

***LYXOR INVESTMENT STRATEGIES PLC***

**LYXOR INVESTMENT STRATEGIES PLC**  
*(an investment company with variable capital and limited liability)*

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS  
For the period from 1 January 2021 to 30 June 2021

## ***LYXOR INVESTMENT STRATEGIES PLC***

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**LYXOR INVESTMENT STRATEGIES PLC**

**Organisation**

<b>Board of Directors</b>	Mr. Bryan Tiernan (Irish, Irish Resident)** Mr. Vincent Dodd (Irish, Irish Resident)** Mr. Moez Bousarsar (French, French Resident)* Mr. Olivier Germain (French, French Resident)*
<b>Registered Office</b>	70 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Secretary</b>	Matsack Trust Limited 70 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Depository</b>	CACEIS Bank, Ireland Branch One Custom House Plaza International Financial Services Centre Dublin 1 Ireland
<b>Sub-Investment Manager</b>	Metori Capital Management 9 rue de la Paix 75002 Paris France
<b>Irish Legal Advisors</b>	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Manager/Promoter/Investment Manager</b>	Lyxor Asset Management S.A.S 17, Cours Valmy 929687 Paris La Défense France
<b>Chartered Accountants and Statutory Audit Firm</b>	PricewaterhouseCoopers One Spencer Dock North Wall Quay Dublin 1 Ireland
<b>Administrator</b>	CACEIS Ireland Limited One Custom House Plaza International Financial Services Centre Dublin 1 Ireland

\*Non-Executive.

\*\*Independent & Non-Executive.

## ***LYXOR INVESTMENT STRATEGIES PLC***

### **Background to the Company**

Lyxor Investment Strategies plc (the “Company”) is an investment company with variable capital constituted as an umbrella fund with segregated liability between Sub-Funds. The Company was incorporated on 7 December 2010 under the laws of Ireland pursuant to the Companies Act 2014 and is authorised by the Central Bank of Ireland (“Central Bank”) as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”).

As at 30 June 2021, the Company had one active Sub-Fund, the Lyxor Epsilon Global Trend Fund (launched on 13 April 2011) (the “Sub-Fund”).

### **Investment Objectives**

#### **Lyxor Epsilon Global Trend Fund**

The investment objective of the Sub-Fund is to achieve capital appreciation over the medium to long term by implementing the Lyxor Epsilon Global Trend Strategy.

The Lyxor Epsilon Global Trend Strategy is a systematic trend following strategy as it seeks to identify upward and downward price trends and to capitalise on them. In order to implement the Lyxor Epsilon Global Trend Strategy, the Sub-Fund’s exposure to the several asset classes on the global markets will be achieved through direct investments in the following instruments: futures, options, swaps and forwards on the following asset classes: equities (such as S&P500, CAC40 or DAX equity indices), bonds (such as UK Gilts, US T-Bills and T-Notes or German Bund, Schatz and Boble), volatility and interest rates; forward currency exchange contracts, currency futures, cross currency asset swaps or currency options; structured debt securities selected by the investment manager, provided that such securities fall within the categorization of “transferable securities” as contemplated by the UCITS Notices; fixed income securities and money market instruments issued by government issuers which are listed, traded or dealt in on one or more of the Recognized Markets set out in Annex I of the Prospectus; and cash deposits and near cash instruments for the purpose of cash management.

The Sub-Fund will also invest in structured debt securities selected by the Sub-Investment Manager, provided that such securities fall within the categorization of “transferable securities” as contemplated by the Central Bank UCITS Regulations. The Structured debt securities are expected to provide a sub-set of the Sub-Fund’s exposure to the Lyxor Epsilon Global Trend Strategy. Exposure to the Structured Debt Securities is expected to range between 0 and 20% of the Net Asset Value of the Sub-Fund, 20% being a maximum level of exposure.

### **Calculation of Net Asset Value/Valuation of Assets**

The Net Asset Value of the Sub-Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Sub-Fund and deducting them from the liabilities of the Sub-Fund. Where there is more than one class of Shares in the Sub-Fund, the Net Asset Value per Share of any class is calculated by the Administrator by ascertaining the Net Asset Value of the Sub-Fund as at the Valuation Point for that Sub-Fund on the relevant Dealing Day and determining the amount of the Net Asset Value which is attributable to the relevant class of Shares. The Net Asset Value per Share of the relevant class is calculated by determining that proportion of the Net Asset Value of the Sub-Fund which is attributable to the relevant class at the Valuation Point. The Valuation Point for the Sub-Fund is set out in the Supplement for the Sub-Fund. The Net Asset Value per Share is the resulting sum rounded to the nearest four decimal places.

### **Dealing Day**

Any Business Day on which applications for subscriptions or redemptions will normally be accepted for Shares, as the Directors may from time to time determine, provided there shall be at least one Dealing Day per fortnight in the Sub-Fund.

**Investment Managers Report**

**Over the first half of 2021, the fund posted a negative performance of -1.08% (I USD).**

**January** was dominated by US politics, the slow pace of vaccine distribution and concerns over the economic outlook in Europe, and the retail trading frenzy. Global stocks fell sharply during the final week, dragging major indices to monthly loss. US treasury yields moved higher. In the European bond market, the German 10-year bond yields moved sideways, ending the month slightly up, while Italian bond yields moved higher before retreating in the final week. The US dollar strengthened on weaker Euro, Swiss Franc and Yen.

In this context, the Lyxor Epsilon Global Trend Fund ended the month down 0.3% (I-USD Share Class). Margin-to-equity remained stable at around 11%.

The fixed income portfolio posted a negative contribution (-0.6%). Losses came firstly from long positions on US 5Y and Italian bonds, followed by UK. The fund reduced its long US contracts, while increasing its long positions on UK rates. In Europe, the fund maintained its longs in Italy and a small long in France. It is still away from German and Japanese bonds.

Equities ended the month up 0.1%. Gains from long positions on US and Japanese equities were partly offset by losses from long German and Hong Kong equities. The fund maintained its long in the US and Japan. Overall, the net nominal exposure to equities moved from 39.5% to 50.5%, mostly through initiating selective longs in Germany and Hong Kong during the first half of January.

The FX book posted a positive contribution of 0.3%. Gains on short emerging currencies (BRL and RUB) and long EUR Crosses covered losses on long G10 currencies (EUR, JPY and CHF) vs. the USD. The fund increased its long nominal G10 exposures by 12%, mostly through adding to its long GBP. Exposures to Euro Crosses and emerging currencies were kept stable.

Following a month driven by progress in vaccinations and prospects for a global economic recovery, bonds and equities reversed at the very end of February amid fears of higher inflation and tightening monetary policies. US long-dated treasury yields surged to one-year highs before retreating partly. Major equity markets sold off during the last two days, yet posting a net gain for the month. Meanwhile, the US dollar moved sideways.

In this context, the Lyxor Epsilon Global Trend Fund ended the month down 0.1% (I-USD Share Class). Margin-to-equity moved up from 11.7% to 15.6%.

The fixed income portfolio posted a negative contribution (-1.8%), with positions rotating significantly towards the end of the month. Losses from long positions on US fixed income, Italian BTP and UK short-term rates were partly offset by gains from new short positions on Japanese and UK bond contracts. The fund increased its long exposures on the short-end of the curve in the US, while shifting to neutral to short on the long-end of the curve. In Europe, the fund initiated a short in Germany and maintained its longs in Italy. In the UK, it maintained its long on the short-term rate contract, while shifting to a short on the 10Y.

Equities posted a positive contribution (+1.9%). Gains came mainly from long positions on US and Japanese equities, followed by Hong Kong and Germany. Overall, the net nominal exposure to equities was mostly unchanged, slightly up to 53% from 50%.

The FX book ended the month almost flat. Losses from long G10 vs. USD were compensated with gains from Euro crosses, while emerging currencies ended the month flat. The fund increased its long G10 exposures (by 13% in nominal), mostly through adding to its long GBP. Exposures to emerging currencies were kept stable.

**March** witnessed a contrast between the two sides of the Atlantic. While Europe struggled with vaccine shortage and the rise of covid cases, the US made large progress with vaccination and debuted a new stimulus package. Stocks rose globally throughout the month, taking most major indices into positive territory. Concerns over reflation in the context of Biden's spending plan, pushed for a steepening of the US Treasury yield curve. Meanwhile, European yields moved sideways through the month. The greenback surged while the Euro, Pound, Yen, and Swiss Franc slid.

In this context, the Lyxor Epsilon Global Trend Fund ended the month up 0.2% (I-USD Share Class). Margin-to-equity moved down from 15.6% to 12.7%.

The fixed-income portfolio posted a positive contribution (+0.25%). Gains from short positions on US and Canadian bonds and from long positions on the Italian BTP, covered losses from the short JGB, the long Eurodollar, and the UK rates. The fund reduced its long Eurodollar and increased its shorts on the long end of the curve. Meanwhile, it increased its exposure to Italy, closed its shorts in Germany and Japan, and decreased its short on UK Gilts.

## **LYXOR INVESTMENT STRATEGIES PLC**

### **Investment Managers Report** *(continued)*

Equities brought the biggest contribution in March (+0.9%). Gains came from long positions in the US and Europe, which covered small losses in Hong Kong. Overall, the net nominal exposure decreased from 53% to 36% through trimming down longs across the board.

The FX book ended the month with a negative contribution (-0.8%). Gains from Euro crosses were offset by losses on most G10 vs. USD, while losses from emerging FX were minimal. The fund dramatically decreased its long G10 and short emerging FX exposures. As a result, the net short USD vs. all currencies dropped from 56% to 3%.

**April** saw an increase of optimism over economic recovery in the developed world thanks to the vaccination rollout and encouraging data. While stocks rose in the US, they moved sideways in Europe and Asia. US yields decreased throughout the curve, reflecting revived demand for government debt after sustained bond selling in the first quarter, while European benchmark yields reached multi-month highs after stronger-than-expected economic recuperation figures from Germany. The dollar moved lower amid a dovish outlook from the Fed and bold spending plans from Biden.

In this context, the Lyxor Epsilon Global Trend Fund ended the month down -1.2% (USD-I Share Class). Margin-to-equity moved down from 12.7% to 11.6%.

