

# SG TWENTY20 GLOBAL EXPLORER ETN – GE05

## KEEP TRACK OF THE GLOBAL EQUITY MARKETS



- A global equity strategy
- Aims to invest in countries with the most positive economic outlook
- Counterparty risk mitigation feature
- Capital is fully at risk
- Performance is dependent on the success of Twenty20's Country Rotation Strategy

INNOVATIVE STRUCTURES SINCE 1989

THIS COMMUNICATION IS DIRECTED AT SOPHISTICATED RETAIL CLIENTS IN THE UK ONLY.

# CONTENTS

---

- |   |  |
|---|--|
| <b>3.</b> The SG Twenty20 Global Explorer ETN             | <b>13.</b> Illustrative investment scenarios |
| <b>4.</b> Key terms you will come across in this brochure | <b>14.</b> Who is Twenty20 Investments?      |
| <b>5.</b> How does the ETN work?                          | <b>15.</b> Considerations before investing   |
| <b>6.</b> Managing Counterparty Risk                      | <b>16.</b> Is the ETN appropriate for me?    |
| <b>7.</b> The Investment Strategy                         | <b>17.</b> Your questions answered           |
| <b>12.</b> Simulated performance of the ETN               | <b>19.</b> Secondary market trading          |

## IMPORTANT INFORMATION

---

- The SG Twenty20 Global Explorer ETN is an Exchange Traded Note (ETN), which is directed at sophisticated retail clients in the UK, who have a good understanding of the underlying market and characteristics of the ETN.
- The information within this brochure does not constitute legal, tax or financial advice. Societe Generale has not given any such advice.
- This ETN is a security that is listed on the London Stock Exchange and is issued by SG Issuer via an Issuing Programme which is approved by the UK Listing Authority via a passport from the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg. SG Issuer is a 100% subsidiary of Societe Generale.
- Although the ETN is issued by SG Issuer, it is guaranteed by Societe Generale. If SG Issuer or Societe Generale were to default or become insolvent, the ETN will terminate immediately. The amount that you receive back on your investment will depend on (i) the market value of your investment upon termination and on (ii) the value of the Collateral Assets at the time the collateral is liquidated. You may receive back less than your initial investment. See page 6 for more information on Counterparty Risk.
- Final Terms are published for this security detailing its specific characteristics and its pay-off at Maturity, and the product features given in the Final Terms are prescribed by the approved Base Prospectus. Both documents can be found at [www.sglistedproducts.co.uk](http://www.sglistedproducts.co.uk).
- Capital is fully at risk. This ETN is not covered by the provisions of the Financial Services Compensation Scheme ("FSCS"), nor any similar compensation scheme.
- You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

---

The Financial Conduct Authority requires us, Societe Generale, to give you this important information to help you to decide whether this ETN is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

---

# THE SG TWENTY20 GLOBAL EXPLORER ETN

---

The aim of this product is to generate a total return by investing in the top 5 countries each month that are considered to have the most positive economic outlook.

The SG Twenty20 Global Explorer ETN is an actively managed Exchange Traded Note (The ETN), which aims to track the performance of a Dynamic Portfolio of Exchange Traded Funds (ETFs) selected by Twenty20 Investments.

Each ETF in the Dynamic Portfolio represents a country from within the global equity markets. On a monthly basis Twenty20 Investments will identify the top 5 countries with the most positive economic outlook, and purchase the relevant ETF for each market. The selection is reviewed monthly and ETFs are systematically moved in or out of the Dynamic Portfolio according to where Twenty20 see the highest potential for returns. The key premise of this strategy is to invest where the potential looks greatest, and avoid countries where the economy looks weaker.

By using ETFs as the building blocks of the Dynamic Portfolio, investors gain exposure to all the major companies from each country. A FTSE 100 ETF for example provides exposure to the UK's largest 100 companies that are listed on the London Stock Exchange. This means that the Dynamic Portfolio is not only diversified across 5 different countries, but also across all the major companies which drive their local stockmarkets. Plus, because it is updated monthly, the allocation is automatically updated to keep track of global economic trends.

## Who is the ETN intended for?

The ETN is intended for sophisticated retail investors who are looking for capital growth from the global equity markets. Capital is at risk and investors must be prepared to lose some or all of their initial investment.

## Investing in the ETN

The ETN is listed on the London Stock Exchange (LSE), and can be traded like a share at any time during market hours (08:05 - 16:30). You can purchase units of the ETN through any UK stockbroker or platform using the EPIC code GE05, or the ISIN 'JE00BVXVSX55'.

**Minimum investment:** 1 unit or £100

**Maximum investment:** Societe Generale reserves the right to limit the total size of investment available at any time.

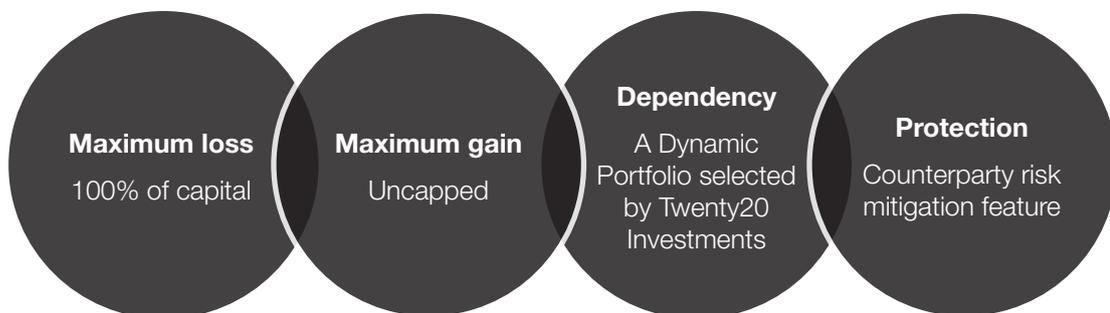
## Eligibility

The ETN can be purchased in any of the following accounts:

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

## KEY POINTS

---



## KEY DATES

---

Investment Term	10 years
Maturity	March 12th, 2025
Trading times	During trading hours (08.05 - 16.30)

