HOUSE VIEWS

AUGUST 2023

RATES NEARING THEIR PEAK

Inflation is clearly on the slide. The shocks that triggered the global price surge have recently receded and headline inflation is now falling fast. Ripples could persist in the economy for some time yet, but the real hard pressure looks to be behind us. With central banks now nearing the end of their tightening cycle, interest rates are probably nearing their peak. That said, banks are likely to stick at current levels until they can be sure the underlying inflation dynamics are fading.

Economy a bit less dynamic, particularly in Europe. Latest figures show a somewhat slacker trend in the economy, particularly in the euro area, United Kingdom and also in China whose recovery remains unimpressive. These data broadly match our scenario of continuing but modest growth. Developed economies can count on sturdy jobs markets and solid balance sheets for businesses and households, which should continue to mitigate the hit from inflation and tighter monetary policy.

Balancing equities and bonds, while boosting duration. We are standing by our highly diverse global positioning, which has allowed us to catch the rally in equities since the start of the year, while retaining some protection against any fresh turbulence. In fixed income, we are now preferring longer maturities in euro area and UK sovereign bonds. We also retain our Overweight to US sovereign and top-rated corporate debt because of the attractive real returns being paid on both these asset classes. Within our equity exposure, we still like European stocks, which are still riding a stronger earnings trend and trading on cheaper multiples.

Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 13/07/2023, publication completion date

SOCIETE GENERALE
Private Banking

OUR STRONGEST CONVICTIONS

Economies hold firm despite visible cracks in Europe

Developed economies are still growing, supported in large part by their service sectors. Positive factors such as a healthy jobs market and Covid savings continue to mitigate the pain of price rises and central bank policy tightening. Activity indicators are flagging a positive outlook in the United States but showing signs of weakness in the euro zone and, even more so, in the United Kingdom which is suffering an unusually severe case of sticky inflation.

Central banks near peak but not ready to pivot

Headline inflation should fall back sharply in coming months due to base effects. Underlying inflation, however, will take longer to come down, notably because of the price pressures rippling out through service sectors. Central banks are nearing the end of their tightening cycle and are then likely to hold rates steady until they can be sure underlying price pressures are on the wane.

Playing diversification

While we are confident in our central scenario, the risks of further turbulence remain high amid rising interest rates and intensifying geopolitical tensions. Risky times counsel wide diversification. We are again using bonds to play a hedging role against any slump in equities as inflation starts to ease.

Preference for European and – to a lesser extent – US equities

Europe's equity markets still look good, both on value multiples and earnings outlook. The United States market should continue to enjoy bullish momentum fed by a resilient economy, enthusiasm for the artificial intelligence sector and the looming end of the rate hike cycle. In emerging market equities, China's post-Covid reopening is turning out to be more gradual and less market-friendly than expected

Cashing in on peak rates and stretching duration

Bond markets now seem to have priced in most of central banks' policy tightening and yields are attractive, even in real terms. Our central scenario still sees rates hovering around current levels. But doubts surround growth prospects, creating a risk rates could drop. We are therefore extending the duration of our exposure to debt markets. We also remain Overweight the best-rated corporate debt and US sovereign bonds.

OUR ASSET ALLOCATION

The table below presents the latest conclusions of our Global Investment Committee (GIC)

Summary house views

			UW	Slight UW	N	Slight OW	OW	Variation since last GIC
EQUITY		GLOBAL EQUITY			■			=
EQUITY		United States			■			=
EQUITY		Euro area				■		=
EQUITY		United Kingdom				■		=
EQUITY		Japan		■				=
EQUITY		Emerging		■				=
FIXED INCOME	SOVEREIGN	GLOBAL RATES			■			=
FIXED INCOME	SOVEREIGN	U.S. Treasuries				■		=
FIXED INCOME	SOVEREIGN	Bunds			■			=
FIXED INCOME	SOVEREIGN	Gilts			■			=
FIXED INCOME	SOVEREIGN	EM Govies ($)		■				=
FIXED INCOME	CORPORATE	U.S. IG				■		=
FIXED INCOME	CORPORATE	U.S HY		■				=
FIXED INCOME	CORPORATE	EMU IG				■		=
FIXED INCOME	CORPORATE	EMU HY		■				=
FIXED INCOME	CORPORATE	U.K. IG				■		=
FOREX		EURUSD				■		=
FOREX		USDJPY				■		=
FOREX		GBPUSD				■		=
FOREX		EURCHF		■				=
ALT.		Commodities			■			=
ALT.		Gold			■			=
ALT.		Hedge funds		■				=