The fixed-income portfolio posted a negative contribution of (-1.5%). Losses were mainly driven by long positions on the Italian BTP and short positions on North American bonds, while gains and losses on short-term rates and UK bonds were minimal. The fund decreased its long Eurodollar by a third, while the rest of the portfolio remained mostly unchanged. It remains positioned on a steepening of the curve in North America and the UK, long the Italian BTP, and out of German and Japanese bonds.

Equities contributed positively in April (+0.6%). Gains were driven by long positions in the US, while Europe and Asia positions were mixed. The overall net nominal exposure on Equities increased from 36% to 43%, mostly through adding Switzerland to the portfolio.

The FX book ended the month with a negative contribution (-0.3%), with losses on Emerging FX offsetting gains on G10 currencies. Within the G10 complex, gains came mainly from the long EUR, while the long GBP contributed negatively, and the short Yen positions were mixed. The remaining Emerging FX positions (short BRL and RUB) were closed during the month. As a result, the fund's net short USD exposure slightly increased.

**May** was a month of mixed news with inoculation development, reopening of economies, and rising inflation data in the US and Europe, while Asia and several other economies experienced COVID-19 resurgences. Globally, stocks moved sideways throughout the month, ending it on a positive ground. Inflation concerns had a muted effect in the US, where yields continued to decrease throughout the curve, while European yields sustained April's climb amid above-target data. The greenback remained under pressure in May.

In this context, the Lyxor Epsilon Global Trend Fund ended the month up 2.1% (USD-I Share Class). Margin-to-equity remained stable, above 11% through most of the month.

Equities posted a positive contribution of +0.6% this month. Gains were driven by long positions on European, US, and Asia Pacific stocks. Net nominal exposure on equities remained mostly unchanged at 43%.

The fixed-income portfolio contributed positively in May (+0.2%). Gains from longs on the Eurodollar and Italian bonds offset losses from short positions on bonds in North America, Germany, and the UK. The fund opened shorts on German Government Bonds and closed the long position on UK short term rates.

Currencies brought in the biggest performance this month (+1.5%). G10 vs USD and Euro Crosses positions produced gains driven by longs on GBP and EUR, and shorts on JPY. The fund's net short USD remained stable at 16%.

While vaccination rates further increased and developed economies started to reopen, the emergence of a more contagious variant of the coronavirus posed a possible threat to growth expectations. Yet, equities continued to perform in developed economies, with US stocks experiencing one of their best first semesters since 1998. Meanwhile, Asian equities remained under pressure. On the fixed income and currency fronts, the unwind of the inflation trade and a hawkish shift by the Fed triggered a flattening of the US yield curve and pushed the dollar higher, while European yields moved downwards.

In this context, the Lyxor Epsilon Global Trend Fund ended the month down 1.7% (USD-I Share Class). Margin-to-equity increased from 11% to 13% this month

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### **Investment Managers Report** *(continued)*

Equities contributed positively in June (+0.7%). Gains were driven by long positions on European and US equities, while Asia Pacific stocks posted small losses. The net nominal exposure on equities remained stable, moving from 43% to 44%.

The fixed-income portfolio posted a negative performance this month (-1.2%). Gains from longs on Italian bonds were outweighed by short positions on North American and UK bonds, as well as a long position on the Eurodollar. Gains from shorting German bonds were minimal. The fund opened a short on the US 2Y, while remaining stable on the rest of the yield curve. It maintained its short positions on German and UK bonds, while opening a small long on Japanese government bonds.

Currencies brought a negative contribution this month (-1.3%). The most significant losses were due to the two longs on GBP and EUR against USD. As end of June the main change in the fund's allocation has been the increase of the long position on GBP against EUR, while the other FX positions remained stable.

Entering the month of July, the Fund is positioned to benefit from rising equity markets while the fixed income allocation turned to a more defensive positioning.

### **Brexit**

- “The United Kingdom (“UK”) left the European Union (“EU”) on 31st January 2020 pursuant to the terms of a withdrawal agreement between the UK and the EU. Since 1st January 2021, the UK is now qualified as a “third party-country” from the EU. As the result of, the UK financial services firms have lost their EU passport rights in EU.
- Regarding the Irish UCITS Funds tailored by LYXOR AM, the Post-Brexit impacts could be explained and described regarding (1) Delegation of the Investment Portfolio Management to UK Asset Management Company, (2) OTC Agreements/Prime Brokerage Agreements/Clearing Agreements, (3) Marketing Irish UCITS Funds in UK, (4) UK Benchmark Administrator, (5) UK Share Trading and (6) UK Derivatives Trading Obligations.

#### **1. Delegation of the Investment Portfolio Management to UK Asset Management Company**

First of all, there is no change concerning the relationship with the asset manager located in the UK and LYXOR AM. LYXOR AM acting as the manager of the Irish UCITS Funds is still entitled to delegate its investment portfolio management to any asset management domiciliated in the UK.

Nonetheless, under Post-Brexit Regime, UK-based businesses have lost its ability to provide their services throughout the EEA without the need for authorization from an EEA national regulator (ie “**regime of equivalence decisions**”).

Subsequently, UK-based businesses can no longer take advantages of passporting rights, principle of reciprocity and principle of freedom of services under EU Regulation.

#### **2. OTC agreements with counterparty located in UK, prime brokerage agreements, clearing agreements with UK CCP**

For Irish UCITS Funds, LYXOR AM acting as the manager is not entitled to execute any prime brokerage agreements with any broker/executive broker whatever its jurisdiction. *Consequently, the localization of the broker or executive broker in the UK is not considered as an issue.*

Under Post-Brexit Regime, LYXOR AM acting as the manager is no longer entitled to execute any clearing agreements with any Central Counterparty Clearing House (ie“ CPP”) located in UK except with specific entities such as Ice Clear Europe Limited, LCH Limited and LME Clear Limited. Nonetheless, LYXOR AM

**Investment Managers Report** *(continued)*

**Brexit** *(continued)*

AM acting as the manager is still entitled to execute OTC agreements with any counterparty located in UK.

**3. Marketing Irish UCITS Funds in UK**

Under Post-Brexit Regime, LYXOR AM acting as the manager of the Irish UCITS Funds has made its notification directly to the FCA in order to obtain its authorizations to actively market the Irish UCITS funds (only if they have been notified to the FCA before 30/12/2020) in the UK for three years after the Brexit decision and in compliance with the UK laws (ie “Temporary Permission Regime” or TPR” for three years). Furthermore, LYXOR AM could have recourse to any distributor located in UK without any UE passport regime.

**4. UK Benchmark Administrator**

Under Post-Brexit Regime, the UK Benchmark administrators are now qualified as “benchmark administrators from of third country” (Regulations EU 20/6/2011 of the EU Parliament and the Council dated 8th June 2016).

Nonetheless, the UK Benchmark administrators would be able to claim for the equivalence regime, or the recognition regime and the endorsement regime in order to be registered into the ESMA register.

**5. UK Shares Trading**

Under Post-Brexit Regime, only “shares with GB ISIN” and “shares with EU ISIN” with the pound sterling currency should be admitted to be traded on a regulated markets, on a trading venue, MTF or on a systematic internalizer or via third country venues assessed (“Article 23 Trading obligations for investment firms under Regulation EU n°609/2014 of the European Parliament of the Council of 15th May 2014 on market in financial instruments amending Regulation EU n°648/2012”).

**6. UK Derivative Trading Obligations (“DTO”)**

Under Post-Brexit Regime, the financial instruments such as “IRS” ( Interest Rate Swap”) and “CDS” (“Credit Default Swap”) shall not be eligible on UK Derivatives Trading Platform unless there would be a recognition regime by the EU supervision (Article 28 MIFIR).

## LYXOR INVESTMENT STRATEGIES PLC

### Statement of Comprehensive Income

For the period ended 30 June 2021

		Lyxor Epsilon Global Trend Fund* 30 June 2021	Lyxor Epsilon Global Trend Fund* 30 June 2020
	Note	EUR	EUR
<b>Income</b>			
Interest income		7,914	397
Net (loss)/gain on financial assets and financial liabilities at fair value through profit or loss	5	(1,493,789)	27,058,442
<b>Total Investment Gain</b>		<b>(1,485,875)</b>	<b>27,058,839</b>
<b>Operating Expenses</b>			
Management fees	6	(3,001,342)	(2,235,659)
Performance fees	6	(34,110)	(3,642,450)
Global administrative fees	6	(218,737)	(302,645)
Transaction costs		(649,653)	(442,392)
<b>Total Operating Expenses</b>		<b>(3,903,842)</b>	<b>(6,623,146)</b>
<b>Net Income</b>		<b>(5,389,717)</b>	<b>20,435,693</b>
<b>Finance Costs</b>			
Interest expense		(667,813)	(535,318)
<b>(Decrease)/Increase in net assets attributable to redeemable participating shareholders resulting from operations</b>		<b>(6,057,530)</b>	<b>19,900,375</b>

\*Lyxor Epsilon Global Trend Fund was the only Sub-Fund in the Company and therefore the above details of Lyxor Epsilon Global Trend Fund are also those of the Company for the period ended 30 June 2021 and 30 June 2020.

Gains and losses arose solely from continuing operations.  
There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes form an integral part of the financial statements.

## LYXOR INVESTMENT STRATEGIES PLC

### Statement of Financial Position

As at 30 June 2021

	Note	Lyxor Epsilon Global Trend Fund* 30 June 2021 EUR	Lyxor Epsilon Global Trend Fund* 31 December 2020 EUR
<b>Current assets</b>			
Financial assets at fair value through profit or loss:			
Investments at fair value	8(e)	517,100,019	465,215,367
Unrealised gain on futures contracts	7	6,584,555	10,712,078
Unrealised gain on forward foreign exchange contracts	7	410,456	90,991
Subscriptions receivable		1,095,224	286,875
Cash and cash equivalents	4	57,818	36,776,016
Margin cash balance	4	48,710,070	50,322,840
Due from brokers		50,981,556	-
<b>Total Current Assets</b>		<b>624,939,698</b>	<b>563,404,167</b>
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss:			
Unrealised loss on futures contracts	7	(9,246,154)	(152,633)
Unrealised loss on forward foreign exchange contracts	7	(31,626)	(1,988,345)
Redemptions payable		(864,009)	(4,505,411)
Bank overdraft	4	(12,055,974)	-
Margin overdraft balance	4	(634,032)	(6,570,520)
Payable for securities purchased		-	-
Management fees payable	6	(1,565,507)	(3,925,930)
Performance fees payable	6	(34,666)	(6,592,010)
Global administrative fees payable	6	(113,934)	(410,225)
Other payables		(5,066)	(18,604)
<b>Total Current Liabilities</b>		<b>(24,550,968)</b>	<b>(24,163,678)</b>
<b>Net assets attributable to redeemable participating shareholders</b>		<b>600,388,730</b>	<b>539,240,489</b>

\*Lyxor Epsilon Global Trend Fund was the only Sub-Fund in the Company and therefore the above details of Lyxor Epsilon Global Trend Fund are also those of the Company as at 30 June 2021 and 31 December 2020.