# KEY TERMS YOU WILL COME ACROSS IN THIS BROCHURE

---

TERM	DESCRIPTION
The ETN	The SG Twenty20 Global Explorer ETN. The ETN tracks the performance of the Dynamic Portfolio via a financial instrument called a Warrant.
Dynamic Portfolio	The Dynamic Portfolio is a financial instrument known as a 'Warrant', which comprises the basket of ETFs.
The Issuer	SG Issuer, a 100% subsidiary of Societe Generale.
The Guarantor	Societe Generale is the Guarantor for securities issued by SG Issuer.
Counterparty Risk	The risk that the Issuer and/or the Guarantor default or become insolvent during the Investment Term, and as such are unable to meet their obligations to make payments to investors.
Collateral	A pool of UCITS eligible assets. The Collateral provides security against the default of the Issuer.
Annual Charge	A charge of 0.95% is calculated daily and deducted from the performance. Half of this charge will be paid by SG to Twenty20 Investments for their role as Weighting Manager.
The Custodian	The Bank of New York Mellon. The Custodian holds the Collateral in a segregated account, monitors its value and deals with the sale of the assets should the Issuer default.
ETF	An Exchange Traded Fund is a UCITS compliant open-ended investment fund that tracks the performance of a diversified index of at least 5 assets.
Final Terms	The legal documentation of the ETN.
EPIC Code	GE05 - The unique identifier used to identify the ETN to your broker.
ISIN Code	JE00BVVXSX55.
Issue Price	The price per unit of the ETN on the Issue Date. The Issue Price is £100 per unit.
Investment Term	The ETN has a maximum duration of 10 years but can be bought and sold on the LSE at any time during the Investment Term.
UCITS	Undertakings for Collective Investment in Transferable Securities.
Maturity Date	March 12th, 2025, the date that the ETN matures.
Weighting Manager	Twenty20 Investments, a division of Hutchinson Lilley Investments LLP. Twenty20 Investments act as the weighting manager for the ETN. Read more about Twenty20 Investments on page 14.

# HOW DOES THE ETN WORK?

---

The aim of the ETN is to capture the positive performance of the top 5 performing countries from the global equity markets. It does this by tracking the performance of a Dynamic Portfolio of ETFs. The ETFs used within the Dynamic Portfolio are European-domiciled ETFs from one of the major European ETF providers. See page 9 for more information.

Each ETF is weighted in order to provide the highest expected return over the investment period while at the same time controlling risk in the Dynamic Portfolio. Two types of risk are identified; the first is how volatile the ETF performance is. Higher volatility means higher risk as the price is moving more

erratically. As such, more volatile ETFs will receive a lower weighting. The second factor is the correlation. This describes how much the ETF moves in line with the rest of the Dynamic Portfolio. Higher weightings will be awarded to ETFs which are less correlated. This is because they offer greater diversification, and are less likely to fall if the rest of the Dynamic Portfolio falls.

Depending on the riskiness of an individual ETF, and the diversification it offers to the portfolio, a higher risk ETF may only be a small fraction of the overall portfolio, even if the expected return is fairly high.

## ACTIVE MANAGEMENT

---

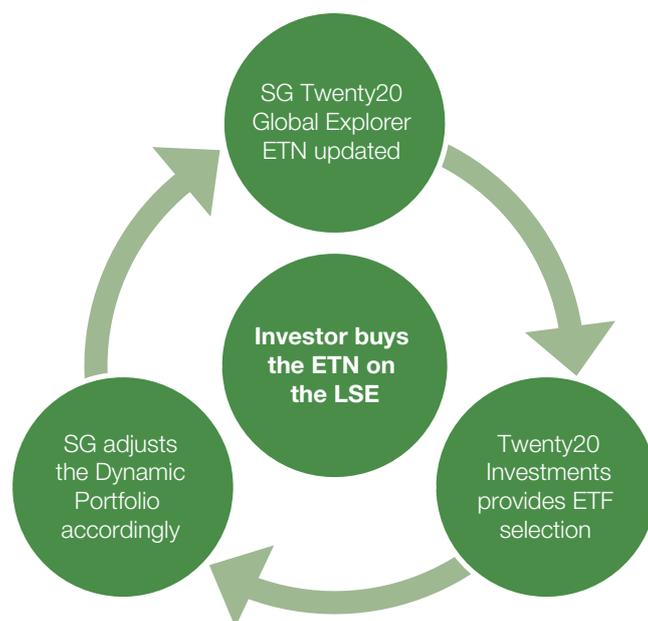
The composition of the Dynamic Portfolio will be defined by Twenty20 Investments in accordance with their Country Rotation Strategy. Each month, Twenty20 Investments will screen a list of countries and regions in the equities market in order to define which they expect to perform best. Based on the result of that screening, Twenty20 Investments will select five ETFs for the next month. The resulting selection is then reflected in the Dynamic Portfolio by Societe Generale. ETFs are bought and sold at the official closing price plus (buy), or minus (sell) the execution cost of 0.05%.

This means that you simply purchase the ETN once in a single trade, and then each month the Dynamic Portfolio is updated to suit market conditions. There is no need to make any further allocation decisions, or incur any further trading costs.

### Important information

The ETF selection process, and the resulting performance is the sole responsibility of Twenty20 Investments. As such, if their allocation proves unsuccessful, there is a risk of poor performance in the ETN. Societe Generale is not responsible for this performance. Before making an investment decision, potential investors have to make their own assessment on the skills and strategy of Twenty20 Investments. Further information on the investment strategy may be found on page 7.

### Management of the Dynamic Portfolio



*\*The ETN tracks the performance of the Dynamic Portfolio.*

## FEES AND CHARGES

---

The ETN is subject to an Annual Charge of 0.95%. This charge is calculated daily and deducted from the performance of the ETN. Half of this charge will be paid by SG to Twenty20 Investments for their role as Weighting Manager. There will also be a variable cost to maintain the collateral protection for the

ETN. This cost is dependent on market conditions but is 0.05% per year at the time of launch. The collateral cost can increase in times of higher market volatility where prices are moving erratically.

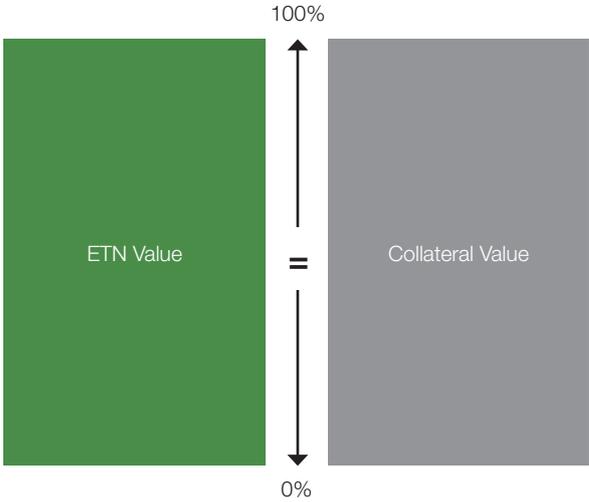
# MANAGING COUNTERPARTY RISK

The ETN is guaranteed by Societe Generale. In the case of a more traditional ETN this would mean that if Societe Generale were to default or become insolvent, investors could lose up to 100% of their investment. However, this ETN is designed to mitigate Counterparty Risk through the use of Collateral.

