

Weekly Update

CO | EXTERNAL PUBLICATION

Robust profit growth still a tailwind for equity markets



Alan Mudie
Head of investment Strategy
(41) 22 819 0255
alan.mudie@socgen.com



Xavier Denis
Global strategist
(33)1 5637 9817
xavier.denis@socgen.com



Antonio Bertone
Global strategist
(33)1 42 13 24 06
antonio.bertone@socgen.com



Sophie Fournier
Global strategist
(33)1 42 14 59 36
sophie.fournier@socgen.com



Paul Beecham
Editor in chief
(33) 1 56 37 39 61
paul.beecham@socgen.com

In accordance with the applicable regulation, we inform the reader that this material is qualified as a marketing document.

CA764/NOV/2017

The last few days has seen global equities tumble, sending volatility up from 9.1% to above 13% on Wednesday. However, [global economic expansion should continue to translate into robust corporate profit growth in coming months, supporting stock markets.](#)

Already in Q3, most firms beat earnings-per-share (EPS) growth forecasts in all major regions – although figures were down from the first half – and provided positive guidance for the end of the year.

In the United States, consensus estimates were often beaten, with aggregate Q3 EPS and sales YoY growth reaching 7% (a positive surprise of 4.5%) and 5.4% respectively. Seven sectors out of eleven delivered positive EPS growth, with Energy and Information Technology leading the pack. Financials brought up the rear with -9% as Insurance suffered significant losses following the hurricanes. Excluding Financials, EPS growth was 11%. In coming quarters, companies should benefit from strong economic growth, a weaker dollar (the DXY index is down 8% year-to-date) and higher oil prices after the 2014-2015 slump. Tax cuts could provide an additional boost to corporate profits next year, but we are not there yet. Overall, [S&P 500 EPS are expected to grow 10.7% in 2017 and 11.4% in 2018.](#)

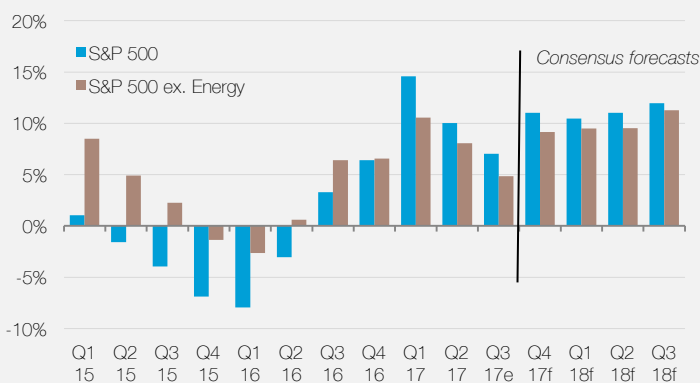
Once again this quarter, Japanese companies delivered the strongest earnings growth among main developed regions, at 15.4% YoY, well above consensus estimates. Earnings were particularly strong in cyclicals – especially Industrials, Consumer Discretionary and Information Technology – and commodities. Overall, [Topix EPS are expected to grow 18.4% next year](#) after 13.8% this year (fiscal year ending March 2018) thanks to robust world trade growth, a weaker yen and domestic economic recovery.

Positive surprises were less frequent in the eurozone than in the US and Japan, with 54% of companies beating earnings estimates, by +1.3% on average. Q3 EPS grew 6.7% YoY and 14% excluding Financials. Eight sectors out of eleven saw positive growth with Energy, Materials and Information Technology topping the table. The past months have seen EPS growth forecasts revised down on fears of a negative impact from the stronger euro (+5.1% year-to-date in real trade-weighted terms). Overall, [EuroStoxx EPS are now expected to grow 9.5% in 2018](#) after 11% in 2017 thanks to still loose financing conditions, global economic recovery and stronger domestic demand, while the euro's appreciation from current levels should remain moderate.

