

# MULTI UNITS FRANCE

**rapport**  
annuel

SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE - SICAV DE DROIT FRANÇAIS

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<b>Mutual Fund (SICAV)</b>	Nanterre Trade and Companies Register no. 441 298 163
<b>Head Office</b>	17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Establishment in charge of centralizing the subscription and redemption orders</b>	SOCIÉTÉ GÉNÉRALE 32, rue du Champ de Tir - 44000 Nantes - France.
<b>Custodian bank, registrar and establishment in charge of holding the registers of the equities</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

#### MEMBERS OF THE BOARD OF DIRECTORS

<b>Board of directors</b>	Chairman: Mr Guilhem TOSI LYXOR ASSET MANAGEMENT, represented by Mr Lionel PAQUIN. SOCIÉTÉ GÉNÉRALE, represented by Tanguy AUMON. Mrs Clarisse DJABBARI GUILANI.
<b>General Manager</b>	Mr Guilhem TOSI

## Informations on the investments and management

### Classification:

The Multi Units France mutual fund is made up of Compartments.

### Orientation of the investments:

The Multi Units France mutual fund is made up of Compartments. The objective of each of the Compartments is defined in their information memorandums. Each of the Compartments may be the subject of an application for listing on any regulated stock market, on the basis of the applicable regulations.

As such, the mutual fund's objective is to offer a series of Compartments.

On 31 October 2017, the Multi Units France mutual fund consisted of 42 Compartments:

COMPARTMENT No. 1: 935804 - LYXOR BEL 20 TR UCITS ETF

COMPARTMENT No. 2: 935813 - LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 3: 935814 - LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 4: 935815 - LYXOR EUROMTS 10-15Y INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 5: 935816 - LYXOR EUROMTS INFLATION LINKED INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 6: 935817 - LYXOR EUROMTS 1-3Y INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 7: 935873 - LYXOR FTSE ALL SHARE UCITS ETF

COMPARTMENT No. 8: 935871 - LYXOR FTSE 100 UCITS ETF

COMPARTMENT No. 9: 935872 - LYXOR FTSE 250 UCITS ETF

COMPARTMENT No. 10: 935912 - LYXOR KUWAIT (FTSE COAST KUWAIT 40) UCITS ETF

COMPARTMENT No. 11: 935958 - LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF

COMPARTMENT No. 12: 935960 - LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF

COMPARTMENT No. 13: 935961 - LYXOR BOFAML €HIGH YIELD EX-FINANCIAL BOND UCITS ETF

COMPARTMENT No. 14: 935965 - LYXOR DAILY LEVERAGED BTP UCITS ETF

COMPARTMENT No. 15: 935966 - LYXOR DAILY LEVERAGED BUND UCITS ETF

COMPARTMENT No. 16: 935964 - LYXOR DAILY DOUBLE SHORT BTP UCITS ETF

COMPARTMENT No. 17: 935973 - LYXOR MSCI INDONESIA UCITS ETF

COMPARTMENT No. 18: 935972 - LYXOR THAILAND (SET50 NET TR) UCITS ETF

COMPARTMENT No. 19: 935976 - LYXOR MSCI ALL COUNTRY WORLD UCITS ETF

COMPARTMENT No. 20: 935981 - LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF

COMPARTMENT No. 21: 935982 - LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF

COMPARTMENT No. 22: 935983 - LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF

COMPARTMENT No. 23: 935997 - LYXOR BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF

COMPARTMENT No. 24: 935999 - LYXOR MTS 1-3Y SPAIN GOVERNMENT BOND (DR) UCITS ETF

COMPARTMENT No. 25: 935602 - LYXOR CSI 300 A-SHARE UCITS ETF

COMPARTMENT No. 26: 935601 - LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF

COMPARTMENT No. 27: 935607 - LYXOR MSCI SELECT OECD EMERGING MARKETS GDP UCITS ETF

COMPARTMENT No. 28: 935606 - LYXOR EURO STOXX BANKS UCITS ETF

COMPARTMENT No. 29: 935609 - LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF

COMPARTMENT No. 30: 935614 - LYXOR FTSE ITALIA MID CAP UCITS ETF

COMPARTMENT No. 31: 935611 - LYXOR MSCI EUROPE SMALL CAP UCITS ETF

COMPARTMENT No. 32: 935632 - LYXOR IBEX MID UCITS ETF

COMPARTMENT No. 33: 935633 - LYXOR GERMAN MID-CAP MDAX UCITS ETF

COMPARTMENT No. 34: 935652 - LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF

COMPARTMENT No. 35: 935650 - LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF

COMPARTMENT No. 36: 935654 - LYXOR IBOXX GERMANY 1-3Y (DR) UCITS ETF

COMPARTMENT No. 37: 935656 - LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF

COMPARTMENT No. 38: 935657 - LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y (DR) UCITS ETF

COMPARTMENT No. 39: 935659 - LYXOR MSCI NORTH AMERICA UCITS ETF

COMPARTMENT No. 40: 935661 - LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF

COMPARTMENT No. 41: 935663 - LYXOR MSCI WORLD EX EMU UCITS ETF

COMPARTMENT No. 42: 935666 - LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF

### **Exercising of the rights of the shareholders:**

During the fiscal year, the company participated, in the best interests of the Fund's shareholders, in the shareholders' meetings of the companies comprising the portfolio.

### **Commission:**

The transfer commissions were collected by the custodian, Société Générale. No retrocession has been made to the management company, Lyxor Asset Management.

- *The net asset value, the complete information memorandum for the UCITS and the latest periodic document are available from Lyxor Asset Management.*
- *Mutual fund creation date: 4 March 2002.*

**MULTI UNITS FRANCE**  
**Mutual fund - SICAV**

**ORDINARY SHAREHOLDERS' MEETING**

on 28 February 2018

**DRAFT RESOLUTIONS**

**FIRST RESOLUTION**

The shareholders' meeting, after having reviewed:

- The management report on the mutual fund's activity during its fiscal year ending at the end of October 2017, and on this fiscal year's accounts,
  - And the Statutory Auditors' general report on the annual accounts,
- approves the fiscal year's accounts and balance sheet as presented, as well as the operations conveyed in these accounts and summarized in these reports.

**SECOND RESOLUTION**

After reviewing the Statutory auditor's special report on the agreements concerned by article L. 225-38 of the Commercial Code, the General Meeting takes note of this report and approves its conclusions.

**THIRD RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the "LYXOR UCITS ETF BEL 20 (TR)" compartment as follows:

- Capitalisation of the net earnings: 510,754.23 euros,
- Capitalisation of the realised net capital gains: 7,757,221.26 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed relative to the previous fiscal years.

**FOURTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the "LYXOR UCITS ETF EUROMTS ALL-MATURITY INVESTMENT GRADE (DR)" compartment as follows:

- Capitalisation of the net earnings: 20,151,766.69 euros,
- Capitalisation of the realised net capital gains: -10,470,334.32 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed relative to the previous fiscal years.

**FIFTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the "LYXOR UCITS ETF EUROMTS 3-5Y INVESTMENT GRADE (DR)" compartment as follows:

- Capitalisation of the net earnings: 22,503,541.04 euros,
- Capitalisation of the realised net capital gains: -16,532,730.64 euros.

In compliance with the regulations, the General Meeting acknowledges that no dividend has been distributed relative to the previous fiscal years.

**SIXTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF EUROMTS 10-15Y INVESTMENT GRADE (DR)” compartment as follows:

- Capitalisation of the net earnings: 2,198,389.12 euros,
- Capitalisation of the realised net capital gains: -1,075,988.38 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed relative to the previous fiscal years.

**SEVENTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF EUROMTS INFLATION LINKED INVESTMENT GRADE (DR)” compartment as follows:

- Capitalisation of the net earnings: 8,736,956.05 euros,
- Capitalisation of the realised net capital gains: -3,476,930.07 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed relative to the previous fiscal years.

**EIGHTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF EUROMTS 1-3Y INVESTMENT GRADE (DR)” compartment as follows:

- Capitalisation of the net earnings: 21,160,811.20 euros,
- Capitalisation of the realised net capital gains: -14,188,905.03 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed relative to the previous fiscal years.

**NINTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF FTSE ALL SHARE” compartment as follows:

- Capitalisation of the net earnings: -33,862.75 GBP,
- Capitalisation of the realised net capital gains: 1,869,030.42 GBP.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed relative to the previous fiscal years.

**TENTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF FTSE 100” compartment as follows:

For the net earnings, the amount of 16,603,384.95 GBP is appropriated as follows:

- For the C-GBP equities, the sum of 12,432,058.94 GBP is entirely capitalised,
- For the Monthly Hedged C-EUR equities, the sum of 3,797,738.89 GBP is entirely capitalised,
- For the Monthly Hedged C-USD equities, the sum of 165,854.28 GBP is entirely capitalised,
- For the D-GBP equities, the sum of 207,732.84 is entirely capitalised.

For realised net capital gains, the sum of 64,622,217.08 GBP is appropriated as follows:

- For the C-GBP equities, the sum of 16,800,058.81 GBP is entirely capitalised,
- For the Monthly Hedged C-EUR equities, the sum of 59,948,455.37 GBP is entirely capitalised,
- For the Monthly Hedged C-USD equities, the sum of -5,204,641.02 GBP is entirely capitalised,
- For the D-GBP equities, the sum of -6,921,656.08 is entirely capitalised.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed relative to the previous fiscal years, for the equities “Actions Monthly Hedged C-USD” and “Action C-GBP”.

The dividends which were distributed for the equities “Actions Monthly Hedged C-EUR” and for the “Actions D-GBP” with regard to the previous three financial years were as follows (in GBP):

Financial years	Dividend distributed	Part eligible for the discount of 40%	Part non-eligible for the discount of 40%
<b>Actions Monthly Hedged C-EUR</b>			
2016	-	-	-
2015	4.69	NA	NA
2014	2.67	NA	NA
<b>Actions D-GBP</b>			
2016	3.46	NA	NA
2015	-	-	-
2014	-	-	-

#### **ELEVENTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF FTSE 250” compartment as follows:

- Capitalisation of the net earnings: -30,430.26 GBP,
- Capitalisation of the realised net capital gains: 2,059,026.03 GBP.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed relative to the previous fiscal years.

#### **TWELFTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF KUWAIT (FTSE COAST KUWAIT 40)” compartment as follows:

- Capitalisation of the net earnings: -39,358.92 euros,
- Capitalisation of the realised net capital gains: 630,712.03 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTEENTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF IBOXX \$ TREASURIES 10Y+ (DR)” compartment as follows:

For the net earnings, the amount of 1,920,741.16 US Dollars is appropriated, as follows:

- Capitalised in the amount of 1,903,214.44 US Dollars for the C equities,
- Capitalised in the amount of 17,526.72 US Dollars for the D equities.

For realised net capital gains, the sum of -3,958,791.99 US Dollars is appropriated as follows:

- Capitalised in the amount of -4,105,768.15 US Dollars for the C equities,
- Capitalised in the amount of 146,976.16 US Dollars for the D equities.