This Collateral is designed to be equivalent to 100% of the market value of the ETN. It is re-balanced daily and may consist of the shares of major blue chip companies. In the event that the Issuer and/or the Guarantor should default or become insolvent, the ETN would terminate early and the Collateral assets would be sold with the aim of recovering the value of your investment.

It must be noted that a fall in the value of the Collateral could mean that the value of the ETN is not 100% protected, and investors could suffer a loss of capital based on the difference between the value of the ETN, and the value of the Collateral.

### Collateral aims to cover the full value of the ETN



## INDEPENDENT CUSTODY AND MONITORING

The Collateral is held with The Bank of New York Mellon (Luxembourg) S.A. who act as an independent custodian. The type and value of Collateral is monitored daily by The Bank of New York Mellon London Branch to ensure that it is of sufficient value to cover the value of the ETN each day, and that it meets the quality criteria specified by Societe Generale. The value of the Collateral is maintained at 100% of the value of the ETN in an effort to ensure the full ETN value is covered intraday. Independence of the Custodian from the issuer is key so that they may be able to:

- Ensure the segregation of the Collateral assets from the Issuer
- Monitor the value and type of the Collateral assets posted by the Issuer
- Ensure operational efficiency in case the Issuer was to default.

This means that should SG Issuer and Societe Generale default or become insolvent, the Collateral would be easily accessible, and could be quickly sold to recover some or all of the current value of the ETN.

## WHAT HAPPENS IF SOCIETE GENERALE DEFAULTS?

If SG Issuer as Issuer, and Societe Generale as Guarantor default or become insolvent, The Bank of New York Mellon will enforce a pledge over the Collateral assets and they will be sold with the aim of recovering the value of the ETN at that time. It must be noted that any fall in the value of the Collateral could mean that the value of the ETN is not 100% protected.

The Bank of New York Mellon has committed to comply with key principles to follow should a liquidation of assets become necessary. The aim of these guiding principles is to avoid any forced sale and to allow The Bank of New York Mellon to potentially attain the highest possible prices for sold assets.

# THE INVESTMENT STRATEGY

The following section explores the thinking behind the Country Rotation Strategy. Here Twenty20 Investments explain what they are looking to achieve and how:

The Twenty20 Investments Country Rotation Strategy is built on the fundamental principle that most of the return in an investment portfolio comes from asset allocation. As such, every allocation is driven by macro-economic indicators, and is fine tuned according to a strict risk management framework.

The Twenty20 Investments Country Rotation Strategy selects 5 countries or regions from around the world that offer the highest potential to generate a positive return. Twenty20 Investments then select an ETF to reflect this view. Each ETF is weighted according to a risk management framework which is designed to lower volatility, and increase diversification across the portfolio.

## HOW DOES THE STRATEGY DETERMINE WHICH ETFs TO CHOOSE?

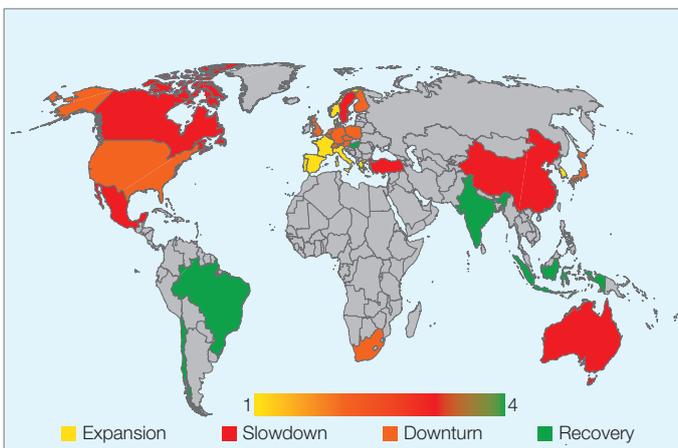
Twenty20 Investments believe that an evidence based approach to portfolio construction is the best way to achieve enhanced returns in an ever changing economic climate. As such, a combination of forward looking macro-economic indicators such as PMI<sup>1</sup> data and OECD<sup>2</sup> Composite Leading Indicators are used to identify turning points in economic activity at an early stage.

For example, unemployment figures usually lag the economy as businesses tend to hire only if their outlook has already improved. A business confidence index on the other hand is more forward looking as it shows the early stages of change in a

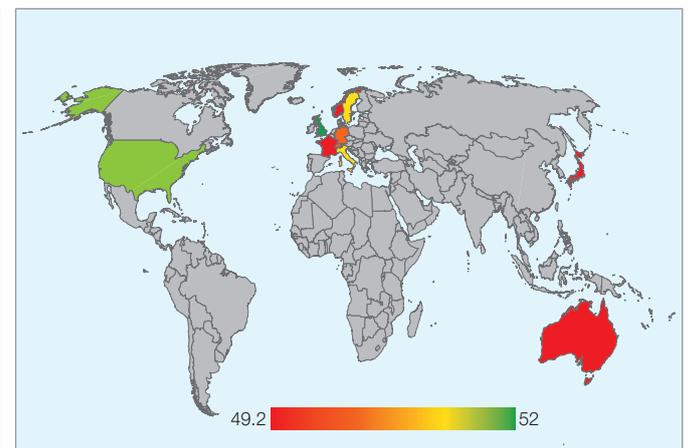
business, which often leads to investment and growth. No one factor is perfect, which is why we blend several early indicators to give us the best early indication of change.

In order to ensure consistency across our analysis, Twenty20 Investments score each indicator on a scale from -2 to +2, where a positive score represents a buy signal, and a negative score represents a sell signal. Each buy or sell signal for each country or region is then combined into a single number which is called its score card. Each country or region can therefore be compared according to its scorecard in order to identify the most efficient allocation of ETFs for the Dynamic Portfolio.

**A map of the OECD Composite Lead Indicators (June 2014)**



**A map of PMI scores (June 2014)**



SOURCE – BLOOMBERG, OECD, TWENTY20 INVESTMENTS

<sup>1</sup>The Purchasing Managers Index (PMI)

The PMI index looks at five indicators to determine the economic well being of the manufacturing sector: new orders, inventory levels, production, supplier deliveries and employment. A PMI of more than 50 represents an expanding sector, whereas under 50 represents a contraction compared to the previous month. A PMI of 50 indicates no change. Although manufacturing is not always the largest component of a country's gross domestic product (GDP), purchasing managers are often the first to know about trading conditions and therefore about company performance.

<sup>2</sup>The Organisation for Economic Co-Operation and Development Composite Lead Indicators.

The OECD has developed a system of composite leading indicators (CLIs) to provide early signals of turning points in overall economic activity. The CLIs are based on consumer and business sentiment, estimates of economic activity and other macro economic and monetary factors.