All in all, [we expect robust profit growth to further support global equity markets in coming months.](#)

US earnings growth remains robust – but slower – in Q3

Earnings growth consensus estimates – S&P 500 (total & ex Energy)



Sources: Societe Generale Private Banking, Bloomberg (data as of 15/11/2017)

Japanese profit growth supported by a weaker yen

Topix EPS (% YoY) and yen effective exchange rate (% YoY, advanced by 2 mth)



Sources: Societe Generale Private Banking, Datastream (data as of 15/11/2017)

This week and next

EUROZONE

- In France, industrial production jumped in September from 1.1% to 3.2% YoY, reflecting a **strong economic recovery**. Manufacturing production also rose from 1.1% to 3.1% YoY in September. However, consumer price (CPI) inflation remained unchanged at 1.1% in October.
- Eurozone Q3 GDP growth reached 0.6% QoQ and **2.5% YoY, a rate unseen since 2011**. The ZEW survey's Expectations component pointed to **strong confidence in the eurozone**, rising from 26.7 to 30.9 in November. The eurozone CPI index remained unchanged at 1.4% in October as widely expected.

UNITED KINGDOM

- **Consumer price inflation remained high** at 3% YoY in October, although expectations were for a slightly stronger figure (3.1%)
- **Average earnings including bonuses rose 2.2% YoY in September**, down from 2.3% in August and well below the increase in consumer prices.

Next week's key events	Per.	Prev.	Cons.
22 Nov Eurozone: consumer confidence	Oct	1.1%	--
23 Nov France: business confidence	Nov	109	--
24 Nov Germany: IFO expectations	Nov	109,1	--

Next week's key events	Per.	Prev.	Cons.
23 Nov Private consumption, QoQ	Q3	0,1%	--
23 Nov Government spending, QoQ	Q3	0,6%	--

UNITED STATES

- As expected, **US consumer price inflation only rose 0.1% MoM** in October after +0.5% in September. Similarly, the annual rate eroded from 2.2% to 2%.
- **Business confidence fell more than expected** in November with the Empire Manufacturing index down from 30.2 to 19.4 (against an expected 25.1). This could be explained by weaker retail sales in October: 0.2% MoM after a very strong 1.9% in September). **However, industrial production accelerated** from 2.1% to 2.9% YoY in October.

ASIA & EMERGING COUNTRIES

- In Japan, **industrial production crept up** from 2.5% to 2.6% YoY in September. The producer price index also rose from 3% to 3.4% YoY in October. Annualised QoQ GDP growth was 1.4%, a retrenchment from 2.6% in Q2 but still well above potential.
- **In China, retail sales slowed** from 10.3% to 10% YoY in October against market expectations. **M2 growth was down from 9.2% to 8.8% in October, highlighting softer economic activity.**

Next week's key events	Per.	Prev.	Cons.
20 Nov Leading Index	Oct	-0.2%	0.6%
22 Nov Univ. of Michigan Sentiment	Nov	97,8	98,3

Next week's key events	Per.	Prev.	Cons.
24 Nov Japan: Leading index	Sep	106,6	--

Sources: Datastream, Bloomberg, 17 November 2017, Note: YoY = year-on-year; QoQ = quarter-on-quarter; MoM = month-on-month, P = preliminary figure, A = advanced figure, F = final figure, seasonally adjusted, ECB = European Central Bank

Our 6-month targets

	Thursday close	6mth target
EUR/USD	1.18	1.20
GBP/USD	1.32	1.28
USD/RUB	59.7	60
AUD/USD	0.76	0.72
EUR/CHF	1.17	1.15
USD/CNY	6.63	7.10
USD/CAD	1.28	1.37
USD/JPY	113	115
Brent	\$61.9	\$55
Gold	\$1280	\$1225

We maintain our 6-month targets this week.

Forecast figures are not a reliable indicator of future performance

Question time

Past performance should not be seen as a guarantee of future returns.