ECONOMIC OUTLOOK

Fall in inflation confirmed

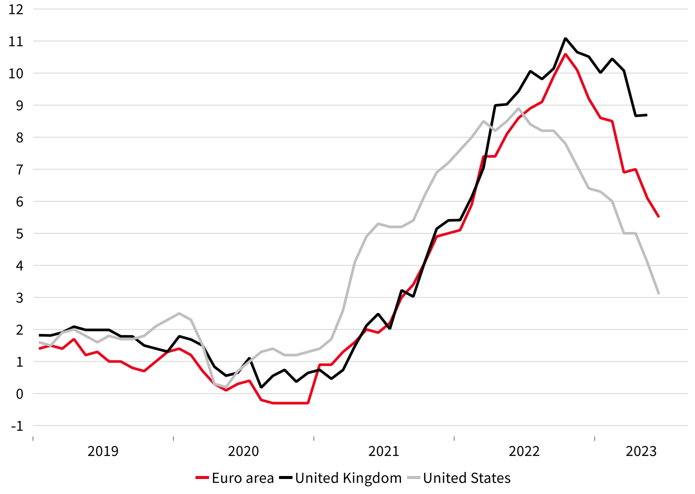
Inflation will continue to come down sharply in most developed economies, with the notable exception of the United Kingdom, supporting our scenario of an end to central bank policy tightening soon. Economies will remain resilient with the United States likely to outstrip Europe. In emerging markets, China's growth prospects remain on hold pending a stronger fiscal support package.

Central banks set to pause at their terminal rate. Headline inflation continues its months-long decline, to 5.5% in the euro zone and 3% in the United States, largely thanks to the decline in energy prices and normalization of durable goods prices. One piece of good news is that underlying inflation, stripping out energy and food, seemed finally to be on its way down last month. This dip will encourage central banks to end their unprecedented rate hike cycle soon. We expect one last quarter-point hike from the Fed and ECB in July before a prolonged period of rate stability. Central banks will keep rates high until core inflation is back near target, something that could take months given current healthy jobs markets.

Consumption explains the different economic trends. The strength of labor markets is a feature shared by most economies in the post-Covid recovery, but latest data hint at a desynchronization between activity in the United States and Europe. In the United States, the economic data point to a dynamic economy as households power consumption by spending their Covid savings and with real salaries rising again. In Europe, recent data suggest an economy growing more modestly with consumption following a clearly slower path to recovery as European households sit on their surplus savings. Weak consumption also underlies the disappointing recovery by the Chinese economy.

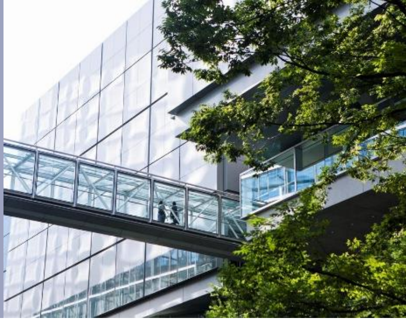
A further turn of the screw by the Bank of England, wrestling with country-specific tensions, could drive the UK into recession. UK inflation has been exceptional in that it has gone higher (topping 11% in the autumn) and been slower to come down than elsewhere. This stickiness partly due to resilient demand but mostly to specific supply-side pressures affecting the country since Brexit. The Bank of England recently surprised markets by intensifying its rate rises, hiking base rates by half a point from 4.5% to 5%. It has also toughened its language, signaling a willingness to continue hiking rates over the next few months. The further tightening of credit conditions for households, most of which are tied to variable rate loans, poses a real risk of recession in the United Kingdom.