## A SAMPLE OF ECONOMIC INDICATORS USED

The following list is not exhaustive. The Country Rotation Strategy may take into account other economic and monetary factors.

INDICATOR	DEFINITION	WHAT DOES IT SIGNAL?
Purchasing Managers Index (PMI).	The PMI index looks at five indicators to determine the economic well being of the manufacturing sector: new orders, inventory levels, production, supplier deliveries and employment.	A PMI of more than 50 represents an expanding sector, whereas under 50 represents a contraction compared to the previous month. A PMI of 50 indicates no change. Although manufacturing is not always the largest component of a country's gross domestic product (GDP), purchasing managers are often the first to know about trading conditions and therefore about company performance.
OECD Business Confidence.	Business confidence is based on qualitative information on economic conditions obtained from enterprises. Data relates to opinions on production, and on orders and stocks.	An increase in business confidence indicates optimistic views on the prospects of a company and the economy as a whole. This can signal the early stages of change in a business, which often leads to investment and growth.
OECD Consumer Confidence.	Consumer confidence is based on qualitative information on economic conditions obtained from households. Data relates to intentions concerning major purchases, own economic situation compared with the recent past, and expectations for the immediate future.	An increase in consumer confidence indicates optimism towards the overall state of an economy as well as personal financial situations. This can give an early indication of an increased willingness to spend, thereby driving economic growth from the bottom-up.
OECD GDP Growth Estimates.	GDP, or Gross Domestic Product, is an aggregate measure of production equal to the monetary value of all finished goods and services produced within a country over a year.	GDP growth forecasts indicate sentiment on the future economic activity of a country. Positive projections indicate economic expansion, whereas negative projections indicate recession.
OECD Economic Regime Signal.	A blending of several early indicators, such as the ones listed above.	A holistic analysis of early indicators may be better suited to predicting changes in business cycles when compared to relying solely on individual signals.

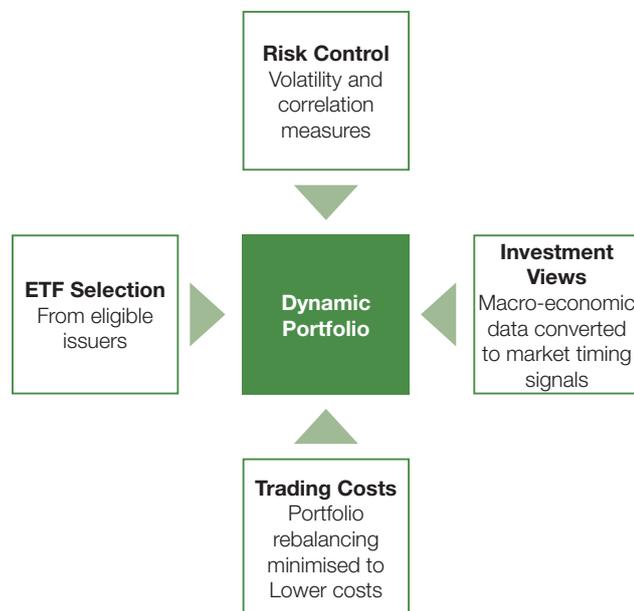
SOURCE: TWENTY20 INVESTMENTS, OECD.

## RISK CONTROL

Controlling risk is at the heart of the investment process. Once the overall allocation has been decided, and the relevant ETFs selected, the next stage is to determine how each of the five ETFs will be weighted within the Dynamic Portfolio. This is done by looking at the forecast figures of volatility and correlation for each ETF selected. Volatility refers to how erratically the price of the ETF is moving. High Volatility means that prices are unpredictable and could move a long way in a short period. Correlation refers to what degree the five ETFs follow the same trend. High correlation means that the ETFs typically rise or fall

together, whereas low correlation means that the ETF prices move quite independently, which is better for diversification. The figures for volatility and correlation will determine the weights of each ETF. Assets that have low or negative correlation with each other allow one to build portfolios with lower risk for the same level of return. The aim is to provide the highest expected return while controlling risk in the Dynamic Portfolio.

## TWENTY20'S INVESTMENT PROCESS



The Investment Process at Twenty20 Investments is designed to provide the highest possible return whilst managing the overall risk and cost of the portfolio. To do this Twenty20 ensure that

their model portfolios are fed by a firm investment view, a robust ETF selection process, a strict risk control process and an unwavering commitment to keeping costs low.

## THE SAFETY ASSETS

In volatile market conditions there may not be 5 attractive equity markets to invest in. Instead, Twenty20 Investments can select between one and five Fixed Income ETFs as an alternative exposure. The objective of investing in Fixed Income ETFs is to reduce potential losses to the Dynamic Portfolio by investing in

less volatile assets. In order to do this Twenty20 Investments can select Government Bond ETFs, Inflation Linked Bond ETFs or Investment Grade Corporate Bond ETFs, which comply with the eligibility criteria below, and are from the UK, US or Eurozone region.

## WHAT IS THE INVESTMENT UNIVERSE?

Twenty20 Investments will select 5 ETFs each month for the Dynamic Portfolio. These ETFs will typically be equity based, which means that they will track the performance of the shares of the major companies from that country.

Twenty20 Investments has full discretion over ETF selection, provided they meet the following guidelines:

- i. The ETFs must be traded on a regulated market of a European Country.\*
- ii. They must be eligible to corporate gains tax (by virtue of being UK Reporting Funds or otherwise).
- iii. They must not provide any exposure to commodities.
- iv. They must be UCITS funds, i.e. they have to be compliant with the European Union Directive relating to undertakings for collective investment in transferable securities (UCITS)
- v. They must be offered and marketed to the general public.

- vi. They must be from the list of eligible Asset Managers or their affiliates who have been selected for potential inclusion within the Dynamic Portfolio: Lyxor International Asset Management, Lyxor Asset Management, Lyxor Asset Management Luxembourg, BlackRock Asset Management Ireland Limited, State Street Global Advisors Limited, UBS Fund Management AG, Handelsbanken Fonder AB, Amundi, Vanguard Asset Management Limited and Deutsche Asset & Wealth Management.

Further details on the ETF universe may be found in the ETN's Final Terms.

