GUIDE TO
DAILY LEVERAGE CERTIFICATES

THIS COMMUNICATION IS DIRECTED AT RETAIL CLIENTS WHO ARE SPECIFIED INVESTMENT PRODUCTS (SIPS) QUALIFIED IN SINGAPORE

法 兴 银 行
SOCIETE GENERALE

PRODUCT RANGE
(INDEX-BASED DAILY LEVERAGE CERTIFICATES)

Stock Code	Counter Name	Underlying Asset	Long / Short	Leverage
CIOW	DLC SG5xLongMSG200714	MSCI Singapore Free Index	Long	5x
CIXW	DLC SG5xShortMSG200714	MSCI Singapore Free Index	Short	5x
CPVW	DLC SG7xLongMSG210114	MSCI Singapore Free Index	Long	7x
CPWW	DLC SG7xShortMSG210114	MSCI Singapore Free Index	Short	7x
CIWW	DLC SG3xLongHSI200714	Hang Seng Index	Long	3x
CIVW	DLC SG3xShortHSI200714	Hang Seng Index	Short	3x
CIUW	DLC SG5xLongHSI200714	Hang Seng Index	Long	5x
CITW	DLC SG5xShortHSI200714	Hang Seng Index	Short	5x
CPRW	DLC SG7xLongHSI210114	Hang Seng Index	Long	7x
JYIW	DLC SG7xLongHSI210723	Hang Seng Index	Long	7x
CPSW	DLC SG7xShortHSI210114	Hang Seng Index	Short	7x
CISW	DLC SG3xLongHSC200714	Hang Seng China Enterprises Index	Long	3x
CIRW	DLC SG3xShortHSC200714	Hang Seng China Enterprises Index	Short	3x
CIQW	DLC SG5xLongHSC200714	Hang Seng China Enterprises Index	Long	5x
CIPW	DLC SG5xShortHSC200714	Hang Seng China Enterprises Index	Short	5x
CITW	DLC SG7xLongHSC210114	Hang Seng China Enterprises Index	Long	7x
9HSW	DLC SG7xLongHSC210723	Hang Seng China Enterprises Index	Long	7x
CPUW	DLC SG7xShortHSC210114	Hang Seng China Enterprises Index	Short	7x

PRODUCT RANGE
(STOCK-BASED DAILY LEVERAGE CERTIFICATE)

Stock Code	Counter Name	Underlying Asset	Long / Short	Leverage
DOXW	DLC SG5xLong DBS	DBS Group Holdings Ltd	Long	5x
DFFW	DLC SG5xShort DBS	DBS Group Holdings Ltd	Short	5x
DDWW	DLC SG5xLong UOB	United Overseas Bank Ltd	Long	5x
DBZW	DLC SG5xShort UOB	United Overseas Bank Ltd	Short	5x
DUZW	DLC SG5xLong OCBC	Oversea-Chinese Banking Corporation Limited	Long	5x
DJWW	DLC SG5xShort OCBC	Oversea-Chinese Banking Corporation Limited	Short	5x
DMQW	DLC SG5xLong SingTel	Singapore Telecommunications Limited	Long	5x
DDIW	DLC SG5xShort SingTel	Singapore Telecommunications Limited	Short	5x
DLAW	DLC SG5xLong Venture	Venture Corporation Limited	Long	5x
DGOW	DLC SG5xShort Venture	Venture Corporation Limited	Short	5x
DEKW	DLC SG5xLong KepCorp	Keppel Corporation Limited	Short	5x
DPIW	DLC SG5xShort KepCorp	Keppel Corporation Limited	Long	5x
DANW	DLC SG5xLong Tencent	Tencent Holdings Limited	Long	5x
DQTW	DLC SG5xShort Tencent	Tencent Holdings Limited	Short	5x
DHYW	DLC SG5xLong PingAn	Ping An Insurance (Group) Company of China, Ltd.d	Long	5x
DCPW	DLC SG5xShort PingAn	Ping An Insurance (Group) Company of China, Ltd.	Short	5x
DNBW	DLC SG5xLong CNOOC	CNOOC Limited	Long	5x
DKUW	DLC SG5xShort CNOOC	CNOOC Limited	Short	5x
DSYW	DLC SG5xLong PetChina	PetroChina Company Limited	Long	5x
DTAW	DLC SG5xShort PetChina	PetroChina Company Limited	Short	5x

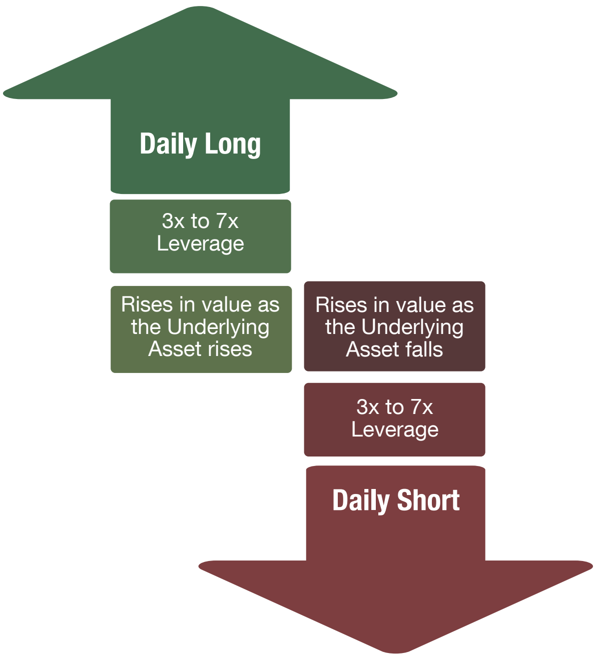
CONTENTS

01	What are Daily Leverage Certificates?	1
02	How do Daily Leverage Certificates work?	2
03	The effect of Leverage	5
04	Compounded returns	7
05	Air Bag mechanism	14
06	How to trade?	20
07	Costs and fees	22
08	Comparision with other leverage products	23
09	Are Daily Leverage Certificates right for you?	24
10	What information can be found on the website?	25
11	Risks	27
12	Frequently asked questions	28
13	Glossary of key terms	32
14	Disclaimers	34

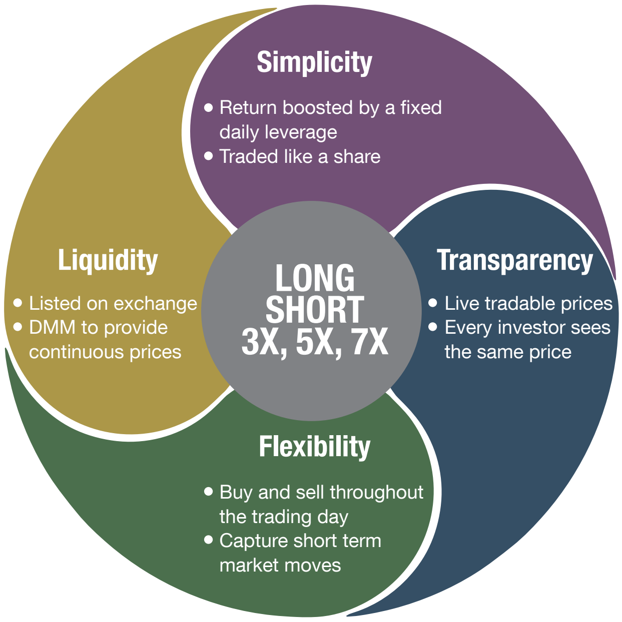
01 WHAT ARE
DAILY LEVERAGE CERTIFICATES (DLC)?

Daily Leverage Certificates (DLC) are exchange-traded financial products that enable investors to take a leveraged exposure to an Underlying Asset, such as an equity index. Daily Leverage Certificates replicate the performance of an Underlying Asset versus its previous day closing level, with a fixed leverage factor.

The leverage effect means that any movements in the Underlying Asset are amplified. Daily Leverage Certificates will leverage the investment exposure by a fixed amount, e.g. 3, 5 or 7 times. Therefore, the daily return of Daily Leverage Certificates will be equal to the daily return of the Underlying Asset multiplied by the fixed leverage factor, before costs and fees.



Daily Leverage Certificates are listed on the Singapore Stock Exchange (SGX) and can be bought and sold via brokers just like shares at any time during market hours. A Designated Market Maker (DMM) will contribute live tradable prices and intra-day liquidity.



There are two types of Daily Leverage Certificates – **Daily Long** and **Daily Short** which enable investors to take a long or short exposure to an Underlying Asset.

For bullish investors who think that an Underlying Asset is set to rise over the Trading Day they can trade Daily Longs. Daily Longs will generate a positive return by leveraging any rise in the Underlying Asset.

On the other hand, for investors who hold a bearish view and expect the Underlying Asset to fall, they could select Daily Shorts which will generate a positive return by leveraging any fall in the Underlying Asset.

In either case, if investors make the wrong call and the markets move against their chosen view, the Daily Leverage Certificates will amplify losses in the same way as they will amplify profits, putting the entire capital of investors at risk.

Daily Leverage Certificates may be traded only if you are a SIP (Specified Investment Products) qualified retail client.

02

HOW DO DAILY LEVERAGE CERTIFICATES WORK?

Daily Leverage Certificates leverage the Daily Performance of an Underlying Asset by a fixed factor up to 7 times. Daily Performance of Daily Leverage Certificates is simply the change in price between the market close on one day and the market close on the following day, before costs and fees are factored in.

Daily Leverage Certificates offer a fixed leverage return on the Underlying Asset's daily performance.

If, for example, an index closes at 9,000 on day 1 and 9,180 on day 2, the Daily Performance of the index is +2% because the index level has risen by 2% (i.e. 9,180/9,000 – 1). Assume the closing prices of a 7x Daily Long and a 7x Daily Short are both SGD2.50 on day 1. The price of the 7x Daily Long will rise by 14% to SGD2.85 when the market closes on day 2 as its daily performance is +14%. On the contrary, the price of the 7x Daily Short will fall by 14% to SGD2.15 when the market closes on day 2 as its daily performance is -14%.

A simplified formula is set out below:

Daily Leverage Certificate Performance = **Underlying Asset Daily Performance** × **Leverage Factor** - **Costs and Fees**

The calculation of the performance of Daily Leverage Certificates consists of the costs and fees (See Chapter 7 "Costs and Fees" for more information).

When the Daily Leverage Certificates are held for more than one day, the performance of the Daily Leverage Certificates may deviate from the stated fixed leverage factor due to the **compounding effect** (See Chapter 4 "Compounded Returns" for more information).

Daily Leverage Certificates should be used for intra-day or short-term trading or hedging purposes and are not suitable for long-term holdings, especially when markets are moving in a volatile manner.

Daily Leverage Certificates can complement a portfolio by offering enhanced returns over a shorter time frame. Assuming the markets go the right way, these magnified returns can be an effective way to boost the overall return of your portfolio. The capital required is also significantly reduced as the exposure is achieved through a fixed daily leverage, possibly freeing up funds for other assets to be added to the portfolio. However, if the market goes against you, losses may also be higher due to leverage.

Using Daily Long to capture market uptrends

Daily Longs are for bullish investors who believe that the Underlying Asset is set to rise over the Trading Day.

For example, investors would generally invest in the 7x Daily Long if they expect the Underlying Asset to rise for that Trading Day. The Daily Long will rise by 7% for every 1% the Underlying Asset rises above the previous day's closing price, before factoring in costs and fees. Certain costs and fees will be incurred if you hold your Daily Leverage Certificates overnight.

Please note that Daily Longs track the net total return of the index, taking dividends into account.

The following table illustrates daily returns for 7x Daily Long, with the previous closing price of SGD2.50.*

A Daily Long will increase in value as the Underlying Asset Increases in value.

BULLISH VIEW	
Type	Long
Daily Leverage	7 Times
Previous Closing Price	SGD 2.50

Scenario	% Change in Underlying Asset from previous day closing level	7x Daily Long Underlying Asset Performance	Previous day closing price of 7x Daily Long	Value of 1 Unit of 7x Daily Long	Profit or Loss on 1 Unit of 7x Daily Long
1	-6%	-42%	SGD 2.50	SGD 1.45	-SGD 1.05
2	-4%	-28%	SGD 2.50	SGD 1.80	-SGD 0.70
3	-2%	-14%	SGD 2.50	SGD 2.15	-SGD 0.35
4	2%	14%	SGD 2.50	SGD 2.85	SGD 0.35
5	4%	28%	SGD 2.50	SGD 3.20	SGD 0.70
6	6%	42%	SGD 2.50	SGD 3.55	SGD 1.05

When Underlying Asset falls (Scenario 3):

- The Underlying Asset falls in value by 2% compared to the previous closing level.
- The Leveraged Performance (7x Daily Long) will therefore decrease in value by -14% (i.e. 7x-2%).
- When applied to the previous closing price of 7x Daily Long (i.e. SGD2.50), this will generate a new value of SGD2.15 (i.e. SGD2.50 x [1-14%]), representing a SGD0.35 loss on the investment.

When Underlying Asset rises (Scenario 6):

- The Underlying Asset rises in value by 6% compared to the previous closing level.
- The Leveraged Performance (7x Daily Long) will therefore increase in value by + 42% (i.e. 7x6%).
- When applied to the previous closing price of 7x Daily Long (i.e. SGD2.50), this will generate a new value of SGD3.55 (i.e. SGD2.50 x [1+42%]), representing a SGD1.05 gain on the investment.

**Please note that the calculations have been simplified and are designed to describe the mechanism of the product, without factoring in costs and fees. See Chapter 7 "Costs and Fees" for more information.*

It demonstrates how the product might perform in various scenarios, but provides no guarantee as to future returns and has no contractual value and is provided for illustrative purposes only.

Using Daily Short to capture market downtrends

A Daily Short will increase in value as the Underlying Asset decreases in value.

BEARISH VIEW	
Type	Short
Daily Leverage	7 Times
Previous Closing Price	SGD 2.50

Daily Shorts are for bearish investors who believe that the Underlying Asset is set to fall over the trading day.

Investors would generally invest in 7x Daily Short if they expect the Underlying Asset to fall. The Daily Short will rise by 7% for every 1% the Underlying Asset falls below the previous day's closing price, before factoring in costs and fees. Costs and fees will be incurred if you hold your Daily Leverage Certificates overnight.

Please note that Daily Shorts track the gross total return of the index, taking dividends into account.