Financial years	Dividend distributed	Part eligible for the discount of 40%	Part non-eligible for the discount of 40%
<b>Actions Monthly Hedged C-EUR</b>			
2017	4.97	NA	NA
2016	6.16	NA	NA
2015	-	-	-
<b>Actions D-GBP</b>			
2017	1.54	NA	NA
2016	-	-	-
2015	-	-	-

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**FOURTEENTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF” compartment as follows:

With regard to the net earnings, the sum of 6,760,061.82 US Dollars is:

- Capitalised in the amount of 6,541,808.58 US Dollars for the D-USD equities,
- Capitalised in the amount of 218,253.24 US Dollars for the Monthly Hedged D-EUR equities.

With regard to the realised net capital gains, the sum of -42,071,472.89 US Dollars is distributed as follows:

- Capitalised in the amount of -20,749,635.38 US Dollars for the D-USD equities,
- Capitalised in the amount of -21,321,837.51 US Dollars for the Monthly Hedged D-EUR equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**FIFTEENTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR BOFAML ( HIGH YIELD EX FINANCIAL BOND UCITS ETF)” compartment as follows:

- Capitalisation of the net earnings: 2,414,157.63 euros,
- Capitalisation of the realised net capital gains: -3,160,341.09 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**SIXTEENTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR DAILY LEVERAGED BTP UCITS ETF” compartment as follows:

- Capitalisation of the net earnings: -44,420.89 euros,
- Capitalisation of the realised net capital gains: 821,182.05 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **SEVENTEENTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR DAILY LEVERAGED BUND UCITS ETF” compartment as follows:

- Capitalisation of the net earnings: -29,937.81 euros,
- Capitalisation of the realised net capital gains: -125,403.04 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **EIGHTEENTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR DAILY DOUBLE SHORT BTP UCITS ETF” compartment as follows:

- Capitalisation of the net earnings: -2,317,687.30 euros,
- Capitalisation of the realised net capital gains: -136,733,261.26 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **NINETEENTH RESOLUTION**

The General Meeting finds that the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR MSCI INDONESIA UCITS ETF” compartment are distributed as follows:

With regard to the net earnings, the sum of -231,024.29 euros is:

- Capitalised in the amount of -216,792.71 euros for the C-EUR equities,
- Capitalised in the amount of -14,231.58 euros for the C-USD equities.

With regard to the realised net capital gains, the sum of -4,367,350.26 euros is distributed as follows:

- Capitalised in the amount of -4,695,027.96 euros for the C-EUR equities,
- Capitalised in the amount of 327,677.70 euros for the C-USD equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **TWENTIETH RESOLUTION**

The General Meeting finds that the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR THAILAND (SET50 NET TR) UCITS ETF” compartment are distributed as follows:

With regard to the net earnings, the sum of -64,664.50 euros is:

- Capitalised in the amount of -51,449.24 euros for the C-EUR equities,
- Capitalised in the amount of -13,215.26 euros for the C-USD equities.

With regard to the realised net capital gains, the sum of 1,204,917.68 euros is distributed as follows:

- Capitalised in the amount of 958,682.44 euros for the C-EUR equities,
- Capitalised in the amount of 246,235.24 euros for the C-USD equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **TWENTY-FIRST RESOLUTION**

The General Meeting finds that the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR MSCI ALL COUNTRY WORLD UCITS ETF” compartment are distributed as follows:

With regard to the net earnings, the sum of -433,774.36 euros is:

- Capitalised in the amount of -384,408.14 euros for the C-EUR equities,
- Capitalised in the amount of -49,366.22 euros for the C-USD equities.

With regard to the realised net capital gains, the sum of 9,753,859.37 euros is distributed as follows:

- Capitalised in the amount of 22,452,767.70 euros for the C-EUR equities,
- Capitalised in the amount of -12,698,908.33 euros for the C-USD equities.



In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **TWENTY-SECOND RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVERNMENT BOND 1-3Y (DR) UCITS ETF” compartment as follows:

- Capitalisation of the net earnings: 763,703.65 euros,
- Capitalisation of the realised net capital gains: -689,165.37 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **TWENTY-THIRD RESOLUTION**

The General Meeting finds that the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVERNMENT BOND 3-5Y (DR)” compartment are distributed as follows:

- Capitalisation of the net earnings: 877,358.38 euros,
- Capitalisation of the realised net capital gains: -843,777.96 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **TWENTY-FOURTH RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF EUROMTS HIGHEST RATED-MACRO WEIGHTED GOVERNMENT BOND 5-7 Y (DR)” compartment are distributed as follows:

- Capitalisation of the net earnings: 158,155.98 euros,
- Capitalisation of the realised net capital gains: -186,019.85 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **TWENTY-FIFTH RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR)” compartment are distributed as follows:

- Capitalisation of the net earnings: 1,198,652.38 euros for the C-EUR equities,
- Capitalisation of the realised net capital gains: 57,056.06 euros for the C-EUR equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **TWENTY-SIXTH RESOLUTION**

The General Meeting finds the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF MTS 1-3 Y SPAIN GOVERNMENT BOND (DR)” compartment are distributed as follows:

- Capitalisation of the net earnings: 545,438.61 euros for the C-EUR equities,
- Capitalisation of the realised net capital gains: -369,235.86 euros for the C-EUR equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

#### **TWENTY-SEVENTH RESOLUTION**

The General Meeting finds the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF CSI 300 A-SHARE” compartment are distributed as follows:

For the net earnings, the amount of -17,301.39 euros is appropriated, as follows:

- For the C-EUR equities, the sum of -1,219.14 euros is entirely capitalised,
- For the C-USD equities, the sum of -16,082.25 euros is entirely capitalised.

For realised net capital gains, the sum of 186,470.79 euros is appropriated, as follows:

- For the C-EUR equities, the sum of -58,603.52 euros is entirely capitalised,
- For the C-USD equities, the sum of 245,074.31 euros is entirely capitalised.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**TWENTY-EIGHTH RESOLUTION**

The General Meeting finds the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF” compartment are distributed as follows:

- Capitalisation of the net earnings: -6,011.38 euros,
- Capitalisation of the realised net capital gains: 17,040.40 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**TWENTY-NINTH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR MSCI SELECT OECD EMERGING MARKETS GDP UCITS ETF” compartment as follows:

- Capitalisation of the net earnings: -55,219.28 euros,
- Capitalisation of the realised net capital gains: 1,365,316.37 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTIETH RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR EURO STOXX BANKS UCITS ETF” compartment as follows:

- Capitalisation of the net earnings: 7,193,641.55 euros,
- Capitalisation of the realised net capital gains: 147,541,588.84 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTY-FIRST RESOLUTION**

The General Meeting decides to appropriate the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF” compartment as follows:

- Capitalisation of the net earnings: -153,209.60 US Dollars, for the C-USD equities,
- Capitalisation of the realised net capital gains: -2,191,796.91 US Dollars, for the C-USD equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTY-SECOND RESOLUTION**

The General Meeting finds the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF FTSE ITALIA MID CAP” compartment are distributed as follows:

- Capitalisation of the net earnings: 7,530,211.65 euros,
- Capitalisation of the realised net capital gains: 159,827,422.47 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTY-THIRD RESOLUTION**

The General Meeting finds the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR MSCI EUROPE SMALL CAP UCITS ETF” compartment are distributed as follows:

- Capitalisation of the net earnings: 22,362.80 euros,
- Capitalisation of the realised net capital gains: 707,025.29 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTY-FOURTH RESOLUTION**

The General Meeting finds the distributable sums for the fiscal year ended at the end of October 2017 for the “LYXOR IBEX MID UCITS ETF” compartment are distributed as follows:

- Capitalisation of the net earnings: 8,924.81 euros,
- Capitalisation of the realised net capital gains: 138,064.17 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTY-FIFTH RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR GERMAN MID-CAP MDAX UCITS ETF” compartment are distributed as follows:

- Capitalisation of the net earnings: 280,332.86 euros,
- Capitalisation of the realised net capital gains: 4,228,432.50 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTY-SIXTH RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF” compartment are distributed as follows:

With regard to the net earnings, the sum of 446,513.59 US Dollars is:

- Capitalised in the amount of 446,513.59 US Dollars for the C-USD equities.

With regard to the realised net capital gains, the sum of -455,543.68 US Dollars is distributed as follows:

- Capitalised in the amount of -455,543.68 US Dollars for the C-USD equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTY-SEVENTH RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE” compartment are distributed as follows:

- Capitalisation of the net earnings: -38,189.47 euros,
- Capitalisation of the realised net capital gains: 645,682.53 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTY-EIGHTH RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF IBOXX GERMANY 1-3 Y (DR)” compartment are distributed as follows:

- Capitalisation of the net earnings: 1,363,870.66 euros,
- Capitalisation of the realised net capital gains: -1,475,592.41 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**THIRTY-NINTH RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR UCITS ETF BARCLAYS FLOATING RATE EURO 0-7Y” compartment are distributed as follows:

- Capitalisation of the net earnings: -1,062,413.30 euros for the C-EUR equities,
- Capitalisation of the realised net capital gains: -23,779,479.07 euros, for the C-EUR equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**FORTIETH RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y UCITS ETF (DR)” compartment are distributed as follows:

- Capitalisation of the net earnings: 839,532.14 euros,
- Capitalisation of the realised net capital gains: -5,451,826.80 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**FORTY-FIRST RESOLUTION**

The General Meeting finds the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR FTSE US QUALITY LOW VOLATILITY UCITS ETF (DR)” compartment are distributed as follows:

- Capitalisation of the net earnings: 70,340.52 euros,
- Capitalisation of the realised net capital gains: 107,079.52 euros.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**FORTY-SECOND RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR MSCI NORTH AMERICA UCITS ETF” compartment.

With regard to the net earnings, the sum of -2,965.78 USD is:

- Capitalised in the amount of -2,965.78 USD for the C-USD equities.

With regard to the realised net capital gains, the sum of 67,669.47 USD is:

- Capitalised in the amount of -67,669.47 USD for the C-USD equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**FORTY-THIRD RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF” compartment are distributed as follows:

- Capitalisation of the net earnings: -214,077.66 USD for the C-USD equities,
- Capitalisation of the realised net capital gains: 2,709,070.68 for the C-USD equities.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**FORTY-FOURTH RESOLUTION**

The General Meeting finds that the distributable sums to be capitalised for the fiscal year ended at the end of October 2017 for the “LYXOR MSCI WORLD EX EMU UCITS ETF” compartment are distributed as follows:

For the net earnings, the amount of -307,788.82 US Dollars is appropriated as follows:

- For the C-USD equities, the sum of -307,788.82 Dollars is capitalised.

With regard to the realised net capital gains, the sum of 9,144,938.04 US Dollars is appropriated as follows:

- For the C-USD equities, the sum of 9,144,938.04 US Dollars is capitalised.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

**FORTY-FIFTH RESOLUTION**

The shareholders' meeting confers full powers on the bearer of a copy of or extract of the various documents submitted to the present meeting and of the minutes of the said meeting in order to carry out all formalities required by law.

In compliance with the regulations, the general meeting acknowledges that no dividend has been distributed since its creation.