\*European Country means a country belonging to the following list: Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

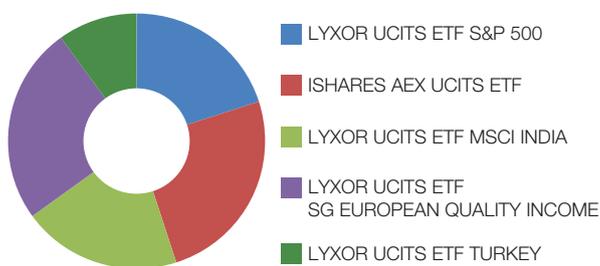
## SAMPLE SELECTION AS OF JANUARY 2015

The following table shows the allocation that the Country Rotation Strategy would have made based on the economic conditions in January, 2015. At this time the selection would be predominantly biased towards developed markets equities, with 65% of the Dynamic Portfolio tilted towards US and European stocks. The remaining portion of the portfolio would offer exposure to Emerging Markets, namely India and Turkey.

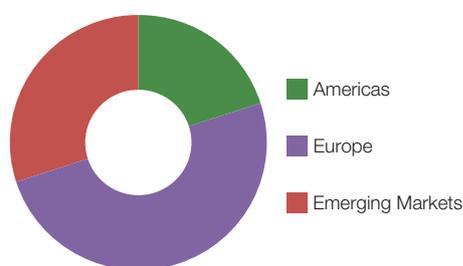
For further information on any of the specific ETFs, please download the factsheet and Key Investor Information Document (KIID) from the Issuer's website. For Lyxor ETFs, you can find detailed information regarding the components of the Index tracked by the ETF, the holdings of the ETF and any risks associated with the ETF at [www.sglistedproducts.co.uk/ETF](http://www.sglistedproducts.co.uk/ETF).

ETF NAME	TICKER	ASSET CLASS	COUNTRY	REGION	PORTFOLIO WEIGHT
LYXOR UCITS ETF S&P 500	LSPU	Equity	United States	Americas	20%
ISHARES AEX UCITS ETF	IAEX	Equity	Netherlands	Europe	25%
LYXOR UCITS ETF MSCI INDIA	INRL	Equity	India	Emerging Markets	20%
LYXOR UCITS ETF SG EUROPEAN QUALITY INCOME	SGQG	Equity	Multi-country	Europe	25%
LYXOR UCITS ETF TURKEY (DJ TURKEY TITANS 20)	TURL	Equity	Turkey	Emerging Markets	10%

## SAMPLE ETF BREAKDOWN



## SAMPLE ETF EXPOSURE



SOURCE TWENTY20 INVESTMENTS, JANUARY 2015. FOR ILLUSTRATIVE PURPOSES ONLY. THE ALLOCATION IS SUBJECT TO CHANGE.



## PAST ALLOCATIONS

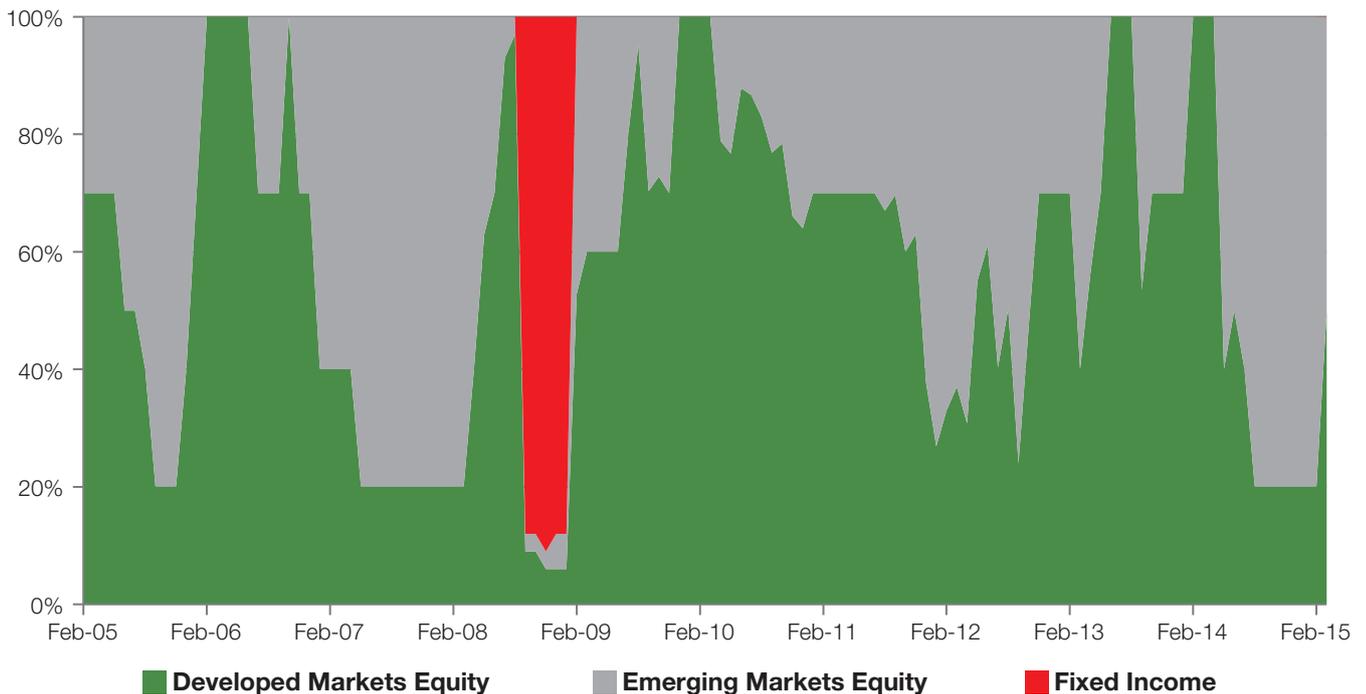
The following chart shows the allocation that the Country Rotation Strategy would have made had it been in existence in the past. In order to provide this illustration we have applied the parameters of the Country Rotation Strategy to historic price information over the period between February 28th, 2005 and February 28th, 2015.

The chart shows how the allocation was split between Developed Market Equities, Emerging Market Equities and Fixed Income at any point in time. As you can see from the chart, the allocation has tended to favour Developed Markets. However, in 2007 the allocation was led by Emerging Markets as this is where the positive economic momentum was strongest.

A key period to note is the 2008 / 2009 period when in this case, the ability to allocate to the safety asset of Fixed Income ETFs was utilised. Here Twenty20 Investments selected the iShares UK Gilts 0-5yr UCITS ETF, SPDR Barclays 1-5 Year Gilt UCITS ETF and iShares £ Corporate Bond 1-5yr UCITS ETF. This may not reflect future allocations perfectly but can provide an indication of the type of Fixed Income ETFs, which can be used.

The up to date allocation will be available online at [www.sglisedproducts.co.uk](http://www.sglisedproducts.co.uk).