The following table illustrates daily returns for 7x Daily Short, with the previous closing price of SGD2.50.*

Scenario	% Change in Underlying Asset from previous day closing level	7x Daily Short Underlying Asset Performance	Previous day closing price of 7x Daily Short	Value of 1 Unit of 7x Daily Short	Profit or Loss on 1 Unit of 7x Daily Short
7	-6%	42%	SGD 2.50	SGD 3.55	SGD 1.05
8	-4%	28%	SGD 2.50	SGD 3.20	SGD 0.70
9	-2%	14%	SGD 2.50	SGD 2.85	SGD 0.35
10	2%	-14%	SGD 2.50	SGD 2.15	-SGD 0.35
11	4%	-28%	SGD 2.50	SGD 1.80	-SGD 0.70
12	6%	-42%	SGD 2.50	SGD 1.45	-SGD 1.05

When Underlying Asset falls (Scenario 9):

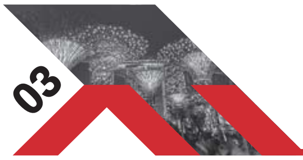
- The Underlying Asset falls in value by 2% compared to the previous closing level.
- The Leveraged Performance (7x Daily Short) will therefore increase in value by +14% (i.e. -7x-2%).
- When applied to the previous closing price of 7x Daily Short (i.e. SGD2.50), this will generate a new value of SGD2.85 (i.e. SGD2.50 x [1+14%]), representing a SGD0.35 gain on the investment.

When Underlying Asset rises (Scenario 12):

- The Underlying Asset rises in value by 6% compared to the previous closing level.
- The Leveraged Performance (7x Daily Short) will therefore decrease in value by -42% (i.e. -7x6%).
- When applied to the previous closing price of 7x Daily Short (i.e. SGD2.50), this will generate a new value of SGD1.45 (i.e. SGD2.50 x [1–42%]), representing a SGD1.05 loss on the investment.

**Please note that the calculations have been simplified and are designed to describe the mechanism of the product, without factoring in costs and fees. See Chapter 7 "Costs and Fees" for more information.*

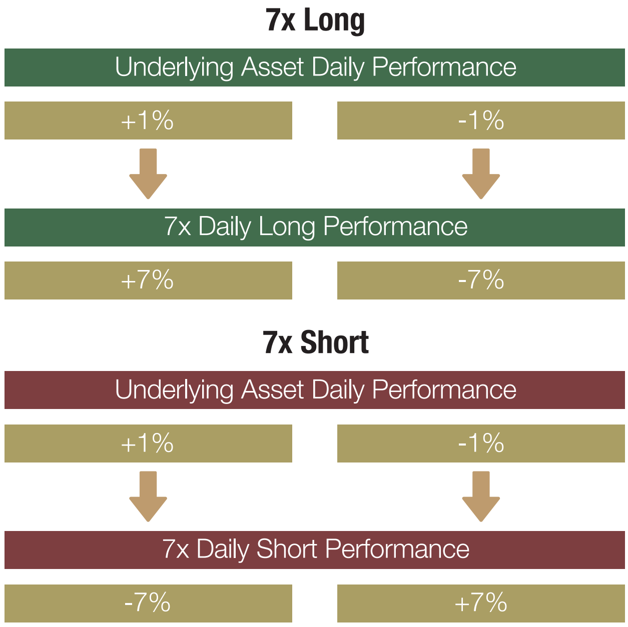
It demonstrates how the product might perform in various scenarios, but provides no guarantee as to future returns and has no contractual value and is provided for illustrative purposes only.



THE EFFECT OF LEVERAGE

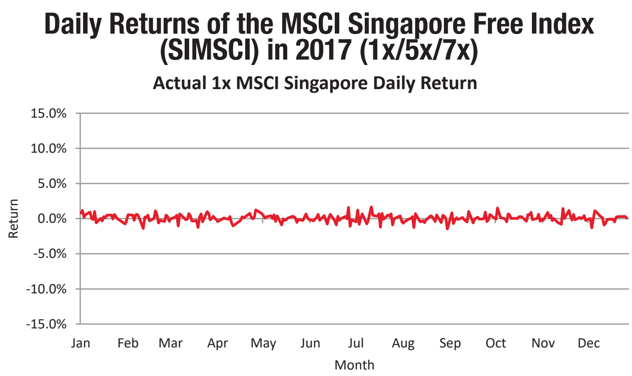
Depending on how far markets move in one day, active trading can be a limited endeavour unless investors are trading in sizeable quantities, particularly when the trading costs are taken into account.

For investors who want to maximise their short term exposure to market movements, Daily Leverage Certificates can provide the opportunity to increase the exposure by a fixed factor, up to 7 times. This means that a SGD1,000 position in a 7 times Daily Leverage Certificates can provide the same exposure as SGD7,000 invested directly in the Underlying Asset. This represents leverage of 7 times, and it simply means that every 1% movement in the Underlying Asset translates to a 7% move in the price of your Daily Leverage Certificates that day.

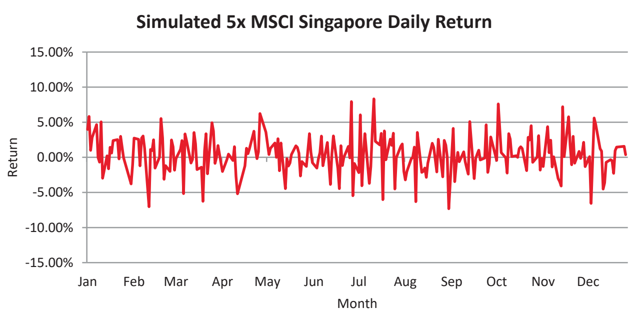


The charts illustrate the simulated impact of leverage on daily returns by looking at the Daily Performance of the MSCI Singapore Free Index (SIMSCI) in 2017.

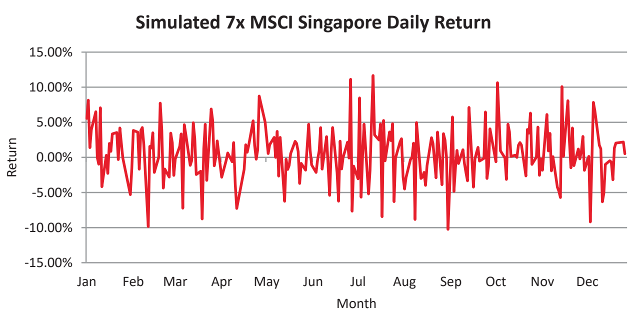
The charts illustrate how leverage may increase daily profits or daily losses.



*Source: Bloomberg, as of 31st December 2017**

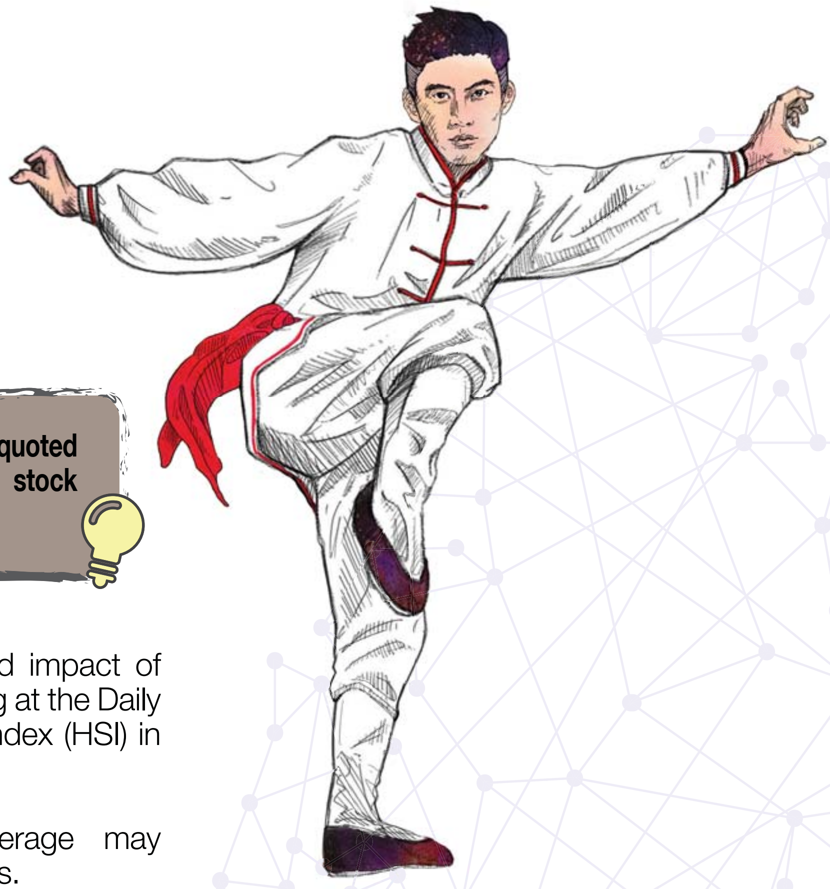


*Source: Bloomberg, as of 31st December 2017**



*Source: Bloomberg, as of 31st Decemebr 2017**

**Illustrations may be provided that are based on the historical data of: a) products or b) underliers that collectively bear the same characteristics of the product simulated. Simulations of past performance allows the product's hypothetical past performance to be calculated and may provide a basis for modelling the product's behaviour during different phases in the market in the past. However such simulations are not a reliable indicator of actual or future performance of the product. Where any future performance or projected return is simulated, such figures are a forecast and are not a reliable indicator of future results. Returns may therefore not be guaranteed. Illustrations above have not taken into account costs and fees.*

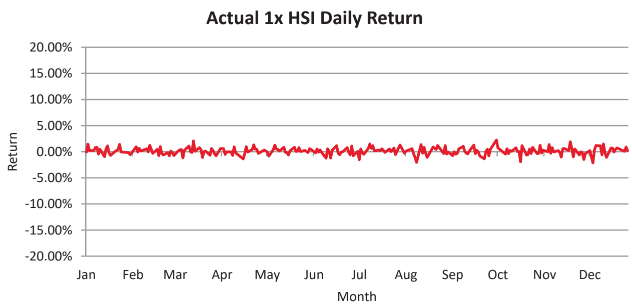


The HSI is the most widely quoted indicator of the Hong Kong stock market's performance.

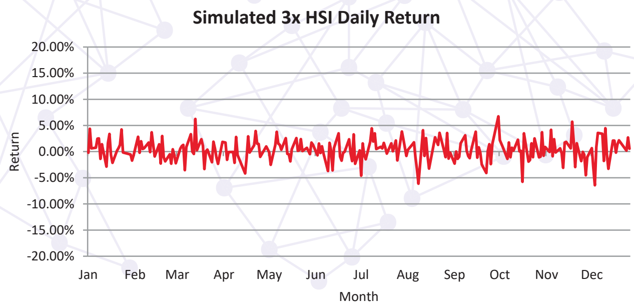
The charts illustrate the simulated impact of leverage on daily returns by looking at the Daily Performance of the Hang Seng Index (HSI) in 2017.

The charts illustrate how leverage may increase daily profits or daily losses.

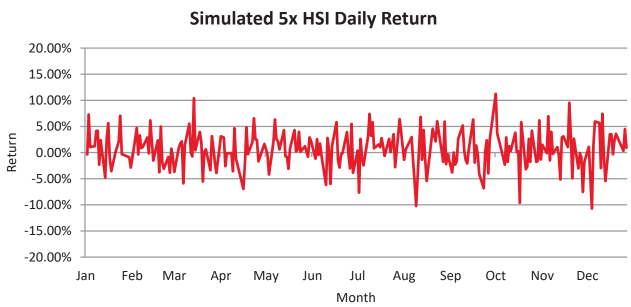
Daily Returns of Hang Seng Index in 2017 (1x/3x/5x/7x)



*Source: Bloomberg, as of 31st December 2017**



*Source: Bloomberg, as of 31st December 2017**



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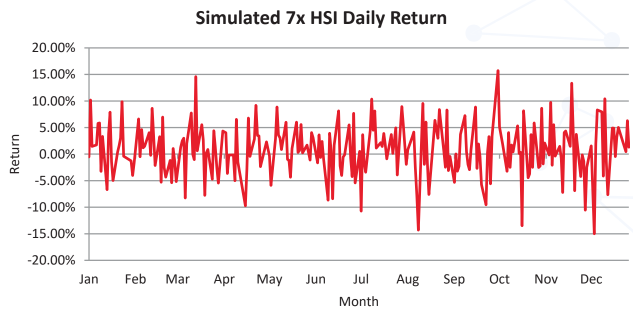

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04 COMPOUNDED RETURNS

Daily Leverage Certificates are designed around the Daily Performance of their Underlying Asset and as such are intended to be traded on an intraday basis. They apply a fixed level of leverage which makes it easier to determine price movements during a single Trading Day. This will be 3, 5 or 7 times the Daily Performance of the Underlying Asset, before factoring in costs and fees.

Investors can, however, hold Daily Leverage Certificates for longer than one Trading Day although the return could be more or less than the leverage factor that is embedded within the product.

This is because the performances of the Underlying Asset and the Daily Leverage Certificates are reset at the end of each Trading Day.

When markets open on the next day, the performances of the Underlying Asset and the Daily Leverage Certificates will be measured from the closing levels recorded on the previous Trading Day.

What this means, in practice, is the performance each day is locked in, and any subsequent returns are based on what was achieved the day before. This is a process referred to as ‘compounding’.

The compounding effect can positively enhance returns in trending markets (upward or downward) whilst negatively impacting returns when the markets are more volatile or trend sideways for long periods. The effect of this compounding is further amplified as daily returns are leveraged.

EFFECT OF COMPOUNDING

The following 12 scenarios illustrate how Daily Longs & Daily Shorts perform in various market scenarios and demonstrate both the positive and negative effects of compounding. We will make the assumption that investors purchase 5x Daily Long or Short and 7x Daily Long or Short at SGD2.50 per unit and the Underlying closed at a level of 24,000 on the previous trading day.

In trending markets with low volatility, the performance of the Daily Leverage Certificate for a period longer than a day may exceed the return of the Underlying Asset, multiplied by the stated exposure level.

The non-compounded, leveraged return is for illustrative purposes and does not relate to any specific product. The calculation below is before costs and fees are factored in.

AN ILLUSTRATION OF COMPOUNDING WITH 5X DAILY LONG

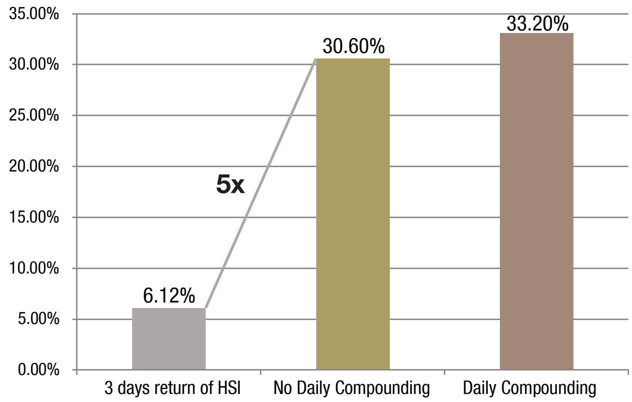
Trending Up

This example explains how consecutive days of positive returns will lead to 5x Daily Long returning more than 5 times the overall performance of the Underlying Asset.