CURRENCIES

What is your view on the Canadian dollar?

17 November 2017

We have a neutral view on the EUR/CAD cross rate, given that the Bank of Canada (BoC) will maintain a cautious stance despite its surprise decision to raise the overnight rate by 25 basis points to 1.0%.

GDP growth remains robust with expectations for 2.8% in 2017. However, the move to a tighter monetary policy will be slower in Canada than in the US as the high levels of household debt in Canada carry downside risks. Overall, we expect the US Federal Reserve to hike its interest rates more than the BoC, underpinning the US dollar in the short and medium term.

We expect oil prices to return below \$60, which should weigh on the Canadian dollar in the short term. In the longer term (6 months), the CAD should remain directionless versus the dollar and euro. As a result, the EUR/CAD exchange rate should hover around 1.50. Given our six-month target for EUR/USD is 1.20, the implicit target for USD/CAD is 1.25.

Market performance

Past performance should not be seen as a guarantee of future returns.

Interest rates

	Last	1wk	3mth	YTD	12mth
EONIA (EUR)	-36 bp	0 bp →	0 bp	-3 bp	0 bp
3mth Euribor (EUR)	-33 bp	0 bp →	0 bp	-1 bp	-2 bp
3mth Libor (USD)	144 bp	2 bp ↑	12 bp	44 bp	53 bp
3mth Libor (GBP)	53 bp	0 bp →	25 bp	16 bp	13 bp
10-year US Treasury bond	238 bp	3 bp ↑	15 bp	-7 bp	13 bp
10-year German bond	38 bp	0 bp →	1 bp	27 bp	16 bp
10-year French bond	59 bp	-3 bp ↓	-15 bp	-9 bp	-16 bp
10-year UK bond	135 bp	4 bp ↑	19 bp	11 bp	-5 bp

Credit

	1wk	3mth	YTD	12mth
BAML EURO Corp. IG	-0.2% ↓	0.8 %	2.6 %	3.3 %
BAML EURO Corp HY	-0.5% ↓	1.2 %	6.6 %	8.7 %
BAML GBP Corp IG	-0.7% ↓	-0.9 %	3.4 %	5.8 %
BAML US IG	-0.3% ↓	0.5 %	5.4 %	5.4 %
BAML US HY	0.0% →	0.9 %	6.6 %	9.6 %
JPM Global EM Sov. Plus	0.4% ↑	0.7 %	10.0 %	10.8 %

Exchange rates

	Last	1wk	3mth	YTD	12mth
EUR/USD	1.18	1.1 % ↑	0.0 %	11.9 %	10.1 %
EUR/CHF	1.17	1.1 % ↑	3.0 %	9.3 %	9.2 %
GBP/USD	1.32	0.3 % ↑	2.4 %	6.9 %	6.0 %
USD/JPY	113	-0.4 % ↓	2.6 %	-3.3 %	3.7 %
USD/BRL	3.27	0.7 % ↑	3.9 %	0.6 %	-4.3 %
USD/CNY	6.63	-0.1 % ↓	-0.9 %	-4.5 %	-3.6 %
USD/RUB	59.7	0.7 % ↑	0.5 %	-2.6 %	-7.9 %

Government bonds*

	1wk	3mth	YTD	12mth
United States (3-7yr)	-0.2 % ↓	-0.7 %	1.5 %	0.9 %
United Kingdom (3-7yr)	-0.1 % ↓	-0.9 %	-0.1 %	0.8 %
Germany (3-7yr)	0.0 % →	0.2 %	-0.5 %	0.3 %
Japan (3-7yr)	0.0 % →	0.1 %	0.0 %	0.2 %