# Statutory auditor's report



STATUTORY AUDITOR'S REPORT  
ON THE FINANCIAL STATEMENTS  
For the year ended 31 October 2017

MULTI UNITS FRANCE Mutual Fund (SICAV)  
UCITS ESTABLISHED IN THE FORM OF A VARIABLE CAPITAL  
INVESTMENT COMPANY WITH COMPARTMENTS  
Governed by the French Monetary and Financial Code (Code monétaire et financier)

Management Company  
LYXOR INTERNATIONAL ASSET MANAGEMENT  
189, rue d'Aubervilliers  
75886 PARIS CEDEX 18

## Opinion

In compliance with the assignment entrusted to us by the management company, we conducted an audit of the accompanying financial statements of MULTI UNITS FRANCE Mutual Fund (SICAV), a UCITS established in the form of a variable capital investment company with compartments, for the year ended 31 October 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the UCITS established in the form of a variable capital investment company with compartments at 31 October 2017 and of the results of its operations for the year then ended, in accordance with French accounting principles.

## Basis of our opinion

### *Audit standards*

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our responsibilities under these standards are described in the section "*Statutory Auditor's responsibilities for the audit of the financial statements*" in this report.

### *Independence*

We conducted our audit engagement in accordance with the applicable rules on independence, from 1 November 2016 and up to the date of this report, and in particular we did not provide any non-audit services prohibited under Article 5, paragraph 1 of Regulation (EU) No. 537/2014 or by the auditors' professional code of ethics.

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MULTI UNITS FRANCE Mutual Fund (SICAV)

## Justification of our assessments - Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the key matters as regards to the risk of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and our responses to these risks.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed above. We do not provide an opinion on individual items in the financial statements.

<i>Key audit matters</i>	<i>Audit response to cover these risks</i>
<p>The main risks of the fund relate to the financial instruments in its portfolio.</p> <p>Any error in valuing or recording these financial instruments could lead to a misstatement in the calculation of the CIU's net asset value and in the financial statements.</p> <p>We therefore focused our work on the valuation and existence of the financial instruments in the portfolio.</p> <p>Valuation of financial instruments traded on a regulated or equivalent market</p> <p>Valuation of the CIU's financial instruments traded on a regulated or equivalent market is not complex as it is based primarily on listed prices provided by independent sources.</p> <p>However, the related amounts are significant and could lead to a material misstatement.</p> <p>The value of the financial instruments traded on a regulated or equivalent market is recorded in the balance sheet and presented in the detailed portfolio provided in the notes to the financial statements. The valuation rules for these financial instruments are disclosed in the "Significant accounting policies" note to the financial statements.</p>	<p>We compared the year-end valuation of the CIU's financial instruments traded on a regulated or equivalent market with observable prices obtained from market databases.</p>

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## MULTI UNITS FRANCE Mutual Fund (SICAV)

<p>Valuation of financial contracts traded over the counter</p> <p>As part of its investment strategy, the CIU uses over-the-counter swaps. The valuation of these swaps is not observable on a regulated or equivalent market. The valuation of over-the-counter swaps is therefore a key audit matter.</p> <p>The value of the swap is recorded under the line item "financial contracts" in the balance sheet and presented in the detailed portfolio provided in the notes to the financial statements. The commitment related to the swap is presented in the off-balance sheet statement. The valuation rules for these financial instruments are disclosed in the "Significant accounting policies" note to the financial statements.</p>	<p>We verified that the swap's valuation as recorded at year-end agreed to the value communicated by the counterparty to the swap.</p> <p>We gained an understanding of the internal control procedure performed by the management company over swaps valuation. We verified that this procedure had been applied at year-end.</p>
<p>Existence of financial instruments</p> <p>The portfolio's financial instruments are held in custody or maintained by the CIU's depository. The depository certifies the existence of financial instruments at year-end.</p> <p>There is nonetheless a risk that these financial instruments could be inaccurately or only partially recorded in the CIU's accounting.</p> <p>The existence of these financial instruments is a key audit matter as the related amounts are material and could lead to a material misstatement.</p>	<p>We verified the existence of the portfolio's financial instruments by reviewing the fund's reconciliation between the CIU's financial instruments held at year-end and these identified by the depository in an account opened in the fund's name. Any material differences were examined, if applicable using trade tickets or contracts.</p>

## Verification of the management report and other documents addressed to unit-holders

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report, and in the documents addressed to the unit-holders with respect to the financial position and the financial statements.

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MULTI UNITS FRANCE Mutual Fund (SICAV)

Disclosures arising from other legal and regulatory requirements

#### *Appointment of the Statutory Auditors*

We were appointed as Statutory Auditor of MULTI UNITS FRANCE Mutual Fund (SICAV), a UCITS established in the form of a variable capital investment company with compartments, by the management company on 23 October 2013.

At 31 October 2017, our firm was in the fifth consecutive year of its engagement, i.e. the fifth year following the admission of the CIU's securities for trading on a regulated market.

Responsibilities of management and those charged with governance for the financial statements

It is the management company's responsibility to prepare the CIU's financial statements presenting a true and fair view in accordance with French accounting principles and to implement the internal control that it deems appropriate for the preparation of financial statements that do not contain material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the CIU's ability to continue as a going concern, disclosing in the financial statements, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the CIU or to cease operations.

It is the management company's responsibility to monitor the preparation of financial information and oversee the efficiency of the internal control and risk management system and the internal audit system relating to the preparation and processing of financial and accounting information.

These financial statements have been prepared by the management company.

Statutory Auditor's responsibilities for the audit of the financial statements

#### *Audit purpose and approach*

It is our responsibility to prepare a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements, taken as a whole, are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As indicated in article L.823-10-1 of the French Commercial Code, our statutory audit of the financial statements is not to guarantee the viability or the quality of your management.

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MULTI UNITS FRANCE Mutual Fund (SICAV)

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor uses professional judgement throughout the entire audit.

He also:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CIU's ability to continue as a going concern. Such conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluates the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly sur Seine, 13 February 2018

The auditor  
PricewaterhouseCoopers Audit

*(signature)*  
Marie-Christine Jetil

# Statutory auditor's special report



STATUTORY AUDITOR'S SPECIAL REPORT  
ON THE REGULATED AGREEMENTS  
General meeting for the approval of the financial statements  
for the fiscal year ending on 29 September 2017

MULTI UNITS FRANCE Mutual Fund (SICAV)  
UCITS ESTABLISHED IN THE FORM OF A VARIABLE CAPITAL  
INVESTMENT COMPANY WITH COMPARTMENTS  
Governed by the French Monetary and Financial Code (Code monétaire et financier)

Management Company  
LYXOR INTERNATIONAL ASSET MANAGEMENT  
17, cours de Valmy  
92800 PUTEAUX

To the Shareholders,

In our capacity as statutory auditor for your company, we present to you our report on the regulated agreements.

It is our responsibility to provide you, on the basis of the information given to us, with the characteristics and material provisions of the agreements of which we have been informed or that we may have discovered during our mission, without having to express an opinion as to their usefulness or merit or to seek out the existence of other agreements. It is up to you, according to the terms of article R.225-31 of the French Commercial code, to assess the importance of signing these contracts with a view to approving them.

It is also our responsibility, where applicable, to further provide you with the information indicated in article R.225-31 of the French Commercial code relative to the performance, during the elapsed fiscal year, of agreements already approved by the general meeting.

We have implemented the due diligence reviews that we considered necessary in view of the professional doctrine of the Compagnie nationale des commissaires aux comptes (the French National Society of Statutory Auditors) relative to this mission.

## AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

We hereby inform you that we have not been made aware of any authorised agreement during the elapsed fiscal year that would require the approval of the general meeting in application of the provisions of article L. 225-38 of the French Commercial code.

## AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

We hereby inform you that we have not been made aware of any agreement already approved by the general meeting performance of which continued during the elapsed fiscal year.

Neuilly sur Seine, 13 February 2018

The auditor  
PricewaterhouseCoopers Audit

(signature)  
Marie-Christine Jetil

## **Aggregated annual accounts**

# BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>8,915,923,222.03</b>	<b>7,856,923,648.66</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Traded on a regulated or similar market	2,940,803,000.64	2,715,347,992.93
Not traded on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Traded on a regulated or similar market	5,820,823,976.18	5,117,429,577.43
Not traded on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Traded on a regulated or similar market		
<i>Negotiated debt securities</i>	-	46,194.08
<i>Other debt securities</i>	-	-
Not traded on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	90,223,779.46	24,099,884.22
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	64,072,465.75	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>242,489,427.18</b>	<b>750,192,434.75</b>
Future foreign exchange operations	1,757,158.85	580,517,521.47
Other	240,732,268.33	169,674,913.28
<b>Financial accounts</b>	<b>13,166,390.25</b>	<b>232,569,132.98</b>
Liquidities	13,166,390.25	232,569,132.98
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>9,171,579,039.46</b>	<b>8,839,685,216.39</b>

# BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equities</b>		
• Capital	8,460,840,184.99	8,425,599,174.23
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	158,638,294.36	-764,255,154.46
• Profit and loss during the fiscal year	120,285,185.95	143,871,709.09
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>8,739,763,665.30</b>	<b>7,805,215,728.86</b>
<b>Financial instruments</b>	<b>175,963,489.86</b>	<b>38,048,616.88</b>
• <b>SALE OPERATIONS ON FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	175,963,464.86	340,686.67
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	25.00	-
Other operations	-	37,707,930.21
<b>Debts</b>	<b>226,102,260.70</b>	<b>748,433,190.15</b>
Future foreign exchange operations	1,784,269.78	579,484,166.25
Other	224,317,990.92	168,949,023.90
<b>Financial accounts</b>	<b>29,749,623.59</b>	<b>247,987,680.50</b>
Bank loans and overdrafts	29,749,623.59	247,987,680.50
Loans	-	-
<b>Total liabilities</b>	<b>9,171,579,039.46</b>	<b>8,839,685,216.39</b>

# Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	16,007,531.63
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	4,605,039,753.76	3,594,279,892.34
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

# Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	6,670.05	12,750.35
• Earnings on equities and similar securities	21,914,812.30	12,334,604.84
• Earnings on bonds and similar securities	98,370,249.03	114,783,306.62
• Earnings on debt securities	63,010,257.62	50,667,503.41
• Earnings on temporary financial securities acquisitions and sales	186,871.78	238,832.56
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>183,488,860.78</b>	<b>178,036,997.78</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-23,919.15	-72,051.91
• Other financial charges	-10,593.38	-22.38
<b>Total (II)</b>	<b>-34,512.53</b>	<b>-72,074.29</b>
<b>Profit and loss on financial operations (I - II)</b>	<b>183,454,348.24</b>	<b>177,964,923.50</b>
Other earnings (III)	-	-
Management fees and depreciation charges (IV)	-19,240,793.43	-15,391,192.67
<b>Net profit and loss of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>164,213,554.81</b>	<b>162,573,730.83</b>
Adjustment of the fiscal year's incomes (V)	-18,201,101.32	6,021,992.29
Advances on profit and loss paid for the fiscal year (VI)	-25,727,267.54	-24,724,014.03
<b>Profit and loss (I - II + III - IV +/- V - VI):</b>	<b>120,285,185.95</b>	<b>143,871,709.09</b>

## **Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

The aggregation of the annual accounts is presented in euros.

The Compartments in the GBP currency have been converted to euros at the rate applicable on 30 October 2015 (WMC Reuters).

The Compartments in the USD currency have been converted to euros at the rate applicable on 30 October 2015 (WMC Reuters).