The accompanying notes form an integral part of the financial statements.

## **LYXOR INVESTMENT STRATEGIES PLC**

### **Statement of Changes in Net Assets attributable to Redeemable Participating Shareholders**

For the period ended 30 June 2021

	<b>Lyxor Epsilon Global Trend Fund* 30 June 2021 EUR</b>	<b>Lyxor Epsilon Global Trend Fund* 30 June 2020 EUR</b>
<b>Net assets attributable to redeemable participating shareholders at 1 January</b>	<b>539,240,489</b>	<b>392,961,858</b>
(Decrease)/Increase in net assets attributable to redeemable participating shareholders resulting from operations	(6,057,530)	19,900,375
<b>Share Transactions</b>		
Proceeds from redeemable participating shares issued	150,112,503	193,087,982
Payments for redeemable participating shares redeemed	(82,906,732)	(86,775,204)
Net increase in net assets resulting from share transactions	67,205,771	106,312,778
<b>Net assets attributable to redeemable participating shareholders at 31 June</b>	<b>600,388,730</b>	<b>519,175,011</b>

\*Lyxor Epsilon Global Trend Fund was the only Sub-Fund in the Company and therefore the above details of Lyxor Epsilon Global Trend Fund are also those of the Company for the period ended 30 June 2021 and 30 June 2020.

The accompanying notes form an integral part of the financial statements.

## LYXOR INVESTMENT STRATEGIES PLC

### Statement of Cash Flows

For the period ended 30 June 2021

	Note	Lyxor Epsilon Global Trend Fund* 30 June 2021 EUR	Lyxor Epsilon Global Trend Fund* 30 June 2020 EUR
<b>Cash flows from operating activities</b>			
Interest received		7,914	397
Proceeds from sale of investments		481,359,998	313,845,417
Purchase of investments		(574,775,003)	(430,410,962)
Movement in margin cash balance		(4,323,849)	27,723,656
Operating expenses paid		(13,131,438)	(8,074,330)
Interest paid		(667,813)	(535,318)
<b>Net cash (used in) operating activities</b>		<b>(111,530,191)</b>	<b>(97,451,140)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of redeemable shares		149,304,154	189,458,587
Payments on redemption of redeemable shares		(86,548,135)	(86,589,294)
<b>Net cash provided by financing activities</b>		<b>62,756,019</b>	<b>102,869,293</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(48,774,172)</b>	<b>5,418,153</b>
Cash and cash equivalents as at beginning of the period	4	36,776,016	21,238,212
<b>Cash and cash equivalents as at end of period</b>	<b>4</b>	<b>(11,998,156)</b>	<b>26,656,365</b>
<b>Cash and cash equivalents as at the end of the period is made up of the following balances:</b>			
Cash and cash equivalents		57,818	26,656,365
Bank overdraft		(12,055,974)	-

\*Lyxor Epsilon Global Trend Fund was the only Sub-Fund in the Company and therefore the above details of Lyxor Epsilon Global Trend Fund are also those of the Company for the period ended 30 June 2021 and 30 June 2020.

The accompanying notes form an integral part of the financial statements.

**Notes to the Financial Statements**

**1. Significant Accounting Policies**

The principal accounting policies and estimation techniques applied in the preparation of these financial statements are set out below. The accounting policies applied and method of computation followed in these financial statements are the same as those applied in the Company's annual financial statements, as at and for the year ended 31 December 2020.

**a) Basis of Preparation**

These condensed unaudited financial statements for the financial period from 1 January 2021 to 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and pursuant to the UCITS Regulations and the Central Bank UCITS Regulations.

These financial statements should be read in conjunction with the annual report and audited financial statements for the financial year ended 31 December 2020 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and those parts of the ICAV Act 2015 applicable to entities reporting under IFRS, the UCITS Regulations and the Central Bank UCITS Regulations. The accounting policies applied and methods of computation followed in these financial statements are the same as those applied in the company's annual financial statements for the financial year ended 31 December 2020.

The preparation of these condensed financial statements requires the company to make use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from those estimates.

The financial statements have been prepared on a going concern basis.

**b) Standards, amendments and interpretations to existing standards**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the company.

**2. Exchange Rates**

The following exchange rates were used at 30 June 2021 and 31 December 2020 to convert investments and other assets and liabilities denominated from local to base currency:

<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>EUR</b>		<b>EUR</b>
<b>AUD</b>	1.5797	<b>AUD</b>	1.5856
<b>CAD</b>	1.4685	<b>CAD</b>	1.5588
<b>CHF</b>	1.0962	<b>CHF</b>	1.0816
<b>GBP</b>	0.8585	<b>GBP</b>	0.8951
<b>HKD</b>	9.2095	<b>HKD</b>	9.4873
<b>JPY</b>	131.6231	<b>JPY</b>	126.3255
<b>SEK</b>	10.142	<b>SEK</b>	10.0485
<b>USD</b>	1.1859	<b>USD</b>	1.2236
<b>ZAR</b>	N/A	<b>ZAR</b>	17.97245

**LYXOR INVESTMENT STRATEGIES PLC**

**Notes to the Financial Statements (continued)**

**3. Number of Shares in Issue and Net Assets attributable to Redeemable Participating Shareholders**

**Authorised**

The authorised share capital of the Company is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 Ordinary Shares of no par value.

The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up.

The Redeemable Participating Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally in the profits and assets of the Sub-Funds to which the Shares relate.

The Subscriber Shares are solely held by Lyxor Asset Management S.A.S.

The movement in redeemable participating shares in the Company during the period ended 30 June 2021 was as follows:

<b>30 June 2021</b>	<b>C3</b>	<b>C6</b>	<b>C1</b>	<b>C5</b>
	<b>Lyxor Epsilon Global Trend Fund EUR Class A</b>	<b>Lyxor Epsilon Global Trend Fund CHF Class I</b>	<b>Lyxor Epsilon Global Trend Fund EUR Class I</b>	<b>Lyxor Epsilon Global Trend Fund GBP Class I</b>
Shares in issue at beginning of the period	138,320	426,968	2,350,954	413,886
Shares issued during the period	17,790	123,175	836,422	38,193
Shares redeemed during the period	(12,114)	(65,242)	(416,874)	(28,233)
Shares in issue at the end of period	<b>143,996</b>	<b>484,901</b>	<b>2,770,502</b>	<b>423,846</b>

  

	<b>C2</b>	<b>C8</b>	<b>C9</b>
	<b>Lyxor Epsilon Global Trend Fund USD Class I</b>	<b>Lyxor Epsilon Global Trend Fund USD Class AA</b>	<b>Lyxor Epsilon Global Trend Fund USD Class IA</b>
Shares in issue at beginning of the period	482,456	100	100
Shares issued during the period	43,702	-	-
Shares redeemed during the period	(69,551)	-	-
Shares in issue at the end of period	<b>456,607</b>	<b>100</b>	<b>100</b>

The movement in redeemable participating shares in the Company during the period ended 30 June 2020 was as follows:

<b>30 June 2020</b>	<b>C3</b>	<b>C6</b>	<b>C1</b>
	<b>Lyxor Epsilon Global Trend Fund EUR Class A</b>	<b>Lyxor Epsilon Global Trend Fund CHF Class I</b>	<b>Lyxor Epsilon Global Trend Fund EUR Class I</b>
Shares in issue at beginning of the period	69,431	433,448	1,661,970
Shares issued during the period	10,891	70,475	1,176,555
Shares redeemed during the period	(14,982)	(32,303)	(473,276)
Shares in issue at the end of period	<b>65,340</b>	<b>471,620</b>	<b>2,365,249</b>

**LYXOR INVESTMENT STRATEGIES PLC**

**Notes to the Financial Statements (continued)**

**3. Number of Shares in Issue and Net Assets attributable to Redeemable Participating Shareholders (continued)**

	<b>C5</b>	<b>C2</b>
	<b>Lyxor</b>	<b>Lyxor</b>
	<b>Epsilon</b>	<b>Epsilon</b>
	<b>Global Trend</b>	<b>Global</b>
	<b>Fund</b>	<b>Trend Fund</b>
	<b>GBP Class I</b>	<b>USD Class I</b>
Shares in issue at beginning of the period	402,760	443,871
Shares issued during the period	31,274	98,063
Shares redeemed during the period	(46,151)	(45,994)
Shares in issue at the end of period	<u>387,883</u>	<u>495,940</u>

**4. Cash and Cash Equivalents**

	<b>Lyxor Epsilon Global</b>	<b>Lyxor Epsilon Global</b>
	<b>Trend Fund</b>	<b>Trend Fund</b>
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>EUR</b>	<b>EUR</b>
Cash and cash equivalents	57,818	36,776,016
Margin cash balance	48,710,070	50,322,840
Bank overdraft	(12,055,974)	-
Margin overdraft balance	(634,032)	(6,570,520)
	<u>36,078,013</u>	<u>80,528,336</u>

All cash balances and overdrafts are held with CACEIS Bank, Ireland Branch. Margin balances and overdrafts are held with Société Générale.