Headline inflation



Sources: SGPB, Macrobond, Eurostat, BLS, ONS 06/2023

EQUITIES



Still a European preference

The main equity indices continue to rally, led by specific sectors. We are sticking with our Neutral position in equity markets, with a European Overweight, to keep cashing in on its favorable earnings momentum.

United States. US equity markets have made further gains, putting on 3% in the last four weeks. Since the beginning of the year the S&P500 has risen 15% in dollar terms while the IT benchmark index has leapt 39%. These gains reflect the solid resilience of the US economy and ongoing enthusiasm for the artificial intelligence sector. It is worth noting though that, the IT sector aside, price gains have been less impressive in an environment where expected dividend yields are fairly low compared to bond yields. We therefore remain at Neutral on US equities and are rebalancing between Growth and Value stocks.

Style preferences

	Growth	Value
United States	**Blended**	
Euro area		
United Kingdom		

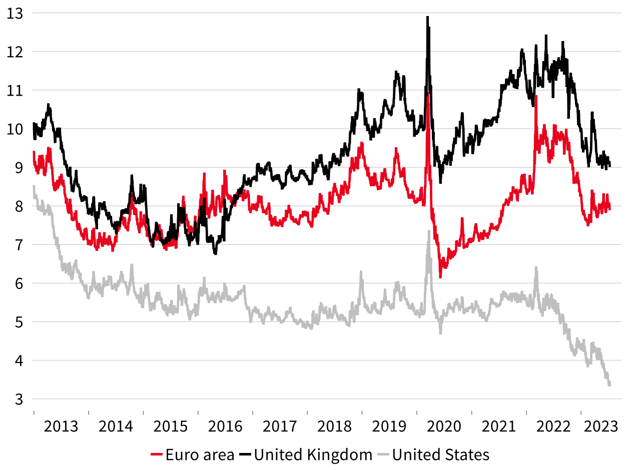
Euro area. Equities in the euro area halted their strong advance, with a very moderate decline over the last four weeks. Nevertheless, since the start of the year, European equities have risen by 12%, with more balanced growth between growth and value stocks. Despite severe monetary tightening, European economic activity remains resilient, driven in particular by the resilience of the services sector while manufacturing activity remains broadly stable despite various headwinds. Furthermore, the outlook for profits remains favorable over the next few quarters, against a backdrop of strong nominal growth. Finally, compared with bond yields, equity yields remain attractive. We therefore remain Overweight on the euro area equity markets, with a preference for value stocks given their more attractive valuations.

United Kingdom. Following in the footsteps of the euro area markets, the UK equity markets have also fallen over the past four weeks, albeit more sharply, by 3%. This downward adjustment reflects both the fall in commodity prices and the deterioration in the country's economic outlook. However, we remain Overweight on this market, given valuations that remain attractive relative to their historical values.

Japan. The Japanese market remains the best-performing of the developed markets, up almost 21% in local currency (10% in EUR) since the start of the year. This performance reflects the prospects of "more balanced" growth and expectations of an end to deflation. However, we remain Underweight the Japanese equity market. Indeed, a number of indicators, such as wage trends, show that it is still early to talk of a change in the deflationary regime.

Emerging markets. We remain Underweight emerging market equities, given the disappointing recovery in the Chinese economy and major political and regulatory risks to this market.

Real equity risk premium
Equity dividend yield adjusted for real government yield



FIXED INCOME

Increasing duration

We remain Neutral on the bond markets, increasing our exposure to long maturities, given the expected end of the central bank tightening cycle and the moderation of inflationary pressures.