The Underlying Asset has increased a total of 6.12% over the 3-day period but 5x Daily Long would have increased 33.20%, which is 5.42 times the performance of the index (33.20/6.12). This is because each day the return is applied to a progressively larger amount. If daily compounding was not applied, 5x Daily Long would have only increased by 30.60% (6.12%x5) as the Underlying Asset is assumed to have an initial constant increase of 6.12%.

COMPOUNDING DURING A RISING MARKET

	HSI		5x Daily Long	
	24,000	Prev. Close	SGD2.50	
+2%				+10%
	24,480	Day 1	SGD2.75	
+2%				+10%
	24,970	Day 2	SGD3.03	
+2%				+10%
	25,469	Day 3	SGD3.33	
	6.12%		33.20%	



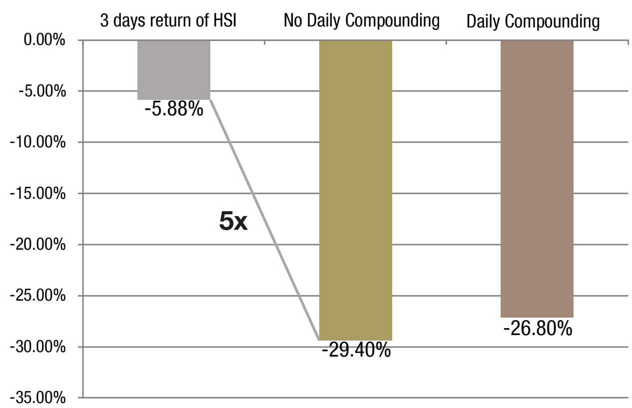
Trending Down

This example explains how consecutive days of negative returns will lead to 5x Daily Long falling less than 5 times the overall performance of the Underlying Asset.

The Underlying Asset has fallen a total of 5.88% over the 3-day period but 5x Daily Long has fallen 26.80%, which is only 4.56 times the performance of the index (26.80/5.88). This is because each day the loss is taken from a progressively smaller amount. For example, on day 1, the 10% loss to 5x Daily Long is applied to SGD2.50 and creates a SGD0.25 loss. However, by day 2 the 10% loss is applied to SGD2.25, creating a loss of SGD0.225. At the end of day 3, if compounding was not applied, the product would have lost 29.40% (5.88%x5) as the Underlying Asset is assumed to have an initial constant decrease of 5.88%.

COMPOUNDING DURING A FALLING MARKET

	HSI		5x Daily Long	
	24,000	Prev. Close	SGD2.50	
-2%				-10%
	23,520	Day 1	SGD2.25	
-2%				-10%
	23,050	Day 2	SGD2.03	
-2%				-10%
	22,589	Day 3	SGD1.83	
	-5.88%		-26.80%	



Returns are calculated for illustrative purposes only, and may vary due to rounding effect.

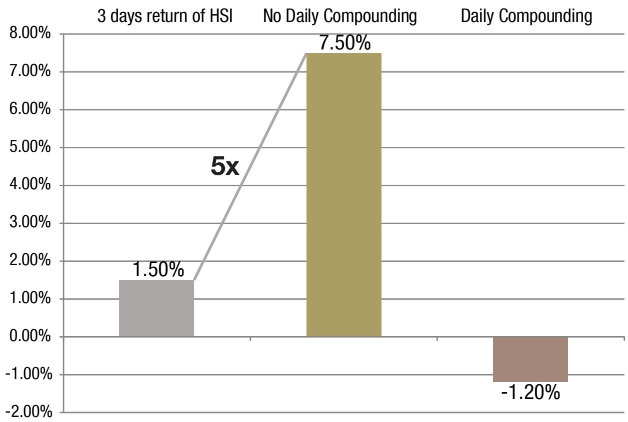
Volatile Markets

The downside of compounded returns comes from volatile markets where prices are changing on an erratic basis from one day to another. The example below shows that 5x Daily Long falls 15% on day 1 and 20% on day 2, before rising by 45% on day 3. The important point to note here is that the 45% rise on day 3 only takes 5x Daily Long back to a value of SGD2.47. This is because 5x Daily Long was only valued at SGD1.70 when it began to recover on Day 3. As such, the 45% gain only amounted to SGD0.765 (SGD1.70x 45%). The overall loss over the 3 days is 1.2%. There would have been a gain of 7.50% (1.5% x5) without compounding. In this case, the product recorded a loss even though the Underlying Asset has moved in the same direction on a daily basis.

> This highlights a key risk of the Daily Leverage Certificates; the more the Daily Leverage Certificates fall, the harder it is for them to recover because any subsequent gain in percentage is applied to a lower value of the Daily Leverage Certificates due to the effect of compounding. This is the reason these products are not designed to be held for long periods.

COMPOUNDING DURING A VOLATILE MARKET

	HSI		5x Daily Long	
	24,000	Prev. Close	SGD2.50	
-3%				-15%
	23,280	Day 1	SGD2.13	
-4%				-20%
	22,349	Day 2	SGD1.7	
+9%				+45%
	24,360	Day 3	SGD2.47	
	+1.50%		-1.20%	



AN ILLUSTRATION OF COMPOUNDING WITH 5X DAILY SHORT

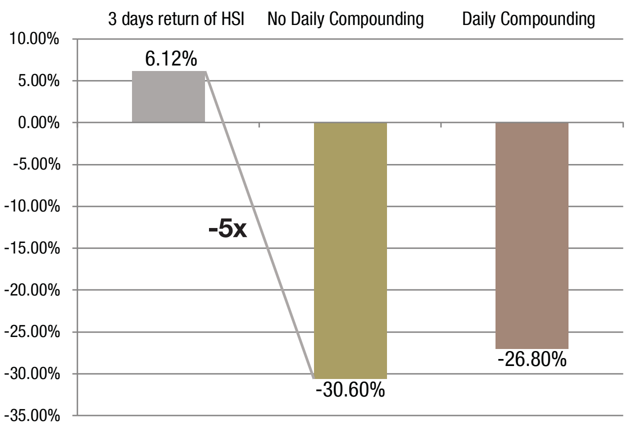
Trending Up

This example explains how consecutive days of positive returns will lead to 5x Daily Short falling less than 5 times the overall performance of the Underlying Asset.

The Underlying Asset has increased a total of 6.12% over the 3-day period but 5x Daily Short has fallen 26.80%, which is 4.38 times the inverse performance of the index (26.80/6.12). This is because each day the loss is applied to a progressively smaller amount. If compounding was not applied, 5x Daily Short would have decreased by 30.60% (6.12%x5) as the Underlying Asset is assumed to have an initial constant increase of 6.12%.

COMPOUNDING DURING A RISING MARKET

	HSI		5x Daily Short	
	24,000	Prev. Close	SGD2.50	
+2%				-10%
	24,480	Day 1	SGD2.25	
+2%				-10%
	24,970	Day 2	SGD2.03	
+2%				-10%
	25,469	Day 3	SGD1.83	
	+6.12%		-26.80%	



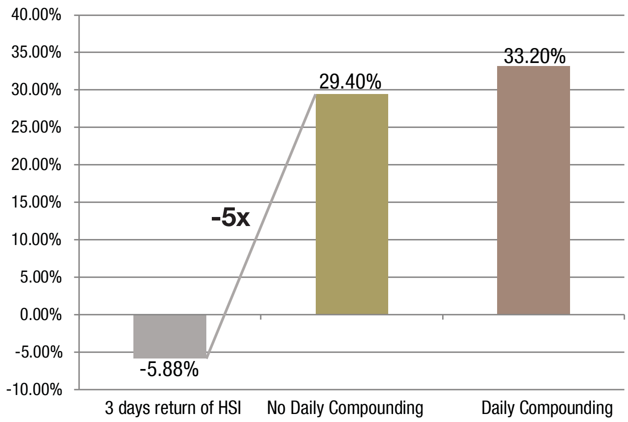
Returns are calculated for illustrative purposes only, and may vary due to rounding effect.

Trending Down

This example explains how consecutive days of negative returns will lead to 5x Daily Short returning more than 5 times the overall performance of the Underlying Asset. In this example, the Underlying Asset has fallen a total of 5.88% over the 3-day period but 5x Daily Short has increased 33.20%, which is 5.65 times the performance of the index (33.20/5.88). This is because each day the return is taken from a progressively larger amount. At the end of day 3, if compounding was not applied, the product would have increased 29.40% (5.88% x5) as the Underlying Asset is assumed to have an initial constant decrease of 5.88%.

COMPOUNDING DURING A FALLING MARKET

	HSI		5x Daily Short	
	24,000	Prev. Close	SGD2.50	
-2%				+10%
	23,520	Day 1	SGD2.75	
-2%				+10%
	23.050	Day 2	SGD3.03	
-2%				+10%
	22,589	Day 3	SGD3.33	
	-5.88%		33.20%	



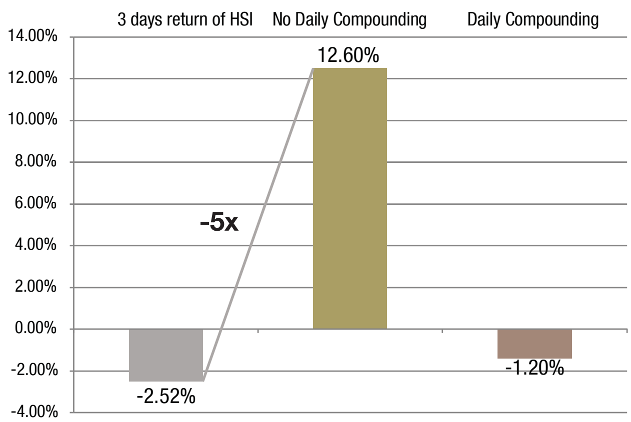
Volatile Markets

The below example shows that 5x Daily Short fall 15% on day 1 and 20% on day 2, before rising 45% on day 3. The important point to note here is that the 45% fall on day 3 only takes 5x Daily Short back to a value of SGD2.47. This is because 5x Daily Short was only valued at SGD1.70 when it began to recover on Day 3. As such, the 45% gain only amounted to SGD0.765 (SGD1.70x45%). The overall loss over the 3-day is 1.2%. There would have been a gain of 12.60% (2.52%x5) without compounding. In this case, the product recorded a loss even though the Underlying Asset has moved in the same direction on a daily basis.

This highlights a key risk of the Daily Leverage Certificates; the more the Daily Leverage Certificates fall, the harder for them to recover because any subsequent gain in percentage is applied to a lower value of the Daily Leverage Certificates due to the effect of compounding. This is the reason these products are not designed to be held for long periods.

COMPOUNDING DURING A VOLATILE MARKET

	HSI		5x Daily Short	
	24,000	Prev. Close	SGD2.50	
+3%				-15%
	24,720	Day 1	SGD2.13	
+4%				-20%
	25,709	Day 2	SGD1.7	
-9%				+45%
	23,395	Day 3	SGD2.47	
	-2.52%		-1.40%	



Returns are calculated for illustrative purposes only, and may vary due to rounding effect.

AN ILLUSTRATION OF COMPOUNDING WITH 7X DAILY LONG

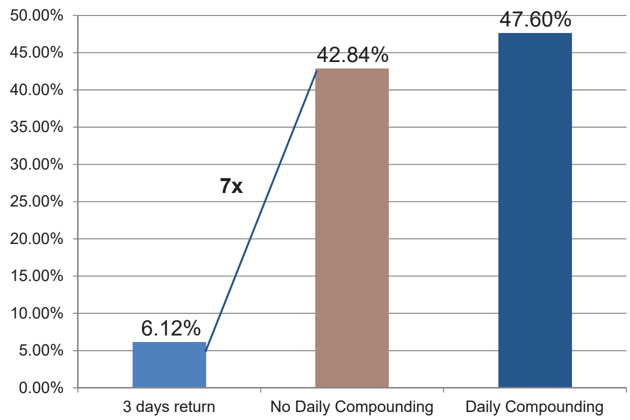
Trending Up

This example explains how consecutive days of positive returns will lead to 7x Daily Long returning more than 7 times the overall performance of the Underlying Asset.

The Underlying Asset has increased a total of 6.12% over the 3-day period but 7x Daily Long would have increased 48%, which is 7.84 times the performance of the index (48/6.12). This is because each day the return is applied to a progressively larger amount. If daily compounding was not applied, 7x Daily Long would have only increased by 42.84% (6.12%x7) as the Underlying Asset is assumed to have an initial constant increase of 6.12%.

COMPOUNDING DURING A RISING MARKET

	HSI		7x Daily Long	
	24,000	Prev. Close	SGD2.50	
+2%				+14%
	24,480	Day 1	SGD2.85	
+2%				+14%
	24,970	Day 2	SGD3.24	
+2%				+14%
	25,469	Day 3	SGD3.69	
	6.12%		47.60%	



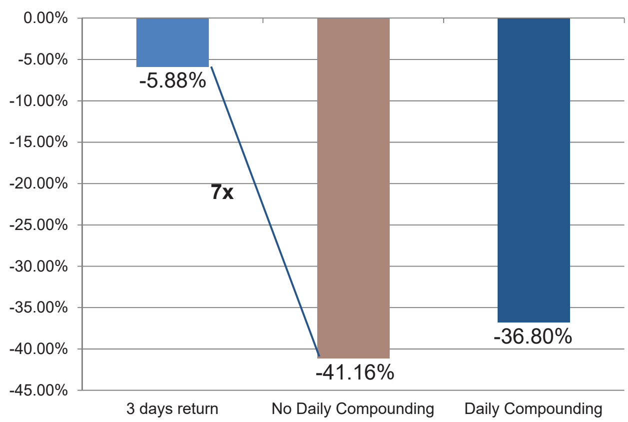
Trending Down

This example explains how consecutive days of negative returns will lead to 7x Daily Long falling less than 7 times the overall performance of the Underlying Asset.

The Underlying Asset has fallen a total of 5.88% over the 3-day period but 7x Daily Long has fallen 36%, which is only 6.12 times the performance of the index (36/5.88). This is because each day the loss is taken from a progressively smaller amount. For example, on day 1, the 14% loss to 7x Daily Long is applied to SGD2.50 and creates a SGD0.35 loss. However, by day 2 the 10% loss is applied to SGD2.15, creating a loss of SGD0.3. At the end of day 3, if compounding was not applied, the product would have lost 41.16% (5.88%x7) as the Underlying Asset is assumed to have an initial constant decrease of 5.88%.

COMPOUNDING DURING A FALLING MARKET

	HSI		7x Daily Long	
	24,000	Prev. Close	SGD2.50	
-2%				-14%
	23,520	Day 1	SGD2.15	
-2%				-14%
	23,050	Day 2	SGD1.84	
-2%				-14%
	22,589	Day 3	SGD1.58	
	-5.88%		-36.80%	



Returns are calculated for illustrative purposes only, and may vary due to rounding effect.

