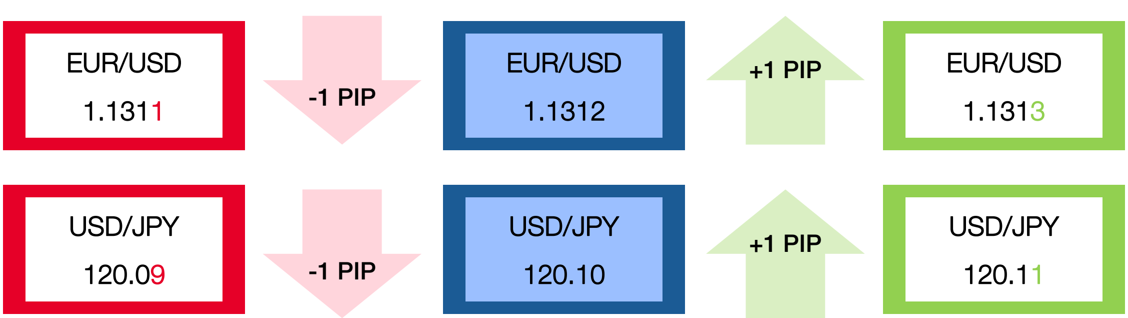
What is a Pip?

Pips are a reference point by which Foreign Exchange Investors measure the change in the exchange rate, so it is important that investors understand how a Pip's value relates to the currency position. The smallest move that the Currency Pair can make is one Pip.

The convention for what a Pip is varies across Currency Pairs. For most, a Pip will refer to the 4th decimal point of a quoted exchange rate. For example, if we use the above exchange rate for EUR/USD equal to 1.1312, if the value of EUR was to increase one Pip against USD then EUR/USD would now be worth 1.1313. Similarly a fall of 1 Pip would result in a new EUR/USD exchange rate of 1.1311.

Currency Pairs which include JPY are one of the few exceptions. These Currency Pairs are actually quoted to 2 decimal places, and the 2nd decimal point is used to highlight the Pip movement.

For example, let's assume the USD/JPY exchange rate was equal to a level of 120.10, a 1 Pip increase (i.e. USD appreciates and JPY depreciates) or a 1 Pip decrease (i.e. USD depreciates and JPY appreciates) would correspond to a new USD/JPY level of 120.11 or 120.09 respectively.



Scenario Analysis: Pip Movements

Scenario 1:

Initial value of EUR/USD = 1.1312. EUR/USD then increases by 1 Pip to 1.1313 (i.e. EUR appreciates vs USD)

- At inception the Client BUYS EUR 1,000,000 and therefore SELLS USD 1,131,200 (i.e. 1,000,000 x 1.1312)
- If EUR/USD exchange rate increases by 1 pip to 1.1313, the client will then be able SELL their EUR holding of 1,000,000 and BUY USD 1,131,300 (i.e. 1.1313 x 1,000,000)
- That would result in a gain of $100. The client was holding EUR whilst it appreciated against USD so now you can buy back more USD than you originally sold.

At Inception: EUR/USD = 1.1312	
Buy EUR	Sell USD
1,000,000	1,131,200
EUR/USD increases by 1 Pip = 1.1313	
Sell EUR	Buy USD
1,000,000	1,131,300
Net Profit = +$100	

Scenario 2

Initial value of EUR/USD = 1.1312. EUR/USD then decreases by 1 Pip to 1.1311 (i.e. EUR depreciates vs USD)

- At inception the Client BUYS EUR 1,000,000 and therefore sells USD 1,131,200 (i.e. 1,000,000 x 1.1312)
- If EUR/USD exchange rate decreases by 1 pip to 1.1311, the client will then be able to SELL their EUR holding of 1,000,000 and BUY USD 1,131,100 (i.e. 1.1311 x 1,000,000)
- That would result in a loss of $100. The client was holding EUR whilst it depreciated against USD so now you can only buy back less USD than you originally sold.

At Inception: EUR/USD = 1.1312	
Buy EUR	Sell USD
1,000,000	1,131,200
EUR/USD decreases by 1 Pip = 1.1311	
Sell EUR	Buy USD
1,000,000	1,131,100
Net Loss = -$100	

As you can see, based on these examples (i.e. purchasing €1,000,00) a 1 Pip movement in EUR/USD would therefore equate to a Profit or Loss of $100.