Rates

Duration preferences

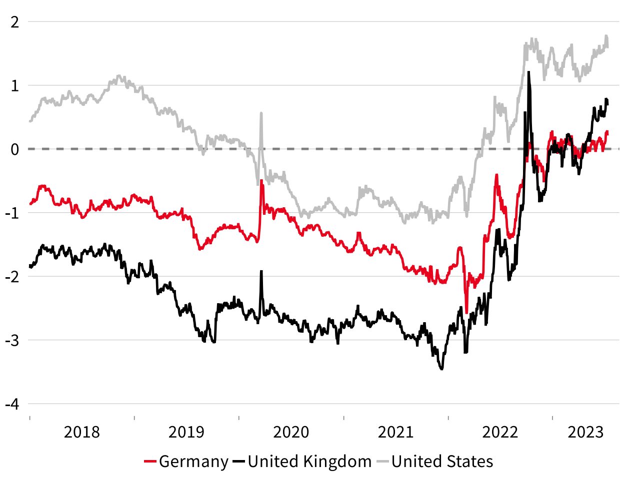
	Short	Medium	Long
United States			
Euro area			
United Kingdom			

United States. Treasuries have experienced high volatility over the past month amid positive surprises in activity and inflation as well as a renewed restrictive speech from the Federal Reserve. Reaching 5% following the good employment ratio, the 2-year Treasury rate fell to 4.6% following the good inflation ratio. The yield on 10-year Treasuries followed the same trend, touching 4.1% to fall to 3.8%. Overall, given the resilience of the labor market and activity, the Fed reaffirmed its restrictive tone with a further 25bps hike likely in July, bringing its range down to 5.25%-5.5%. We remain overweight on US dollar Treasuries. Indeed, the entire curve offers positive real rates, reflecting the recent rise in the nominal rate and the decline in the inflation outlook. In addition, we believe the July hike would be the last of this cycle given the prospects for faster core disinflation than in H1-23.

Euro area. European sovereign yields followed the momentum of US rates, with the 10-year OAT reaching 3.25%, their highest level since 2012, to return to 3%. Peripheral bonds, on the other hand, continued to outperform core bonds, with the Italian yield narrowing to 166 basis points relative to Germany and the Greek rate to 138 basis points (since the beginning of the year). All in all, the high volatility on rates reflects the very restrictive tone of the ECB which is expected to increase by 25bps in July and does not rule out further increases for the rest of the year. It is concerned about core inflation, which remains at 5.3%, in a context of still tight labor markets. We thus remain neutral on European bonds but with a marked preference for long maturities. The rapid decline in headline inflation and the underlying disinflation suggested by survey data should translate into higher real rates. At the same time, given this inflation outlook and less favorable activity data, we believe the July hike should be the last of the tightening cycle, favoring longer-term bonds.

United Kingdom. The Gilts market has been one of the worst performers this year. The total return bond index is down 6% since January. This poor price performance (or sharp rise in yields) is due to the specifics of British inflation. Inflation was running at 7.8% in May and showing no signs of weakening, unlike in the euro zone. The Bank of England is consequently projecting a steeper path of monetary tightening. We are therefore staying at Neutral on Gilts but with a clear preference for longer dates. The monetary policy squeeze will in all likelihood push the UK economy into recession and put heavy pressure on the property market. All of which is favourable for long duration bonds

10y real government yields



Credit

U.S and Euro area credit. We remain Overweight investment grade corporate credits which are still paying good returns. We remain Underweight high-yield which looks risky in a higher interest rate environment

CURRENCIES

Favorable tailwinds for European currencies

We remain Overweight the euro and sterling versus the dollar as the transatlantic monetary policy gap continues to narrow and Europe's balance of payments improves.

Dollar index. Over the past four weeks, the dollar has lost ground against the currencies of developed economies and made gains against the leading emerging market currencies. The US dollar has rallied in its major Asian crosses (including a 0.6% gain against the CNY) as these countries' lower inflation allows them to run more accommodative monetary policies. In contrast, Latin American currencies continue to rally (MXN/USD +1.5% and BRL/USD +0.2%) reflecting the decline in inflation in these economies and a serious rate gap with the Federal Reserve.