Equities*

	Last	1wk	3mth	YTD	12mth
MSCI AC World	497	-0.3 % ↓	5.0 %	20.4 %	24.3 %
Eurostoxx 50	3 565	-1.3 % ↓	2.6 %	11.8 %	21.7 %
DAX	13 047	-1.0 % ↓	6.4 %	13.6 %	22.4 %
CAC 40	5 336	-1.3 % ↓	3.3 %	13.0 %	22.4 %
S&P 500	2 586	0.2 % ↑	5.3 %	17.6 %	21.2 %
FTSE 100	7 387	-1.1 % ↓	0.2 %	7.4 %	13.9 %
SMI	9 147	-0.3 % ↓	1.3 %	15.0 %	19.4 %
Topix	1 762	-2.8 % ↓	9.9 %	18.3 %	26.5 %
IBOV Brazil	72 512	-0.6 % ↓	5.7 %	20.4 %	19.3 %
MICEX Russia *	2 133	-2.3 % ↓	9.8 %	-4.5 %	5.1 %
MSCI EM	1 125	-0.7 % ↓	6.5 %	33.4 %	36.3 %
SENSEX 30 India	33 107	-0.4 % ↓	4.5 %	26.0 %	27.5 %
Hang Seng (H-K)	29 019	-0.4 % ↓	7.0 %	36.9 %	35.3 %
Shanghai Composite	3 399	-0.8 % ↓	4.7 %	9.5 %	6.1 %

Commodities

	Last	1wk	3mth	YTD	12mth
Brent	\$62	-3.6 % ↓	21.6 %	9.1 %	31.8 %
Gold	\$1 280	-0.3 % ↓	0.5 %	10.6 %	4.4 %
Silver	\$17.1	0.7 % ↑	0.7 %	6.5 %	0.8 %

Source: Datastream, on 16 November 2017 1wk = 1-week change, 3mth = 3-month change, 12mth = 12-month change, YTD = year-to-date change, YoY = year-on-year change, BAML = Bank of America Merrill Lynch, JPM = JP Morgan, IG = Investment Grade, EM = emerging markets. * Price return for MICEX equity index. Equities: total return in local currency. Government bonds = 3-7 year returns. Figures are rounded.

Important disclaimers

Kleinwort Hambros is the brand name of SG Kleinwort Hambros Bank Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm reference number is 119250. The company is incorporated in England and Wales under number 964058 and its registered address is 5th Floor, 8 St James's Square, London SW1Y 4JU.

Societe Generale Private Banking is a division of the Societe Generale Group operating through its head office within Societe Generale S.A. and its network (subsidiaries, branches or departments of Societe Generale S.A.) located in the countries mentioned hereafter which use the "Societe Generale Private Banking" brand, and which distribute this document.

Societe Generale Private Banking is a division of the Societe Generale Group operating through its head office within Societe Generale S.A. and its network (subsidiaries, branches or departments of Societe Generale S.A.) located in the countries mentioned hereafter which use the "Societe Generale Private Banking" brand, and which distribute this document.

Subject of the document

This document has been prepared by experts of the Group Societe Generale, and more particularly of Societe Generale Private Banking division, to provide you with information relating to certain financial and economic data. The names and functions of the people who prepared this document are indicated on the first pages of the document.

This document is non-independent research and is a marketing communication. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and the investment service provider is not subject to any prohibition on dealing ahead of the dissemination of investment research.

In order to read and understand the financial and economic information included in this document, you will need to have knowledge and experience of financial markets. If this is not the case, please contact your advisor so that you no longer receive the document. Unless you do this, we shall consider that you have the necessary skills to understand this document.

Please note that this document only aims to provide simple information to help you in your investment or disinvestment decisions, and that it does not constitute a personalised recommendation. You remain responsible for the management of your assets, and you take your investment decisions freely. Moreover, the document may mention asset classes that are not authorised/marketed in certain countries, and/or which might be reserved for certain categories of investors. Therefore, should you wish to make an investment, as the case may be and according to the applicable laws, your advisor within the Societe Generale Private Banking entity of which you are a client will check your eligibility for this investment and whether it corresponds to your investment profile.