UNDERLYING FX PAIRS FOR SHORT AND LEVERAGED FX ETPs

It is important to understand that for all of SG's Short and Leveraged FX ETPs, the Underlying FX pair used will have USD as the Variable Currency (i.e. GBP/USD, JPY/USD, EUR/USD). This may, in certain circumstances, go against the standard convention that is used in the Foreign Exchange market (i.e. commonly the Japanese Yen and US Dollar exchange rate would be quoted as USD/JPY).

There are several key points to take note of here.

1. The purpose of this was to ensure that all changes in performance of the Underlying FX pair are calculated in USD. This will therefore coincide with performance changes in both the Leveraged Index and the Short and Leveraged ETP, which are also denominated in USD.
2. When observing the Underlying FX pair in the market it is important to look at the actual Underlying FX pair which corresponds to the Short and Leveraged ETP and not what might be the market convention. If we take USD/JPY as an example. Quotations in the market will conventionally be shown as USD/JPY, with values such as 120.10. However, for SG's Short and Leveraged FX ETPs the Underlying FX pair is JPY/USD, which equivalently provides a rate of 0.008326 (i.e. 1 / USD/JPY). Such Currency Pair is quoted to 6 decimal places, and 1 Pip would therefore be equivalent to the 6th decimal point (i.e. 1 Pip = 0.000001).

Let's take a look at a few examples

The SG GBP/ USD x5 Daily Long USD.

- The Underlying FX pair in the product is GBP/USD. This corresponds to a Base Currency of GBP and Variable Currency of USD.
- This is in line with the naming convention across the FX market.
- Any profit or loss generated from an investment in GBP/USD will be calculated in USD (unless it is converted back to GBP).
- As a result, within the SG GBP/USD x5 Daily Long USD, the Profit and Loss of the Underlying FX pair corresponds to that of the Leveraged Index (which is quoted in USD) and the Short and Leveraged ETP which is also listed in USD.

The SG JPY/USD x5 Daily Long USD.

- The Underlying FX pair in the product is JPY/USD. This corresponds to a Base Currency of JPY and Variable Currency of USD.
- This is not in line with the naming convention across the FX market, as it is commonly seen as USD/JPY.
- However, any profit or loss generated from an investment in JPY/USD will be calculated in USD (unless it is converted back to JPY).
- As a result, within the SG JPY/USD x5 Daily Long USD, the profit and loss of the Underlying FX pair corresponds to that of the Leveraged Index (which is quoted in USD) and the Short and Leveraged ETP which is also listed in USD.

TRADING A 24 HOUR MARKET

Unlike most other asset classes, the Foreign Exchange market is a 24 hour market. Meaning that, in theory, you can buy or sell currency at any point during the day or night provided someone is willing to enter the transaction with you. One of the main reasons that FX operates on a 24 hour basis is that it is traded OTC and as such is not subject to the trading hours of an exchange.

One point to consider with SG's Short and Leveraged FX ETPs is that, as they are traded on the London Stock Exchange, they must adhere to the trading hours of the exchange.

As a result, the Short and Leveraged FX ETPs will only be tradable throughout London trading hours (08:05 - 16:30) even though the Underlying FX pair may still be tradable via OTC transactions.

Investors should therefore be aware that, upon market open, the price of the Short and Leveraged FX ETP will account for any movements that the Underlying FX pair has experienced overnight whilst the Short and Leveraged FX ETP was not actually trading.

Investors could experience large movements in the price of the product overnight, as well as see an enhanced effect of the Compounding feature (please refer to the full Short and Leveraged ETP product guide for more information on compounding). Investors will not be able to sell or buy the Short and Leveraged FX ETPs outside of market hours

THE FX FIXING CONVENTION

As the Foreign Exchange market trades for 24 hours a day, it has no official closing time or closing price. As a result, SG's Short and Leveraged FX ETPs will provide 5 times the Daily Performance of a Currency Pair, based on the level, or Fixing Price, of the Currency Pair at the "Fixing Time" of the previous day.

The Fixing Time in London occurs at 16:00, the process of which is managed and calculated by the World Markets Company plc. Executed market orders are observed across the FX market over a defined time period and the Fixing Price is set based on such recordings, removing any abnormal or unusual readings to ensure accuracy. A full description on the methodology and accuracy controls used can be found on the World Markets Company website: www.wmcompany.com.

