

CONFIDENTIAL

**SGI Futures Series – US Equity Index
(USD – Excess Return)**

Index Rules

Dated as of February 15, 2016

1. Index Rules Summary

1.1 Index Description

The SGI Futures Series – US Equity Index (USD – Excess Return) (the “**Index**”) is a rules-based index that aims to provide the performance of a long position on a basket of rolling futures on of the S&P 500® Index (the “**Reference Index**”).

The Index is calculated and published by Bloomberg Finance L.P (the “**Index Calculation Agent**”) and is sponsored by Société Générale (the “**Index Sponsor**”).

Main Characteristics

Bloomberg ticker:	SGBVRSP1 <Index>
Type of Return:	Excess Return
Calculation Frequency:	Daily
Publication Time:	End of Day
Index Launch Date:	February 19, 2016
Currency:	USD
Fees and Costs:	As specified under the “Index Fees and Costs” section below
Index Asset Class:	Equity
Index Components:	Derivatives and Other Instrument, Market Data

1.2 Mechanism

The Index is designed to provide the investor with the performance of rolling a long position on the first nearby Future Contract as defined herein of the Reference Index. The position is rolled on quarterly basis during four Calculation Dates and ends on the Calculation Date immediately preceding the expiry of the first nearby (such day, the “**Roll Date**”).

1.3 Index Fees and Costs

The Index is calculated net of the following fees and costs:

Fixed Replication Costs	Not Applicable.
Fixed Transaction Costs	Not Applicable.

1.4 Methodology Applicable

The SGI Indices Global Methodology (version dated 1 January 2016) (the “**SGI Global Methodology**”), available at www.sgindex.com, is incorporated herein. Capitalized terms used herein but not defined herein shall have the meaning ascribed to such terms in the SGI Global Methodology.

1.5 Conflicts

In the event of any conflict between these Index Rules and the SGI Global Methodology, these Index Rules will control.

1.6 Information available on the SGI website

The Index levels (including performance and volatility of the Index), further Index data and important disclaimers relating to the Index are available on the SGI website at the following address: <https://www.sgindex.com/index.php?id=122&bbg=SGBVRSP1> .

IMPORTANT:

The Index seeks to replicate the performance of a hypothetical long position in the Futures Contracts; however, the Index does not actually invest in or hold any Futures Contracts. An investor in any product linked to the performance (if any) of the Index will have no rights whatsoever to any Futures Contracts underlying the Index. The Index is a statistical measure providing a representation of the value of a hypothetical position in Futures Contracts based on the Index strategy; it is not an investment fund, pool or any other investment vehicle.

The investment strategy tracked by the Index is not guaranteed to be successful.

2. Index Rules:

2.1 Terms and definitions relating to Dates:

Expiry	means the last trading day of any Futures Contract as specified by the related Future Contract Exchange.
Roll Date, “t_{Roll}”	means, every 3 rd Calculation Date immediately preceding the last trading day of any Futures Contract as specified by the related Future Contract Exchange.
$t_{Roll}(t)$	means, in respect of a Calculation Date (t), the Roll Date immediately following or including such date (with $t \leq t_{Roll}(t)$).
Scheduled Calculation Date	means any day that is a business day according to the Chicago Mercantile Exchange calendar.
Valuation Time	means 6:30 PM (New York Time).

2.2 Terms and definitions relating to the Index:

Basket Component	means each Futures Contract included in the Index.
Index	means the SGI Futures Series – US Equity Index (USD – Excess Return) (Bloomberg Ticker: SGBVRSP1 <Index>).
Index Calculation Agent	Bloomberg Finance L.P.
Index Component	means any Basket Component and Market Data.
Index Currency	US Dollar (“USD”).
Index Launch Date “t_0”	February 19, 2016.
Index Sponsor	Société Générale (“SG”).
Index Start Date, “t_s”	April 21, 1982.

2.3 Terms and definitions relating to the Basket Components :

Current Futures Contract Series	means, in respect of a Calculation Date(t), the Futures Contract Series as specified in Appendix 1.
Current Futures Price, “CFP(t)”	means, in respect of Calculation Date(t) and the Current Futures Contract Series, the Futures Price of the Current Futures Contract Series of on such date.
Exchange	means, with respect to the Futures Contracts, the Chicago Mercantile Exchange, and any successor exchange or quotation system or any substitute exchange or quotation system to which trading in the Futures Contracts has temporarily relocated.

