

# Synthetic Zero – FTSE100

# SZ16

Synthetic Zero offers the opportunity to receive a pre-defined amount per product (synthetic level) subject to the protection barrier not being breached on the exercise date of the product.

Should the barrier be breached on the exercise date capital will be at risk.



## HOW DOES IT WORK?

## YIELD ENHANCEMENT

### There are two scenarios on the final exercise date:

1. Investors will receive a pre-defined amount per product called 'synthetic level' adjusted by a parity, provided that on the exercise date the price of the underlying index does not close below a certain predefined level called the 'protection barrier' (see diagram 1). Please note that temporary breaches during the product's life, will not affect the exercise payment (see diagram 2). This means the redemption value still equals the predefined synthetic level adjusted by the parity.
2. If on the exercise date the protection barrier has been breached, the investor will receive the underlying index value i.e. its closing price on the exercise date adjusted by a parity (see diagram 3).

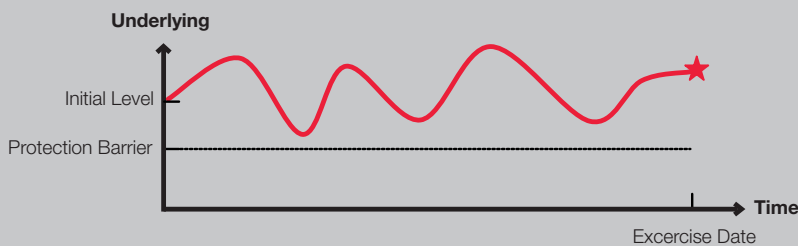
Quoted on the London Stock Exchange, investors can buy and sell these products throughout their life meaning that early exit is possible. Thanks to the parity, the minimum investment amount is lowered and this does not affect either the Yield or the protection offered.

### Why use a synthetic zero?

Synthetic Zeros are for investors who have a moderate view on the equity market. With a potential enhanced performance in comparison with the current low cash returns. Synthetic Zeros represent a passive investment approach with a choice of return / protection pay-offs across a choice of underlyings designed to meet investors objectives and attitude to risk.

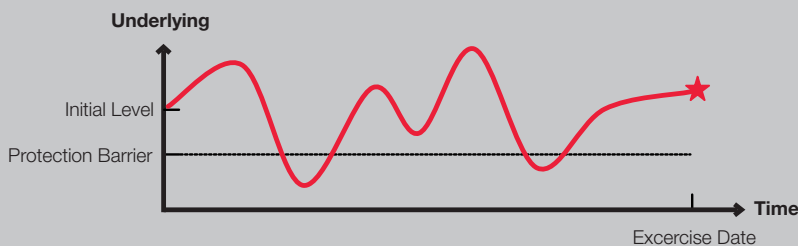
Société Générale's range offers a total return provided the underlying remains above the protection barrier on the exercise date.

Diagram 1: The Protection Barrier is not breached on the exercise date



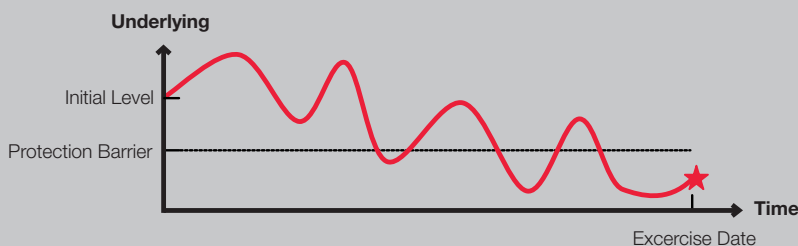
Redemption Value  
=  
Synthetic Value/Parity  
i.e. yield received

Diagram 2: The Protection Barrier is not breached on the exercise date but has been breached during the term  
Investors still receive the Synthetic Level