One key thing to note is that the Short and Leveraged FX ETP will be quoted up until 16:30 London Time, when the market closes. As a result, the price of the Leveraged Index, and thus the Short and Leveraged ETP, that will be calculated for the remainder of the Trading Day between 16:00 to 16:30 will be based on this Fixing Price, and not the Fixing Price from the previous day. The timeline below illustrates how this works in practice.

FX Fixing Price: Timeline of Events for Short and Leveraged FX ETPs

Day 1: 16:00
Fixing Time of the Underlying FX is set (i.e. at 1.5000)

Day 1: 16:30
LSE closes. Short and Leveraged FX products can no longer be traded, although the FX market will remain open and may move.

Day 2: 08:05
LSE Market Opens

Day 2: 16:00
The Fixing Price of the Underlying FX is set again (i.e. at 1.6000)

Day 2: 16:30
LSE closes. Short and Leveraged FX products can no longer be traded, although the FX market will remain open and may move

Day 1 from 16:00 to 16:30: The price of the Leveraged Index, and thus the Short and Leveraged ETP, will be calculated based on the Daily Performance of the Underlying FX from its Fixing Price recorded at 16:00 of the same day (i.e. based on the level of 1.5000)

Day 2 from 8.05 to 16:00: The LSE Opens and the Short and Leveraged ETPs can be traded again. Prices will be adjusted according to any overnight movements of the Underlying FX. Daily Performance thereafter will be calculated based on the Fixing Price as of 16:00 on the day before (i.e. as at 16:00 on day 1, so 1.5000)

Day 2 from 16:00 to 16:30: the price of the Leveraged Index, and thus the product, will be calculated based on the Daily Performance of the Underlying FX recorded from the new Fixing Price

RECAP ON SHORT AND LEVERAGED ETPS

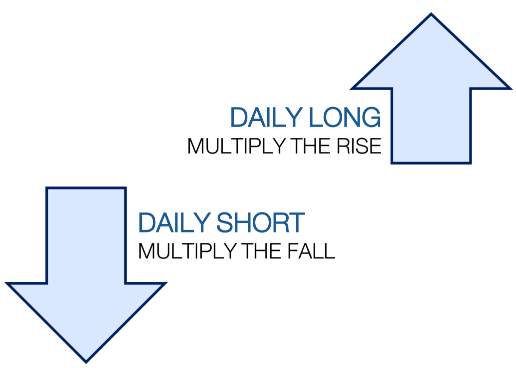
Short and Leveraged ETPs enable you to amplify the Daily Performance of an Underlying Asset, such as a Currency Pair, without risking more than you have invested.

Societe Generale's 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 Currency Pair by 3 or 5 times. This means that every $1 invested in a Short and Leveraged ETP provides the same profit or loss as $3 or $5 invested directly.

You know what you stand to gain because the level of leverage is fixed at 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 Fixing 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 currency 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 FX pair rises.

Daily Shorts are for the bearish investor who believes that the a currency is set to fall against another specified currency 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 FX pair 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 13 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.

SUMMARY OF THE PRODUCT TYPES

Whether the performance of the Short and Leveraged FX ETP is positive or negative for an investor will depend on whether the level of the Underlying FX pair rises or falls and whether you have purchased a Daily Long or a Daily Short. Below we summarise the main possibilities