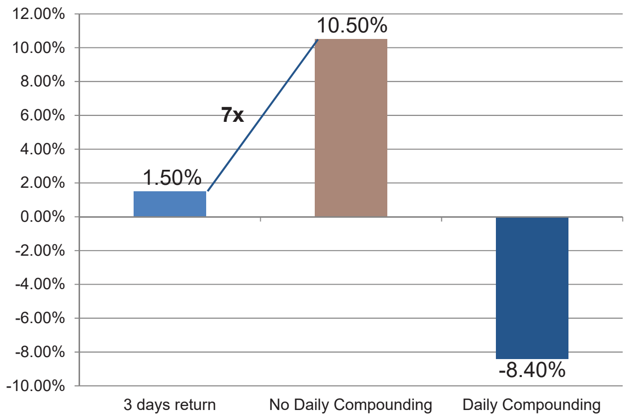
Volatile Markets

The downside of compounded returns comes from volatile markets where prices are changing on an erratic basis from one day to another. The example below shows that 7x Daily Long falls 21% on day 1 and 28% on day 2, before rising by 63% on day 3. The important point to note here is that the 63% rise on day 3 only takes 7x Daily Long back to a value of SGD2.32. This is because 7x Daily Long was only valued at SGD1.42 when it began to recover on Day 3. As such, the 63% gain only amounted to SGD0.90 (SGD1.42x 63%). The overall loss over the 3 days is 7.2%. There would have been a gain of 10.50% (1.5% x7) without compounding. In this case, the product recorded a loss even though the Underlying Asset has moved in the same direction on a daily basis.

This highlights a key risk of the Daily Leverage Certificates; the more the Daily Leverage Certificates fall, the harder it is for them to recover because any subsequent gain in percentage is applied to a lower value of the Daily Leverage Certificates due to the effect of compounding. This is the reason these products are not designed to be held for long periods.

COMPOUNDING DURING A VOLATILE MARKET

	HSI		7x Daily Long	
	24,000	Prev. Close	SGD2.50	
-3%				-21%
	23,280	Day 1	SGD1.97	
-4%				-28%
	22,349	Day 2	SGD1.410	
+9%				+63%
	24,360	Day 3	SGD2.29	
	+1.50%		-8.40%	



AN ILLUSTRATION OF COMPOUNDING WITH 7X DAILY SHORT

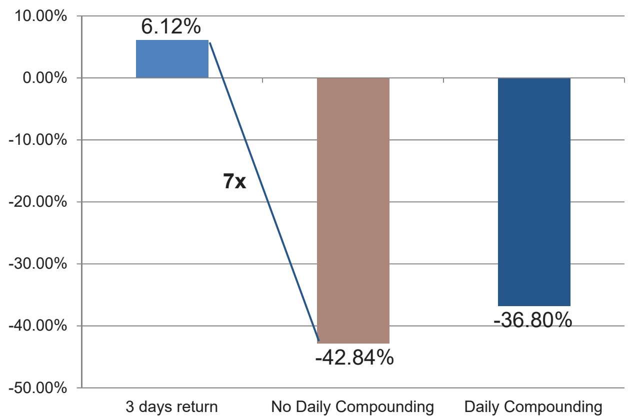
Trending Up

This example explains how consecutive days of positive returns will lead to 7x Daily Short falling less than 7 times the overall performance of the Underlying Asset.

The Underlying Asset has increased a total of 6.12% over the 3-day period but 7x Daily Short has fallen 36%, which is 5.88 times the inverse performance of the index (36/6.12). This is because each day the loss is applied to a progressively smaller amount. If compounding was not applied, 7x Daily Short would have decreased by 42.84% (6.12%x7) as the Underlying Asset is assumed to have an initial constant increase of 6.12%.

COMPOUNDING DURING A RISING MARKET

	HSI		7x Daily Short	
	24,000	Prev. Close	SGD2.50	
+2%				-14%
	24,480	Day 1	SGD2.15	
+2%				-14%
	24,970	Day 2	SGD1.84	
+2%				-14%
	25,469	Day 3	SGD1.58	
	+6.12%		-36.80%	



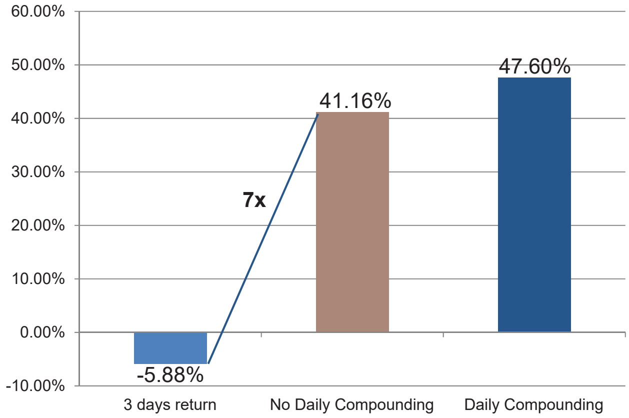
Returns are calculated for illustrative purposes only, and may vary due to rounding effect.

Trending Down

This example explains how consecutive days of negative returns will lead to 7x Daily Short returning more than 7 times the overall performance of the Underlying Asset. In this example, the Underlying Asset has fallen a total of 5.88% over the 3-day period but 7x Daily Short has increased 48.00%, which is 8.16 times the performance of the index (48/5.88). This is because each day the return is taken from a progressively larger amount. At the end of day 3, if compounding was not applied, the product would have increased 41.16% (5.88% x7) as the Underlying Asset is assumed to have an initial constant decrease of 5.88%.

COMPOUNDING DURING A FALLING MARKET

	HSI		7x Daily Short	
	24,000	Prev. Close	SGD2.50	
-2%				+14%
	23,520	Day 1	SGD2.85	
-2%				+14%
	23,050	Day 2	SGD3.24	
-2%				+14%
	22,589	Day 3	SGD3.69	
	-5.88%		47.60%	



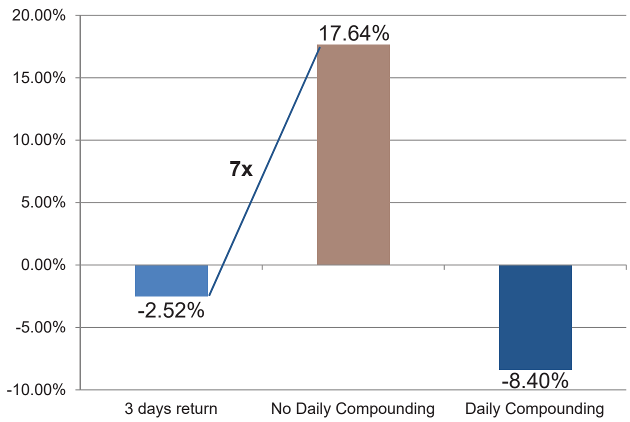
Volatile Markets

The below example shows that 7x Daily Short fall 21% on day 1 and 28% on day 2, before rising 63% on day 3. The important point to note here is that the 63% fall on day 3 only takes 7x Daily Short back to a value of SGD2.32. This is because 7x Daily Short was only valued at SGD1.42 when it began to recover on Day 3. As such, the 63% gain only amounted to SGD0.90 (SGD1.42x63%). The overall loss over the 3-day is 7.2%. There would have been a gain of 17.64% (2.52%x7) without compounding. In this case, the product recorded a loss even though the Underlying Asset has moved in the same direction on a daily basis.

This highlights a key risk of the Daily Leverage Certificates; the more the Daily Leverage Certificates fall, the harder for them to recover because any subsequent gain in percentage is applied to a lower value of the Daily Leverage Certificates due to the effect of compounding. This is the reason these products are not designed to be held for long periods.

COMPOUNDING DURING A VOLATILE MARKET

	HSI		5x Daily Short	
	24,000	Prev. Close	SGD2.50	
+3%				-21%
	24,720	Day 1	SGD1.97	
+4%				-28%
	25,709	Day 2	SGD1.410	
-9%				+63%
	23,395	Day 3	SGD2.290	
	-2.52%		-8.40%	



Returns are calculated for illustrative purposes only, and may vary due to rounding effect.

05

AIR BAG MECHANISM

What is it and how is it triggered?

The Air Bag Mechanism is a safety mechanism that is built into the Daily Leverage Certificates. It is designed to reduce the negative impact of an extreme move in the Underlying Asset during the day.

Product	Airbag Trigger
3x Daily Long	-20%
3x Daily Short	+20%
5x Daily Long	-10%
5x Daily Short	+10%
7x Daily Long	-10%
7x Daily Short	+10%

In more volatile markets, the Air Bag Mechanism can provide some valuable loss protection to investors.

For a 3 times Daily Leverage Certificates, the Air Bag will be triggered when the Underlying Asset moves against the Daily Leverage Certificates by 20%, and for 5 and 7 times Daily Leverage Certificates by 10% compared to previous close, or previous New Observed Level (as defined below) if an Air Bag has already occurred on the same trading day. Investors should note however that the Air Bag Mechanism will also maintain a reduced exposure to the Underlying Asset even if the Underlying Asset starts to move in favor of the Daily Leveraged Certificates after the Air Bag Mechanism has been triggered, thereby reducing its ability to recover losses for investors.

There is no guarantee the Air Bag Mechanism will prevent investors from losing the entire value of their investment.

How it works in practice?

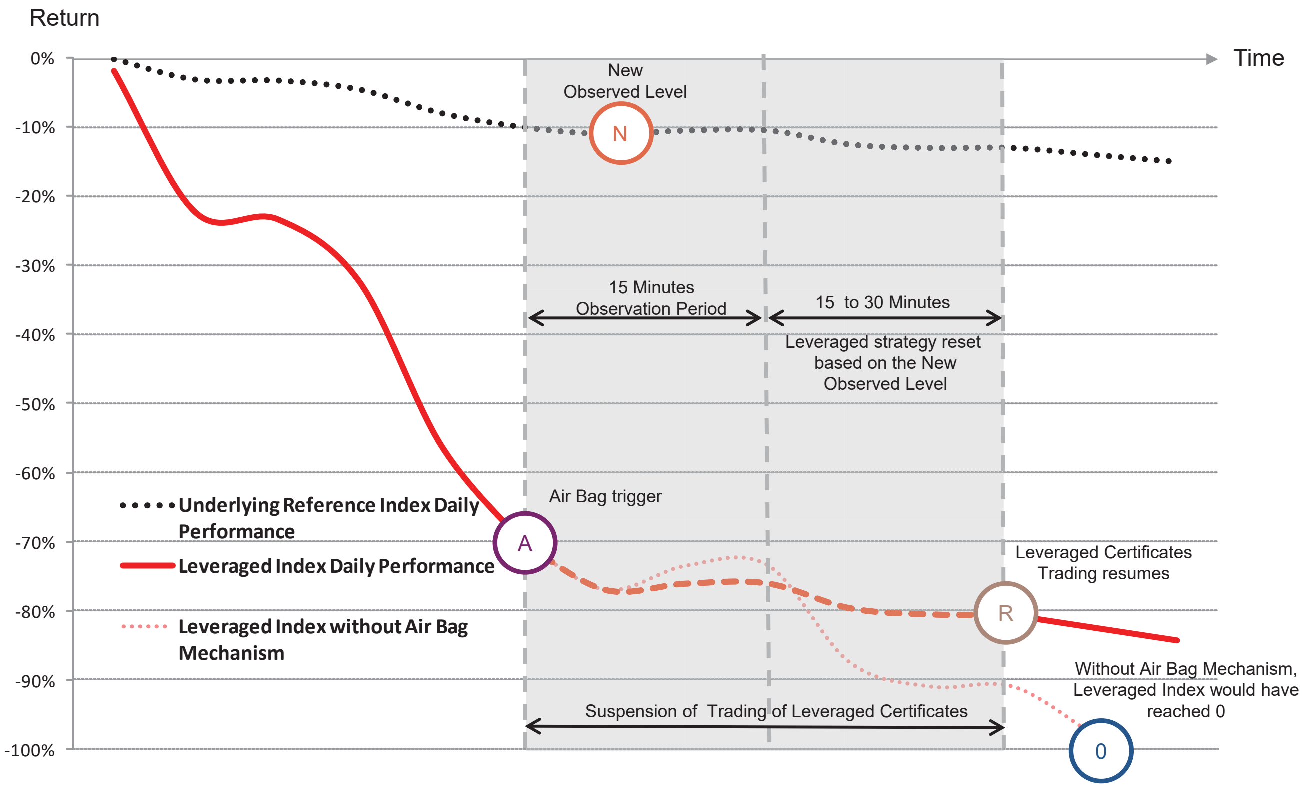
The Air Bag Mechanism is triggered when the Underlying Asset reaches the stated Airbag Trigger Level (denoted by “A” in the next diagram). When the Air Bag Mechanism is triggered, the trading of the Daily Leverage Certificates is suspended, and a 15-minute observation period begins.

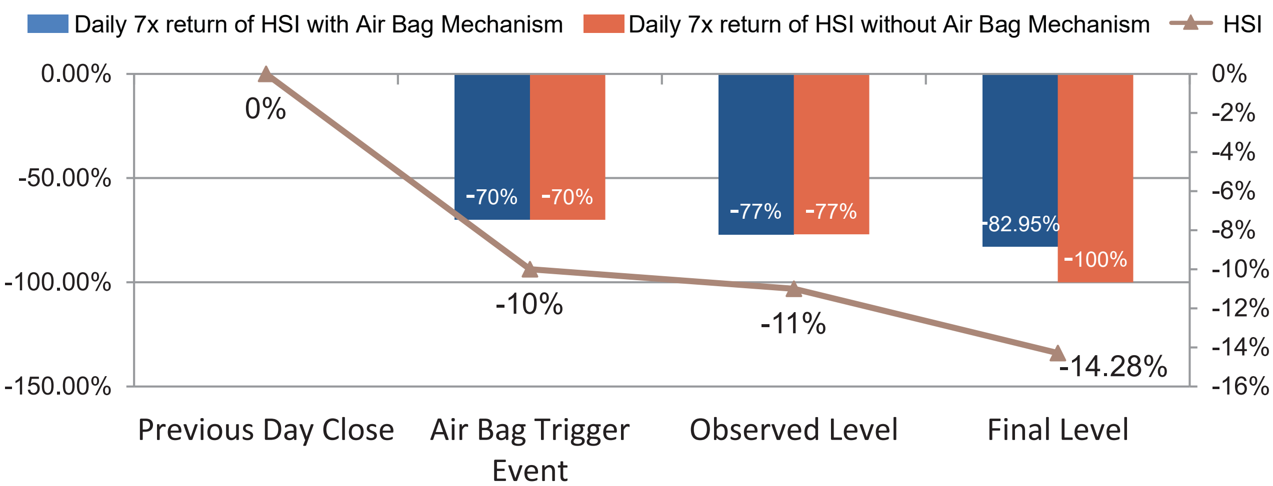
During the 15-minute observation period the lowest level (for a Daily Long), or highest level (for a Daily Short) of the Underlying Asset is recorded, this level is termed the new observed level (denoted by “N” in the next diagram).