## ILLUSTRATIVE PORTFOLIO WEIGHTS OVER TIME



SOURCE TWENTY20 INVESTMENTS, FEBRUARY 28TH, 2015. FOR ILLUSTRATIVE PURPOSES ONLY. THE ALLOCATION IS SUBJECT TO CHANGE. ILLUSTRATIONS RELATE TO SIMULATED PAST ALLOCATIONS. PAST ALLOCATIONS ARE NOT A RELIABLE INDICATOR OF FUTURE ALLOCATIONS.

# SIMULATED PERFORMANCE OF THE ETN

In order to demonstrate how the ETN would have performed had it been purchased in the past, we carry out a series of tests to determine the 'simulated past performance'. We apply the approximate parameters of the ETN to historic benchmark information between February 28th, 2005 and February 28th, 2015. As not all ETFs were available for the full period of review, the ETF's Underlying Index performance was used instead, and the ETF's Total Expense Ratio was subtracted from the performance to reflect the cost of holding the ETF. The analysis

also includes the 0.95% Annual Cost of the ETN, the 0.05% Collateral Charge, and an execution charge of 0.10% on any ETF re-balances.

In order to provide comparison, the performance of the ETN is compared to the MSCI ACWI Net Total Return Index (MSCI ACWI), which includes 2471 equities from 23 Developed Markets, and 23 Emerging Markets across the world. As the MSCI ACWI Index is denominated in USD, the performance is converted into GBP in order to allow comparison.

## PERFORMANCE OF THE ETN VS THE MSCI ACWI INDEX



YEAR	THE ETN	MSCI ACWI INDEX
2005*	30.1%	22.0%
2006	13.3%	6.4%
2007	52.1%	10.2%
2008	-9.1%	-21.4%
2009	43.2%	21.6%
2010	18.4%	16.7%
2011	-10.3%	-6.9%
2012	18.1%	11.1%
2013	19.6%	20.5%
2014	14.5%	10.7%

SOURCE: TWENTY20 INVESTMENTS, FEBRUARY 28TH, 2015. FIGURES RELATE TO SIMULATED PAST PERFORMANCE. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RETURNS. FIGURES HAVE BEEN RE-BASED TO 100 TO ALLOW FOR COMPARISON. \*SIMULATION START DATE IS FEBRUARY 28TH, 2005.

## Comparison of annualised returns

	ETN RETURNS				MSCI ACWI INDEX RETURNS			
	1 YEAR	3 YEARS	5 YEARS	10 YEARS	1 YEAR	3 YEARS	5 YEARS	10 YEARS
<b>Returns</b>	15.2%	14.4%	10.8%	17.7%	16.7%	12.7%	10.4%	8.7%
<b>Volatility</b>	11.1%	13.8%	15.2%	18.2%	9.8%	10.6%	12.8%	16.4%
<b>Sharpe Ratio**</b>	1.4	1.1	0.7	1.0	1.7	1.2	0.8	0.5

SOURCE: TWENTY20 INVESTMENTS, FEBRUARY 2015. FIGURES RELATE TO SIMULATED PAST PERFORMANCE. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RETURNS. THIS CHART SHOWS THE ETN'S TOTAL CUMULATIVE RETURN AFTER TRADING COSTS. THESE COSTS INCLUDE THE EXECUTION COSTS WHEN BUYING OR SELLING THE ETFS WHEN THE DYNAMIC PORTFOLIO IS REBALANCED AND THE ACCOMPANYING TOTAL EXPENSE RATIOS (TERS) OF EACH CONSTITUENT ETF. THE PERFORMANCE OF THE MSCI ACWI INDEX IS CONVERTED TO GBP. \*\*THE SHARPE RATIO IS A MEASURE OF RISK-ADJUSTED PERFORMANCE. IT IS CALCULATED BY SUBTRACTING THE RISK-FREE RATE FROM THE PORTFOLIO'S RATE OF RETURN AND DIVIDING THE RESULT BY THE PORTFOLIO'S VOLATILITY, AS MEASURED BY STANDARD DEVIATION. THE HIGHER THE SHARPE RATIO, THE BETTER THE RISK-ADJUSTED PERFORMANCE.

As you can see from the tables above, according to the simulated data the ETN would have almost matched the annualised return of the MSCI ACWI Index over the first year, and the ETN would have exceeded the Index performance over

subsequent years. Worth noting is that this outperformance is achieved with slightly more volatility when compared to the MSCI ACWI Index.

# ILLUSTRATIVE INVESTMENT SCENARIOS

---

The aim of the ETN is to capture the performance of the Dynamic Portfolio. This means that before charges the ETN will rise and fall according to changes in the value of the ETFs held within the Dynamic Portfolio. The following table provides a simple illustration of the returns that you could expect to achieve

from an investment in the ETN. It is important to note that these figures do not take into account the Annual Charge, or any trading fee that your stockbroker would charge you to buy or sell the ETN.

## Summary of approximate illustrative returns

COST PER UNIT AT INVESTMENT	% CHANGE IN VALUE OF THE DYNAMIC PORTFOLIO	PERFORMANCE OF THE ETN (%)	PAYOUT ON SALE PER UNIT	PROFIT/LOSS AT SALE PER UNIT
£100.00	+10	+10	£110.00	£10.00
£100.00	0	0	£100.00	0.00p
£100.00	-10	-10	£90.00	-£10.00

PLEASE NOTE: THIS IS FOR ILLUSTRATIVE PURPOSES ONLY. THE FIGURES ARE APPROXIMATE EXAMPLES ONLY AND USED TO ILLUSTRATE THE RETURN THAT COULD BE ACHIEVED BASED ON THE POTENTIAL PERFORMANCE OF THE DYNAMIC PORTFOLIO.



# WHO IS TWENTY20 INVESTMENTS?

---

Twenty20 Investments is a division of Hutchinson Lilley Investments LLP who are authorised and regulated by the Financial Conduct Authority. Twenty20 Investments has been formed to take advantage of the great opportunities that ETFs offer in the portfolio construction space. The attractive features of ETFs as investment vehicles, such as low fees,

transparency, daily liquidity and ring-fenced assets, still remain true when packaged as a tactical asset allocation based solely on ETFs. One might also call this active management of passive ETFs. The founders bring years of portfolio construction and management experience from holding senior roles at BlackRock Asset Management and Barclays Global Investors.



## **Allan Lane - Managing Partner**

Allan is a founding partner of Twenty20 Investments. Prior to this Allan spearheaded BlackRock's iShares' investment research initiative in Europe, working with a number of clients in the portfolio solutions space. Previously he headed up the ETF Product R&D team.

Before joining iShares in 2008, Allan had previously spent 3 years within the Active Fixed Income business at Barclays Global Investors, where he was responsible for building out the investment platform, focusing on a range of trading strategies in the rates and credit arena. Allan has also held a number of senior roles in the investment banking industry, including a period at RBS where he was The Global Head of Quantitative Research, responsible for the models used to value the structured notes product range used by the bank's equity, rates, credit and fx business lines. He learnt the craft of stochastic calculus as a derivatives specialist at Banque Paribas, before being recruited to head up JP Morgan's Equity Derivatives Models team.