Should you not wish to receive this document, please inform your private banker in writing, and he/she will take the appropriate measures.

Conflicts of interest

This document contains the views of Societe Generale Private Banking's experts. Societe Generale Private Banking trading desks may trade, or have traded, as principal on the basis of the expert(s) views and reports. In addition, Societe Generale Private Banking's experts receive compensation based, in part, on the quality and accuracy of their analysis, client feedback, revenues of their entity of the Societe Generale Group and competitive factors.

As a general matter, entities within the Societe Generale 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 Societe Generale Group may from time to time deal in, profit from trading on, hold on a principal basis, or act advisers or brokers or bankers in relation to securities, or derivatives thereof, or asset class(es) mentioned in this document.

Entities within the Societe Generale Group may be represented on the supervisory board or on the executive board of such persons, firms or entities.

Employees of the Societe Generale 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.

Entities within the Societe Generale Group 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 Societe Generale Group are under no obligation to disclose or take into account this document when advising or dealing with or on behalf of customers.

In addition, Societe Generale Private Banking 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.

Societe Generale Group maintains and operates effective organisational and administrative arrangements taking all reasonable steps to identify, monitor and manage conflicts of interest. To help the Societe Generale Private Banking Entities to do this, they 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 Societe Generale Private Banking's clients. For further information, Societe Generale Private Banking's clients can refer to the management of conflicts of interests policy, which was provided to them by the Societe Generale Private Banking entity of which they are clients.

General Warning

This document, which is subject to modifications, is provided for information purposes only and has no legal value.

This material has been prepared for information purposes only and is not intended to provide investment advice nor any other investment service. The document does not constitute and under no circumstances should it be considered in whole or in part as an offer, a personal recommendation or advice from any of the Societe Generale Private Banking entities, regarding investment in the asset classes mentioned therein. The information in this document does not constitute legal, tax or accounting advice.

Some products and services might not be available in all Société Générale Private Banking entities. Their availability in your jurisdiction may be restricted depending on local laws and tax regulations. You should be aware that the investment to which this material relates may involve numerous risks. The amount of risk may vary but can expose you to a significant risk of losing all of your capital, including a potential unlimited loss. Accordingly these products or services may be reserved only for a certain category of eligible investors such as those who are sophisticated and familiar with these types of investment and who understand the risks involved. Also, they have to comply with the Société Générale Group Tax Code of Conduct. Furthermore, accessing some of these products, services and solutions might be subject to other eligibility conditions. Your private banker is available to discuss these products, services and solutions with you and to check if they can respond to your needs and are suitable for your investor profile.

Accordingly, before making an investment decision, a potential investor, as the case may be and according to the applicable laws, will be questioned by his or her advisor within the Societe Generale Private Banking entity, of which the investor is a client, regarding his eligibility for the envisaged investment, and the compatibility of this investment with his investment profile and objectives. Before any investment, the potential investor should also consult his own independent financial, legal and tax advisers in order to obtain all the financial, legal and tax information which will allow him to appraise the characteristics and the risks of the envisaged investment and the pertinence of the strategies discussed in this document, as well as the tax treatment of the investment, in the light of his own circumstances.

Prior to any investment, a potential investor must be aware of, understand and sign the related contractual and informative information, including documentation relating to risks. The potential investor has to remember that he should not base any investment decision and/or instructions solely on the basis of this document. Any investment may have tax consequences and it is important to bear in mind that the Societe Generale Private Banking entities, do not provide tax advice. A potential investor should seek independent tax advice (where appropriate).

Investment in some of the asset classes described in this document may not be authorised in certain countries, or may be restricted to certain categories of investors. It is the responsibility of any person in possession of this document to be aware of and to observe all applicable laws and regulations of relevant jurisdictions. This document is not intended to be distributed to people or in jurisdictions where such distribution is restricted or illegal. It is not to be published or distributed in the United States of America and cannot be made available directly or indirectly in the United States of America or to any U.S. person.