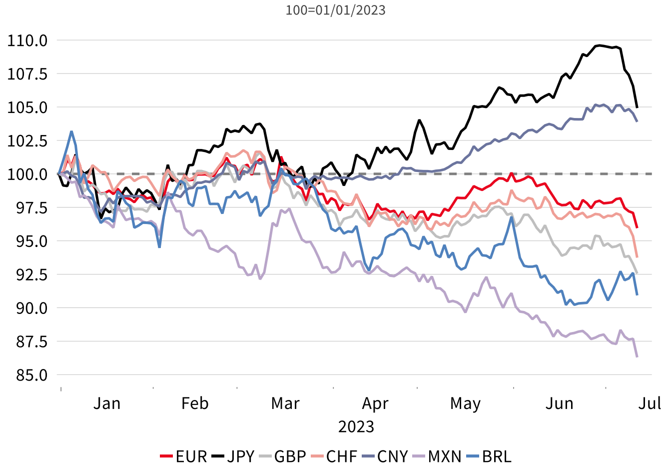
EUR/USD. The euro put on 1.75% against the dollar over the last month and steadied at 1.10. The ECB will probably maintain a more hawkish tone than the Fed which has already paused its tightening cycle. Rate spreads between the two currencies could narrow further and help support the European currency. The euro area balance of payments continues to improve, with the current account back in the black and likely to stay there given easing energy prices and healthy exports. We remain Overweight the EUR/USD.

GBP/USD. We remain Overweight sterling against the dollar too. The GBP rallied 2% against the dollar last month as the cable rate spread narrowed. The BoE should continue to raise its base rate, currently 5%, as headline and underlying inflation continue to trend well above target. Also, as in the euro zone, the trade balance has improved since the beginning of the year which should be good for sterling.

EUR/JPY. We remain Overweight the EUR/JPY. The yen continues to fall against the euro as the rate gap between the two currencies has widened. Japan is, for now, sticking by its yield curve control system, in which the Bank of Japan caps the 10-year JGB yield at 0.5%. Markets are still expecting a gradual exit from this system, as Japan's May inflation was 3.2% in May and core inflation was 4.2%. However, nominal salaries are only inching upward – by 0.9% in the year to April – and this is likely to push back the BoJ's decision to exit its monetary strategy.

EUR/CHF. We remain Underweight the EUR/CHF. Inflation in Switzerland remains well below that elsewhere in Europe – underlying Swiss inflation was 1.7%, compared to Europe's 5.4% – and this is buoying the Swiss franc. Also, the Swiss National Bank continues to tighten policy – toward a forecast terminal rate of 2% in 2023 (against 1.75% currently) – and is reducing its foreign currency reserves. In any case, the CHF retains its role as a safe haven in a context of still high financial and geopolitical risks.

USD against main currencies



Sources: SGPB, Macrobond, Macrobond 12/07/2023

ALTERNATIVES

Reduced attractiveness due to high interest rates

The high interest rate environment makes diversification into alternative asset classes less attractive. We are maintaining our Neutral position on commodities and gold. Although hedge funds remain a valuable diversification tool, they are less attractive than fixed-income products.

Commodities and Gold

Commodities. It was a mixed story for key commodities in the past month. Brent oil prices recovered, rising nearly 10% to USD 79/bbl. The price surge was mainly driven by cuts to OPEC+ production – Saudi Arabia reduced output by 4.6 million barrels/day – and a stabilisation of stocks in developed economies. In Europe, natural gas prices continued their slide to EUR 29 MW/h, their lowest since June 2021, at a time of plentiful stocks and falling demand. Industrial metals also continue to trend down on the weak Chinese economic recovery

Gold. The EUR continued to rally against gold, gaining 3.5% in the last four weeks, on waning inflationary pressures and a return to positive real interest rates. We remain Neutral on gold, having taken profits on our recent Overweight