Resumption in trading of the Daily Leverage Certificates (denoted by “R” in the next diagram) happens 30 to 45 minutes after the Air Bag Mechanism has been triggered and the leverage of the Daily Leverage Certificates is subsequently applied to the performance of the Underlying Asset computed from the observed level instead of the last closing level.

The Air Bag Mechanism can be triggered more than once per day, and the new trigger level will be based on the new observed level.

An illustration with 7x Daily Long – Underlying Asset continues to fall after the Air Bag Mechanism has been triggered. The Air Bag Mechanism will reduce any subsequent losses in the product.

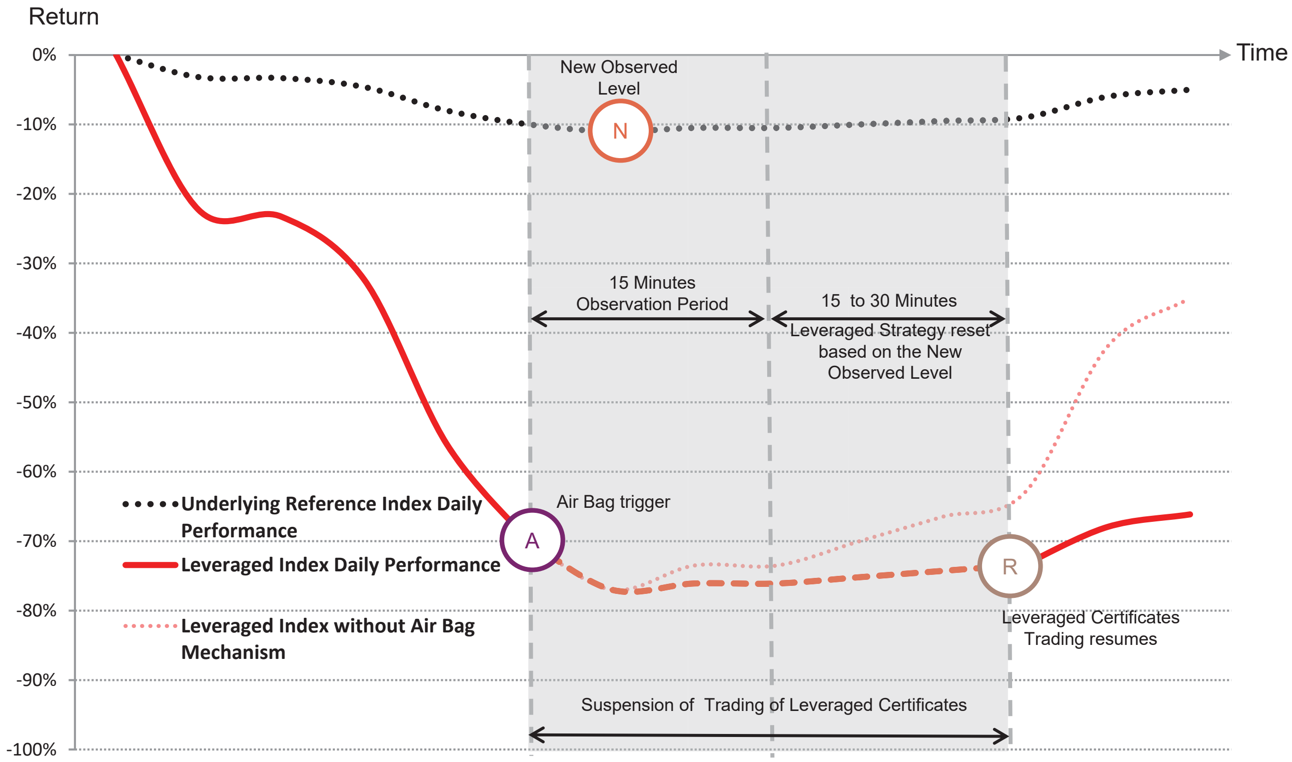


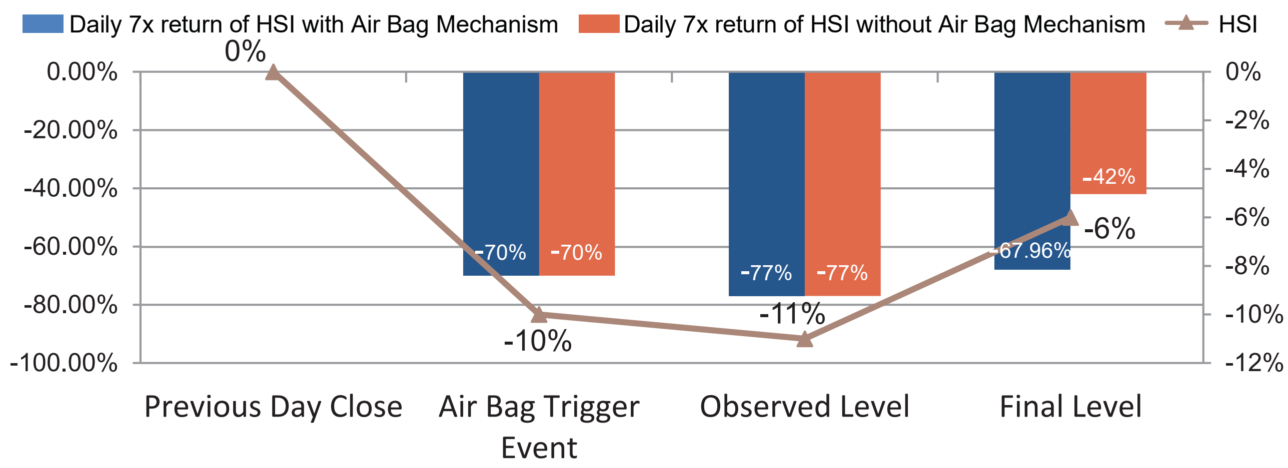


The figures used in this example are given for purely indicative purposes, the objective being to describe the Air Bag Mechanism of the product. For the purpose of these illustrations costs and fees are not taken into account.

An illustration with 7x Daily Long – Underlying Asset rises back after the Air Bag Mechanism is triggered.

However, if the markets were then to bounce back, the Air Bag Mechanism would actually work against the investors, as it reduces the ability of the Daily Leverage Certificates to recover. This is due to the fact that the subsequent positive daily performance is now applied on a lower value (observed level) of the Underlying Asset.

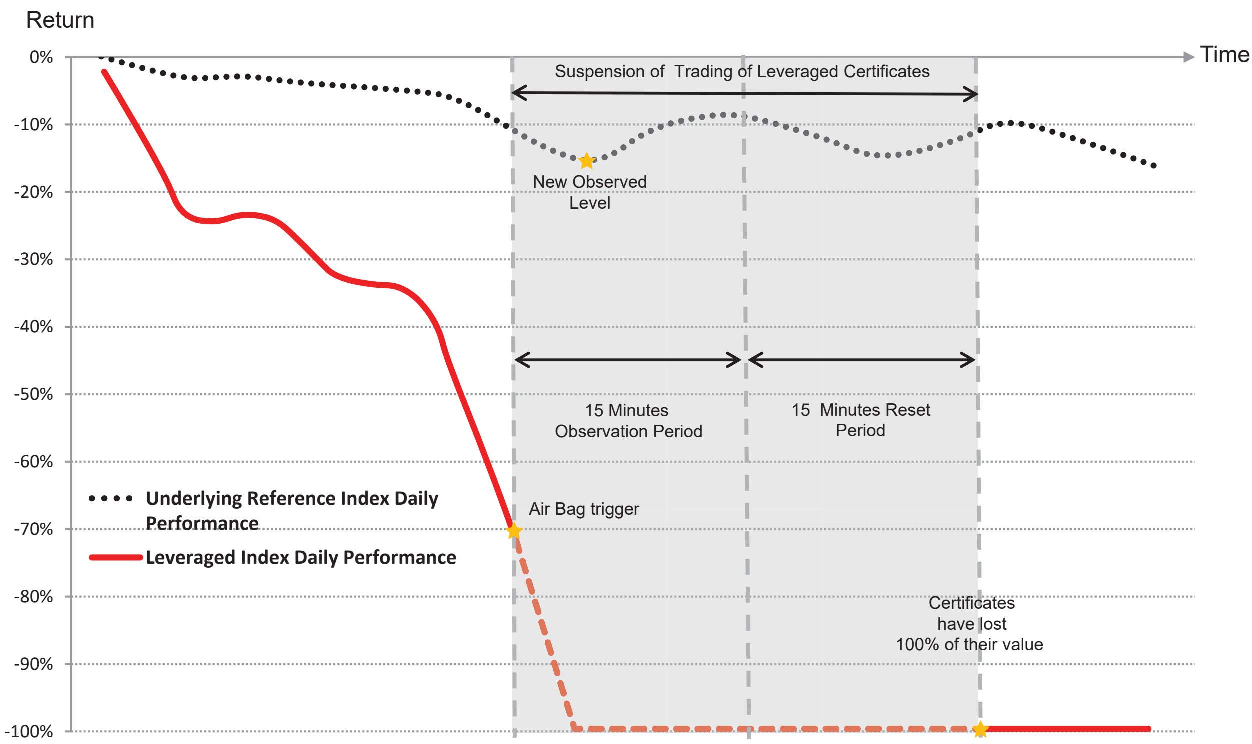




The figures used in this example are given for purely indicative purposes, the objective being to describe the Air Bag Mechanism of the product. For the purpose of these illustrations costs and fees are not taken into account.

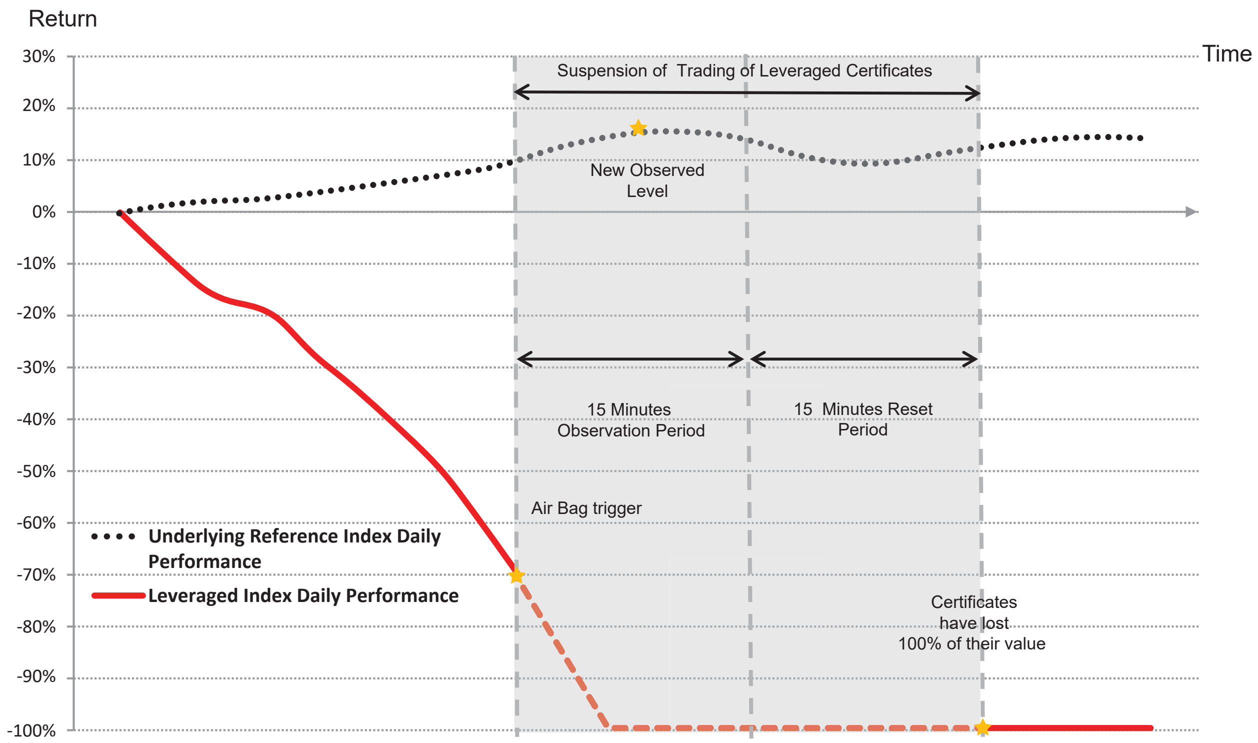
An illustration with 7x Daily Long – Underlying Asset plunged substantially intraday

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Asset during extreme market conditions, the Daily Leverage Certificate can lose 100% of its value in the event the price of the Underlying Asset falls by 15% or more compared to the previous closing price of the Underlying Asset or the previous observed price in case of an air bag previously on the same day within the 15 minute Observation Period. The Daily Leverage Certificates would lose their entire value in such event.



The figures used in this example are given for purely indicative purposes, the objective being to describe the Air Bag Mechanism of the product. For the purpose of these illustrations costs and fees are not taken into account.

An illustration with 7x Daily Short– Underlying Asset rises substantially intraday



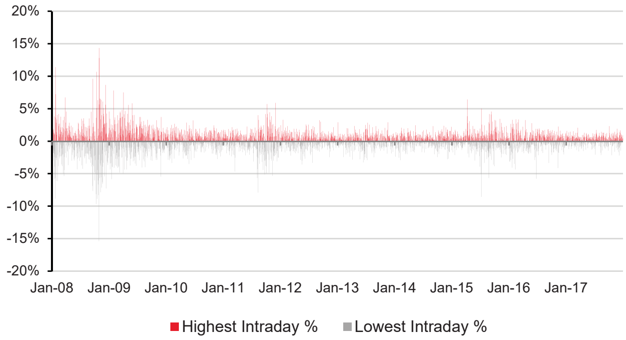
The figures used in this example are given for purely indicative purposes, the objective being to describe the Air Bag Mechanism of the product. For the purpose of these illustrations costs and fees are not taken into account.

A 7x Daily Short can lose 100% of its value in the event the price of the Underlying Asset rises by 15% or more compared to the previous closing price of the Underlying Asset or the previous observed price in case of an air bag previously on the same day within the 15 minute Observation Period. The Daily Leverage Certificates would lose their entire value in such event.

The Air Bag mechanism would not be triggered if the stock price falls by 15% exclusively due to the dilutive and concentration effect of a corporate action such as share splits, share consolidation, rights issues, bonus issues, special dividend etc.

When would the Air Bag have been historically Triggered?