On 31 October 2017, the Multi Units France mutual fund was made up of 42 Compartments:

COMPARTMENT No. 1: 935804 - LYXOR BEL 20 TR UCITS ETF

COMPARTMENT No. 2: 935813 - LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 3: 935814 - LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 4: 935815 - LYXOR EUROMTS 10-15Y INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 5: 935816 - LYXOR EUROMTS INFLATION LINKED INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 6: 935817 - LYXOR EUROMTS 1-3Y INVESTMENT GRADE (DR) UCITS ETF

COMPARTMENT No. 7: 935873 - LYXOR FTSE ALL SHARE UCITS ETF

COMPARTMENT No. 8: 935871 - LYXOR FTSE 100 UCITS ETF

COMPARTMENT No. 9: 935872 - LYXOR FTSE 250 UCITS ETF

COMPARTMENT No. 10: 935912 - LYXOR KUWAIT (FTSE COAST KUWAIT 40) UCITS ETF

COMPARTMENT No. 11: 935958 - LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF

COMPARTMENT No. 12: 935960 - LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF

COMPARTMENT No. 13: 935961 - LYXOR BOFAML €HIGH YIELD EX-FINANCIAL BOND UCITS ETF

COMPARTMENT No. 14: 935965 - LYXOR DAILY LEVERAGED BTP UCITS ETF

COMPARTMENT No. 15: 935966 - LYXOR DAILY LEVERAGED BUND UCITS ETF

COMPARTMENT No. 16: 935964 - LYXOR DAILY DOUBLE SHORT BTP UCITS ETF

COMPARTMENT No. 17: 935973 - LYXOR MSCI INDONESIA UCITS ETF

COMPARTMENT No. 18: 935972 - LYXOR THAILAND (SET50 NET TR) UCITS ETF

COMPARTMENT No. 19: 935976 - LYXOR MSCI ALL COUNTRY WORLD UCITS ETF

COMPARTMENT No. 20: 935981 - LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF

COMPARTMENT No. 21: 935982 - LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF

COMPARTMENT No. 22: 935983 - LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF

COMPARTMENT No. 23: 935997 - LYXOR BONO 10Y – MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF

COMPARTMENT No. 24: 935999 - LYXOR MTS 1-3Y SPAIN GOVERNMENT BOND (DR) UCITS ETF



# appendix

COMPARTMENT No. 25: 935602 - LYXOR CSI 300 A-SHARE UCITS ETF  
 COMPARTMENT No. 26: 935601 - LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF  
 COMPARTMENT No. 27: 935607 - LYXOR MSCI SELECT OECD EMERGING MARKETS GDP UCITS ETF  
 COMPARTMENT No. 28: 935606 - LYXOR EURO STOXX BANKS UCITS ETF  
 COMPARTMENT No. 29: 935609 - LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF  
 COMPARTMENT No. 30: 935614 - LYXOR FTSE ITALIA MID CAP UCITS ETF  
 COMPARTMENT No. 31: 935611 - LYXOR MSCI EUROPE SMALL CAP UCITS ETF  
 COMPARTMENT No. 32: 935632 - LYXOR IBEX MID UCITS ETF  
 COMPARTMENT No. 33: 935633 - LYXOR GERMAN MID-CAP MDAX UCITS ETF  
 COMPARTMENT No. 34: 935652 - LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
 COMPARTMENT No. 35: 935650 - LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF  
 COMPARTMENT No. 36: 935654 - LYXOR IBOXX GERMANY 1-3Y (DR) UCITS ETF  
 COMPARTMENT No. 37: 935656 - LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF  
 COMPARTMENT No. 38: 935657 - LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y (DR) UCITS ETF  
 COMPARTMENT No. 39: 935659 - LYXOR MSCI NORTH AMERICA UCITS ETF  
 COMPARTMENT No. 40: 935661 - LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF  
 COMPARTMENT No. 41: 935663 - LYXOR MSCI WORLD EX EMU UCITS ETF  
 COMPARTMENT No. 42: 935666 - LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF

- **Reminder of the orientation of the investments and of the management policy (\*)**
- **Accounting rules and methods (\*)**
- **Additional information (\*)**

(\*) We recommend that you refer to the information on each compartment.

# LYXOR BEL 20 TR (DR) UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR BEL 20 TR (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR BEL 20 TR (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Equities from eurozone countries.

At least 60% of the LYXOR BEL 20 TR (DR) UCITS ETF Compartment (hereinafter the “Compartment”) is permanently exposed in one or several markets of equities that have been issued in one or several eurozone countries, possibly including the French market.

The Compartment is an UCITS ETF type index Compartment.

### **Terms of determination and allocation of amounts available for distribution:**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution. The realised net capital gain will be capitalised.

### **Management objective:**

The Compartment’s management objective is to reproduce the evolution of the Bel 20 NR<sup>TM</sup> index (the “Benchmark Indicator”), listed in euros, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.20%.

### **Benchmark indicator:**

The Benchmark Indicator is the Bel 20<sup>TM</sup> NR (Net Return) index (net dividends reinvested).

The Benchmark Indicator is a basket index disseminated in real-time, which monitors the continuous evolution of the prices of the 20 most liquid Belgian equities. The equities in the Benchmark Indicator are weighted according to their stock market capitalisations, adjusted by the “free float” while using the FTSE free float system.

The Benchmark Indicator is continuously disseminated in real-time, but the official closing index is only disseminated after 5:40 p.m.

The monitored performance is that of the index closing prices.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components will be available at the following Internet site: <https://indices.nyx.com/en/products/indices/>

### **Benchmark Indicator revision and composition:**

The Benchmark indicator is revised annually.

The exact composition and the NYSE-Euronext’s revision rules of the Benchmark indicator are available on the Internet site: <https://indices.nyx.com/>

The above-mentioned rebalancing frequency has no impact on the costs within the framework of the implementation of the Investment strategy.

### **Benchmark Indicator publication:**

The Benchmark Indicator is available in real time via Reuters and Bloomberg.

Reuters code: .BFXP

Bloomberg code: BELPRX

The Benchmark Indicator’s closing price is available on the Internet site: <https://indices.nyx.com/>

**Investment strategy:**

**Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its financial manager by delegation, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument ("FFI"). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of balance sheet assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's internet site at [www.lyxoretf.com](http://www.lyxoretf.com).

The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

**Balance sheet assets (excluding integrated derivatives)**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

The Compartment will be mainly invested in securities making up the Benchmark Indicator.

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

**Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

**Securities with integrated derivatives**

None.

**Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

**Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities. Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.

Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

For this purpose the management company may appoint an intermediary (hereinafter the “Agent”) to provide the following services in connection with the Compartment’s temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment’s behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment’s behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.

The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.

These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment’s management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment’s gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment’s annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment’s overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment’s annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment’s counterparty risk, and; the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

### **Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment’s use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment’s account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment’s assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty’s performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment’s net asset value;
- (e) The Compartment’s Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

Policy related to discounts:

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

Reinvestment of received guarantees:

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected.

Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**Counterparty risk**

Subsidiarily the Compartment may have recourse to FFI.

In such hypothesis, the Compartment will be exposed to the risk of bankruptcy, the risk of payment default or any other default of any counterparty with which it has entered into a contract or a transaction. It will be in particular exposed to the counterparty risk resulting from its use of FFI traded over-the-counter. In compliance with UCITS regulations, the counterparty risk cannot exceed 10% of the total value of the Compartment's assets per counterparty.

When Société Générale is involved as a counterparty of the FFI and/or with respect to all temporary securities sales operations, conflicts of interest can arise between the Compartment's Management Company and the counterparty. The Management Company manages these conflicts of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**Risk of concentration**

The Fund reproduces the performance of the Benchmark Indicator concentrated on a limited number of underlying securities. The exposure to such a low-diversified Benchmark Indicator may lead to a volatility higher than that of a more diversified index as well as a higher liquidity risk in the case of deterioration of the liquidity or a suspension of listing of one or more components of the Benchmark Indicator.

**Risk linked to recourse to derivative instruments**

The Compartment may have recourse to FFI traded over-the-counter or listed FFI that notably can take the form of future exchange contracts. The recourse to FFI may involve a series of risks, at the level of the FFI and especially the following risks: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk linked to the tax regime, risk linked to the regulations, operational risk and liquidity risk. These risks may affect directly a FFI and may lead to an adjustment or to the early termination of the FFI transaction which may possibly affect the net asset value of the Compartment.

**Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and financial futures. The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

**Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**Risk linked to the recourse of temporary securities sales operations**

Assuming that a borrower of securities is missing, the Compartment may bear a risk in case the value of received guarantees are lower to the value of securities loaned by the Compartment.

This risk could be materialised especially in case of (i) an poor assessment of securities subject to this operation and/or (ii) unfavourable movements on markets and/or (iii) deterioration on the credit note of issuers of securities received in guarantees and/or (iv) market illiquidity on which the received guarantees are accepted to listing. In case of reinvestment of guarantees received in cash, this reinvestment may (i) create a leverage producing a loss and volatility risk and/or (ii) expose the Compartment to a market that is incompatible with its management objective and/or (iii) clear income lower to the amount of guarantees to be returned by the Compartment. Furthermore, the Compartment may suffer delays for the return of loaned securities which reduces the possibility for the Compartment to face up to redemption requests of investors.

**Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Currency risk linked to the Compartment listing**

The Compartment may be listed on certain markets of multilateral trading facilities in a currency other than that of the Benchmark Indicator. Investors buying the Compartment in a currency other than that of the Benchmark Indicator are exposed to currency risk. Therefore, the value of the investment made in a currency other than that of the Benchmark Indicator may be reduced in spite of an increase of the value of the benchmark Indicator, due to exchange rate fluctuations.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the Belgian equity market.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.



Investors are therefore recommended to study their individual situations with their usual estate management advisers.  
The minimum recommended investment duration is greater than 5 years.  
Base currency: EUR.

*For more details, the prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the COB (French market regulator): 14 June 2002.*
- *Approval date of the Compartment's transformation: 3 September 2002.*
- *Compartment creation date: 31 July 2002.*

## Activity report

The net asset value of the LYXOR BEL 20 TR (DR) UCITS ETF Compartment shows an evolution of 18.61% over the fiscal year and stands at EUR 62.1904 on 31/10/2017, meaning a Compartment performance of 179.63% since inception.

The fund replicates the performance of the BEL 20 NR index, listed in euros (EUR), representative of the large companies listed on the Euronext Brussels.

This index has shown an evolution of 18.78% over the fiscal year.

This gap between the annual performance of the Compartment and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the BEL 20 NR index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the BEL 20 NR index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or hedging swaps entered into in particular to minimise the MF's tracking error.

The compartment's risk and yield profile has been classed as category 7 given its exposure to the Benchmark Indicator.