Hedge Funds

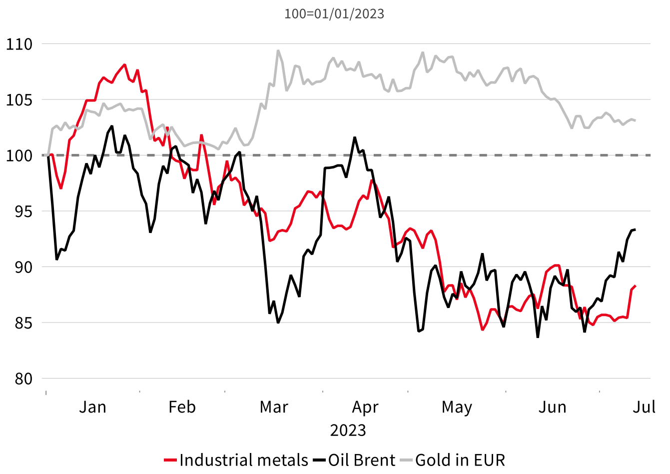
Long/Short Equity. Higher volatility and dispersions, coupled with the cycle nearing its end, should offer rich pickings for Long/Short Equity plays, at least those that follow non-directional strategies.

Event Driven. Rising interest rates are bad for M&A and make this fund category less appealing.

Fixed Income Arbitrage. With rates on the rise, there are opportunities for funds playing sovereign debt. We retain our relative interest in funds positioned in the credits segment.

Global Macro / CTA. Commodity Trading Advisers (CTAs) are still doing well out of their traditional protection against market volatility, but the current period does not seem to offer the best entry point.

Commodity prices



Sources: SGPB, Macrobond, 13/07/2023

Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.

IMPORTANT INFORMATION – PLEASE READ

GENERAL INFORMATION

This document is a marketing communication issued by Société Générale Private Banking which is the business line of the Société Générale Group operating through its headquarters within Société Générale S.A. in France and its network (departments or separate legal entities (branches or subsidiaries), hereinafter the “Entities”), located on the various below-mentioned territories, acting under the brand name "Societe Generale Private Banking" and distributors of the present document.

In accordance with MiFID as implemented in France, this publication should be treated as a marketing communication providing general investment recommendations. This document has not been prepared in accordance with regulatory provisions designed to promote the independence of investment research and Societe Generale, as an investment services provider, is not subject to any prohibition on dealing in the products mentioned herein before the dissemination of this document.

Reading this document requires skills and expertise to understand the financial markets and the economic and financial information included. If it is not the case, please contact your private banker to no longer be a recipient of this document. Otherwise, we should consider that you have all the required skills to understand the document. In case you no longer wish to receive the document, please inform by written your private banker who will take all the necessary measures.

This material has been prepared solely for informational purposes and has no contractual value.

This material does not constitute an offer of purchase, sale, or subscription in any of the asset classes presented herein, nor a solicitation of such an offer, nor is it an offer to invest in asset classes. Nothing in this document should be construed as constituting investment advice or personal recommendation to any investor or its agent. Information contained herein is not intended to provide a basis on which to make an investment decision.

Any investment may have tax consequences and Société Générale Private Banking and its Entities do not provide tax advice. The level of taxation depends on individual circumstances and tax levels and bases may change. In addition, this document is not intended to provide accounting, tax or legal advice and should not be relied upon for accounting, tax or legal purposes. Independent advice should be sought where appropriate.

The accuracy, completeness or relevance of the information provided is not guaranteed although it has been drawn from sources believed to be reliable. The information and opinions expressed in this document were produced as at the date of writing and are subject to change without notice.

This material has not been prepared regarding specific investment objectives, financial situations, or the particular needs of any specific entity or person. Investors should make their own appraisal of the risks and should seek their own financial and legal advice regarding the appropriateness of investing in any asset classes or participating in any investment strategy.

The asset classes presented herein may be subject to restrictions regarding certain persons or in certain countries under national regulations applicable to said persons or in said countries. It is the responsibility of any person in possession of this document to inform themselves and to comply with the legal and regulatory provisions of the relevant jurisdiction. This document is not intended for distribution to any person or in any jurisdiction where such distribution would be restricted or illegal. In particular, it may not be distributed in the United States, nor may it be distributed, directly or indirectly, in the United States or to any US Person.

GENERAL RISKS

Some of the asset classes mentioned may present various risks, imply a potential loss of the entire amount invested or even an unlimited potential loss, and may therefore only be reserved for a certain category of investors, and/or only be suitable for well-informed investors who are eligible for these asset classes. In addition, these asset classes must comply with the Societe Generale Group's Code of Tax Conduct.