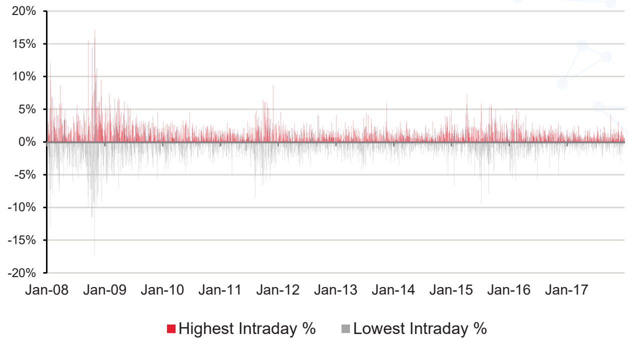
HSI
From 1st January 2008 to 31st December 2017



	Percentage	
Largest Intraday Rise	14.35%	
Largest Intraday Fall	-15.39%	
Airbag could have been activated for the last 10 years?	3x Leverage	0 times
	5x and 7x Leverage	5 times

*Source: Bloomberg, as of 31st December 2017**

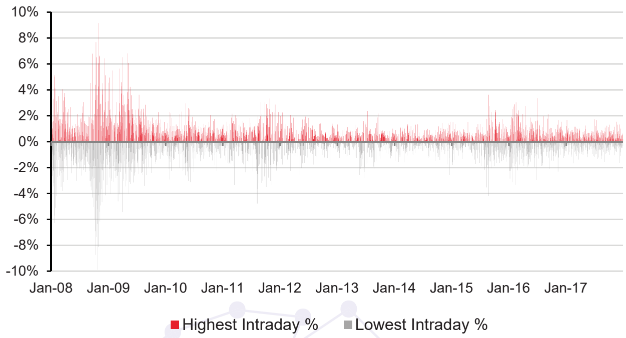
HSCEI
From 1st January 2008 to 31st December 2017



	Percentage	
Largest Intraday Rise	17.14%	
Largest Intraday Fall	-17.41%	
Airbag could have been activated for the last 10 years?	3x Leverage	0 times
	5x and 7x Leverage	13 times

*Source: Bloomberg, as of 31st December 2017**

SIMSCI
From 1st January 2008 to 31st December 2017



	Percentage	
Largest Intraday Rise	9.16%	
Largest Intraday Fall	-9.88%	
Airbag could have been activated for the last 10 years?	5x and 7x Leverage	0 times

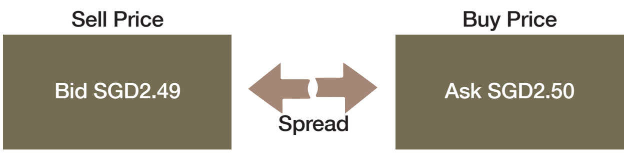
*Source: Bloomberg, as of 31st December 2017**

**Illustrations may be provided that are based on the historical data of: a) products or b) underliers that collectively bear the same characteristics of the product simulated. Simulations of past performance allows the product's hypothetical past performance to be calculated and may provide a basis for modelling the product's behaviour during different phases in the market in the past. However such simulations are not a reliable indicator of actual or future performance of the product. Where any future performance or projected return is simulated, such figures are a forecast and are not a reliable indicator of future results. Returns may therefore not be guaranteed. Illustrations above have not taken into account costs and fees.*

06 HOW TO TRADE?

Daily Leverage Certificates are listed and traded on the Singapore Stock Exchange (SGX) in a similar way to shares. Investors can buy or sell Daily Leverage Certificates at any time between 9am and 5pm Singapore time through their broker or online trading account (Please see page 19 for the restricted trading conditions during these trading hours).

All Daily Leverage Certificates are cash settled. The minimum purchase quantity is 100 units. Like a share, investors may buy the Daily Leverage Certificates at the 'Ask Price' and sell at the 'Bid Price'. There will be a difference between the two prices and this is known as the 'Bid/Ask Spread'.



For illustration purpose only.

Daily Leverage Certificates are classified as Specified Investment Products "SIPs", which are products with features that might be more complex in nature. Investors may check with their broker or trading representative on their eligibility status for trading or investing in SIPs.

Societe Generale has been appointed as the designated market maker ("DMM") for the Daily Leverage Certificates. The DMM will provide competitive buy and sell quotes for the Daily Leverage Certificates continuously during the trading hours of the SGX, subject to a minimum trading quantity of 10,000 certificates per quote. However, there is no guarantee that liquidity or live prices will be available on the secondary market during abnormal market conditions or when the market of the Underlying Asset is closed. This means that investors may find it difficult or impossible under those circumstances to sell the Daily Leverage Certificates. Please refer to the relevant Supplemental Listing Document for details.

Daily Leverage Certificates' name on the exchange

The Daily Leverage Certificates are listed in the same instrument groups as warrants. The naming convention of the Daily Leverage Certificates is as follows:

Index-based Daily Leverage Certificate

Unique identifier — Issuer — Long (Call) or Short (Put) — Expiry Date in YYMMDD (14 July 2020)

DLC SG3xShortHSI200714

Leverage Factor — Underlying Index

Stock-based Daily Leverage Certificate

Unique identifier — Issuer — Long (Call) or Short (Put)

DLC SG3xShortDBS

Leverage Factor — Underlying Stock

When Underlying Asset is closed for trading

During non-HKEX trading hours, the Daily Leverage Certificates related to HSI and HSCEI will still continue trading. However, the DMM is not obliged to provide a quote at any time when the Underlying Asset is not traded. Even if the DMM does provide a quotation outside of the trading hours of the exchange on which the Underlying Asset constituents are trading, the bid/ask spreads might be wider and quote size might be smaller compared to that during HKEX trading hours. Therefore, investors need to take additional caution regarding any transactions conducted when the Underlying Asset is closed for trading.

	SGX time	0900 - 0930	0930 - 1230	1200 - 1300	1300 - 1600	1600 - 1700
Hong Kong	Hang Seng Index		Trading Hours		Trading Hours	
Hong Kong	Hang Seng China Enterprises Index		Trading Hours		Trading Hours	
Hong Kong	Stocks		Trading Hours		Trading Hours	
Singapore	MSCI Singapore	Trading Hours	Trading Hours		Trading Hours	Trading Hours
Singapore	Stocks	Trading Hours	Trading Hours		Trading Hours	Trading Hours

Logistic of Daily Leverage Certificates trading regarding difference in trading hours between HKEX and SGX

What Happens at Expiry of the Daily Leverage Certificates

Daily Leverage Certificates have a finite lifespan with a maximum tenure of 3 years from the issue day and will be automatically exercised on the Expiry Date. Upon expiry of the Daily Leverage Certificates, it will be exercised at a price equal to the closing price of the Daily Leverage Certificates on the Valuation Date, which is 5 days after the last trading day. This cash settlement amount (less expenses) will be deposited into the Daily Leverage Certificates holder's bank account appearing in the records maintained by CDP. Holders of Daily Leverage Certificates will not be required to deliver an exercise notice or instruct their brokers.

07 COSTS AND FEES

The examples in the previous sections are simplified without costs and fees for illustration. In the actual trading of the Daily Leverage Certificates, costs and fees are factored in such that the daily performance of the Daily Leverage Certificates is not exactly equal to the leverage factor multiplied by the daily performance of the Underlying Asset.

When the investors trade intra-day (buying and selling the Daily Leverage Certificates on the same Trading Day), the costs are the brokerage fees, trading fees and Bid/Ask Spread from trading which are typically the same as trading stocks on the relevant exchange. The leverage and hedging costs and fees will only apply when the Daily Leverage Certificates are held overnight.

Costs and fees are transparent and can be computed with published data using the formula. The specific costs and fees for each product can be found on either http://dlc.socgen.com or the relevant listing documents.

	Trading intra-day	Held overnight
Brokerage Fee	✓	✓
Bid/Ask Spread	✓	✓
Funding Cost*	✗	✓
Rebalancing Costs*	✗	✓
Gap Premium	✗	✓
Management Fee	✗	✓

**Embedded in the Leveraged exposure*
Stamp or other charges may be applicable in accordance with the laws and practices of the courts where the Daily Leverage Certificates are traded.

There are costs and fees that are linked to the leverage exposure:

Index → LEVERAGE STRATEGY FEES → HEDGING FEES → DLC

LEVERAGE STRATEGY FEES

Funding Cost/Stock Borrowing Cost: Annualised cost of funding, referencing a publicly published Interbank Offered Rate plus spread.

Rebalancing Cost: Takes into account Transaction Costs (if applicable), as a function of leverage and daily performance of Index.

HEDGING FEES

Gap Premium: Gap Premium is a hedging cost that protects the product from extreme market movements overnight. Without Gap Premium, the Leverage exposure could lose more than 100% overnight.

Management Fee: Less than 1% p.a.

An illustration of costs and fees with a 5x Daily Long on HSI

Index +1.00% → DLC +4.95%

LEVERAGE COSTS AND FEES

Funding Cost:
12M HKD Hibor @ approx 1.50% p.a.*

Rebalancing Cost:
0.10% *as a function of leverage and daily performance of Index*

HEDGING FEES

Gap Premium:
3.00% p.a.#

Management Fee:
0.40% p.a.

In the example above, the costs and fees per day are approximately 4 basis points of the Daily Leverage Certificates' value (SGD 2.5 X 0.04%= SGD 0.001). This is less than the original minimum ticker size (SGD0.01) when the Daily Leverage Certificates are issued at SGD 2.50.
**as of 29 June 2017*

#The calculation for Costs & Fees for 7x DLCs will be the same as 3x and 5x except the Gap Premium being 4.2% instead of 1.8% for 3x and 3.0% for 5x.

08

COMPARISON WITH OTHER LEVERAGED PRODUCTS

	Daily Leverage Certificates	Contract for Differences	Structured Warrants
Price	Price transparency as it tracks the price of the underlying asset.	Price transparency as it tracks the price of the underlying asset.	Price depends on volatility, time to expiry, interest rates, dividends.
Time decay	No	No	Yes
Leverage level	3X, 5X and 7X Leverage on return	10-20X Leverage on capital	~ 5-50X Depending on option
Leverage fixation	Yes, always the same leverage factor due to daily reset	Yes. Leverage remains equal however organised via daily margining	No. Leverage depends on performance of the underlying
Maturity date	Yes long maturity date (maximum tenure 3 years)	No maturity date, except for futures based CFDs	Yes (average of 3-9 months).
Losses	Losses capped at the total invested capital	Losses potentially more than invested capital	Losses capped at the total invested capital
Access	Traded on an exchange and deposited into CDP account	Traded over the counter (not on an exchange)	Traded on an exchange and deposited into CDP account
Settlement	Cash settlement	Cash settlement	Cash settlement
Clearing	Yes, by SGX CDP	No central clearing	Yes, by SGX CDP
Issuer	Investment bank	Not issued, broker exposure	Investment bank
Margins required	None	Yes	None
Air Bag Protection	Yes	No	No
Compounding effect	Yes	No	No
SIP	Yes	Yes	Yes

09

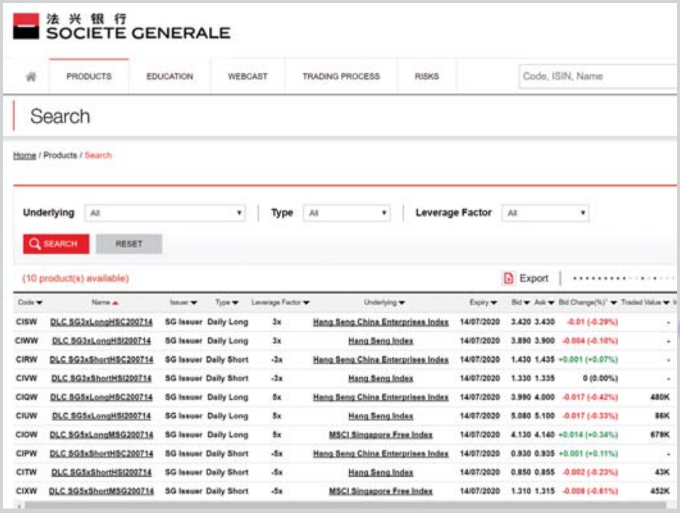
ARE DAILY LEVERAGE CERTIFICATES RIGHT FOR YOU?

These products may be right for you if:	These products may not be right for you if:
✔ You will hold the investment for less than a day.	✘ You are looking to hold the investment long term.
✔ You will hold the investment for more than a day, but understand that gains and losses will be compounded and certain additional costs and fees will be factored in.	✘ You do not understand the impact of compounding on your investment returns and you do not wish to pay certain additional costs and fees on positions held for more than a day.
✔ You would like the opportunity to gain a return of 3, 5 or 7 times the daily rise or fall of the Underlying Asset.	✘ You do not want to take the risk that your gains or losses would be multiplied by 3, 5 or 7 times.
✔ You understand that the Air Bag Mechanism is designed to protect you against extreme intraday market movements. It may however lead to underperformance if the Underlying Asset recovers later that Trading Day.	✘ You do not want to potentially underperform the Underlying Asset should the Air Bag Mechanism be activated, followed by a recovery in the Underlying Asset.
✔ You appreciate that your entire capital is at risk but you will never lose more than you invested.	✘ You do not want to risk any of your capital.
✔ You are SIP qualified.	✘ You are not, or you are not prepared to become SIP qualified.

Daily Leverage Certificates are examples of Specified Investment Products (SIPs). The Monetary Authority of Singapore (MAS) has introduced measures for intermediaries to safeguard the interests of individual investors investing in SIPs, which are products with features that might be more complex in nature. Investors have the opportunity to assess their qualifications to trade SIP or enhence their product knowledge through the SGX online portal available on SGX website (https://onlineeducation.sgx.com/specifiedinvestmentproducts/).