The basket of securities held may be adjusted daily so that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.1637% for the Compartment. The level of the tracking error for the period was of 0.08%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*\* The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

## Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
5.4	6.0	4.9	5.6

Portfolio rated 100%  
Nb Securities rated 20

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>6.0</b>	<b>31.1%</b>
	Climate Change	7.0	9.9%
	Environmental Opportunities	6.6	4.7%
	Natural Capital	6.1	8.2%
	Pollution & Waste	4.5	8.2%
<b>Social</b>		<b>4.9</b>	<b>44.2%</b>
	Human Capital	4.8	16.0%
	Product Liability	5.1	22.0%
	Social Opportunities	4.3	6.2%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>5.6</b>	<b>24.7%</b>
	Corporate Behavior	3.9	6.8%
	Corporate Governance	6.3	17.9%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	39%
Average (A, BBB,BB)	55%
Laggards (B,CCC)	6%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary			2.3%					
Consumer Staples	12.9%		2.0%					
Financials	12.4%		12.1%	8.1%	1.5%	6.0%		
Health Care			5.9%		2.3%			
Industrials				1.8%				
Materials	5.4%	8.6%			1.1%			
Real Estate			1.6%					
Telecommunication Services			3.2%					
Utilities			12.8%					

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	13%
Yellow Flag	35%
Green Flag	52%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	100%
463	627	332	Scope 1 reported (vs estimated)	91%
			Scope2 reported (vs estimated)	57%
			Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	13%
Thermal Coal	0%
Natural Gas	13%
Oil	13%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	21%
20-49.9%	0%
50-100%	5%

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;

- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

Securities lending	
% of assets that can be loaned	22.76

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	10,694,457	-	-	-	-
% of assets under management	22.76	-	-	-	-

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	BELGIAN STATE
	Amount	7,660,053
2	Name	SAFRAN
	Amount	1,944,867
3	Name	DEUTSCHE BORSE
	Amount	1,619,474
4	Name	TOTAL
	Amount	1,549,468
5	Name	KERING
	Amount	1,250,561
6	Name	SIEMENS
	Amount	1,058,890
7	Name	TELECOM ITALIA
	Amount	1,041,742
8	Name	HERMES INTERNATIONAL
	Amount	1,033,636

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	SOCIETE GENERALE	-	-	-	-
	Amount	10,694,457	-	-	-	-

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	17,158,691	-	-	-	-
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	17,158,691	-	-	-	-

**3.3. Guarantee currency.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	EUR	-	-	-
	Amount	17,158,691	-	-	-



### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	10,694,457	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	FRANCE	-	-	-	-
Amount	10,694,457	-	-	-	-

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	10,694,457	-	-	-	-

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	17,158,691

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

## 7. Data on the earnings and costs for each type of securities financing operation and total return swap.

The Compartment may use techniques for efficient management of portfolios, in compliance with the provisions of article R214-18 of the [French] Monetary and Financial Code, and in particular, temporary sales of securities.

- Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.

- Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

The revenues generated by the securities lending transactions (from which direct and indirect operational costs borne by the Agent and, as the case may be, by the management company, must be deducted) must be paid to the Compartment in question. Insofar as these indirect or direct costs do not increase the operating costs of the Compartment, they were excluded from current expenses.

### 7.1. Income

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
CIU (absolute value)	2,846	-	-	-	-
Manager (absolute value)	875	-	-	-	-
Third party (absolute value)	657	-	-	-	-

### 7.2. Expenses

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
CIU (absolute value)	-	-	-	-	-
Manager (absolute value)	-	-	-	-	-
Third party (absolute value)	-	-	-	-	-

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>64,148,124.99</b>	<b>42,566,858.45</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	45,793,900.44	42,520,664.37
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	7,660,053.09	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	10,694,456.91	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	46,194.08
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>528.94</b>	<b>1,036,953.98</b>
Future foreign exchange operations	-	-
Other	528.94	1,036,953.98
<b>Financial accounts</b>	<b>15,394.24</b>	<b>0.18</b>
Liquidity	15,394.24	0.18
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>64,164,333.62</b>	<b>43,603,812.61</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	38,717,675.20	44,105,862.39
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	7,757,221.26	-1,350,017.24
• Earnings of the fiscal year	510,754.23	-207,091.90
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>46,985,650.69</b>	<b>42,548,753.25</b>
<b>Financial instruments</b>	<b>17,158,690.82</b>	<b>-</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	17,158,690.82	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>19,950.18</b>	<b>1,055,059.36</b>
Future foreign exchange operations	-	-
Other	19,950.18	1,055,059.36
<b>Financial accounts</b>	<b>41.93</b>	<b>-</b>
Current bank accommodations	41.93	-
Loans	-	-
<b>Total liabilities</b>	<b>64,164,333.62</b>	<b>43,603,812.61</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	18,048,621.50
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	240,333.02	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	1,280,520.90	-
• Earnings on temporary financial securities acquisitions and sales	2,845.93	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>1,523,699.85</b>	<b>-</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-306.01	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-306.01</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>1,523,393.84</b>	<b>-</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-216,110.28	-207,815.40
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>1,307,283.56</b>	<b>-207,815.40</b>
Adjustment of the fiscal year's earnings (V)	81,682.55	723,50
Advances on result paid for the fiscal year (VI)	-878,211.88	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>510,754.23</b>	<b>-207,091.90</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.



# appendix

## Posting method for the trading fees

The chosen method is that of included fees.

## Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

## Financial instruments received as collateral

These financial instruments are listed under the “Financial instruments” item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the “Other temporary operations” item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

## Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract’s nominal amount (in the currency of the Compartment).

## Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial manager by delegation.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document “KIID”.

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.50% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None
Cost of temporary purchases and disposals of securities	The amount of the transaction	Maximum 35% of the income obtained from these transactions

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

## Accounting currency

Euros.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution. The realised net capital gain will be capitalised.

appendix

"BEL20" is a registered trademark of the Société NYSE Euronext, to designate the index that it calculates and publishes. NYSE Euronext guarantees neither the value of the index at any given moment, nor the results or performance of the product indexed to this index.
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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>42,548,753.25</b>	<b>42,132,739.17</b>
Subscriptions (including subscription commission acquired by the Compartment)	9,516,433.57	8,016,931.34
Redemptions (less the redemption commission acquired by the Compartment)	-11,792,958.42	-7,583,820.30
Capital gains generated on deposits and financial instruments	10,340,306.37	5,102,728.02
Capital losses generated on deposits and financial instruments	-3,294,914.53	-8,425,078.85
Capital gains generated on financial contracts	93,087,667.27	89,962,269.34
Capital losses generated on financial contracts	-93,188,204.22	-89,452,603.36
Negotiation fees	-	-
Exchange differentials	-955,493.42	1,229,455.48
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	341,183.22	1,734,333.29
- <i>Estimate difference fiscal year N-1</i>	2,241,185.43	1,900,002.21
	1,900,002.21	165,668.92
Changes to the estimate difference of financial contracts:		
- <i>Estimate difference fiscal year N</i>	-46,194.08	39,614.52
- <i>Estimate difference fiscal year N-1</i>	46,194.08	46,194.08
	46,194.08	6,579.56
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	1,307,283.56	-207,815.40
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-878,211.88	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>46,985,650.69</b>	<b>42,548,753.25</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR BEL 20 TR (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	7,660,053.09	-	-	-
Financial accounts	-	-	-	15,394.24
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	41.93
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	7,660,053.09	-	-	-	-
Financial accounts	15,394.24	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	41.93	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	USD	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	41.93	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>528.94</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	528.94
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>19,950.18</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Account payable	19,720.05
Miscellaneous debtors and creditors	230.13
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	159,766	9,516,433.57	197,600	11,792,958.42
Subscription / redemption commission		4,424.83		-
Remittances		-		-
Commissions acquired by the Compartment		4,424.83		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.50</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
- CIU securities	-
- Swaps	-

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
12/07/17	878,211.88	1.34	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>878,211.88</b>	<b>1.34</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	510,754.23	-207,091.90
<b>Total</b>	<b>510,754.23</b>	<b>-207,091.90</b>
<b>Allocation</b>		
Distribution	430,641.84	-
Carried forward for the fiscal year	-	-
Capitalisation	80,112.39	-207,091.90
<b>Total</b>	<b>510,754.23</b>	<b>-207,091.90</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	755,512	-
Distribution per unit	0.57	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>



**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	7,757,221.26	-1,350,017.24
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>7,757,221.26</b>	<b>-1,350,017.24</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	7,757,221.26	-1,350,017.24
<b>Total</b>	<b>7,757,221.26</b>	<b>-1,350,017.24</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>46,985,650.69</b>	42,548,753.25	42,132,739.17	37,708,609.65	33,165,815.03
<b>Number of outstanding equities</b>	<b>755,512</b>	793,346	790,646	825,409	809,109
<b>Net asset value</b>	<b>62.1904</b>	53.632	53.289	45.6847	40.9905
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	<b>1.91</b>	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>10.37</b>	-1,96	6.96	9.15	5.55

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Compartment creation date: 31 July 2002.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
BE0003764785	ACKERMANS V.HAAREN	PRETER	686.00	100,876.30	EUR	0.21
BE0003764785	ACKERMANS V.HAAREN	PRETER	7.00	1,029.35	EUR	0.00
BE0003764785	ACKERMANS V.HAAREN	PRETER	400.00	58,820.00	EUR	0.13
BE0003764785	ACKERMANS V.HAAREN	PROPRE	7,093.00	1,043,025.65	EUR	2.22
BE0974264930	AGEAS NV	PROPRE	68,043.00	2,833,650.74	EUR	6.03
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PRETER	5,000.00	525,250.00	EUR	1.12
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	46,319.00	4,865,810.95	EUR	10.36
LU0569974404	APERAM	PRETER	10,000.00	461,850.00	EUR	0.98
LU0569974404	APERAM	PROPRE	6,348.00	293,182.38	EUR	0.62
BE0974258874	BEKAERT DIVISION	PRETER	2,000.00	81,210.00	EUR	0.17
BE0974258874	BEKAERT DIVISION	PROPRE	10,640.00	432,037.20	EUR	0.92
BE0974268972	BPOST SA	PRETER	6,175.00	149,527.63	EUR	0.32
BE0974268972	BPOST SA	PRETER	25,347.00	613,777.61	EUR	1.31
BE0974268972	BPOST SA	PROPRE	3,388.00	82,040.42	EUR	0.17
BE0003593044	COFINIMMO SICAFI	PRETER	3,447.00	375,550.65	EUR	0.80
BE0003593044	COFINIMMO SICAFI	PRETER	136.00	14,817.20	EUR	0.03
BE0003593044	COFINIMMO SICAFI	PRETER	1,700.00	185,215.00	EUR	0.39
BE0003593044	COFINIMMO SICAFI	PROPRE	1,464.00	159,502.80	EUR	0.34
BE0974256852	COLRUYT DIV	PROPRE	20,937.00	919,343.67	EUR	1.96
DE0005810055	DEUTSCHE BOERSE AG	PGARAN	18,262.00	1,619,474.16	EUR	3.45
FR0010208488	ENGIE SA	PROPRE	414,283.00	6,011,246.33	EUR	12.79
BE0003818359	GALAPAGOS GENOMICS	PRETER	5,068.00	422,113.72	EUR	0.90
BE0003818359	GALAPAGOS GENOMICS	PRETER	7,200.00	599,688.00	EUR	1.28
BE0003818359	GALAPAGOS GENOMICS	PROPRE	650.00	54,138.50	EUR	0.12
BE0003797140	GROUPE BRUXELLES LAMBERT	PRETER	1,802.00	166,108.36	EUR	0.35