**5. Net Gains and Losses on financial assets and liabilities at fair value through profit or loss**

	<b>Lyxor Epsilon</b>	<b>Lyxor Epsilon</b>
	<b>Global Trend</b>	<b>Global Trend</b>
	<b>Fund</b>	<b>Fund</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>EUR</b>	<b>EUR</b>
<b>Net realised gain from financial assets and financial liabilities at fair value through profit or loss:</b>		
Bond positions	-	10,133,857
Treasury bills	(1,334,673)	(815,767)
Futures contracts	33,551,226	6,924,175
Forward foreign exchange contracts	2,944,334	(3,290,203)
Foreign currency	(625,192)	(466,113)
	<u>34,535,695</u>	<u>12,485,949</u>

**Notes to the Financial Statements (continued)**

**5. Net Gains and Losses on financial assets and liabilities at fair value through profit or loss**

**Net change in unrealised gain from financial assets and financial liabilities at fair value through profit or loss:**

	<b>Lyxor Epsilon Global Trend Fund</b>	<b>Lyxor Epsilon Global Trend Fund</b>
Bond positions	(25,020,627)	6,050,976
Treasury bills	(63,996)	(225,891)
Futures contracts	(13,221,045)	8,478,607
Forward foreign exchange contracts	2,276,184	268,801
	<u><b>(36,029,484)</b></u>	<u><b>14,572,493</b></u>
<b>Total net (Loss) on financial assets and financial liabilities at fair value through profit or loss</b>	<u><b>(1,493,789)</b></u>	<u><b>27,058,442</b></u>

\*The above gains/losses on forward currency contracts and foreign exchange also includes those related to FX contracts placed for share class hedging purposes.

**6. Fees**

**Management Fee**

The Company may charge a management fee which will be paid to the Manager (Lyxor Asset Management S.A.S. (the “Manager”)). The management fee, with the exception of any performance fee payable in respect of the Sub-Fund, shall accrue daily and be payable quarterly in arrears. The Manager will pay any sub-investment manager out of the management fee.

Class A Shares are subject to a management fee of up to 1.75% per annum and Class I Shares are subject to a management fee of up to 1.00% per annum. Class AA Shares are subject to a management fee of up to 1.9% per annum. Class IA Shares are subject to a management fee of up to 1.25% per annum. Management fees charged during the period amounted to EUR 3,001,342 (30 June 2020: EUR 2,235,659) of which EUR 1,565,507 (31 December 2020: EUR 3,925,930) was payable at the period end.

**Administration, Depositary and Global Administrative Fees**

CACEIS Ireland Limited acts as Administrator to the Company, pursuant to the Administration Agreement dated 4 April 2011. For administration, registrar services and transfer agent services provided, the Administrator shall be entitled to receive out of the net assets of the Sub-Fund an annual fee, accrued daily and paid quarterly in arrears.

CACEIS Bank, Ireland Branch acts as Depositary to the Company, pursuant to the Custodian Agreement 4 April 2011 and updated on 6 June 2017. For services rendered the Depositary shall be entitled to receive out of the net assets of the Sub-Fund an annual fee, accrued daily and paid quarterly in arrears.

The Sub-Fund was subject to an administrative expenses fee of 0.075% of the Net Asset Value of each Class of the Sub-Fund per annum, out of which will be paid the fees and expenses of the Depositary and the Administrator.

Effective 1 July 2021, the Sub-Fund was subject to an administrative expenses fee of 0.07% of the Net Asset Value of each Class of the Sub-Fund per annum, out of which will be paid the fees and expenses of the Depositary and the Administrator

The Administrative expenses fees charged for Sub-Fund for the financial period ended 30 June 2021 amounted to EUR 218,737 (30 June 2020: EUR 302,645) of which EUR 113,934 (31 December 2020: EUR 410,225) was payable at period end.

## **LYXOR INVESTMENT STRATEGIES PLC**

### **Notes to the Financial Statements (continued)**

#### **6 Fees (continued)**

##### **Performance Fees (continued)**

Effective 18<sup>th</sup> September 2020, the performance fee calculation was amended to reflect a change in the period end from the 21<sup>st</sup> calendar day of December to the last valuation day of December.

A class performance fee of up to 15% may be applied to each Share in Class A and Class I and up to 20% in Class AA and Class IA of the Sub-Fund and is payable to the Manager. The return of the Sub-Fund's Net Asset Value per Share will reflect a performance fee to be charged at the end of each incentive fee period if the Sub-Fund's

Net Asset Value per Share, at the end of such incentive fee period, exceeds the High Water Mark (after deduction of all fees charged to the Sub-Fund, to the exclusion of the Sub-Fund's class performance fees).

The High Water Mark is

(i) for any Share Class issued on or after 25 February 2014, for the initial Incentive Fee Period, the initial offer price per Share of the relevant Share Class and thereafter, the highest value of the Sub-Fund's Net Asset Value per Share on the last Valuation Day of any Incentive Fee Period after deduction of all fees charged to the Sub-Fund or the initial offer price per Share of the relevant Share Class, whichever is greater, in each case adjusted to reflect a rate of return equal to the 1-year Euribor interest rate in effect at the beginning of the relevant Incentive Fee Period (each Incentive Fee Period being the period ending on the last Valuation Day of December in each year).

(ii) for any Share Class already in issue on 25 February 2014, initially equal to the high watermark of the Lyxor Global Trend Strategy Index on 25 February 2014 adjusted to reflect a rate of return equal to the 1-year Euribor interest rate in effect on 24 December 2013 and for each subsequent Incentive Fee Period it will be the highest value of the Sub-Fund's Net Asset Value per Share on the last Valuation Day of any Incentive Fee Period after deduction of all fees charged to the Sub-Fund (or the high watermark of the Lyxor Global Trend Strategy Index on 25 February 2014, whichever is greater) in each case adjusted to reflect a rate of return equal to the 1-year Euribor interest rate in effect at the beginning of the relevant Incentive Fee Period.

Performance fees charged for the financial period ended 30 June 2021 amounted to EUR 34,110 (30 June 2021: EUR 3,642,450) and EUR 34,666 was payable at period end (31 December 2020: EUR 6,592,010).

##### **Directors Fees**

The Directors shall be entitled to a fee as remuneration for their services at a rate to be determined from time to time by the Directors provided that the amount of remuneration payable to each Director in any one (1) year in respect of the Company shall not exceed in one year €15,000 per Sub-Fund or such other amount as may be approved by a resolution of the Directors and disclosed to the Shareholders in the annual or semi-annual accounts.

For the period ended 30 June 2021 all Directors fees were paid by the Manager on behalf of the Company. This amounted to EUR 14,500 for the period to 30 June 2021 (30 June 2020: EUR 14,500).

Mr. Moez Boursarsar and Mr. Olivier Germain are not entitled to receive fees for their services as Directors to the Company during the period.

The Manager, Administrator, Depositary and Directors are entitled to reimbursement of all out-of-pocket expenses.

## LYXOR INVESTMENT STRATEGIES PLC

### Notes to the Financial Statements (continued)

#### 7. Derivative Contracts

The Sub-Fund uses futures and forward currency exchange contracts to achieve its investment objective as well as to hedge non-base currency share classes.

Forward foreign exchange contracts entered into by the Sub-Fund of the Company represent a firm commitment to buy or sell an underlying asset or currency at a specified value and point in time based upon an agreed or contracted quantity. The realised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date and are included in the Statement of Comprehensive Income. The fair value of the forward foreign exchange contracts are included in the Statement of Financial Position.

Futures contracts held by the Sub-Fund of the Company are exchange traded derivatives which represent agreements to buy or sell a financial instrument in the future for a specified price. The future contracts are collateralised by cash held by brokers in margin accounts and changes in the value of the contracts are settled net, on a daily basis. The realised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date and are included in the Statement of Comprehensive Income. The fair value of the future contracts are included in the Statement of Financial Position.

As at 30 June 2021, the following derivative contracts were included in the Company's Statement of Financial Position at fair value through profit or loss:

#### Forward foreign exchange contracts

CCY	Buy	CCY	Sell	Maturity	Unrealised Gain EUR	Counterparty
USD	72,915,656	EUR	(61,083,025)	30 July 2021	370,555	Société Générale
USD	24,730,000	EUR	(20,814,045)	01 July 2021	39,315	Société Générale
EUR	585,282	CHF	(641,000)	30 July 2021	441	Société Générale
USD	10,135	EUR	(8,491)	30 July 2021	51	Société Générale
USD	10,084	EUR	(8,448)	30 July 2021	51	Société Générale
GBP	8,000	EUR	(9,293)	30 July 2021	22	Société Générale
EUR	16,865	USD	(20,000)	30 July 2021	10	Société Générale
CHF	19,000	EUR	(17,329)	30 July 2021	6	Société Générale
GBP	22,000	EUR	(25,611)	30 July 2021	4	Société Générale
EUR	3,650	CHF	(4,000)	01 July 2021	1	Société Générale
<b>Total unrealised gains on forward foreign exchange contracts</b>					<b>410,456</b>	

#### Forward foreign exchange contracts (continued)

CCY	Buy	CCY	Sell	Maturity	Unrealised (Loss) EUR	Counterparty
CHF	4,000	EUR	(3,651)	30 July 2021	(2)	Société Générale
EUR	25,624	GBP	(22,000)	02 July 2021	(4)	Société Générale
EUR	17,326	CHF	(19,000)	02 July 2021	(6)	Société Générale
GBP	5,000	EUR	(5,831)	30 July 2021	(9)	Société Générale
USD	20,000	EUR	(16,875)	02 July 2021	(10)	Société Générale
EUR	9,298	GBP	(8,000)	01 July 2021	(21)	Société Générale
EUR	287,495	USD	(343,000)	30 July 2021	(1,570)	Société Générale
EUR	620,772	USD	(742,000)	30 July 2021	(4,579)	Société Générale
GBP	62,005,153	EUR	(72,206,578)	30 July 2021	(9,839)	Société Générale
CHF	54,369,241	EUR	(49,621,831)	30 July 2021	(15,586)	Société Générale
<b>Total unrealised loss on forward foreign exchange contracts</b>					<b>(31,626)</b>	

All open Forward Foreign Exchange Contracts held at 30 June 2021 are held for share class hedging purposes.