The price and value of investments and the income derived from them may go down as well as up. Changes in inflation, interest rates and exchange rates may adversely affect the value, price and income of investments denominated in a currency other than that of the client. Any simulations and examples contained in this document are provided for illustrative purposes only. This information is subject to change because of market fluctuations, and the information and opinions contained herein may change. Société Générale Private Banking and its Entities do not undertake to update or amend this document and will not assume any liability in this regard.

This document is for information purposes only and investors should make their investment decisions without relying on this document. Société Générale Private Banking and its Entities shall not be liable for any direct or indirect loss arising from any use of this document or its contents. Société Générale Private Banking and its Entities do not make any warranty, express or implied, as to the accuracy or completeness of this information or as to the profitability or performance of any asset class, country, or market.

Past performance is not a reliable indicator of future results. The value of an investment is not guaranteed, and the valuation of investments may fluctuate.

IMPORTANT INFORMATION – PLEASE READ

Forecasts of future performance are based on assumptions which may not materialized. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What investors will get will vary depending on how the market performs and how long they keep the investment/product. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future.

For a more complete definition and description of the risks, please refer to the prospectus of the product or other legal information document as the case may be (as applicable) before making any final investment decisions.

This document is confidential, intended exclusively for the person to whom it is addressed, and may not be communicated or made known to third parties (except for external advisers and provided that they themselves respect confidentiality), nor reproduced in whole or in part, without the prior written agreement of Société Générale Private Banking and its Entities.

CONFLICTS OF INTEREST

The Societe Generale Group maintains an effective administrative organization that takes all necessary measures to identify, control and manage conflicts of interest. To this end, Societe Generale Private Banking and its Entities have put in place a conflict of interest policy to prevent conflicts of interest, including information Chinese walls.

This document contains the views of SGPB teams. Société Générale trading desks may trade, or have traded, as principal on the basis of the expert(s) views and reports. In addition, SGPB teams receive compensation based, in part, on the quality and accuracy of their analysis, client feedback, revenues of their entity of the Société Générale group and competitive factors.

As a general matter, entities within the Société Générale group may make a market or act as a principal trader in securities referred to in this report and can provide banking services to the companies mentioned in that document, and to their subsidiary. Entities within the Société Générale group may from time-to-time deal in, profit from trading on, hold on a principal basis, or act as advisers or brokers or bankers in relation to securities, or derivatives thereof, or asset class(es) mentioned in this document.

Entities within the Société Générale group may be represented on the supervisory board or on the executive board of such persons, firms or entities.

Employees of the Société Générale group, or persons/entities connected to them, may from time to time have positions in or hold any of the investment products/ asset class(es) mentioned in this document.

Société Générale may acquire or liquidate from time-to-time positions in the securities and/or underlying assets (including derivatives thereof) referred to herein, if any, or in any other asset, and therefore any return to prospective investor(s) may directly or indirectly be affected.

Entities within the Société Générale group are under no obligation to disclose or consider this document when advising or dealing with or on behalf of customers.

In addition, Société Générale may issue other reports that are inconsistent with and reach different conclusions from the information presented in this report and is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

Société Générale group maintains and operates effective organisational and administrative arrangements taking all reasonable steps to identify, monitor and manage conflicts of interest. Société Générale Private Banking and its Entities have put in place a management of conflicts of interest policy designed to prevent conflicts of interest giving rise to a material risk of damage to the interests of its clients. For further information, please refer to the management of conflicts of interest’s policy, which was provided.

SPECIFIC INFORMATION PER JURISDICTION

France : Unless expressly stated otherwise, this document is published and distributed by Société Générale, a credit institution providing investment services authorised by and under the prudential supervision of the European Central Bank ("ECB") (located at ECB Tower, Sonnemannstraße 20, 60314 Frankfurt am Main, Germany) within the Single Supervisory Mechanism and supervised by the Autorité de Contrôle Prudentiel et de Résolution (located at 4, Place de Budapest, CS 92459, 75436 Paris Cedex 09) and the Autorité des Marchés Financiers ("AMF") (located at 17 Pl. de la Bourse, 75002 Paris). Societe Generale is also registered with the ORIAS as an insurance intermediary under the number 07 022 493 orias.fr.