## **Irene Bauer - Chief Investment Officer**

Irene is a founding partner of Twenty20 Investments and is a leading specialist in innovative portfolio construction models which control target risk while optimizing the portfolio's returns. Previously, Irene has been at iShares, BlackRock, in a client advisory role providing portfolio solutions, along with insights gained from a rigorous ETF investment research process. Prior to that, Irene gained experience across all aspects of ETFs while designing and researching new ETF products at iShares, covering the fixed income, equities, commodities & alternatives asset classes.

In her time at Barclays Global Investors Irene worked within the asset allocation team in the Active Fixed Income business, where she applied her expertise to the scientific investment approach of BGI. Her career in the financial services industry started at ABN Amro where she was responsible for the modelling of structured products, specializing in mortgage backed securities.



# CONSIDERATIONS BEFORE INVESTING

---

To help you decide if the ETN is right for you, here is a summary of some key points to consider before investing. You should study the Final Terms and if you are unsure whether the ETN is suitable for you, you should seek advice from an independent professional adviser before making an investment decision.

## KEY BENEFITS

Provides exposure to 5 ETFs from a global investment universe.

---

Actively selects 5 countries that have the most positive economic outlook according to a number of macro-economic indicators.

---

Ability to allocate some or all of the investment to Fixed Income ETFs in order to attempt to reduce potential losses to the Dynamic Portfolio.

---

The holdings of the Dynamic Portfolio are automatically updated each month by Twenty20 Investments to keep track of global economic trends.

---

Counterparty Risk mitigated through the use of UCITS eligible Collateral.

---

The ETN is listed on the LSE and can be traded at any point during the trading day under normal market conditions with no early redemption charges. See page 19 for more information regarding Secondary Market trading.

---

Eligible for investment into an ISA, or a SIPP Dealing Account. Investments made outside of an ISA or SIPP may be subject to Capital Gains Tax.\*

---

## KEY RISKS

Capital is at risk. The value of ETFs within the Dynamic Portfolio can be volatile and it is possible to lose your entire investment.

---

The stock selection process, and the resulting performance of the Dynamic Portfolio is the sole responsibility of Twenty20 Investments. As such, if their allocation proves unsuccessful, there is a risk of poor performance in the ETN.

---

Counterparty risk. If SG Issuer and Societe Generale were to default or become insolvent, the ETN 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. You may also be exposed to Counterparty Risk through the ETFs. For information see the Counterparty Risk section on page 6.

---

Currency risk. The ETFs of the Dynamic Portfolio may be exposed to currency risk if the ETF or Benchmark Index holdings are denominated in a currency different to that of the Benchmark Index they are tracking. This means that exchange rate fluctuations could have a negative or positive effect on returns of the Dynamic Portfolio.

---

Replication Risk. ETFs are designed to replicate the performance of the Benchmark Index. Unexpected events relating to the constituents of the Benchmark Index may impact the Index provider's ability to calculate the Benchmark Index, which may affect the ETF's ability to replicate the Benchmark Index efficiently. This may create Tracking Error in the ETF.

---

Liquidity risk. Societe Generale is the only market maker and therefore the only party providing prices for the ETN. Trading prices will only be available in normal market conditions. For more information regarding trading, please see the 'Secondary Market' section on page 19.

---

*\*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.*

# IS THE ETN APPROPRIATE FOR ME?

## THE ETN MAY BE SUITABLE FOR YOU IF:

- ✓ I am an individual and am over 18 years old.
- ✓ I am an investor in the UK.
- ✓ I would like the opportunity to receive a return based on the performance of the selection of the top 5 ETFs from a global investment universe on a monthly basis.
- ✓ I am happy that my potential return is dependent on the strategy of Twenty20 Investments.
- ✓ I am aware that if the ETF selection process of Twenty20 Investments proves unsuccessful, my investment performance will suffer.
- ✓ I am interested in the prospect of a potentially higher return than that received from a deposit account albeit that with the ETN, my initial investment may not be repaid to me at the end of the Investment Term.
- ✓ I want to potentially receive tax-efficient returns on my investment by having the option of investing in an ISA, or a SIPP.
- ✓ I have, or I am prepared to complete a Complex Instruments Appropriateness Assessment.

## THE ETN MAY NOT BE SUITABLE FOR YOU IF:

- ✗ I am an individual and am not over 18 years old.
- ✗ I am not an investor in the UK
- ✗ I am not comfortable with the Country Rotation Strategy or Twenty20 Investments.
- ✗ I don't want to risk losing any of my initial investment.
- ✗ I am not prepared to take the risk that the Issuer, SG Issuer, or Societe Generale as Guarantor, might fail to make payments due under the ETN, in which case I would be reliant on the value of the Collateral.
- ✗ I don't want to risk receiving no return on my initial investment or less than I could have earned in the same period if I had invested in a standard deposit account.
- ✗ I have not, or I am not prepared to complete a Complex Instruments Appropriateness Assessment.



# YOUR QUESTIONS ANSWERED

---

## How do I invest?

Investments in the ETN can be made in the same way that you would purchase a normal share through a UK stockbroker. You can purchase the ETN in your Dealing account, New ISA or SIPP Dealing account\*. You will need to quote the EPIC code GE05 or the ISIN 'JE00BVXVSX55' to your broker.

## Will I have to pay any charges or expenses?

The ETN is subject to an Annual Charge of 0.95%. The charge will be calculated daily and subtracted from the performance. Half of this charge will be paid by SG to Twenty20 Investments for their role of Weighting Manager. There may also be a variable cost to maintain the collateral protection for the ETN. This cost is dependent on market conditions but is estimated to be approximately 0.05%.

## Eligibility

The ETN is eligible for investment within a SIPP Dealing Account, or an ISA.

## What is the tax treatment outside of a SIPP or ISA?

Any return paid as part of the ETN may be subject to Capital Gains Tax if the ETN is held outside of an ISA or SIPP.\*

## Can I change my mind?

There is no cancellation process. However, you may sell the ETN in the Secondary Market, although you may get back less than you paid for it.

## Can I sell my ETN before it matures?

Yes, you can sell units of the ETN at their market value prior to the Maturity Date in the Secondary Market, but you might get back less than you invested. The amount you receive from your sale instruction will be the current market value. The market value will be established when your stockbroker processes your sale instruction. You do not have to sell your investment back in full. The minimum amount that can be sold back is one unit. For more details on Secondary Market trading and the liquidity risks, please refer to page 19.