**LYXOR INVESTMENT STRATEGIES PLC**

**Notes to the Financial Statements (continued)**

Contract Size	Description	Maturity Date	Unrealised Gain/(Loss) EUR	Counterparty
<b>Currency Futures</b>				
(1,684)	JPN YEN CURR /202109	30 September 2021	2,279,002	Société Générale Newedge-UK Limited
(1,375)	EUR/GBP (CME /202109)	30 September 2021	107,033	Société Générale Newedge-UK Limited
<b>Total unrealised gain on currency futures</b>			<u>2,386,035</u>	
<b>Index Futures</b>				
111	DJIA MINI FU /202109	30 September 2021	22,342	Société Générale Newedge-UK Limited
200	S&P500 EMINI Sep21	30 September 2021	504,309	Société Générale Newedge-UK Limited
112	NQ USA NASDAQ 0921	30 September 2021	1,114,178	Société Générale Newedge-UK Limited
20	S&P/TSE CAN /202109	30 September 2021	22,145	Société Générale Newedge-UK Limited
<b>Total unrealised gain on index futures</b>			<u>1,662,974</u>	
<b>Interest Rate Futures</b>				
13,437	90DAY EURODLR 0921	30 September 2021	1,317,607	Société Générale Newedge-UK Limited
11,102	90DAY EURODLR 1221	31 December 2021	1,165,739	Société Générale Newedge-UK Limited
4,642	3MO EURO EUR /202109	30 September 2021	52,200	Société Générale Newedge-UK Limited
<b>Total unrealised gain on interest rate futures</b>			<u>2,535,546</u>	
<b>Total unrealised gain on futures contracts</b>			<u><b>6,584,555</b></u>	
<b>Currency Futures</b>				
<b>Currency Futures</b>				
1	USD/AUD (CME /202109)	30 September 2021	(1,700)	Société Générale Newedge-UK Limited
1,644	USD/GBP (CME /202109)	30 September 2021	(2,658,761)	Société Générale Newedge-UK Limited
5	CME BRL/USD 0821	31 July 2021	(637)	Société Générale Newedge-UK Limited
1	USD/CAD (CME /202109)	30 September 2021	(1,783)	Société Générale Newedge-UK Limited
1,077	EUR/USD (CME /202109)	30 September 2021	(3,736,878)	Société Générale Newedge-UK Limited
4	USD/MXN (CME /202109)	30 September 2021	(1,197)	Société Générale Newedge-UK Limited
7	USD/ZAR (CME /202109)	30 September 2021	(10,488)	Société Générale Newedge-UK Limited
871	EUR/JPY (CM /202109)	30 September 2021	(1,305,423)	Société Générale Newedge-UK Limited
<b>Total unrealised loss on currency futures</b>			<u>(7,716,867)</u>	
<b>Index Futures</b>				
3	CAC 40 FUT 0721	31 July 2021	(3,840)	Société Générale Newedge-UK Limited
41	S&P MID 400 /202109	30 September 2021	(103,061)	Société Générale Newedge-UK Limited
40	DAX INDEX GE /202109	30 September 2021	(221,850)	Société Générale Newedge-UK Limited
256	H-SHARES IDX /202106	31 July 2021	(83,142)	Société Générale Newedge-UK Limited
174	HANG SENG IN /202107	31 July 2021	(383,164)	Société Générale Newedge-UK Limited
3	MEFF IBEX35 E 0721	31 July 2021	(11,446)	Société Générale Newedge-UK Limited
384	NIKKEI 225 ( /202109)	30 September 2021	(356,241)	Société Générale Newedge-UK Limited
323	EM RUSS 2000 /202109	30 September 2021	(306,362)	Société Générale Newedge-UK Limited
368	SWISS MARKET /202109	30 September 2021	(39,655)	Société Générale Newedge-UK Limited
3	FTSE MIB IND /202109	30 September 2021	(8,790)	Société Générale Newedge-UK Limited
9	DJ EURO STOXX /202109	30 September 2021	(7,355)	Société Générale Newedge-UK Limited
1	SPI 200 INDE /202109	30 September 2021	(554)	Société Générale Newedge-UK Limited
3	FTSE 100 IND /202109	30 September 2021	(3,827)	Société Générale Newedge-UK Limited
<b>Total unrealised loss on index futures</b>			<u>(1,529,287)</u>	
<b>Total unrealised loss on futures contracts</b>			<u><b>(9,246,154)</b></u>	

**LYXOR INVESTMENT STRATEGIES PLC**

**Notes to the Financial Statements (continued)**

**7. Derivative Contracts (continued)**

As at 31 December 2020, the following derivative contracts were included in the Company's Statement of Financial Position at fair value through profit or loss:

**Forward foreign exchange contracts**

<b>CCY</b>	<b>Buy</b>	<b>CCY</b>	<b>Sell</b>	<b>Maturity</b>	<b>Unrealised Gain EUR</b>	<b>Counterparty</b>
CHF	46,453,284	EUR	(42,917,801)	08 January 2021	34,257	Société Générale
GBP	1,288,000	EUR	(1,410,603)	08 January 2021	28,766	Société Générale
EUR	681,880	USD	(816,000)	08 January 2021	15,019	Société Générale
EUR	386,858	USD	(468,000)	08 January 2021	4,482	Société Générale
EUR	374,345	USD	(454,000)	08 January 2021	3,382	Société Générale
GBP	43,000	EUR	(46,945)	08 January 2021	1,113	Société Générale
GBP	30,000	EUR	(32,871)	08 January 2021	661	Société Générale
GBP	578,000	EUR	(645,215)	08 January 2021	546	Société Générale
GBP	30,000	EUR	(33,051)	08 January 2021	456	Société Générale
CHF	1,001,000	EUR	(925,213)	08 January 2021	394	Société Générale
GBP	23,000	EUR	(25,298)	08 January 2021	379	Société Générale
GBP	14,000	EUR	(15,380)	08 January 2021	262	Société Générale
USD	534,000	EUR	(436,108)	08 January 2021	248	Société Générale
GBP	8,000	EUR	(8,766)	08 January 2021	170	Société Générale
GBP	11,000	EUR	(12,118)	08 January 2021	169	Société Générale
EUR	17,289	USD	(21,000)	08 January 2021	130	Société Générale
GBP	9,000	EUR	(9,930)	08 January 2021	125	Société Générale
EUR	8,251	USD	(10,000)	08 January 2021	79	Société Générale
EUR	13,019	CHF	(14,000)	08 January 2021	75	Société Générale
EUR	22,270	CHF	(24,000)	08 January 2021	75	Société Générale
GBP	69,000	EUR	(76,630)	08 January 2021	57	Société Générale
EUR	6,565	USD	(8,000)	08 January 2021	27	Société Générale
EUR	1,661	USD	(2,000)	08 January 2021	26	Société Générale
GBP	4,000	EUR	(4,443)	08 January 2021	26	Société Générale
GBP	3,000	EUR	(3,331)	08 January 2021	21	Société Générale
CHF	36,000	EUR	(33,267)	08 January 2021	20	Société Générale
CHF	14,000	EUR	(12,930)	08 January 2021	14	Société Générale
EUR	822	USD	(1,000)	08 January 2021	5	Société Générale
USD	5,000	EUR	(4,068)	04 January 2021	5	Société Générale
USD	6,000	EUR	(4,901)	08 January 2021	2	Société Générale
<b>Total unrealised gains on forward foreign exchange contracts</b>					<b>90,991</b>	

**LYXOR INVESTMENT STRATEGIES PLC**

**Notes to the Financial Statements (continued)**

**7. Derivative Contracts (continued)**

**Forward foreign exchange contracts**

**Lyxor/Epsilon Global Trend Fund**

CCY	Buy	CCY	Sell	Maturity	Unrealised (Loss) EUR	Counterparty
EUR	25,889	CHF	(28,000)	08 January 2021	(1)	Société Générale
EUR	4,067	USD	(5,000)	08 January 2021	(2)	Société Générale
EUR	1,846	CHF	(2,000)	08 January 2021	(3)	Société Générale
CHF	1,000	EUR	(928)	08 January 2021	(4)	Société Générale
CHF	2,000	EUR	(1,854)	08 January 2021	(5)	Société Générale
EUR	10,167	CHF	(11,000)	08 January 2021	(5)	Société Générale
CHF	2,000	EUR	(1,859)	08 January 2021	(10)	Société Générale
EUR	8,311	CHF	(9,000)	08 January 2021	(13)	Société Générale
USD	48,000	EUR	(39,206)	08 January 2021	(14)	Société Générale
CHF	5,000	EUR	(4,647)	08 January 2021	(23)	Société Générale
EUR	47,116	CHF	(51,000)	08 January 2021	(43)	Société Générale
GBP	28,000	EUR	(31,347)	08 January 2021	(68)	Société Générale
EUR	8,871	GBP	(8,000)	08 January 2021	(70)	Société Générale
EUR	76,633	GBP	(69,000)	04 January 2021	(113)	Société Générale
EUR	55,644	GBP	(50,000)	08 January 2021	(182)	Société Générale
EUR	305,385	USD	(374,000)	08 January 2021	(190)	Société Générale
EUR	7,623	GBP	(7,000)	08 January 2021	(194)	Société Générale
USD	9,887	EUR	(8,293)	08 January 2021	(214)	Société Générale
USD	9,895	EUR	(8,300)	08 January 2021	(215)	Société Générale
EUR	94,020	CHF	(102,000)	08 January 2021	(277)	Société Générale
USD	93,000	EUR	(76,286)	08 January 2021	(336)	Société Générale
USD	95,000	EUR	(78,154)	08 January 2021	(529)	Société Générale
CHF	278,000	EUR	(257,816)	08 January 2021	(764)	Société Générale
USD	52,000	EUR	(43,447)	08 January 2021	(960)	Société Générale
EUR	606,245	GBP	(547,000)	08 January 2021	(4,708)	Société Générale
USD	1,547,000	EUR	(1,273,787)	08 January 2021	(10,018)	Société Générale
GBP	59,254,320	EUR	(66,519,962)	08 January 2021	(338,372)	Société Générale
USD	74,975,672	EUR	(62,890,401)	08 January 2021	(1,631,012)	Société Générale
<b>Total unrealised loss on forward foreign exchange contracts</b>					<b>(1,988,345)</b>	

All open Forward Foreign Exchange Contracts held at 31 December 2020 are held for share class hedging purposes.