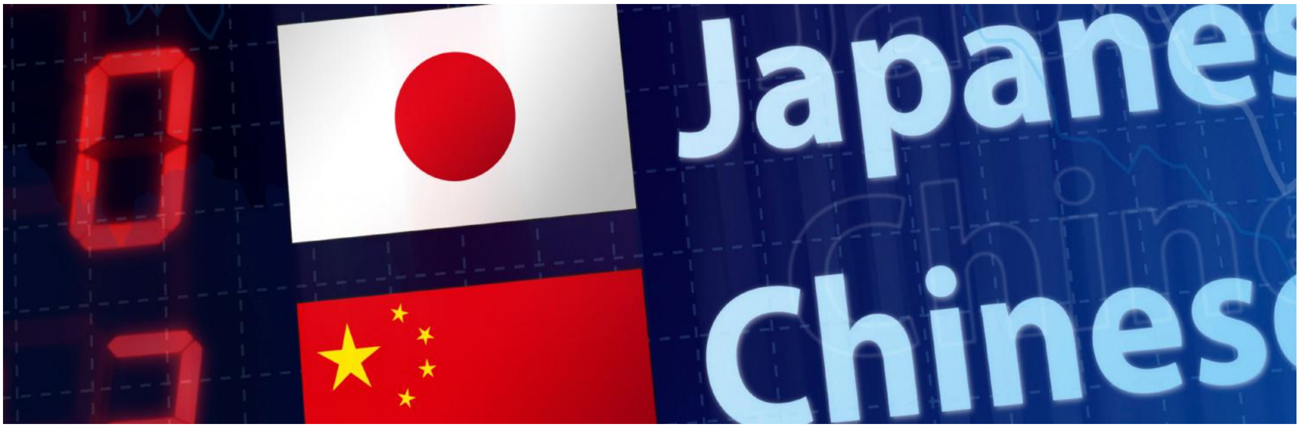
	Daily Long	Daily Short
RISE IN UNDERLYING FX LEVEL (i.e. For EUR/USD, EUR appreciates vs USD)	Positive Leveraged Impact	Negative Leveraged Impact
FALL IN UNDERLYING FX LEVEL (i.e. For EUR/USD, EUR depreciates vs USD)	Negative Leveraged Impact	Positive Leveraged Impact

CURRENCY RISK

Within Short and Leveraged ETPs, the Leveraged Index will offer amplified exposure to the Daily Performance of the underlying Currency Pair, as such exchange rate fluctuations will impact the price of the Product based on the leverage factor. In addition, if the Leveraged Index is quoted in a currency different from the listing currency, exchange rate fluctuations between these currencies would also further impact the product.

It is important to note that SG FX Short and Leveraged ETPs will be exposed to a Leveraged Index which is denominated in the same currency as the Variable Currency element of the Underlying FX pair. For example, a Daily Long on GBP/USD is exposed to a Leveraged Index which is denominated in USD.

Investors should be aware of how changes in the value of underlying Currency Pairs can affect their positions. Please refer to the various sections throughout this brochure should you have any questions.



ADVANTAGES AND RISKS

Advantages	Risks
Leverage. Gain amplified exposure to the Daily Performance of the Underlying FX.	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 3 or 5 times, depending on the particular leverage. Consequently, you could lose more than you would if you invested directly in the Underlying FX.
Access. Available on a wide range of Currency Pairs.	Currency risk. As the Leveraged Index offers amplified short exposure to the Underlying FX, exchange rate fluctuations will impact the price of the product by the same leverage factor. In addition, if the Leveraged Index is quoted in a currency different from the listing currency, exchange rate fluctuations between these currencies would further 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 FX. 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. Air Bag mechanism 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 FX. 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.*	

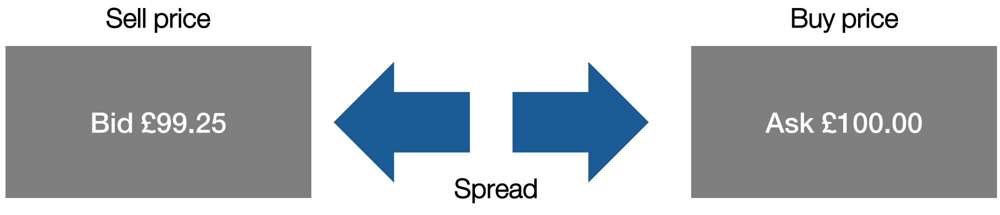
*Any statement in relation to tax, where made, is generic and non-exhaustive and is based on our understanding of the laws and practice in force as of the date of this document and is subject to any changes in law and practice and the interpretation and application thereof, which changes could be made 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 September, 2015, the commission on LGB5 (SG GBP/USD 5x Daily Long USD) was 0.88% 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.

Please refer to the product specific factsheets for a break down on applicable costs per product.

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 absence of an available level for the Leveraged Index and/or for the foreign exchange rate to which the Leveraged Index is exposed, or
- extreme volatility of the Leveraged Index and/or of the foreign exchange rate to which the Leveraged Index is exposed to ; or
- a failure in LSE systems

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.

THIS COMMUNICATION IS DIRECTED AT SOPHISTICATED RETAIL CLIENTS IN THE UK

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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

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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.