The price and value of investments and the income derived from them can go down as well as up. Changes in inflation, interest rates and exchange rates may have adverse effects on the value, price and income of investments issued in a different currency from that of the client. The simulations and examples included in this document are provided for informational and illustration purposes alone. The present information may change with market fluctuations, and the information and views reflected in this document may change. The Societe Generale Private Banking entities disclaim any responsibility for the updating or revising of this document. The document's only aim is to offer information to investors, who will take their investment decisions without relying solely on this document. The Societe Generale Private Banking entities disclaim all responsibility for direct or indirect losses related to any use of this document or its content. The Societe Generale Private Banking entities do not offer no implicit or explicit guarantees as to the accuracy or exhaustivity of the information or as to the profitability or performance of the asset classes, countries and markets concerned.

The historical data, information and opinions provided herein have been obtained from, or are based upon, external sources that the Societe Generale Private Banking entities believe to be reliable, but which have not been independently verified. The Societe Generale Private Banking entities shall not be liable for the accuracy, relevance or exhaustiveness of this information. Information about past performance is not a guide

to future performance and may not be repeated. Investment value is not guaranteed and the value of investments may fluctuate. Estimates of future performance are based on assumptions that may not be realised.

This document is confidential. It is intended exclusively for the person to whom it is given, and may not be communicated or notified to any third party (with the exception of external advisors, on the condition they themselves respect this confidentiality undertaking). It may not be copied in whole or in part without the prior written consent of the relevant Societe Generale Private Banking entity.

Specific warnings per jurisdiction

France: Unless otherwise expressly indicated, this document has been issued and distributed by Societe Generale, a French bank authorised and supervised by the *Autorité de Contrôle Prudentiel et de Résolution*, located at 61, rue Taitbout, 75436 Paris Cedex 09 under the prudential supervision of the *European Central Bank* ("ECB"), and under the control of the *Autorité des Marchés Financiers* ("AMF"). Societe Generale is also registered at ORIAS as an insurance intermediary under the number 07 022 493 orias.fr. Societe generale is a French Société Anonyme with its registered address at 29 boulevard Haussman, 75009 Paris, with a capital of EUR 1,009,641,917.50 on 31 December 2016 and unique identification number 552 120 222 R.C.S. Paris. Further details are available on request or can be found at www.privatebanking.societegenerale.fr.

Belgium: This document has been distributed in Belgium by Société Générale Private Banking SA/NV, a Belgian credit institution according to Belgian law and controlled and supervised by the *National Bank of Belgium* ("NBB") and the *Financial Services and Markets Authority* ("FSMA"), and under the prudential supervision of the *European Central Bank* - ECB. Société Générale Private Banking SA/NV is registered as an insurance broker at the FSMA under the number 61033A. Société Générale Private Banking SA/NV has its registered address at 9000 Ghent, Kortrijksesteenweg 302, registered at the RPM Ghent, under the number VAT BE 0415.835.337. Further details are available on request or can be found at www.privatebanking.societegenerale.be.

Luxembourg: This document has been distributed in Luxembourg by Societe Generale Bank and Trust ("SGBT"), a credit institution which is authorised 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 www.sgbt.lu. No investment decision whatsoever may result from solely reading this document. SGBT accepts no responsibility for the accuracy or otherwise of information contained in this document. SGBT accepts no liability or otherwise in respect of actions taken by recipients on the basis of this document only and SGBT 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 SGBT unless otherwise mentioned. SGBT has neither verified nor independently analysed the information contained in this document. The CSSF has neither verified nor analysed the information contained in this document.

Monaco: The present document has been distributed in Monaco by Société Générale Private Banking (Monaco) S.A.M., located 13, 15 Bd des Moulins, 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 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.mc.