**LYXOR INVESTMENT STRATEGIES PLC**

**Notes to the Financial Statements (continued)**

**7. Derivative Contracts (continued)**

**Futures Contracts**

<b>Contract Size</b>	<b>Description</b>	<b>Maturity Date</b>	<b>Unrealised Gain/(loss) EUR</b>	<b>Counterparty</b>
<b>Currency Futures</b>				
1	AUDUSD CURNCY FUTUR MAR21	31 March 2021	1,022	Société Générale Newedge-UK Limited
(3,581)	BRAZIL REAL /202102	28 February 2021	382,894	Société Générale Newedge-UK Limited
1,075	EUR/JPY (CME) MAR21	31 March 2021	146,368	Société Générale Newedge-UK Limited
1,582	EUR/USD (CME /202103	31 March 2021	1,025,671	Société Générale Newedge-UK Limited
326	JPN YEN CURR /202103	31 March 2021	219,576	Société Générale Newedge-UK Limited
551	USD/CHF (CME) MAR21	31 March 2021	120,408	Société Générale Newedge-UK Limited
97	USD/GBP (CME /202103	31 March 2021	55,356	Société Générale Newedge-UK Limited
(2,519)	USD/RUB (CME) MAR21	31 March 2021	634,894	Société Générale Newedge-UK Limited
2	USD/ZAR (CME) MAR21	31 March 2021	879	Société Générale Newedge-UK Limited
<b>Total unrealised gain on currency futures</b>			<b>2,587,068</b>	
<b>Index Futures</b>				
164	DJIA MINI FU /202103	31 March 2021	162,143	Société Générale Newedge-UK Limited
494	E-MINI RUSSELL 2000 (CME) MAR2	31 March 2021	1,242,409	Société Générale Newedge-UK Limited
1	FTSE MIB IND /202103	31 March 2021	3,720	Société Générale Newedge-UK Limited
1	IBEX 35 INDE /202101	31 January 2021	177	Société Générale Newedge-UK Limited
166	NASDAQ 100 E-MINI MAR21	31 March 2021	1,302,912	Société Générale Newedge-UK Limited
535	NIKKEI 225 ( /202103	31 March 2021	2,347,175	Société Générale Newedge-UK Limited
303	S&P 500 EMINI 0321	31 March 2021	1,077,097	Société Générale Newedge-UK Limited
62	S&P MID 400 /202103	31 March 2021	331,691	Société Générale Newedge-UK Limited
<b>Total unrealised gain on index futures</b>			<b>6,467,324</b>	
<b>Interest Rate Futures</b>				
4,549	EURO/USD 90D /202103	31 March 2021	309,193	Société Générale Newedge-UK Limited
4,352	EURO/USD 90D /202106	30 June 2021	304,851	Société Générale Newedge-UK Limited
15,392	EURO/USD 90D /202109	30 September 2021	912,805	Société Générale Newedge-UK Limited
11,567	90DAY GBP LI /202103	31 March 2021	130,837	Société Générale Newedge-UK Limited
<b>Total unrealised gain on interest rate futures</b>			<b>1,657,686</b>	
<b>Total unrealised gain on futures contracts</b>			<b>10,712,078</b>	
<b>Currency Futures</b>				
163	EUR/GBP (CME) MAR21	31 March 2021	(148,636)	Société Générale Newedge-UK Limited
3	USD/MXN (CME) MAR21	31 March 2021	(151)	Société Générale Newedge-UK Limited
<b>Total unrealised loss on currency futures</b>			<b>(148,787)</b>	
<b>Index Futures</b>				
1	CAC40 10 EUR /202101	31 January 2021	(190)	Société Générale Newedge-UK Limited
2	DJ EURO STOX /202103	31 March 2021	(175)	Société Générale Newedge-UK Limited
1	S&P/TSE CAN 60 INDEX MAR21	31 March 2021	(1,873)	Société Générale Newedge-UK Limited
1	SPI 200 INDE /202103	31 March 2021	(1,608)	Société Générale Newedge-UK Limited
<b>Total unrealised loss on index futures</b>			<b>(3,846)</b>	
<b>Total unrealised loss on futures contracts</b>			<b>(152,633)</b>	

**Notes to the Financial Statements (continued)**

**8. Financial Risk Management**

**a) Overall risk management**

The Company/Sub-Fund is exposed to a number of risks due to the nature of its activities. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company/Sub-Fund trades financial instruments that may be impacted by market liquidity, credit worthiness of issuers and/or counterparties, changes in interest rate, currency, market prices and volatility.

The Company/Sub-Fund is also exposed to operational risk such as Custody or counterparty risk. Custody or counterparty risk is the risk of loss being incurred on securities in custody as a result of the counterparty's or the Custody's insolvency, negligence, misuse of assets, fraud, poor administration or inadequate record-keeping. In the event that one of the Company/Sub-Fund's counterparties or Custody becomes bankrupt and/or fails to segregate the Company/Sub-Fund's assets on deposit as required, the Company/Sub-Fund may be subject to a risk of loss. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the counterparty, in the event of its failure, the ability of the Company/Sub-Fund to transfer the securities might be temporarily impaired.

The Company/Sub-Fund's risk management policies are approved by the Board of Directors and seek to minimise the potential adverse effects of these risks on the Company/Sub-Fund's financial performance. The risk management system is an ongoing process of identification, measurement, monitoring and controlling risk.

In order to avoid excessive concentrations of risk, the Company/Sub-Fund's investment policies and risk management procedures include specific guidelines to ensure the maintenance of a diversified portfolio.

The ongoing risk in relation to the Covid-19 pandemic is discussed in note 13 to the Financial Statements.

**b) Credit Risk**

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Company/Sub-Fund. There is a possibility that an issuer will be unable to make interest payments and repay principal when due. Changes in an issuer's financial strength or in a financial instrument's credit rating may affect a financial instrument's value.

At the reporting date, financial assets and financial liabilities exposed to credit risk include treasury bills. The carrying amount of the financial assets and financial liabilities are disclosed in the Statement of Financial Position on page 7. It is the opinion of the Manager that the carrying amounts of these financial assets and financial liabilities represent the credit risk exposure at the reporting date.

The credit risk on cash transactions and transactions involving derivative financial instruments is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with counterparties with high credit ratings assigned by a recognised rating agency.

**Counterparties Risk**

In accordance with the investment restrictions as described in the prospectus, where the Company/Sub-Fund directly enters into over-the-counter derivative transactions or other arrangements with counterparties and where assets are transferred to those counterparties, each counterparty must have a minimum credit rating of at least A-2 from S&P or equivalent by a recognised rating agency.

Substantially all of the assets of the Company/Sub-Fund are held in segregated accounts by the Depositary, CACEIS Bank, Ireland Branch and by the counterparty Société Générale. Bankruptcy or insolvency of the Depositary or counterparties may cause the Company/Sub-Fund's rights with respect to securities held by the Depositary or counterparty to be delayed or limited in certain cases. The Company/Sub-Fund monitors its risk by monitoring the credit quality and financial positions of the counterparties the Company/Sub-Fund uses.

**Notes to the Financial Statements (continued)**

**8. Financial Risk Management (continued)**

**b) Liquidity Risk**

Liquidity risk is the risk that the Company/Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company/Sub-Fund's redeemable shares are redeemable at the shareholder's option daily for cash equal to a proportionate share of the Company/Sub-Fund's net asset value. The Company/Sub-Fund is therefore potentially exposed to daily redemptions by its shareholders.

The Company/Sub-Fund invests in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. It is also the Company/Sub-Fund's policy to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

To manage liquidity risk, where outstanding redemption requests from all holders of Shares in the Company/Sub-Fund on any Dealing Day total an aggregate of more than 10% of the Net Asset Value of the Company/Sub-Fund on such Dealing Day, the Directors shall be entitled at their discretion to refuse to redeem such number of Shares in issue in respect of the Company/Sub-Fund on that Dealing Day in respect of which redemption requests have been received in excess of 10% of the Net Asset Value of the Company/Sub-Fund as the Directors shall determine.

If the Company/Sub-Fund refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the Shares to which each request relates which are not redeemed shall be redeemed on subsequent Dealing Days, provided that the Company/Sub-Fund shall not be obliged to redeem more than 10% of the Net Asset Value of the Company/Sub-Fund outstanding on any Dealing Day, until all the Shares to which the original request related have been redeemed.

**c) Market Risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

The Company/Sub-Fund employs an advanced risk management methodology which monitors global exposure using a risk management process which, in compliance with the UCITS Regulations and the Central Bank UCITS Regulations, aims to ensure that on any day the absolute Value at Risk (VaR) of the Company/Sub-Fund will be no greater than 20% of the Net Asset Value of the Company/Sub-Fund over a period of 20 days or that the relative VaR of the Company/Sub-Fund will not exceed twice the Value at Risk of the relevant Reference Assets, as appropriate. The daily VaR will be calculated using 99% confidence level, and the historical observation period will not be less than one year unless a shorter period is justified.

**(i) Global exposure and leverage**

Global exposure is measured using the VaR approach which considers the full constituents of the portfolio.

The use of derivative instruments may expose the Company/Sub-Fund to a higher degree of risk, in particular derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard equities. Leveraged derivative positions can therefore increase volatility of the Company/Sub-Fund.

In order to calculate the leverage level inherent in each Strategy Index, the gross exposure is divided by the total value of the Strategy Index as outlined in the Company/Sub-Fund's risk management program.

**Notes to the Financial Statements** *(continued)*

**8. Financial Risk Management** *(continued)*

**(ii) Price Risk**

Price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company/Sub-Fund is exposed to price risk arising from its investments in debt securities and derivatives.

The overall price risk exposure at 30 June 2021 is set out in the Schedule of Investments on pages 30-31.

While pricing information is generally available for most of the financial instruments in which the Company/Sub-Fund invests, some pricing inputs may not always be available for over-the-counter instruments. Such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Directors or a competent person appointed by the Directors and approved for the purpose by the Depositary, however, there can be no assurance that the value of an asset owned by the Company/Sub-Fund will be realised upon its disposition.

The Investment Manager manages the Company/Sub-Funds's market price risk on a daily basis in accordance with the Company/Sub-Fund's investment objectives, policies and investment guidelines. The Company/Sub-Fund's overall market positions are monitored on a daily basis by the Manager.

**(iii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company/Sub-Fund's interest bearing financial assets and liabilities expose it to risk associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

As at 30 June 2021, the Sub-Fund of the Company holds debt securities and derivatives which are affected by movements in interest rates and maturities.

The Manager reviews exposure to underlying rate movements on a weekly basis.

**(iv) Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company/Sub-Fund may invest in financial instruments denominated in currencies other than the base currency or in financial instruments which are determined with references to currencies other than the base currency.

The Company/Sub-Fund, however, will invest a portion of its assets in financial instruments denominated in EUR or in financial instruments which are determined with references to EUR. To the extent the base currency is a denomination other than the denomination of the financial instruments owned by the Company/Sub-Fund and no hedge is utilised, the value of the Company/Sub-Fund's net assets will fluctuate based on fluctuations of the exchange rates as well as with price changes of their investments in the various local markets and currencies.