10 WHAT INFORMATION CAN BE FOUND ON THE WEBSITE?

Search

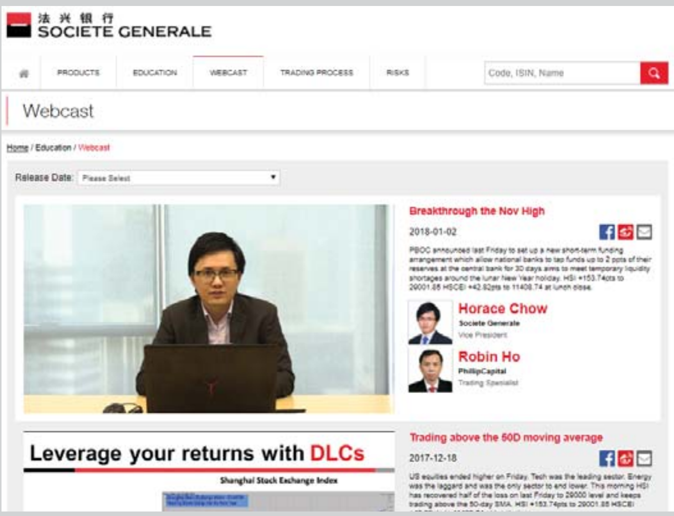


Search

Explore your potential investment opportunities brought by Daily Leverage Certificates with our intelligent Search Engine. You can easily filter out the products by selecting the underlying, type and leverage factor which interests you.

http://dlc.socgen.com

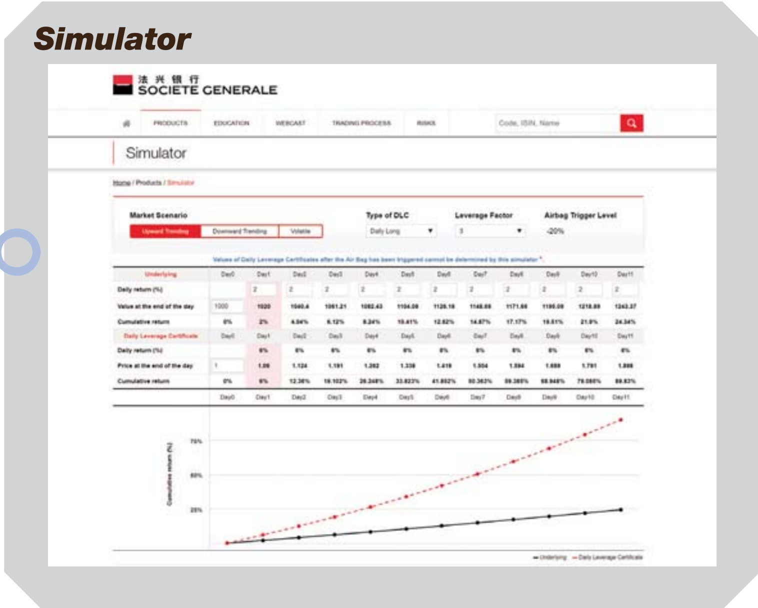
Webcast



Webcast

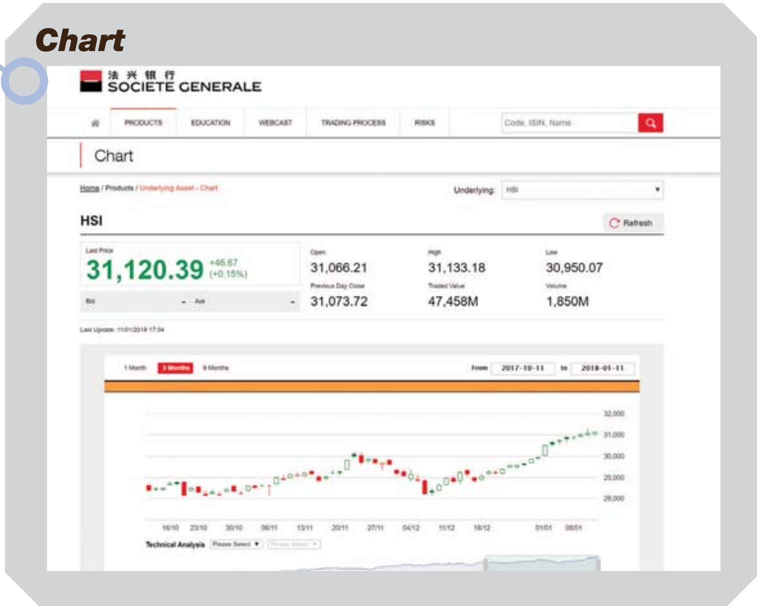
- Watch out our 15-min live trading program weekly.

- Prominent traders and product experts focus on how to make use of long and short DLCs to leverage your daily investment return.



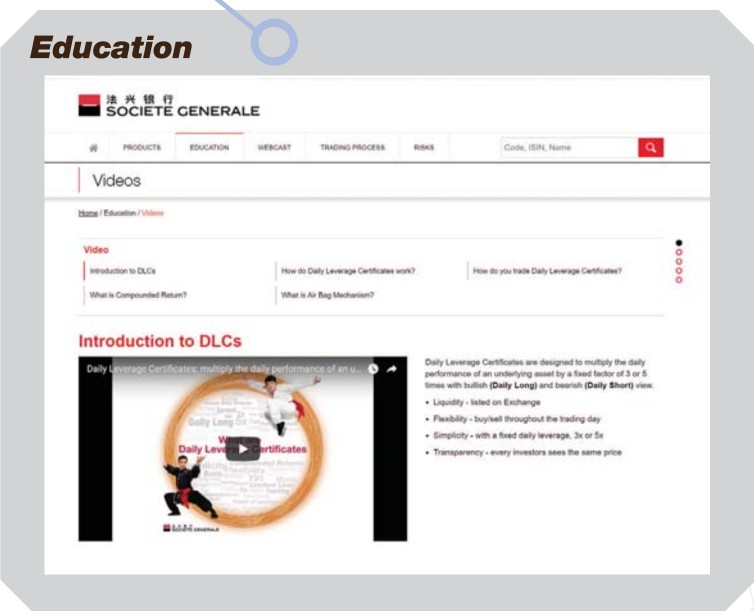
Simulator

Société Générale provides a friendly-to-use simulator to help investors better determine the returns provided by the Daily Leverage Certificates. With a few basic inputs like the type, leverage factor, daily return of the underlying, investors can quickly obtain the theoretical prices (excluding the costs and fees) of the Daily Long or Daily Short Leverage Certificates. However, the scenarios and calculations generated by this simulator are purely hypothetical and for illustrative purposes only.



Chart

Instant access to the interactive price charts and technical analysis on the underlying assets - useful for investors to review and study the historical performances of Daily Leverage Certificates.



Education

Want to learn more about Daily Leverage Certificates? Start your journey here with our comprehensive education materials, including an investment guide and animated videos.

11

RISKS

Investors may lose their entire investment

If the underlying asset falls to levels such that the cash settlement amount is calculated to be less than or equal to zero, the investors will lose their entire investment.

Market price of the Daily Leverage Certificates may be affected by many factors

Investors should note that the market price of the Daily Leverage Certificates may be affected by different factors, including but not limited to the level, volatility and liquidity of the underlying assets, and its related futures contracts, the currency exchange rates and the creditworthiness of the issuer.

Compounding effect

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. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction that could generate significant losses for investors.

Counterparty risk

Daily Leverage Certificates are issued by SG Issuer and guaranteed by Société Générale. Any failure of the issuer or guarantor to perform obligations when due, may result in the loss of all or part of an investment.

Exchange rate risks

There may be exchange rate risks as the Daily Leverage Certificates will be issued and traded in Singapore dollars while the underlying may be traded in a different currency. The value of the Daily Leverage Certificates may therefore be affected by, amongst other factors, the relative exchange rates of the Singapore dollar and the currencies of the underlying.

Leverage risks

If the investment results in a loss, any such losses will be increased by multiple times depending on the particular leverage. Consequently the investor could lose more than they would if they invested directly in the underlying asset.

Liquidity risk

The secondary market may be illiquid. The issuer acting through its designated market-maker may be the only market participant buying and selling the Daily Leverage Certificates. Therefore, the secondary market for the Daily Leverage Certificates may be limited and the investor may not be able to realise the value of the Daily Leverage Certificates. The bid-ask spread increases with illiquidity.

When triggered, the airbag mechanism may reduce the ability for the product to recoup losses

Investors should note that the airbag mechanism reduces their exposure to the underlying asset and thus their gains or losses could be restricted in relation to the movement of the underlying asset. The impact on the Daily Leverage Certificates, if the underlying asset falls further than 10% for 5x and 7x Daily Long or 20% for 3x Daily Long, is reduced but conversely the New Observed Level will also maintain a reduced exposure to the underlying asset in the event it starts to rise, thereby reducing the investor's ability to recoup losses.

Airbag mechanism may not prevent total loss of investment

There is no assurance that the airbag mechanism will prevent an investor from losing the entire value of their investment, in any event of (i) an extreme overnight fall (for Daily Longs) or rise (for Daily Shorts) in the underlying asset, where the difference between the previous day's closing level and the next day's opening level of the underlying asset is 14.28% or greater for 7x Daily Leverage Certificates (100%/leverage factor), as the airbag mechanism will only be triggered after the market opens the next day or (ii) a sharp intraday fall (for Daily Longs) or rise (for Daily Shorts) in the underlying assets of the same percentage or greater during the observation period.

The above list has been published for general circulation only. This list is not exhaustive nor is it meant to replace the risks listed in the base listing document and the relevant supplemental listing document.

FREQUENTLY ASKED QUESTIONS

FAQ

Who are Daily Leverage Certificates suited for?

Daily Leverage Certificates are designed for sophisticated investors who are looking for the potential to make enhanced returns from the daily movements of an Underlying Asset. Daily Leverage Certificates carry a high degree of risk and it is important to fully understand your exposure to such risks before investing. All investors need to be SIP qualified to trade Daily Leverage Certificates.

What are the costs and fees of trading Daily Leverage Certificates?

Normal transaction and brokerage fees apply, similar to fees that investors would pay for other transactions on the SGX. Investors holding their positions overnight will also incur leverage and hedging costs and fees which consist of the Management Fee, Funding Costs and Rebalancing Costs (if applicable) and Gap Premium, which are calculated daily and applied to the value of the product. The Gap Premium is a hedging cost against extreme market movements overnight.

The costs and fees level will be published on the website at http://dlc.socgen.com and updated daily.

Stamp or other charges may be applicable in accordance with the laws and practices of the courts where the Daily Leverage Certificates are traded.

How may I use Daily Leverage Certificates?

Daily Leverage Certificates can complement a portfolio by offering enhanced returns over a shorter time frame. Assuming the markets go the right way, these magnified returns can be an effective way to boost the overall return of your portfolio. The capital required is also significantly reduced as the exposure is achieved through a fixed daily leverage, possibly freeing up funds for other assets to be added to the portfolio. However, if the market goes against you, losses may also be higher due to leverage.

How can I trade Daily Leverage Certificates?

Daily Leverage Certificates are listed and traded on the SGX in a similar way to shares. Investors can buy or sell Daily Leverage Certificates at any time between 9am and 5pm Singapore time through their brokers or online trading account. All Daily Leverage Certificates are cash settled.

What can I trade in?

Currently, there are a wide range of Underlying Assets with different leverage factors available and the list of products will be made available on the website http://dlc.socgen.com.

Where can I access product prices?

You can access the product prices from your stockbroker, the SGX, or Societe Generale's website http://dlc.socgen.com where prices are displayed in SGD.

What is my maximum loss?

The maximum loss is your initial capital outlay. You would not lose more than your initial investment (depending on the upside movement of the relevant Underlying Asset).

Is my invested capital at risk?

Your invested capital is entirely at risk. Before trading you should ensure that you understand the nature of Daily Leverage Certificates and the extent of your exposure to risk.

What happens at Maturity?

Daily Leverage Certificates have a limited life and will expire at Maturity. At Maturity, the cash settlement amount of the Daily Leverage Certificates is calculated and automatically paid to investors.

Do I face Counterparty Risk?

Yes, products are issued by SG Issuer and are guaranteed by Societe Generale. The Daily Leverage Certificates constitute general and unsecured contractual obligations of the Issuer and of no other person, and the guarantee provided by the Guarantor constitutes general unsecured contractual obligations of the Guarantor and of no other person. If you purchase the Daily Leverage Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Daily Leverage Certificates against any other person. The Certificates are not deposits placed with Societe Generale. You should note that the Issuer issues a large number of financial instruments, including Daily Leverage Certificates, on a global basis and at any given time, the financial instruments outstanding may be substantial. Please refer to the risk factors in the listing documents for details.

Why does the performance of my Daily Leverage Certificates deviate from the stated fixed leverage factor?

The impact of Daily Compounded returns:

If the Daily Leverage Certificates are held over periods of more than one day, returns on such Daily Leverage Certificates could be more or less than the fixed leverage factor of the product due to the daily compounding effect (as further described In the Chapter 4 "Compounded Return").

The impact of costs and fees:

Over time the combined cost of all the ongoing fees (Management Fee, Funding Costs and Rebalancing Costs (if applicable)) and the Gap Premium will affect the relationship between a change in level of the Underlying Asset, and the resulting change in price of the Daily Leverage Certificates. These ongoing expenses will together be factored in and will affect the value of the Daily Leverage Certificates.

The impact of the exchange rate fluctuation:

The Daily Leverage Certificates will offer amplified exposure to the Daily Performance of the Underlying Asset. If the Daily Leverage Certificates are quoted in a currency different from the currency of the Underlying Asset, exchange rate fluctuations between these currencies would also further impact the product. For example, if the Underlying Asset is denominated in HKD and the Daily Leverage Certificate is denominated in SGD. As the currency of the Underlying Index and the Daily Leverage Certificates differs, the Daily Leverage Certificates will also be exposed to the HKD/SGD exchange rate and this may result in potential disparity between the Daily Leverage Certificates and its stated fixed leverage factor of the actual performance of the Underlying Asset.

How will dividend payouts affect the price performance of the Daily Leverage Certificates?

Daily Leverage Certificates will track the total return index of the specific underlying market where the dividends are reinvested and as such will not have an impact on the price performance of the Daily Leverage Certificates.

Every index has a few available versions, the key ones are a price return and the total return index. The latter provides an overview of the performance of the stocks including dividends paid out. All dividends paid are reinvested in the total return index to maintain accurate weightings. For products tracking an index, they should track the total return index as tracking only the price index would miss out on sizable returns paid as dividends. Suppose the index trades at 3,000 points and the company pays an equivalent of 10 points in dividend payout. The price return index would drop to 2,990 as the specific company share price would be impacted. The total return index would however remain at 3,000 as 10 points are reinvested in the total return index which is therefore unaffected. Investors in the Daily Leverage Certificates will therefore not be impacted by this dividend payment.

Daily Leverage Certificates track the Net Total Return (long) or Gross Total Return (short) version of the indices. As such, any dividend payment under the stocks contained in the index will be accounted for (net of applicable taxes for Daily Long) in the performance of the Daily Leverage Certificates.

As a consequence, the daily performance of the Daily Leverage Certificates may deviate from the daily leveraged performance of the relevant Price Return index on dividend ex-dates.

How are stock DLCs affected by company dividends?

Holders of stock DLCs do not receive dividends declared by the underlying stock. However, this does not mean DLC holders are disadvantaged by the declaration of dividends. The DLC will consider the performance of the underlying stock net of the dividend. As a consequence, even though the price of the underlying stock falls by the dividend amount on the ex-dividend date, the long DLC might still have a positive return on that day due to the dividend effect. Conversely, the price of the Short DLCs will not benefit from any drop of the stock price linked to the dividend distribution.

Please refer to the section "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities – Adjustments" in the Supplemental Listing Document for more details.

What happens to my DLCs in the event of a corporate action on the underlying stock?

Corporate actions, which include share splits, share consolidation, rights issues, bonus issues and special dividends, are adjusted by making changes to the terms of the DLC. The issuer retains sole discretion for the calculation of corporate adjustments under the terms. In the case of any corporate action on the underlying stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the underlying stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the underlying stock which are used to determine any settlement or payment terms under the DLCs and/or adjust at its discretion any other terms of the DLCs as it determines appropriate to preserve the economic equivalent of the obligations of the issuer under the DLCs and (b) determine the effective date of such adjustment.

The Air Bag mechanism would not be triggered if the stock price falls by 15% exclusively due to the dilutive effect of a corporate action.