Switzerland: This document has been communicated in Switzerland by Société Générale Private Banking (Suisse) SA (« SGPBS »), whose head office is located at rue du Rhône 8, CP 5022, CH-1211 Geneva 11. SGPBS is a bank authorized by the *Swiss Financial Market Supervisory Authority* ("FINMA"). Further details are available on request or can be found at www.privatebanking.societegenerale.ch.

This document (i) does not provide any opinion or recommendation about a company or a security, or (ii) has been prepared outside of Switzerland for the « Private banking ». Therefore, the Directives of the Swiss Bankers Association (SBA) on the Independence of Financial Research do not apply to this document.

This document has not been prepared by SGPBS. 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 relevant author(s) and shall not engage SGPBS' liability.

This document is not a prospectus within the meaning of articles 652a and 1156 of the Swiss Code of Obligations.

United Kingdom: Kleinwort Hambros is the brand name of SG Kleinwort Hambros Bank Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm reference number is 119250. The company is incorporated in England and Wales under number 964058 and its registered address is 5th Floor, 8 St James's Square, London SW1Y 4JU. Kleinwort Benson and Kleinwort Hambros are the brand names of Kleinwort Benson Bank Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm reference number is 119269. The company is incorporated in England and Wales under number 2056420 and its registered address is 14 St. George Street, London W1S 1FE.

Channel Islands: Kleinwort Hambros is the brand name of SG Kleinwort Hambros Bank (CI) Limited, which is regulated by the Jersey Financial Services Commission ("JFSC") for banking, investment, money services and fund services business. The company is incorporated in Jersey under number 2693 and its registered address is PO Box 78, SG Hambros House, 18 Esplanade, St Heller, Jersey JE4 8PR. SG Kleinwort Hambros Bank (CI) Limited – Guernsey Branch is regulated by the Guernsey Financial Services Commission ("GFSC") for banking, investment and money services business. Its address is PO Box 6, Hambro House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3AE. This document has not been authorised or reviewed by the JFSC or GFSC. Kleinwort Benson and Kleinwort Hambros are the brand names of Kleinwort Benson (Channel Islands) Investment Management Limited, which is regulated by the GFSC for the conduct of investment business. The company is incorporated in Guernsey under number 59377 and its registered address is Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT. This document has not been authorised or reviewed by the GFSC. Kleinwort Benson and Kleinwort Hambros are the brand names of Kleinwort Benson (Channel Islands) Limited, which is regulated by the GFSC for banking and investment services. It is also authorised and regulated by the UK Financial Conduct Authority ("FCA") in respect of UK regulated mortgage business and its firm reference number is 310344. The company is incorporated in Guernsey with company number 52103 and its registered address is Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT. This document has not been authorised or reviewed by the GFSC or FCA.

Gibraltar: Kleinwort Hambros is the brand name of SG Kleinwort Hambros Bank (Gibraltar) Limited, which is authorised and regulated by the Gibraltar Financial Services Commission for the conduct of banking, investment and insurance mediation business. The company is incorporated in Gibraltar under number 01294 and its registered address is 32 Line Wall Road, Gibraltar

Societe Generale Private Banking Hambros is part of the wealth management arm of the Societe Generale Group, Societe Generale Private Banking. Societe Generale is a French bank authorised in France by the *Autorité de Contrôle Prudentiel et de Résolution*, located at 61, rue Taitbout, 75436 Paris Cedex 09, and under the prudential supervision of the *European Central Bank* ("ECB"). It is also authorised by the *Prudential Regulation Authority* and regulated by the *Financial Conduct Authority* and the *Prudential Regulation Authority*. Further information on the Kleinwort Hambros Group including additional legal and regulatory details can be found on www.kleinworthambros.com.

<http://www.privatebanking.societegenerale.com>

© Copyright Societe Generale Group 2017. All rights reserved. Any unauthorised use, duplication, redistribution or disclosure in whole or in part is prohibited without the prior consent of Societe Generale. The key symbols, Societe Generale, Societe Generale Private Banking are registered trademarks of Societe Generale. All rights reserved.