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
BE0003797140	GROUPE BRUXELLES LAMBERT	PRETER	3,829.00	352,957.22	EUR	0.75
BE0003797140	GROUPE BRUXELLES LAMBERT	PROPRE	22,534.00	2,077,184.12	EUR	4.42
FR0000052292	HERMES INTERNATIONAL	PGARAN	2,333.00	1,033,635.65	EUR	2.20
NL0011821202	ING GROUP NV	PROPRE	359,640.00	5,703,890.40	EUR	12.14
BE0003565737	KBC GROUPE	PRETER	71,000.00	5,063,010.00	EUR	10.78
BE0003565737	KBC GROUPE	PROPRE	10,674.00	761,162.94	EUR	1.62
FR0000121485	KERING	PGARAN	3,154.00	1,250,561.00	EUR	2.66
BE0974276082	ONTEX GROUP	PRETER	1,000.00	30,195.00	EUR	0.06
BE0974276082	ONTEX GROUP	PRETER	2,846.00	85,934.97	EUR	0.18
BE0974276082	ONTEX GROUP	PRETER	1,000.00	30,195.00	EUR	0.06
BE0974276082	ONTEX GROUP	PROPRE	17,368.00	524,426.76	EUR	1.12
BE0003810273	PROXIMUS SA DE DROIT PUBLIC	PROPRE	53,101.00	1,513,909.51	EUR	3.22
FR0000073272	SAFRAN	PGARAN	21,914.00	1,944,867.50	EUR	4.14
DE0007236101	SIEMENS AG-NOM	PGARAN	8,644.00	1,058,890.00	EUR	2.25
BE0003717312	SOFINA	PRETER	500.00	64,550.00	EUR	0.14
BE0003717312	SOFINA	PRETER	770.00	99,407.00	EUR	0.21
BE0003717312	SOFINA	PROPRE	4,110.00	530,601.00	EUR	1.13
BE0003470755	SOLVAY	PRETER	402.00	51,275.10	EUR	0.11
BE0003470755	SOLVAY	PRETER	136.00	17,346.80	EUR	0.04
BE0003470755	SOLVAY	PRETER	593.00	75,637.15	EUR	0.16
BE0003470755	SOLVAY	PRETER	162.00	20,663.10	EUR	0.04
BE0003470755	SOLVAY	PROPRE	24,580.00	3,135,179.00	EUR	6.67
IT0003497168	TELECOM ITALIA SPA	PGARAN	1,398,311.00	1,041,741.70	EUR	2.22
BE0003826436	TELENET GROUP HOLDING	PRETER	35.00	2,078.30	EUR	0.00
BE0003826436	TELENET GROUP HOLDING	PRETER	17,600.00	1,045,088.00	EUR	2.22
BE0003826436	TELENET GROUP HOLDING	PROPRE	783.00	46,494.54	EUR	0.10
FR0000120271	TOTAL	PGARAN	32,436.00	1,549,467.72	EUR	3.30
BE0003739530	UCB SA	PROPRE	44,136.00	2,758,058.64	EUR	5.87
BE0974320526	UMICORE SA	PROPRE	66,468.00	2,550,377.16	EUR	5.43
<b>Total Equity</b>				<b>56,488,071.90</b>		<b>120.22</b>

LYXOR BEL 20 TR (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>Bond</b>						
BE0000332412	BELGIUM 2.60% 22/06/2024	PGARAN	450,400,000.00	5,260,041.44	EUR	11.19
BE0000324336	BELGIUM 4.50% 28/03/2026	PGARAN	177,950,000.00	2,400,011.65	EUR	5.11
<b>Total Bond</b>				<b>7,660,053.09</b>		<b>16.30</b>
<b>Total Investment Securities</b>				<b>64,148,124.99</b>		<b>136.53</b>
<b>Cash</b>						
<b>OTHER</b>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-230.13	EUR	-0.00
<b>Total OTHER</b>				<b>-230.13</b>		<b>-0.00</b>
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	15,394.24	EUR	0.03
	USD SGP BANK	PROPRE	0.00	-41.93	USD	-0.00
	CES TMP REG DIFF EUR	PROPRE	0.00	528.94	EUR	0.00
<b>Total AT BANK OR PENDING</b>				<b>15,881.25</b>		<b>0.03</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-19,720.05	EUR	-0.04
<b>Total MANAGEMENT FEES</b>				<b>-19,720.05</b>		<b>-0.04</b>
<b>Total Cash</b>				<b>-4,068.93</b>		<b>-0.01</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02059150	PDC/BE0000324336/31/	PGAR1	-2,400,011.65	-2,400,011.65	EUR	-5.11
PDC-02059210	PDC/BE0000332412/31/	PGAR1	-5,260,041.44	-5,260,041.44	EUR	-11.19
PDC-02059169	PDC/DE0005810055/31/	PGAR1	-1,619,474.16	-1,619,474.16	EUR	-3.45
PDC-02059270	PDC/DE0007236101/31/	PGAR1	-1,058,890.00	-1,058,890.00	EUR	-2.25
PDC-02059188	PDC/FR0000052292/31/	PGAR1	-1,033,635.65	-1,033,635.65	EUR	-2.20
PDC-02059170	PDC/FR0000073272/31/	PGAR1	-1,944,867.50	-1,944,867.50	EUR	-4.14
PDC-02059289	PDC/FR0000120271/31/	PGAR1	-1,549,467.72	-1,549,467.72	EUR	-3.30
PDC-02059300	PDC/FR0000121485/31/	PGAR1	-1,250,561.00	-1,250,561.00	EUR	-2.66
PDC-02059239	PDC/IT0003497168/31/	PGAR1	-1,041,741.70	-1,041,741.70	EUR	-2.22
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-17,158,690.82</b>		<b>-36.52</b>
<b>Securities lending file</b>						
PT—00183915	FIX GALAPAGOS GEN	PRET	600,768.00	34.17	EUR	0.00
PT—00182190	PT/BE0003470755/31/1	PRET	54,303.17	0.00	EUR	0.00
PT—00182304	PT/BE0003470755/31/1	PRET	21,883.37	0.00	EUR	0.00

LYXOR BEL 20 TR (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
PT—00182791	PT/BE0003470755/31/1	PRET	17,735.76	0.00	EUR	0.00
PT—00183096	PT/BE0003470755/31/1	PRET	78,391.64	0.00	EUR	0.00
PT—00184846	PT/BE0003565737/30/1	PRET	5,352,690.00	218.57	EUR	0.00
PT—00181315	PT/BE0003593044/31/1	PRET	15,379.56	0.00	EUR	0.00
PT—00181744	PT/BE0003593044/31/1	PRET	194,475.75	0.00	EUR	0.00
PT—00183205	PT/BE0003593044/31/1	PRET	393,242.38	0.00	EUR	0.00
PT—00184643	PT/BE0003717312/24/1	PRET	67,095.00	0.30	EUR	0.00
PT—00182562	PT/BE0003717312/31/1	PRET	104,943.30	0.00	EUR	0.00
PT—00184264	PT/BE0003764785/16/1	PRET	1,097.72	0.00	EUR	0.00
PT—00184632	PT/BE0003764785/24/1	PRET	105,019.74	0.29	EUR	0.00
PT—00178454	PT/BE0003764785/31/1	PRET	63,315.00	0.00	EUR	0.00
PT—00183769	PT/BE0003797140/06/1	PRET	171,745.92	0.48	EUR	0.00
PT—00184586	PT/BE0003797140/23/1	PRET	365,016.66	1.01	EUR	0.00
PT—00183357	PT/BE0003818359/31/1	PRET	444,017.62	0.00	EUR	0.00
PT—00184577	PT/BE0003826436/23/1	PRET	1,082,928.00	3.01	EUR	0.00
PT—00184692	PT/BE0003826436/25/1	PRET	2,108.72	0.01	EUR	0.00
PT—00184702	PT/BE0974258874/25/1	PRET	85,144.50	0.24	EUR	0.00
PT—00183770	PT/BE0974268972/06/1	PRET	162,839.38	0.45	EUR	0.00
PT—00184584	PT/BE0974268972/23/1	PRET	639,542.83	1.78	EUR	0.00
PT—00184411	PT/BE0974276082/19/1	PRET	32,397.75	0.09	EUR	0.00
PT—00177481	PT/BE0974276082/31/1	PRET	92,517.77	0.00	EUR	0.00
PT—00183356	PT/BE0974276082/31/1	PRET	30,187.50	0.00	EUR	0.00
PT—00184851	PT/BE0974293251/30/1	PRET	541,012.50	23.74	EUR	0.00
PT—00184191	PT/LU0569974404/13/1	PRET	473,287.50	1.31	EUR	0.00
<b>Total Securities lending file</b>				<b>285.45</b>		<b>0.00</b>
<b>Total Files</b>				<b>-17,158,405.37</b>		<b>-36.52</b>
<b>Total LYXOR BEL 20 UCITS ETF</b>				<b>46,985,650.69</b>		<b>100.00</b>

# LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Management company</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository and Custodian</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Underwriters</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt securities listed in euros.

The LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE (DR) UCITS ETF Compartment (the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to reproduce the evolution of the FTSE MTS Eurozone Government Bond IG (Mid Price) Index (Ex-CNO Etrix) (the “Benchmark Indicator”) listed in euros (EUR), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is a “Total Return” type index (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator), weighted by country, consisting of securities issued by the governments of Member States of the eurozone.

The Benchmark Indicator, formerly known under the name CNO ETRIX Global, has been calculated in real-time by FTSE MTS since May 2003.

The eligible universe of FTSE MTS indices consists of the securities with the following criteria:

- nominal and fixed coupons listed in euros which does not include option nor any convertibility with a maturity greater than or equal to 1 year;

listed on the FTSE MTS markets;

- issued by the sovereign governments of a eurozone country, selected by FTSE MTS from the following list of countries as having at least two ratings in the category “Investment Grade” issued by the rating agencies Standard & Poor’s, Moody’s and Fitch: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain;

- with at least €2 billion of issued equities.

The bonds comprising the Benchmark Indicator are determined by subdividing the eligible Benchmark Indicator universe into six maturity bands: 1 to 3 years; 3 to 5 years; 5 to 7 years; 7 to 10 years; 10 to 15 years; and +15 years.

In a given maturity band, the weight of each sovereign issuer is determined on the basis of the size of the latter’s issues within the maturity band, and is represented by at most two bonds within this maturity band. If an issuer has more than two bonds in a maturity band, the chosen bonds will be those that maximize the product of (i) their issue size and (ii) their residual time in the maturity band.



The components of the Benchmark Indicator correspond with all of the bonds selected in the six maturity bands, i.e. a theoretical maximum, on 15 January 2004, of 132 bonds.

In practice, the number of components of the Benchmark Indicator is less than that, since not all issuers have at least two bonds in all six maturity bands at the same time.

The weight of a component of the Benchmark Indicator is equal to the product (i) of its weight in the maturity band to which it belongs and (ii) the weight of this maturity band (calculated according to the size of its issues relative to the eligible universe).

The methodology of the FTSE MTS indices is supervised by an independent consulting committee consisting of bond and issuer specialists.

These characteristics are such that the FTSE MTS indices are a highly liquid and representative measure of the performance of sovereign bond securities.

The monitored performance is that of the 5.30 p.m. fixing (Paris time) of the Benchmark Indicator as determined by FTSE MTS.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition of the Benchmark Indicator's components will be available on the Internet site: [www.ftse.com](http://www.ftse.com).

**Benchmark Indicator publication:**

The Benchmark Indicator fixing price is provide daily by Reuters and Bloomberg.