An increase in the value of the EUR compared to the other currencies in which the Company/Sub-Fund may make investments will reduce the effect of increases and magnify the EUR equivalent of the effect of decreases in the prices of the Company/Sub-Fund's financial instruments in their local markets. Conversely, a decrease in the value of the EUR will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Company/Sub-Fund's non-EUR financial instruments. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk.

## LYXOR INVESTMENT STRATEGIES PLC

### Notes to the Financial Statements (continued)

#### 8. Financial Risk Management (continued)

##### (e) Fair value of financial instruments

The Company/Sub-Fund is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. In accordance with IFRS 13, the inputs have been categorised into a three-level hierarchy which gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to significant unobservable inputs (Level 3). If the inputs used to value an investment fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the investment.

The Company/Sub-Fund uses the “market approach” valuation technique to value its investments. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” may require significant judgement but can generally be considered as that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the risk of that instrument.

The three levels of the fair value hierarchy are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company/Sub-Fund has the ability to access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as a price) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) and which are significant to the valuation.

Investments typically classified within level 1 include active listed equities, exchange traded derivatives and certain Government bonds. Investments typically classified within level 2 include investments in corporate bonds, certain Government bonds, certain listed equities and over the counter derivatives. Investment funds are also considered level 2 investments if there is evidence that redemptions occurred during the period and there were no restrictions preventing redemptions at the period end. As level 2 investments include positions that are not traded in active markets and/ or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability. Such adjustments are generally based on available market information. Investments typically classified within level 3 include certain corporate bonds, private equities and investment funds that have suspended redemptions, created side pocket classes or imposed gates. Within level 3, the use of the market approach generally consists of using comparable market transactions.

The table below summarises the Company/Sub-Fund’s classification of investments, into the above hierarchy levels as of 30 June 2021:

##### Lyxor Epsilon Global Trend Fund

	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss - held for trading:</b>				
Treasury bills	426,650,428	-	-	426,650,428
Private bonds	-	-	90,449,591	90,449,591
<i>Derivative Assets</i>				
Futures contracts	6,584,555	-	-	6,584,555
Forward foreign exchange contracts	-	410,456	-	410,456
	<b>433,234,983</b>	<b>410,456</b>	<b>90,449,591</b>	<b>524,095,030</b>

**LYXOR INVESTMENT STRATEGIES PLC**

**Notes to the Financial Statements (continued)**

**8. Financial Risk Management (continued)**

**e) Fair value of financial instruments (continued)**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Derivative liabilities</i>				
Futures contracts	(9,246,154)	-	-	(9,246,154)
Forward foreign exchange contracts	-	(31,626)	-	(31,626)
	<b>(9,246,154)</b>	<b>(31,626)</b>	<b>-</b>	<b>(9,277,780)</b>

There were no transfers between the levels for the financial period ended 30 June 2021.

The table below summarises the Company/Sub-Fund's classification of investments, into the above hierarchy levels as of 31 December 2020:

**Lyxor Epsilon Global Trend Fund**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at fair value through profit or loss - held for trading:</b>				
Treasury bills	398,443,423	-	-	398,443,423
Private bonds	-	-	66,771,944	66,771,944
<i>Derivative Assets</i>				
Futures contracts	10,712,078	-	-	10,712,078
Forward foreign exchange contracts	-	90,991	-	90,991
	<b>409,155,501</b>	<b>90,991</b>	<b>66,771,944</b>	<b>476,018,436</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Derivative liabilities</i>				
Futures contracts	(152,633)	-	-	(152,633)
Forward foreign exchange contracts	-	(1,988,345)	-	(1,988,345)
Payable for securities purchased	-	-	-	-
	<b>(152,633)</b>	<b>(1,988,345)</b>	<b>-</b>	<b>(2,140,978)</b>

There were no transfers between the levels for the financial year ended 31 December 2020

The table presented below summarises the change in the Statement of Net Assets carrying value associated with level 3 assets during the Period ended 30 June 2021 and 31 December 2020.

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Level 3</b>	<b>Private Bonds</b>	<b>Private Bonds</b>
	<b>EUR</b>	<b>EUR</b>
Beginning balance as at 1 January	66,771,944	31,629,581
Purchases	48,698,274	34,031,044
Sales	-	(19,539,759)
Realised gain	-	10,133,857
Change in unrealised (loss)/gain	(25,020,627)	10,517,221
<b>Ending balance as at period end</b>	<b>90,449,591</b>	<b>66,771,944</b>

The Level 3 investments are Private Bonds issued by and held with Société Générale. The fair value of these investments are not based on observable market data.

## **LYXOR INVESTMENT STRATEGIES PLC**

### **Notes to the Financial Statements (continued)**

#### **9. Taxation**

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations; and a shareholder who is neither Irish resident nor Irish ordinarily resident for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

#### **10. Related Party Transactions**

IAS 24 - Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Directors and dependents thereof are considered related parties.

Mr. Moez Bousarsar is in charge of Sales for the Middle East region of Lyxor Asset Management S.A.S.

Mr. Olivier Germain is the Head of the Risk Department for Lyxor Asset Management S.A.S.

#### **Significant shareholders**

There were no significant shareholders for the Fund as at 30 June 2021.

#### **Manager and Investment Manager**

Lyxor Asset Management S.A.S, (the "Manager") has been appointed as the Manager of the Sub-Funds pursuant to which the Manager has responsibility for the administration of the Sub-Funds, the investment of the assets of the Sub-Funds and the valuation of the assets and liabilities of the Sub-Funds, the issue, repurchase and cancellation of redeemable participating preference shares, and the calculation of the prices of redeemable participating preference shares. In addition, the Manager is responsible for determining the number of redeemable participating preference shares in issue from time to time, keeping and arranging for the safe-keeping and inspection of such returns, records and accounting information of the Sub-Funds as are required by the law, maintaining the Register, acting as Secretary of the Sub-Funds, and providing the registered office of the Sub-Funds.

On 5 May 2017, the Manager appointed Metori Capital Management as Sub-Investment Manager of the Lyxor Epsilon Global Trend Fund. Metori Capital Management is an asset management company whose founders came from Lyxor Asset Management S.A.S.

The Sub-Investment Manager expenses fees charged for Sub-Fund for the period ended 30 June 2021 amounted to EUR 1,885,600 (30 June 2020: EUR 1,296,277) of which EUR 1,000,240 (31 December 2020: EUR 3,076,748) was payable at the period end.

**LYXOR INVESTMENT STRATEGIES PLC**

**Notes to the Financial Statements (continued)**

**10 Related Party Transactions (continued)**

**Other related parties**

The counterparty for the forward foreign exchange contracts held by the Company at the period end and throughout the period is Société Générale. The counterparty of the futures contracts is Société Générale. The Manager and Société Générale are related by virtue of the fact that Société Générale is the ultimate parent of the Manager. Refer to Note 7 for value of Forward Foreign Exchange and Futures contracts at the date of Statement of Financial Position date. Note 5 details gains and losses on these contracts during the period.

The Company holds two private bonds at the period end (2020: two private bonds) which were issued by Société Générale and SG Issuer. Refer to the Schedule of Investments on pages 30-31 for the value of these bonds. Realised gain/loss on bonds held by the Company during the period issued by Société Générale was EUR Nil (30 June 2020: EUR 10,133,857) and the unrealized loss was EUR 25,020,627 (30 June 2020: EUR 6,050,976).

**Connected Person Transactions**

The Board of Directors are satisfied that: (i) there are arrangements in place, evidenced by written procedures, to ensure that the obligations set out in Regulation 43 (1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons; and (ii) transactions with connected persons entered into during the period complied with the obligations set out in that regulation.

**11. Net Asset Value Comparison**

**Lyxor Epsilon Global Trend Fund**

<b>EUR Class A</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2020</b>
Net Asset Value	EUR 22,455,330	EUR 21,995,552	EUR 10,085,620
Shares in Issue	143,995	138,319	65,340
Net Asset Value per share	EUR 155.95	EUR 159.02	EUR 154.36
<b>CHF Class I</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2020</b>
Net Asset Value	CHF 53,522,199	CHF 47,909,659	CHF 51,272,489
Shares in Issue	484,901	426,968	471,620
Net Asset Value per share	CHF 110.38	CHF 112.21	CHF 108.72
<b>EUR Class I</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2020</b>
Net Asset Value	EUR 396,801,800	EUR 342,188,673	EUR 333,099,725
Shares in Issue	2,770,502	2,350,954	2,365,249
Net Asset Value per share	EUR 143.22	EUR 145.55	EUR 140.83
<b>GBP Class I</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2020</b>
Net Asset Value	GBP 61,783,872	GBP 61,129,987	GBP 55,154,847
Shares in Issue	423,846	413,886	387,883
Net Asset Value per share	GBP 145.77	GBP 147.70	GBP 142.19
<b>USD Class I</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2020</b>
Net Asset Value	USD 71,531,086	USD 76,408,660	USD 75,403,978
Shares in Issue	456,607	482,456	495,940
Net Asset Value per share	USD 156.66	USD 158.37	USD 152.04
<b>USD Class AA</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2020</b>
Net Asset Value	USD 10,043	10,199	-
Shares in Issue	100	100.00	-
Net Asset Value per share	USD 100.43	101.99	-
<b>USD Class IA</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2020</b>
Net Asset Value	USD 10,095	10,213	-
Shares in Issue	100	100.00	-
Net Asset Value per share	USD 100.95	102.13	-

## **LYXOR INVESTMENT STRATEGIES PLC**

### **Notes to the Financial Statements (continued)**

#### **12. Efficient Portfolio Management**

To the extent permitted by the investment objectives and policies of the Company and subject to the limits set down by the Central Bank of Ireland from time to time and to the provisions of the Prospectus, utilisation of financial derivative instruments and investment techniques shall be employed for efficient portfolio management purposes by all the Sub-Funds. The Sub-Funds may use these financial derivative instruments and investment techniques to hedge against changes in interest rates, non-functional currency exchange rates or securities prices or as part of their overall investment strategies.