Redemption Value  
=  
Synthetic Value/Parity  
i.e. yield received

Diagram 3: The Protection Barrier has been breached on the exercise date



Redemption Value  
=  
Value of the underlying

# Synthetic Zero – FTSE100 SZ16



## HOW DOES IT WORK?

## YIELD ENHANCEMENT

### Key Facts of SZ16

- Pre-defined exercise payment on a neutral equity view
- Listing: London Stock Exchange
- Issue date: 1 February 2010
- Liquid LSE Secondary market
- No stamp duty on purchases
- SIPP, SSAS eligible\*
- Returns treated as capital for tax purposes\*
- Minimum investment: one investment product
- Maximum spread: 1%
- Liquidity: Intraday
- Currency: GBP
- Parity : 100

### Secondary Market

You can buy or sell the Synthetic Zero at any time on the secondary market prior to exercise date during normal market hours, on the LSE. The value of the product will vary on a daily basis.

Temporary breaches during the product's life, will not affect the exercise payment. Only the closing price of the underlying index on the exercise date will be taken into account to assess the potential breaching of the protection level. The pre-defined 'synthetic level' is applicable only on the settlement date.

This product does not offer any capital guarantee but only a capital protection provided the underlying index remains above the protection barrier on the exercise date.

### Characteristics of the Synthetic Zero FTSE SZ16

EPIC Code	Underlying	Issue Price	Initial Level	Barrier	Synthetic Level	Exercise Date	Parity	Indicative Yield**	Indicative Protection**	ISIN Code
SZ16	FTSE 100	52.60	5260	3800	7115	20/12/2013	100	35%	-28%	ANN8135N8811

\*\* Indicative level on the launch date

The Synthetic Zero SZ16 issued on the FTSE at 5,260 has an issue price of £52.60.

If traded on the same day, investors will receive a synthetic level of 7,115 adjusted by the parity 100, i.e £71.15 per product. It will generate a return of 35% ( $71.15/52.60 - 1$ ) on the exercise date, provided that the price of the underlying asset does not fall by more than 28% ( $3,800/5,260 - 1$ ) over its lifespan.

So even if assets underperform, investors can achieve respectable and yet protected returns.

Capital repayment will be composed of the underlying value adjusted by the parity (see graph 3). For example, if the index closes at 3,500 points, the redemption value of each product will be £35 and the loss in capital will be - 33.50% ( $3,500/5,260 - 1$ )

### SG Counterparty Risk

There is a risk that any failure by a member of the SOCIETE GENERALE group of companies to perform obligations when due may result in the loss of all or part of an investment. The investor still ultimately bears a credit risk on Société Générale.

### Contact

For further information on the range of SG Listed Products, go to [www.sglistedproducts.com](http://www.sglistedproducts.com)

Alternatively, call the Freephone line 0800 328 1199 or email [listedproducts@sgcib.com](mailto:listedproducts@sgcib.com)

\*The tax statement is only a general guide and should be treated with appropriate caution. If you are in any doubt as to your tax position, please consult with an appropriate professional tax adviser. This statement of the UK tax treatment of the product is based on the laws and practice in force as of the date of this document and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect.

Risk warning: The FTSE index can be volatile and should the value of the index at maturity be below 28% or more of its initial level your capital will be at risk. Prior to any investment in this product, you should make your own appraisal of the risks from a financial, legal and tax perspective, without relying exclusively on the information with which you were provided, by consulting, if you deem it necessary, your own advisors in these matters or any other professional advisors. The securities can be neither offered nor transferred in the United States. This document is for informational purposes only. Under no circumstance should it, in whole or in part, be considered as an offer to enter into a transaction. Although information contained herein is from sources believed to be reliable, Société Générale makes no representation of warranty regarding the accuracy of any information and is not responsible for errors of any kind. The information contained herein is confidential. Any reproduction, disclosure or dissemination of these materials is prohibited. The product described within this document is not suitable for everyone. The value of the product can go down as well as up and investors should not deal in this product unless they understand its nature and the extent of its exposure to risk.

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