The Reuters code is: FMMPIEG5=

The Bloomberg code is: FMMPIEG5

The Benchmark Indicator's closing price is available on the Internet site: [www.ftse.com](http://www.ftse.com)

**Benchmark Indicator revision:**

The Benchmark Indicator's composition is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

The exact composition and the revision rules of the Benchmark Indicator published by FTSE MTS are available on the Internet site: [www.ftse.com](http://www.ftse.com)

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a pure replication method, which means that the Compartment will invest mainly in bonds making up the Benchmark Indicator.

Information relative to the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio are available on the page dedicated to the Compartment on the site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the UCITS is managed:	Between 5 and 10
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets

In the present case, the financial manager by delegation intends to use primarily the following assets:

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, financial instruments from France or from countries of the OECD (bonds and other debt securities). The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

Investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the financial manager by delegation, or a company with which it is linked.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

**3. Off-balance sheet assets (derivative instruments)**

The Compartment will not have recourse to futures financial instruments, except, on an ancillary basis, and within limits set by regulations, to future contracts on indices or bonds that are listed on regulated markets.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

**4. Securities with integrated derivatives**

None. The Compartment will not invest in securities comprising derivatives.

**5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

**6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

**7. Temporary securities acquisition and sale operations**

The Compartment will not have recourse to temporary acquisition and sale operations involving securities.

**8. Financial guarantees**

None. No financial guarantee will be granted / received by the Compartment within the framework of the implementation of its management objective.

**Risk profile:**

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected. This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment, the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment, the Compartment’s net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST’s treatment in the methodology used by the Benchmark Indicator.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the bonds markets of the eurozone.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is greater than 2 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment’s complete prospectus and the latest annual and periodic documents are sent within one week of the bearer’s written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the COB (French market regulator): 19 December 2003.*
- *Mutual fund creation date: 26 November 2003.*

## Activity report

The net asset value of the LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE (DR) UCITS ETF Compartment shows an evolution of -0.46% over the fiscal year and stands at EUR 178.2191 on 31/10/2017, meaning a fund performance of 78.22% since inception.

The fund replicates the performance of the MTS Mid Price InvG Ex-CNO Etri AllMat index, listed in euros (EUR), representative of the sovereign bonds market of the eurozone with a capacity of investment grade.

This index has shown an evolution of -0.29% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price InvG Ex-CNO Etri AllMat index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price InvG Ex-CNO Etri AllMat index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 3 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0081% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

## Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

## Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on [Lyxor website](http://Lyxor.com), [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

## Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
6.3	4.2	7.4	6.8

Portfolio rated 100%  
Nb Securities rated 144

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.2</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>7.4</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>6.8</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	28%
Average (A, BBB,BB)	72%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials	10.9%	33.8%	13.2%					
Industrials	17.4%		24.6%					

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1 & 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions(combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gas	0%
Oil	0%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

### **Information on the compensation policy:**

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

### **Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the CIU)*

In the course of the fiscal year, the CIU did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).



## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>825,286,418.86</b>	<b>808,691,064.92</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	825,286,418.86	808,691,064.92
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>923,695.86</b>	<b>901,636.79</b>
Future foreign exchange operations	-	-
Other	923,695.86	901,636.79
<b>Financial accounts</b>	<b>1,157,677.80</b>	<b>91,855.93</b>
Liquidities	1,157,677.80	91,855.93
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>827,367,792.52</b>	<b>809,684,557.64</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	817,558,608.89	772,972,888.33
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-10,470,334.32	13,591,216.22
• Earnings of the fiscal year	20,151,766.69	23,006,049.93
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>827,240,041.26</b>	<b>809,570,154.48</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>127,751.26</b>	<b>114,403.16</b>
Future foreign exchange operations	-	-
Other	127,751.26	114,403.16
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>827,367,792.52</b>	<b>809,684,557.64</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	3,326.91	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	22,821,314.53	27,839,717.02
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>22,824,641.44</b>	<b>27,839,717.02</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-3,522.81	-3,778.95
• Other financial charges	-	-
<b>Total (II)</b>	<b>-3,522.81</b>	<b>-3,778.95</b>
<b>Earnings on financial operations (I - II)</b>	<b>22,821,118.63</b>	<b>27,835,938.07</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-1,416,125.76	-1,533,235.06
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>21,404,992.87</b>	<b>26,302,703.01</b>
Adjustment of the fiscal year's earnings (V)	-1,253,226.18	-3,296,653.08
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>20,151,766.69</b>	<b>23,006,049.93</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this assessment.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

#### Operation and management fees

Put information about the prospectus, notice or regulation (including fixed and variable costs, transactions and retrocessions).

Fees invoiced to the Compartment	Basis	Schedule, rate (including tax)
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.165% per year
Of which external management fees payable to the portfolio management company (Auditor, Depository, distribution, lawyers)	Net assets	0.06% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euro.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

# appendix

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

# appendix



## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>809,570,154.48</b>	<b>884,655,518.55</b>
Subscriptions (including subscription commission acquired by the CIU)	486,049,501.53	261,193,915.60
Redemptions (less the redemption commission acquired by the CIU)	-463,764,766.00	-370,729,743.00
Capital gains generated on deposits and financial instruments	15,554,200.15	34,831,200.91
Capital losses generated on deposits and financial instruments	-26,580,876.70	-18,917,236.62
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	-14,993,165.07	-7,766,203.97
- <i>Estimate difference fiscal year N</i>	2,534,710.51	17,527,875.58
- <i>Estimate difference fiscal year N-1</i>	17,527,875.58	25,294,079.55
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	21,404,992.87	26,302,703.01
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>827,240,041.26</b>	<b>809,570,154.48</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	825,286,418.86	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	825,286,418.86	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	1,157,677.80
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	178,233,244.34	144,193,935.03	502,859,239.49
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	1,157,677.80	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>923,695.86</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Coupons receivable	923,695.86
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>127,751.26</b>
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	119,513.38
Miscellaneous debtors and creditors	8,237.88
-	-
-	-
-	-
Other operations	-

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### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	2,765,000	486,049,501.53	2,645,000	463,764,766.00
Subscription / redemption commission		2,191.53		-
Remittances		-		-
Commissions acquired by the CIU		2,191.53		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0,17</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	-

**3.10 Allocation of the earnings table** (in the Compartment's currency of account)

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	20,151,766.69	23,006,049.93
<b>Total</b>	<b>20,151,766.69</b>	<b>23,006,049.93</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	20,151,766.69	23,006,049.93
<b>Total</b>	<b>20,151,766.69</b>	<b>23,006,049.93</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
	EUR	EUR
<b>Allocation of the net capital gains and losses</b>		
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-10,470,334.32	13,591,216.22
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-10,470,334.32</b>	<b>13,591,216.22</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-10,470,334.32	13,591,216.22
<b>Total</b>	<b>-10,470,334.32</b>	<b>13,591,216.22</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the mutual fund during the last 5 fiscal years**

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>827,240,041.26</b>	809,570,154.48	884,655,518.55	534,744,710.43	504,830,954.12
<b>Number of outstanding equities</b>	<b>4,641,700</b>	4,521,700	5,098,700	3,230,700	3,353,700
<b>Net asset value</b>	<b>178.2191</b>	179.0411	173.506	165.5197	150.5295
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>2,08</b>	8.09	7.28	6.17	6.96

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Mutual fund creation date: 26 November 2003.



## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
AT0000A0U299	AUSTRIA 3.80% 26/01/2062	PROPRE	498,000.00	847,073.44	EUR	0.10
BE0000337460	BELGIUM KINGDOM 1.00% 22/06/2026	PROPRE	3,733,490.00	3,927,421.81	EUR	0.47
BE0000344532	BELGIUM KINGDOM 1.45% 22/06/2037	PROPRE	433,390.00	443,816.29	EUR	0.05
BE0000336454	BELGIUM KINGDOM 1.900000% 22/06/2038	PROPRE	950,810.00	1,046,959.04	EUR	0.13
BE0000340498	BELGIUM KINGDOM 2.15% 22/06/2066	PROPRE	434,610.00	466,416.61	EUR	0.06
BE0000327362	BELGIUM KINGDOM 3% 28/09/2019	PROPRE	3,332,710.00	3,575,420.30	EUR	0.43
BE0000334434	BELGIUM 0.80% 22/06/2025	PROPRE	4,268,500.00	4,449,548.73	EUR	0.54
BE0000335449	BELGIUM 1.00% 22/06/2031	PROPRE	1,894,180.00	1,901,271.51	EUR	0.23
BE0000328378	BELGIUM 2.25% 22/06/2023	PROPRE	2,487,200.00	2,843,861.07	EUR	0.34
BE0000343526	BELGIUM 2.25% 22/06/2057	PROPRE	431,550.00	481,479.74	EUR	0.06
BE0000332412	BELGIUM 2.60% 22/06/2024	PROPRE	2,889,500.00	3,401,299.71	EUR	0.41
BE0000333428	BELGIUM 3.00% 22/06/2034	PROPRE	885,270.00	1,142,070.46	EUR	0.14
BE0000331406	BELGIUM 3.75% 22/06/2045	PROPRE	1,398,360.00	2,093,854.45	EUR	0.25
BE0000315243	BELGIUM 4.00% 28/03/2019	PROPRE	3,226,700.00	3,516,683.53	EUR	0.43
BE0000320292	BELGIUM 4.25% 28/03/2041	PROPRE	2,488,500.00	3,949,373.93	EUR	0.48
BE0000321308	BELGIUM 4.25% 28/09/2021	PROPRE	3,441,810.00	4,094,636.48	EUR	0.49
BE0000325341	BELGIUM 4.25% 28/09/2022	PROPRE	3,301,600.00	4,053,953.22	EUR	0.49
BE0000304130	BELGIUM 5.00% 28/03/2035	PROPRE	2,825,060.00	4,633,663.41	EUR	0.56
BE0000291972	BELGIUM 5.50% 28/03/2028	PROPRE	3,599,260.00	5,511,366.88	EUR	0.67
ES00000128C6	BONOS Y OBLIG DEL ESTADG 2.90% 31/10/2046	PROPRE	1,764,000.00	1,822,845.10	EUR	0.22
ES00000128O1	BONOS Y OBLIG DEL ESTADO 0.40% 30/04/2022	PROPRE	6,330,000.00	6,398,606.82	EUR	0.77
ES00000127H7	BONOS Y OBLIG DEL ESTADO 1.15% 30/07/2020	PROPRE	10,701,000.00	11,111,310.05	EUR	1.34
ES00000128P8	BONOS Y OBLIG DEL ESTADO 1.5% 30/04/2027	PROPRE	10,402,000.00	10,611,796.27	EUR	1.28
ES00000127G9	BONOS Y OBLIG DEL ESTADO 2.15% 31/10/2025	PROPRE	12,148,000.00	13,149,515.26	EUR	1.59
ES00000128E2	BONOS Y OBLIG DEL ESTADO 3.45% 30/07/2066	PROPRE	840,000.00	931,206.74	EUR	0.11