Societe Generale is a French public limited company with a capital of EUR 1 010 261 206,25 as of February 1st, 2023, whose registered office is located at 29 boulevard Haussmann, 75009 Paris, and whose unique identification number is 552 120 222 R.C.S. Paris. Further details are available on request or at www.privatebanking.societegenerale.com

IMPORTANT INFORMATION – PLEASE READ

Luxembourg: This document is distributed in Luxembourg by Societe Generale Luxembourg, a credit institution which is authorized and regulated by the Commission de Surveillance du Secteur Financier ("CSSF") under the prudential supervision of the European Central Bank- ECB, and whose head office is located at 11, avenue Emile Reuter – L 2420 Luxembourg. Further details are available on request or can be found at https://www.societegenerale.lu/. No investment decision whatsoever may result from solely reading this document. Societe Generale Luxembourg accepts no responsibility for the accuracy or otherwise of information contained in this document. Societe Generale Luxembourg accepts no liability or otherwise in respect of actions taken by recipients on the basis of this document only and Societe Generale Luxembourg does not hold itself out as providing any advice, particularly in relation to investment services. The opinions, views and forecasts expressed in this document (including any attachments thereto) reflect the personal views of the author(s) and do not reflect the views of any other person or Societe Generale Luxembourg unless otherwise mentioned. Societe Generale Luxembourg has neither verified nor independently analyzed the information contained in this document. The Commission de Surveillance du Secteur Financier has neither verified nor independently analysed the information contained in this document.

Monaco: The present document is distributed in Monaco by Societe Generale Private Banking (Monaco) S.A.M., located 11 avenue de Grande Bretagne, 98000 Monaco, Principality of Monaco, governed by the 'Autorité de Contrôle Prudentiel et de Résolution' and the 'Commission de Contrôle des Activités Financières'. The financial products marketed in Monaco can be reserved for qualified investors in accordance with the Law No. 1339 of 07/09/2007 and Sovereign Ordinance No 1.285 of 10/09/2007. Further details are available upon request or on www.privatebanking.societegenerale.com.

Switzerland: This document is an advertising according to the Financial Services Act ("FinSA"). It is distributed in Switzerland by Societe Generale Private Banking (Suisse) SA ("SGPBS"), whose head office is located rue du Rhône 8, CH-1204 Geneva. SGPBS is a bank authorized by the Swiss Financial Market Supervisory Authority ("FINMA"). This document was prepared outside of Switzerland. Consequently, the Directives of the "Association Suisse des Banquiers" (ASB) on the independence of investment research do not apply to this document.

Nothing contained herein shall constitute, or shall be deemed to constitute, investment advice or a recommendation by SGPBS. This document does not offer an opinion or a recommendation on a specific company or security. SGPBS has neither verified nor independently analyzed the information contained in this document. SGPBS accepts no responsibility for the accuracy or otherwise of information contained in this document. The opinions, views and forecasts expressed in this document reflect the personal views of the author(s) and SGPBS accepts no liability for it. Users are advised to seek professional advice before applying any information contained in this document to their own particular circumstances.

This document does not constitute a prospectus pursuant to articles 652a and 1156 of the "Code Suisse des obligations". The financial products, including collective investment schemes and structured products referred to in this document can only be offered in compliance with the FinSA. Further details are available on request or can be found at www.privatebanking.societegeneral.com.

This document is not distributed neither by SG Kleinwort Hambros Bank Limited in the United Kingdom, nor by its branches in Jersey, Guernsey and Gibraltar together operating through the brand name "SG Kleinwort Hambros". Consequently, the information and potential offers, activities and financial information contained in this document do not apply to these entities and may neither be authorized by these entities or adapted on these territories. Further information on the activities of the private banking entities of Société Générale located in the territories of the United Kingdom, the Channel Islands and Gibraltar, including additional legal and regulatory details can be found at: www.kleinworthambros.com.