## What if I need my money before Maturity?

Investing in the ETN is not the same as investing in a bank or building society account where capital is guaranteed and, with instant access accounts where capital is readily available without penalty. Should you wish to access your funds invested in the ETN you would need to sell the ETN at the current market price, which may result in you realising less than the initial amount invested.

## What happens when my ETN matures?

At Maturity the final redemption amount of the ETN is calculated and the proceeds payable to you will be credited to your account. The amount that you receive will be dependent on the closing value of the ETN at Maturity.

## What happens if I die?

If you should die before the proceeds of the ETN are available, your personal representatives should contact your stockbroker and tell them how they wish your investment to be dealt with as part of probate/administration.

## How can I monitor my investment?

Should you wish to obtain the current market value of the ETN, you can look it up on our website: [www.sglistedproducts.co.uk](http://www.sglistedproducts.co.uk) or ask your stockbroker.

## What is the maximum return that I can receive?

The return offered by the ETN is unlimited but will depend on the performance of the Dynamic Portfolio.

## What is my maximum loss?

Capital is at risk, and your maximum loss is 100% of your investment.

## Will I get an income?

No. The objective of the ETN is to provide a Total Return. Investing in the ETN is not the same as investing in a bank or building society account where capital is guaranteed and, with instant access accounts, is readily available without penalty.

*\*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.*

### **Are there any protections against the performance of Twenty20 Investments?**

Neither Societe Generale nor their affiliates are in a position to protect the Investors against fraud, negligence or misrepresentation on the part of the unaffiliated Weighting Manager. Investors should understand that they could be materially adversely affected by any such factors.

### **Do I have a claim on the ETFs?**

No, you are purchasing a Security issued by SG Issuer, which acknowledges its obligation to pay the benefits described – the return of which is linked to the value of a Dynamic Portfolio of ETFs but does not include any direct rights to the ETFs held in the Dynamic Portfolio.

### **Who is The Bank of New York Mellon Group?**

The Bank of New York Mellon, established in 2007 following the merger between The Bank of New York Company, Inc. and Mellon Financial Corporation, is a leading investment management and investment services company.

Headquartered in New York, The Bank of New York Mellon has \$28.5 trillion\* in assets under custody and administration, and \$1.7 trillion\* in assets under management.

The Bank of New York Mellon operates in 35 countries and over 100 markets\*.

The Bank of New York Mellon is rated Aa2 by Moody's\*\*, AA- by Standard & Poor's\*\* and AA- by Fitch Ratings\*\*.

*\*Source Bank of New York Mellon, December 31, 2014.*

*\*\*Source Bank of New York Mellon, December 14, 2014.*

### **How can I get a copy of the prospectus?**

This brochure is a promotional document and not a prospectus and is intended to convey the overall terms of the ETN. Full details of the terms of the SG Twenty20 Global Explorer ETN will be contained in the Base Prospectus and the Final Terms of the ETN which will detail the terms that are specific to this ETN. These are available on the Societe Generale website, [www.sglistedproducts.co.uk](http://www.sglistedproducts.co.uk)

### **What if I have a query and/or complaint?**

If you have a query or complaint relating to the SG Twenty20 Global Explorer ETN, please contact:

#### **The Listed Products Team**

Societe Generale  
Exchange House  
12 Primrose Street  
London  
EC2A 2EG  
Tel: 0800 328 1199

In the unlikely event that Societe Generale cannot resolve your complaint satisfactorily, you have the right to refer the matter to the Financial Ombudsman:

#### **Financial Ombudsman Service**

South Quay Plaza  
183 Marsh Wall  
London, E14 9SR  
Tel: 0845 080 1800

# SECONDARY MARKET TRADING

---

## **SG Options Europe is the only market maker**

SG Options Europe is a subsidiary of Societe Generale. They are the only market-maker and therefore the only party providing prices for all Societe Generale listed securities. This means we are governed by LSE rules to buy back and sell our products at the prevailing market price between (8.05am to 4.30pm). By investing in a ETN 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. Instances of abnormal market conditions include:

- the ETF price is suspended or not tradable;
- there is a failure in the LSE or Societe Generale systems;
- there are abnormal trading situations e.g. sudden and sharp volatility increase or lack of liquidity in the underlying.



## **THIS COMMUNICATION IS DIRECTED AT SOPHISTICATED RETAIL CLIENTS IN THE UK ONLY.**

This document is issued in the U.K. by the London Branch of Societe Generale. Societe Generale is a French credit institution (bank) authorised by the Autorité de Contrôle Prudentiel et de Résolution (the French Prudential Control and Resolution Authority) and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available from us on request.

The ETN described within this document is not suitable for everyone. Your capital may be lost. You should not deal in the SG Twenty20 Global Explorer ETN unless you understand its nature and the extent of your exposure to risk. The value of the SG Twenty20 Global Explorer ETN 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 SG Twenty20 Global Explorer ETN, you should make your 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 SG Twenty20 Global Explorer ETN available on the website [www.sglistedproducts.co.uk](http://www.sglistedproducts.co.uk). We recommend that you consult your own independent professional advisers.

You should note that holdings in the SG Twenty20 Global Explorer ETN will not be covered by the provisions of the Financial Services Compensation Scheme, or by any similar compensation scheme.

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.

The performance of the Dynamic Portfolio depends on the ability and services of the Weighting Manager. Investors should be aware that the performance of the Dynamic Portfolio will depend to a considerable extent on the ability of the Weighting Manager to provide the optimal weighting and/or replacement recommendations throughout the life of the Dynamic Portfolio as well as on the ability of the Issuer to implement the recommendations of the Weighting Manager. Investors should make their own independent appraisal of the ability, services and overall competence of the Weighting Manager and should not rely exclusively on Societe Generale or its affiliates in making this assessment. There can be no assurance that the Weighting Manager will be able to provide such services or indeed be able to avoid negative performance. Neither Société Générale nor their affiliates are in a position to protect the Investors against fraud, negligence or misrepresentation on the part of the unaffiliated Weighting Manager. Investors should understand that they could be materially adversely affected by any such factors.

Products of the following issuers mentioned herein are not sponsored, approved or sold by Société Générale, and Société Générale shall not assume any responsibility in this respect: BlackRock Asset Management Ireland Limited, State Street Global Advisors Limited, UBS Fund Management AG, Handelsbanken Fonder AB, Amundi, Vanguard Asset Management Limited and Deutsche Asset & Wealth Management.

## **SOCIETE GENERALE LISTED PRODUCTS**

Call: 0207 762 5111

Website: [www.sglistedproducts.co.uk](http://www.sglistedproducts.co.uk)

Telephone calls may be recorded and/or monitored for training and quality purposes.