During the period the Company entered into forward foreign exchange contracts for currency hedging purposes. The counterparty in respect of the forward foreign exchange contracts is Société Générale. Forward foreign exchange contracts outstanding at 30 June 2021 are disclosed in note 7. The counterparty in respect of the futures is Société Générale. Future contracts outstanding at 30 June 2021 are disclosed in note 7. Realised gains and losses on financial instruments used for efficient portfolio management purposes are disclosed in note 5. Excluding futures contracts, transaction costs are embedded in the cost of the investments and therefore cannot be separately disclosed.

#### **13. Significant events during the period**

During the period, the world has experienced a global pandemic of Covid-19 affecting all continents without distinction. Managers have adapted their working organisation to this new environment to maintain an efficient operating, trading and investment process. The board of directors and the manager continue to monitor central banks measures on financial markets and governments' efforts to support global economies ahead of the re-opening. Short term, the Board and the manager will focus on how they will implement all necessary measures to favor the vaccination of their population and contain the spread of the virus and its variants.

An updated supplement was issued on 4 March 2021 to reflect relevant Sustainable Finance Disclosure Regulation ("SFDR") requirements.

In June 2021, Société Générale and Amundi Asset Management have agreed on the sale of Lyxor Group's activities, together with the commercial and support functions dedicated to them. Although a small portion will remain at Société Générale and the whole acquisition is subject to regulatory clearances, it will lead to a change of 100% of shareholding of the Lyxor Group from Société Générale to Amundi Asset Management

There were no other significant events during the period.

#### **14. Soft Commissions**

There were no soft commission arrangements entered into during the current period or prior period.

#### **15. Significant events since the period end**

There have been no significant events to report since the financial period end.

#### **16. Approval of the Financial Statements**

The financial statements were approved by the Board of Directors on 19 August 2021.

*LYXOR INVESTMENT STRATEGIES PLC*

**Schedule of Investments**

**Lyxor Epsilon Global Trend Fund**  
**As at 30 June 2021**

<b>Quantity</b>	<b>Description</b>	<b>Fair Value</b>	<b>As a % of</b>
		<b>EUR</b>	<b>the Net</b>
			<b>Assets</b>
	<b>Transferable Securities</b>		
	<b>Treasury Bills</b>		
	<b>France</b>		
40,000,000	FRANCE TREASURY BILL ZCP 041121	40,093,200	6.68%
30,000,000	FRANCE TREASURY BILL ZCP 061021	30,052,200	5.01%
30,000,000	FRANCE TREASURY BILL ZCP 080921	30,037,500	5.00%
20,000,000	FRANCE TREASURY BILL ZCP 110821	20,014,200	3.33%
30,000,000	FRANCE TREASURY BILL ZCP 140721	30,006,450	5.00%
40,000,000	FRANCE TREASURY BILL ZCP 151221	40,122,200	6.68%
20,000,000	FRANCE TREASURY BILL ZCP 180821	20,016,800	3.33%
40,000,000	FRANCE TREASURY BILL ZCP 201021	40,083,200	6.68%
37,000,000	FRANCE TREASURY BILL ZCP 220921	37,054,760	6.17%
38,800,000	FRANCE TREASURY BILL ZCP 230222	38,969,168	6.49%
30,000,000	FRANCE TREASURY BILL ZCP 250821	30,029,100	5.00%
40,000,000	FRANCE TREASURY BILL ZCP 260122	40,157,400	6.69%
30,000,000	FRENCH REP ZCP 280721	30,014,250	5.00%
		<u>426,650,428</u>	<u>71.06%</u>
	<b>Total Investment in Treasury Bills</b>	<b><u>426,650,428</u></b>	<b><u>71.06%</u></b>

**LYXOR INVESTMENT STRATEGIES PLC**

**Schedule of Investments (continued)**

**Lyxor Epsilon Global Trend Fund**  
As at 30 June 2021 (continued)

Quantity	Description	Fair Value EUR	As a % of the Net Assets
	<b>Private Bonds</b>		
41,809,000	SOCIETE GENERALE* 0.00 17-22 14/02U	45,224,796	7.54%
41,809,000	SG ISSUER* 0.00 17-22 14/02U	45,224,795	7.53%
		<u>90,449,591</u>	<u>15.07%</u>
	<b>Total Investment in Private Bonds</b>	<u><b>90,449,591</b></u>	<u><b>15.07%</b></u>
	Unrealised gain on futures contracts (note 6)	6,584,555	1.10%
	Unrealised gain on forward foreign exchange contracts (note 6)	410,456	0.07%
	<b>Financial Assets at fair value through profit or loss</b>	<u><b>524,095,030</b></u>	<u><b>87.30%</b></u>
	Unrealised loss on futures contracts (note 6)	(9,246,154)	(1.54%)
	Unrealised loss on forward foreign contracts (note 6)	(31,626)	(0.01%)
	<b>Financial Liabilities at fair value through profit or loss</b>	<u><b>(9,277,780)</b></u>	<u><b>(1.55%)</b></u>
	Other assets in excess of other liabilities	85,571,480	14.25%
	<b>Net Assets attributable to redeemable participating shareholders</b>	<u><u><b>600,388,730</b></u></u>	<u><u><b>100.00%</b></u></u>
	<b>Analysis of Total Assets</b>		<b>% of Total Assets</b>
	<b>Assets</b>		
	Deposits with credit institutions		0.01%
	Transferable securities admitted to an official stock exchange listing		68.27%
	Private bonds		14.47%
	Financial derivative instruments dealt in on a regulated market		1.12%
	Other assets		16.13%
			<u><u><b>100.00%</b></u></u>

\*Held with Société Générale – related party investments.

**LYXOR INVESTMENT STRATEGIES PLC****Statement of Changes in Composition of Portfolio**

Lyxor Epsilon Global Trend Fund  
For the period ended 30 June 2021

<u>All Purchases</u>	<u>Security</u>	<u>Cost</u> <u>EUR</u>
1	FRANCE TREASURY BILL ZCP 151221	80,360,656
2	FRANCE TREASURY BILL ZCP 260122	58,322,768
3	FRANCE TREASURY BILL ZCP 041121	55,249,248
4	FRANCE TREASURY BILL ZCP 061021	40,172,438
5	FRANCE TREASURY BILL ZCP 220921	40,097,691
6	FRANCE TREASURY BILL ZCP 201021	40,097,165
7	FRENCH REP ZCP 280721	40,088,802
8	FRANCE TREASURY BILL ZCP 250821	40,064,264
9	FRANCE TREASURY BILL ZCP 230222	38,976,583
10	FRANCE TREASURY BILL ZCP 120521	30,036,464
11	SG ISSUER* 0.00 17-22 14/02U	24,349,137
12	SOCIETE GENERALE* 0.00 17-22 14/02U	24,349,137
13	FRANCE TREASURY BILL ZCP 300621	20,041,900
14	FRANCE TREASURY BILL ZCP 180821	20,029,652
15	FRANCE TREASURY BILL ZCP 270521	20,029,624
16	FRANCE TREASURY BILL ZCP 080921	2,007,780
17	FRANCE TREASURY BILL ZCP 110821	501,696

<u>All Sales</u>	<u>Security</u>	<u>Proceeds</u> <u>EUR</u>
1	FRANCE TREASURY BILL ZCP 151221	40,193,956
2	FRANCE TREASURY BILL ZCP 160621	40,017,821
3	FRANCE TREASURY BILL ZCP 190521	40,008,794
4	FRANCE TREASURY BILL ZCP 210421	40,003,988
5	FRANCE TREASURY BILL ZCP 240321	40,003,868
6	FRANCE TREASURY BILL ZCP 240221	40,000,000
7	FRANCE TREASURY BILL ZCP 100221	40,000,000
8	FRANCE TREASURY BILL ZCP 270121	40,000,000
9	FRANCE TREASURY BILL ZCP 120521	30,000,000
10	FRANCE TREASURY BILL ZCP 110821	20,020,000
11	FRANCE TREASURY BILL ZCP 270521	20,000,000
12	FRANCE TREASURY BILL ZCP 300621	20,000,000
13	FRANCE TREASURY BILL ZCP 260122	18,093,929
14	FRANCE TREASURY BILL ZCP 041121	15,061,505
15	FRANCE TREASURY BILL ZCP 061021	10,017,123
16	FRANCE TREASURY BILL ZCP 080921	10,012,647
17	FRANCE TREASURY BILL ZCP 250821	10,010,983
18	FRENCH REP ZCP 280721	10,009,760
19	FRANCE TREASURY BILL ZCP 140721	10,007,590
20	FRANCE TREASURY BILL ZCP 220921	3,004,503

Per the UCITS regulations, the Company is required to disclose aggregate purchases of a security exceeding 1% of the total value of purchases for the period and aggregate disposals greater than 1% of the total value of sales. At a minimum the largest 20 purchases and largest 20 sales must be given.

**LYXOR INVESTMENT STRATEGIES PLC**

**Total Expense Ratio**

**Lyxor Epsilon Global Trend Fund**

<b>Share Class</b>	<b>Total Rate</b>	<b>Management Fees</b>	<b>Global Administration Fees</b>	<b>Other Administration Fees</b>	<b>Investment Advisory Fees</b>	<b>Performance Fees</b>
EUR Class A	1.83%	1.75%	0.075%	0.00%	0.00%	0.00%
CHF Class I	1.08%	1.00%	0.075%	0.00%	0.00%	0.01%
EUR Class I	1.08%	1.00%	0.075%	0.00%	0.00%	0.01%
GBP Class I	1.08%	1.00%	0.075%	0.00%	0.00%	0.01%
USD Class I	1.08%	1.00%	0.075%	0.00%	0.00%	0.00%
USD Class AA	1.98%	1.90%	0.075%	0.00%	0.00%	0.00%
USD Class IA	1.23%	1.15%	0.075%	0.00%	0.00%	0.00%

***LYXOR INVESTMENT STRATEGIES PLC***

**SFT Regulation (unaudited)**

For the financial period ended 30 June 2021

**EU Securities Financing Transactions Regulation (“SFTR”)**

The Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on Transparency of Securities Financing Transactions and of Reuse (the « SFTR ») entered into force on January 12, 2016 aiming to improve transparency in securities and commodities lending, repurchase transactions, margin loans and certain collateral arrangements. Derivative contracts as defined by EMIR are considered out of scope.

As the Lyxor Epsilon Global Trend Fund does not have exposure to any of the above mentioned securities or lending activity, no further disclosure is required in these Financial Statements.