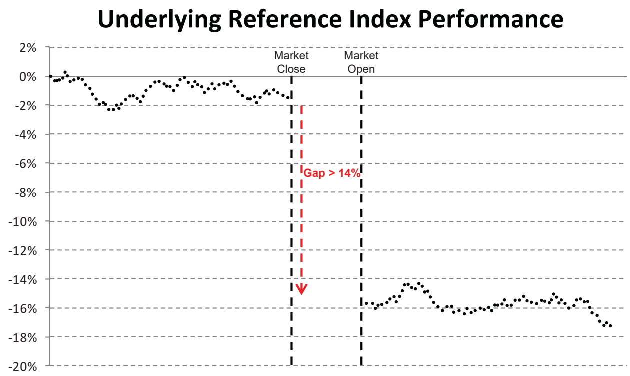
Please refer to the section "Examples and illustrations of adjustments due to certain corporate actions" in the Supplemental Listing Document for more details.

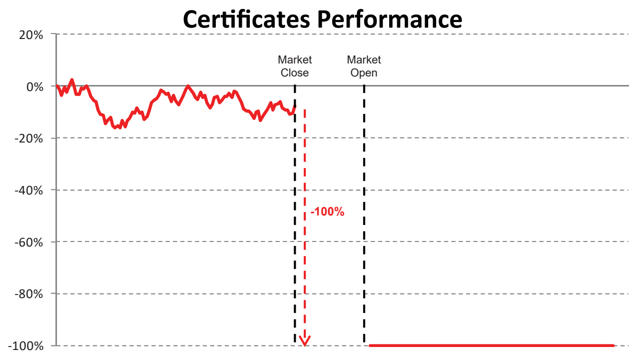
Can I lose more than the entire value of my investment?

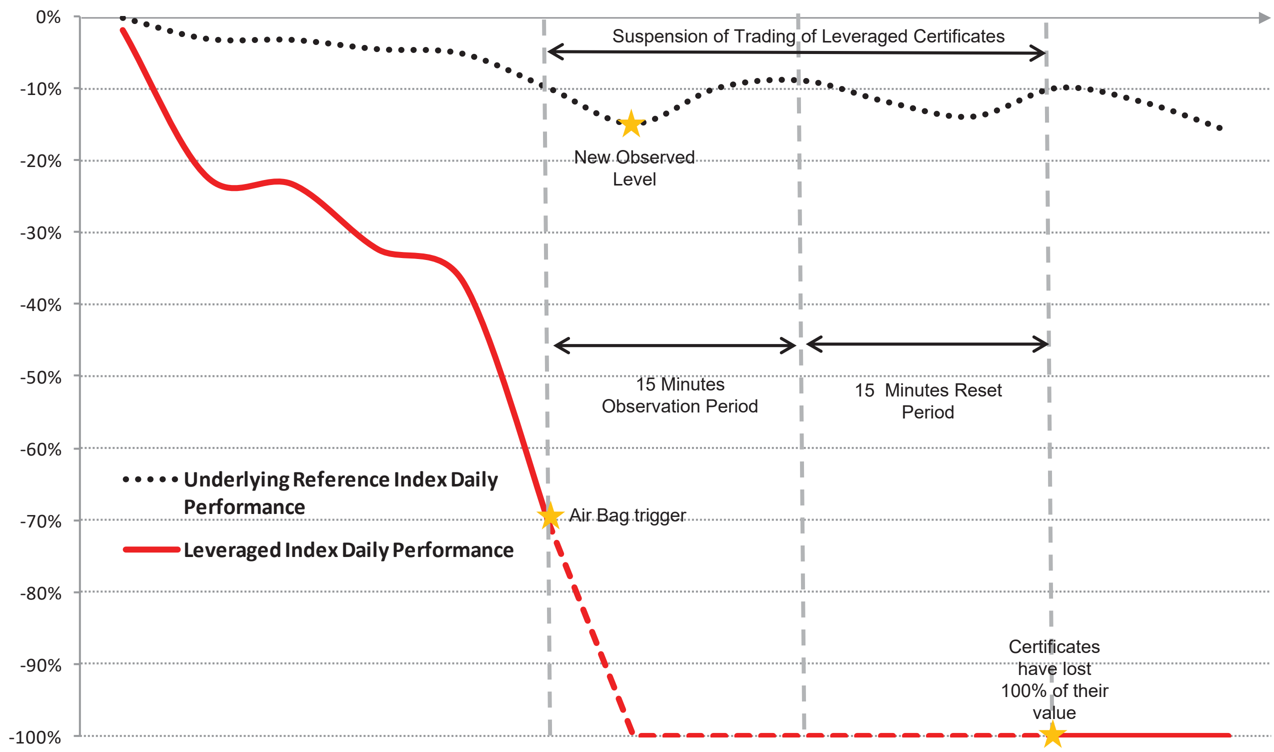
You will not lose more than your invested capital. However, there are still two scenarios where the investors may lose the entire value of the investment. Using Daily Long Certificates on index as illustration:

1. On any business day, the opening level of the Index may be higher or lower than the closing level on the previous day. The difference between the previous closing level and the opening level of the Index is termed a "gap". If the opening level of the Index has a gap of 14.28% or more versus the previous day closing level, the Air Bag Mechanism would only be triggered after the market opens, and the Daily Leverage Certificates would lose their entire value in such event.

2. Although the Air Bag Mechanism is designed to reduce the exposure to the Index during extreme market conditions, the Daily Leverage Certificates can lose 100% of their value in the event the level of the Index falls by 14.28% or more compared to the previous closing level of the Index or the previous observed level in case of an air bag triggered previously on the same day within the 15 minute observation period. The Daily Leverage Certificates would lose their entire value in such event.







GLOSSARY OF KEY TERMS

TERM	DESCRIPTION
Air Bag Mechanism	The "Air Bag Mechanism" refers to the mechanism built in the relevant leverage strategy, leverage inverse strategy or leveraged index (as applicable) and which is designed to reduce the leverage strategy/leverage inverse strategy/leveraged index exposure to the Underlying Asset during extreme market conditions. If the Underlying Asset falls or rises (as applicable) by more than the relevant air bag trigger level during the trading day, the Air Bag Mechanism is triggered and the leverage strategy/leverage inverse strategy/leveraged index is adjusted intraday. The Air Bag Mechanism reduces the impact on the leverage strategy/leverage inverse strategy/leveraged index if the Underlying Asset falls or rises (as applicable) further, but will also maintain a reduced exposure to the Underlying Asset in the event the Underlying Asset starts to rise or fall (as applicable) after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Daily Leverage Certificates is suspended for at least 30 minutes after the Air Bag is triggered. The leverage strategy/leverage inverse strategy/leveraged index is floored at 0 and the Daily Leverage Certificates cannot be valued below zero.
Bid/Ask Spread	There is always a spread between the buy (Ask) and sell (Bid) price for Daily Leverage Certificates. As with shares, investors always buy at the higher price (Ask price) and sell at the lower price (Bid price). Under normal market conditions, the DMM will provide competitive buy and sell quotes for the Daily Leverage Certificates continuously during the trading hours of the SGX-ST.
BLD	Base Listing Document
Daily Long	A product which is designed for investors looking to gain a return of 3, 5 or 7 times the positive compounded Daily Performance of the Underlying Asset.
Daily Performance	The change in closing price on one trading day to the closing price on the following trading day.
Daily Short	A product which is designed for investors looking to gain a return of 3, 5 or 7 times the negative compounded Daily Performance of the Underlying Asset.
Designated Market Maker (DMM)	The DMM will provide competitive buy and sell quotes for the Daily Leverage Certificates continuously during the trading hours of the SGX-ST on the basis disclosed in the SLD of the relevant Daily Leverage Certificate.
Funding Cost / Stock Borrowing Cost	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Reference Index.
Gap Premium	It is a hedging cost against extreme market movements overnight.
Hedging Fees Factor	In respect of each Certificate, shall be an amount calculated as disclosed in the SLD of the relevant Daily Leverage Certificates.

TERM	DESCRIPTION
HKEX	The Stock Exchange of Hong Kong Limited
HSCEI	Hang Seng China Enterprises Index
HSI	Hang Seng Index
Initial Reference Level	The closing level of the relevant leverage strategy, leverage inverse strategy or leveraged index (as applicable) on the Issue Date.
Leverage	The amount by which the Daily Leverage Certificates' value moves in relation to a 1% change in the value of the Underlying Asset. For example, 7 times leverage means that a 1% move in the Underlying Asset would result in a 7% move in the price of the product before costs & fees.
Leveraged Performance	The leverage performance means that movements in the Underlying Asset are amplified. Instead of moving in line with your chosen Underlying Asset, a Daily Leverage Certificates will leverage your exposure by 3, 5 or 7 times, and multiply any gain or loss by that amount.
Maturity	The date that the Daily Leverage Certificates will expire. At expiry investors will automatically receive a payout based on the final value of the relevant leverage strategy, leverage inverse strategy or leveraged index (as applicable).
Rebalancing Cost	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Asset.
SGX-ST	The Singapore Exchange Securities Trading Limited
SIMSCI	MSCI Singapore Free Index
SIP	SIPs refer to Specified Investment Products as defined under MAS Notice on the Sale of Investment Products (SFA 04-N12). SIPs are derivatives, or products which may contain derivatives. They have complex features and risks which can expose investors to more factors which can cause a loss. The returns or losses on a product may be determined by complicated formulas that may not be easy to understand. For more information on SIPs, please refer to the MoneySENSE guide on "Investing in Specified Investment Products". (http://www.moneysense.gov.sg/understanding-financial-products/investments/guides-and-articles/investing-in-specified-investment-products.aspx)
SLD	Supplemental Listing Document
Trading Hours	The Singapore Stock Exchange (SGX) Trading Hours are from 9am to 5pm Singapore time. Daily Leverage Certificates can be bought or sold at any time during SGX market hours in normal market conditions.
Turnover	Total value of Daily Leverage Certificates traded during a specific time period.
Underlying Asset	The Index or the Stock that the Daily Leverage Certificates provides leveraged exposure to.

DISCLAIMERS

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The terms and conditions of any Daily Leverage Certificates, warrants or other securities must be read in conjunction with the base listing documents for those Daily Leverage Certificates, warrants or other securities and the relevant supplemental listing document. Investors should therefore ensure that they understand the nature of the Daily Leverage Certificates, warrants or other securities and carefully study the risk factors set out in the base listing document and the relevant supplemental listing documents and, where necessary, seek professional advice before investors invest in the Daily Leverage Certificates, warrants or other securities. Copies of the base listing document, which contains financial and other information relating to the Issuer and any addenda thereto and the relevant supplemental listing documents, which contain details of the Daily Leverage Certificates, warrants or other securities, can be obtained from Allen & Gledhill LLP at One Marina Boulevard #28-00, Singapore 018989. Investors should read these documents in their entirety before agreeing to invest in the Daily Leverage Certificates, warrants or other securities. This is a structured product which involves derivatives and investors should not invest without fully understanding and being willing to assume all risks associated with the Daily Leverage Certificates, warrants or other securities. Investors should ensure they understand the risks, nature, terms and conditions of the Daily Leverage Certificates, warrants or other securities and consult their own legal, financial, tax and professional advisers regarding the suitability and risks before committing to any investment.

Investors risk the loss of part or all of their investment. Investment in the Daily Leverage Certificates, warrants or other securities involves significant levels of risks and the Daily Leverage Certificates, warrants or other securities should only be purchased by investors who are knowledgeable in investment matters or who have obtained appropriate investment advice.

Société Générale and its affiliates (the "SG Group") act in different capacities in relation to the issue of the Daily Leverage Certificates, warrants or other securities. SG Issuer is the issuer of the Daily Leverage Certificates, warrants or other securities (the "Issuer"), Société Générale acts as designated market maker for the Daily Leverage Certificates, warrants or other securities. Société Générale, Singapore Branch is also authorized to distribute and market the Daily Leverage Certificates, warrants or other securities to its customers. For the avoidance of doubt and as an independent stipulation, investors agree that by purchasing the Daily Leverage Certificates, warrants or other securities, the SG Group may provide different services and/or perform different roles in relation to the issuance, offer and/or dealing in the Daily Leverage Certificates, warrants or other securities. The investor acknowledges and agrees that the provision of such services or the undertaking of such roles may not always be consistent with the interests of the issuer and/or the investors. The investor agrees that subject to mandatory applicable law which the SG Group cannot derogate from, no implied duties or obligations shall be imposed on SG Group to the investor under the Daily Leverage Certificates, warrants or other securities, and in connection with or as a result of the investor's subscription or purchase of the Daily Leverage Certificates, warrants or other securities.

The Issuer or Société Générale may have a position or a material interest in any underlying asset.

The Issuer, Société Générale or any of their affiliates may engage in transactions involving the underlying asset for their own account for business reasons or in connection with hedging of the obligation under this Daily Leverage Certificates, warrant or other securities. Conflicts of interest may arise as a result of such transactions within the SG Group and with the interest of investors. The Issuer, Société Générale and their affiliates are not required to consider any investors' interests in connection with entering into any of the above mentioned transactions.

The Issuer, Société Générale and their affiliates may receive benefits and/or profits as a result of its multiple roles as designated market maker and/or distributor (whether in the nature of a fiduciary, similar or additional duty or relationship or otherwise) and fully consents to the retention of such benefits and/or profits for their own account. Each investor acknowledges and agrees that none of the Issuer, Société Générale and their affiliates is obliged to notify, and is liable to account to, an investor or any other person for (and each investor or such other person shall not be entitled to ask for disclosure of the fact or the amount of, any fees resulting from any of the aforementioned roles, other than is already disclosed in the offering documents for the Daily Leverage Certificates, warrants or other securities. Each investor agrees that the investor will have no claim against the Issuer, Société Générale and their affiliates for, and the investor consents to the receipt, acceptance and retention by the Issuer, Société Générale and their affiliates of, such fees arising from any such multiple roles.
Société Générale does not make any warranty, express or implied, as to the accuracy or completeness of the information contained herein. No responsibility or liability is accepted by Société Générale for any inaccuracies, omissions, mistakes or errors of Société Générale in the computation of the cash settlement amount or for any economic or other loss which may be directly or indirectly sustained by any broker or holder of the Daily Leverage Certificates, warrants or other securities or any other person dealing with the Daily Leverage Certificates, warrants or other securities as a result thereof and no claims, actions or legal proceedings may be brought against Société Générale in connection with the Daily Leverage Certificates, warrants or other securities in any manner whatsoever by any broker, holder or other person dealing with the Daily Leverage Certificates, warrants or other securities. Any broker, holder or other person dealing with the Daily Leverage Certificates, warrants or other securities does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on Société Générale. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and Société Générale and must not be construed to have created such relationship.

The Daily Leverage Certificates, warrants or other securities are not deposits placed with Société Générale.

Hang Seng Index Net Total Return Index

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012018