Futures Contract Series

means the relevant S&P 500® Futures contract as determined by the Exchange on the basis of the related specifications and displayed on Bloomberg page “SP<month><year> Index” where;

- (i) <month> represents the letter corresponding to its month of expiry the relevant Futures Contract as detailed hereunder:

Month of Expiry	<month>
March	H
June	M
September	U
December	Z

- (ii) <year> represents the last digit of its year of expiry. Any adjustment, amendment or supplement to the Futures Contract will be subject to Section 4.1 of these Index Rules. For the avoidance of doubt, each Futures Contract is a Derivatives and Other Instrument.

Next Futures Contract Series

means, in respect of a Calculation Date(t), the Futures Contract Series as specified in Appendix 2.

Next Futures Price, “NFP(t)”

means, in respect of Calculation Date(t) and the Next Futures Contract Series, the Futures Price of the Next Futures Contract Series of on such date.

Roll Period Duration, “L”

means 4 Calculation Dates.

2.4 Terms and definitions relating to the Market Data

Futures Price

means, in respect of a Futures Contract and a Calculation Date (t),

- (i) If $t < t_0$ or no TWAP Price is available on Calculation Date (t): The Settlement Price of the relevant Futures Contract prevailing on Calculation Date (t), which appears on the Bloomberg field “PX_SETTLE”.
- (ii) otherwise: the TWAP Price of the relevant Futures Contract as of the Calculation Date (t).

Market Data

means a rate (including an interest rate, a foreign exchange rate or a swap rate), a spread, or any other data specified herein (including any price specified in this section 2.4) or an index on the aforementioned or any other similar instrument specified in the Index Rule.

TWAP Price

means the average of all the traded prices (Bloomberg field “TRADE”) observed for the relevant Futures Contract on the Bloomberg page “QRM” between 3:45 PM included and 4:00 PM included (New York Time).

2.5 Determination of the Index Level “IL(t)”:

For each Calculation Date (t), the Index Calculation Agent will calculate the Index Level at the Valuation Time, subject to the occurrence or existence of an Index Disruption Event or an Index Extraordinary Event, according to the following formula:

For any $t > t_s$:

$$IL(t) = IL(t - 1) \times \left[1 + \alpha(t - 1) \times \left(\frac{CFP(t)}{CFP(t - 1)} - 1 \right) + (1 - \alpha(t - 1)) \times \left(\frac{NFP(t)}{NFP(t - 1)} - 1 \right) \right]$$

Where,

$IL(t_s) = 1000$ (as of the Index Start Date).

And,

- If $L = 1$ then :

$$\alpha(t) = 1$$

- If $L > 1$ then :

$$\begin{cases} \alpha(t) = \alpha(t - 1) - \frac{1}{L} & ; \text{if } t_{Roll}(t) - (L - 1) \leq t < t_{Roll}(t) \\ \alpha(t) = 1 & ; \text{otherwise} \end{cases}$$

2.6 Rounding Rules

The rounding policy is defined as follows:

- (i) TWAP Price: 4 decimal places.

3. Index Disruption Events

With respect to an Index Disruption Event, the SGI Global Methodology shall apply.

4. Index Extraordinary Event

With respect to an Index Extraordinary Event, the SGI Global Methodology shall apply.

Société Générale

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Appendix 1 – Current Futures Contract Series

Month of $t_{Roll}(t)$	Month of Current Futures Contract Series' Expiry (<Month>)	Year of Current Futures Contract Series' Expiry
March	March (H)	Same year as $t_{Roll}(t)$
June	June (M)	Same year as $t_{Roll}(t)$
September	September (U)	Same year as $t_{Roll}(t)$
December	December (Z)	Same year as $t_{Roll}(t)$

Appendix 2 – Next Futures Contract Series

Month of $t_{Roll}(t)$	Month of Next Futures Contract Series' Expiry (<Month)	Year of Next Futures Contract Series' Expiry
March	June (M)	Same year as $t_{Roll}(t)$
June	September (U)	Same year as $t_{Roll}(t)$
September	December (Z)	Same year as $t_{Roll}(t)$
December	March (H)	Following year to $t_{Roll}(t)$