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
IT0001278511	BTP 5.25% 01/11/29	PROPRE	10,228,290.00	13,701,255.03	EUR	1.66
IT0003256820	BTP 5.75% 01/02/33	PROPRE	2,697,000.00	3,911,947.93	EUR	0.47
IT0001174611	BTP 6.50% 01/11/27	PROPRE	9,725,100.00	13,909,125.49	EUR	1.68
IT0005001547	BTPS 3.75% 01/09/2024	PROPRE	11,259,000.00	13,195,803.02	EUR	1.60
AT0000A001X2	BUND (AUT) 3.5% 15/09/21	PROPRE	2,229,000.00	2,583,417.11	EUR	0.31
AT0000A0N9A0	BUND (AUT) 3.65% 20/04/2022	PROPRE	1,225,000.00	1,468,652.50	EUR	0.18
AT0000386115	BUND (AUT) 3.90% 15/07/20	PROPRE	3,095,000.00	3,508,502.58	EUR	0.42
AT0000A04967	BUND (AUT) 4.15% 15/03/37	PROPRE	1,841,000.00	2,854,061.95	EUR	0.35
DE0001135085	BUND 4.75% 04/07/28	PROPRE	3,438,830.00	5,050,941.74	EUR	0.61
DE0001135069	BUND 5.625% 04/01/28	PROPRE	4,431,830.00	6,984,081.45	EUR	0.84
DE0001135424	BUNDESREPUB DEUTSCHLAND 2.5% 04/01/21	PROPRE	12,492,940.00	14,010,643.94	EUR	1.69
IT0005162828	BUONI POLIENNALI DEL TES 2.70% 01/03/2047	PROPRE	2,255,000.00	2,142,755.82	EUR	0.26
DE0001135226	DBR 4.75% 04/07/2034	PROPRE	2,873,250.00	4,693,875.04	EUR	0.57
DE0001135465	DEUTSCHLAND 2% 04/01/2022	PROPRE	13,148,030.00	14,748,118.30	EUR	1.78
ES00000124C5	ESPAGNE 5.15% 31/10/2028	PROPRE	4,458,000.00	6,056,782.30	EUR	0.73
FI4000037635	FINLAND 2.75% 04/07/2028	PROPRE	719,000.00	889,846.22	EUR	0.11
FI0001006306	FINLAND 4.375% 04/07/2019	PROPRE	1,168,000.00	1,285,241.99	EUR	0.16
FI4000062625	FINNISH GOV 1.5% 15/04/23	PROPRE	1,038,000.00	1,139,578.96	EUR	0.14
FI4000148630	FINNISH GOVERNMENT 0.75% 15/04/2031	PROPRE	644,000.00	640,960.41	EUR	0.08
FI4000242862	FINNISH GOVERNMENT 0% 15/04/2022	PROPRE	863,000.00	875,082.00	EUR	0.11
FI4000106117	FINNISH GOVERNMENT 0.375% 15/09/2020	PROPRE	1,396,000.00	1,434,554.94	EUR	0.17
FI4000197959	FINNISH GOVERNMENT 0.5% 15/04/2026	PROPRE	1,117,000.00	1,136,942.27	EUR	0.14
FI4000242870	FINNISH GOVERNMENT 1.375% 15/04/2047	PROPRE	287,000.00	292,444.94	EUR	0.04
FI4000079041	FINNISH GOVERNMENT 2% 15/04/2024	PROPRE	1,039,000.00	1,182,863.78	EUR	0.14
FI4000046545	FINNISH GOVERNMENT 2.625% 04/07/2042	PROPRE	647,000.00	858,246.83	EUR	0.10
FI4000020961	FINNISH GVT 3.5% 15/04/2021	PROPRE	1,289,000.00	1,492,499.55	EUR	0.18
FI4000006176	FINNISH 4% 07/04/25	PROPRE	1,345,000.00	1,755,171.56	EUR	0.21
FR0013154044	FRANCE ( GOVT OF) 1.25% 25/05/2036	PROPRE	3,253,190.00	3,226,395.75	EUR	0.39
FR0013200813	FRANCE GOVT OF 0.25% 25/11/2026	PROPRE	17,519,450.00	17,140,897.96	EUR	2.07
FR0013154028	FRANCE (GOVT OF) 1.75% 25/05/2066	PROPRE	982,020.00	948,797.46	EUR	0.11

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
FR0013234333	FRANCE GOVT OF 1.75% 25/06/2039	PROPRE	1,240,810.00	1,322,620.18	EUR	0.16
FR0013257524	FRANCE (GOVT OF) 2% 25/05/2048	PROPRE	1,583,120.00	1,698,326.68	EUR	0.21
FR0011619436	FRANCE OAT 2.25 05/25/24	PROPRE	7,491,280.00	8,646,620.11	EUR	1.05
FR0011883966	FRANCE OAT 2.5 05/25/30	PROPRE	8,847,490.00	10,603,074.44	EUR	1.28
FR0011461037	FRANCE OAT 25/05/45	PROPRE	3,582,580.00	4,917,756.05	EUR	0.59
FR0010192997	FRANCE OAT 3.75 04/25/21	PROPRE	14,769,410.00	17,248,799.45	EUR	2.09
FR0010776161	FRANCE OAT 3.75% 25/10/2019	PROPRE	21,350,610.00	23,259,288.77	EUR	2.81
FR0010371401	FRANCE OAT 4 10/25/38	PROPRE	3,812,910.00	5,660,366.74	EUR	0.68
FR0010466938	FRANCE OAT 4.25 10/25/23	PROPRE	10,147,440.00	12,788,631.01	EUR	1.55
FR0000189151	FRANCE OAT 4.25% 25/04/2019	PROPRE	18,807,620.00	20,606,281.66	EUR	2.49
FR0010773192	FRANCE OAT 4.5 04/25/41	PROPRE	4,710,810.00	7,671,779.97	EUR	0.93
FR0010070060	FRANCE OAT 4.75 04/25/35	PROPRE	3,836,900.00	6,086,881.80	EUR	0.74
DE0001102358	GERMANY BUND 1.50% 15/05/2024	PROPRE	7,680,680.00	8,556,487.97	EUR	1.03
DE0001135390	GERMANY BUND 3.25% 04/01/2020	PROPRE	15,772,970.00	17,585,921.64	EUR	2.13
DE0001135382	GERMANY BUND 3.50% 04/07/2019	PROPRE	17,204,500.00	18,646,284.24	EUR	2.25
DE0001102416	GERMANY 0.25% 15/02/2027	PROPRE	10,506,070.00	10,490,901.65	EUR	1.27
DE0001102374	GERMANY 0.50% 15/02/2025	PROPRE	9,293,220.00	9,678,067.48	EUR	1.17
DE0001102325	GERMANY 2% 15/08/2023	PROPRE	7,678,660.00	8,710,508.89	EUR	1.05
DE0001135481	GERMANY 2.5% 04/07/2044	PROPRE	3,160,000.00	4,174,005.04	EUR	0.50
DE0001102341	GERMANY 2.50% 15/08/2046	PROPRE	3,306,950.00	4,388,193.55	EUR	0.53
DE0001135432	GERMANY 3.25% 04/07/2042	PROPRE	2,154,600.00	3,193,276.58	EUR	0.39
DE0001135275	GERMANY 4% 04/01/2037	PROPRE	3,304,510.00	5,214,172.75	EUR	0.63
DE0001135325	GERMANY 4.25% 04/07/2039	PROPRE	2,010,850.00	3,325,521.69	EUR	0.40
DE0001135366	GERMANY 4.75% 04/07/2040	PROPRE	2,299,650.00	4,088,884.82	EUR	0.49
IE00BV8C9186	IRELAND 2% 18/02/2045	PROPRE	1,040,450.00	1,115,135.78	EUR	0.13
IE00BJ38CR43	IRELAND 2.40% 15/05/2030	PROPRE	1,317,730.00	1,542,394.85	EUR	0.19
IE00B6X95T99	IRELAND 3.40% 18/03/2024	PROPRE	1,153,100.00	1,416,677.34	EUR	0.17
IE00B4S3JD47	IRELAND 3.90% 20/03/2023	PROPRE	908,310.00	1,123,492.99	EUR	0.14
IE0034074488	IRELAND 4.50% 18/04/2020	PROPRE	2,960,840.00	3,404,628.35	EUR	0.41
IE00B6089D15	IRELAND 5.9% 18/10/19	PROPRE	1,732,400.00	1,958,954.02	EUR	0.24

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IE00BJ38CQ36	IRISH REPUBLIC 0.80% 15/03/2022	PROPRE	982,010.00	1,031,488.51	EUR	0.12
IE00B4TV0D44	IRISH REPUBLIC 5.40% 13/03/2025	PROPRE	1,650,960.00	2,313,521.91	EUR	0.28
IE00BV8C9418	IRISH TSY 1% 15/05/2026	PROPRE	1,511,020.00	1,571,513.58	EUR	0.19
IE00BV8C9B83	IRISH TSY 1.70% 15/05/2037	PROPRE	645,160.00	670,556.32	EUR	0.08
IT0005217390	ITALIAN REPUBLIC 2.8% 01/03/2067	PROPRE	826,000.00	743,107.25	EUR	0.09
IT0005273013	ITALIAN REPUBLIC 3.45% 01/03/2048	PROPRE	938,000.00	1,013,657.99	EUR	0.12
IT0005083057	ITALY BTP 3.25% 01/09/2046	PROPRE	2,237,000.00	2,379,309.66	EUR	0.29
IT0004634132	ITALY BTP 3.75% 01/03/2021	PROPRE	19,423,000.00	21,875,593.68	EUR	2.64
IT0003934657	ITALY BTP 4.00% 01/02/2037	PROPRE	3,913,000.00	4,792,872.09	EUR	0.58
IT0003493258	ITALY BTP 4.25% 01/02/2019	PROPRE	19,717,000.00	21,048,794.43	EUR	2.54
IT0004644735	ITALY BTP 4.50% 01/03/2026	PROPRE	10,503,000.00	13,018,543.91	EUR	1.57
IT0004923998	ITALY BTP 4.75% 01/09/2044	PROPRE	2,460,000.00	3,303,866.99	EUR	0.40
IT0004513641	ITALY BTP 5.00% 01/03/2025	PROPRE	12,526,000.00	15,847,438.50	EUR	1.92
IT0003535157	ITALY BTP 5.00% 01/08/2034	PROPRE	3,607,000.00	4,911,961.63	EUR	0.59
IT0004286966	ITALY BTP 5.00% 01/08/2039	PROPRE	2,951,000.00	4,080,748.65	EUR	0.49
IT0004532559	ITALY BTP 5.00% 01/09/2040	PROPRE	3,182,000.00	4,350,791.68	EUR	0.53
IT0004801541	ITALY BTP 5.50% 01/09/2022	PROPRE	15,671,000.00	19,462,126.60	EUR	2.35
IT0004848831	ITALY BTP 5.50% 01/11/2022	PROPRE	12,137,000.00	15,013,492.42	EUR	1.81
IT0005177909	ITALY 2.250% 01/09/2036	PROPRE	2,138,000.00	2,053,770.48	EUR	0.25
IT0004423957	ITALY 4.50% 01/03/2019	PROPRE	19,760,000.00	21,173,871.08	EUR	2.56
BE0000338476	KINGDOM OF BELGIUM 1.6% 22/06/2047	PROPRE	1,112,600.00	1,095,054.45	EUR	0.13
ES00000128Q6	KINGDOM OF SPAIN 2.35% 30/07/2033	PROPRE	1,067,000.00	1,105,749.64	EUR	0.13
NL0009446418	NETHERLAND GOVERNMENT 3.75% 15/01/42	PROPRE	2,204,880.00	3,502,831.69	EUR	0.42
NL0010418810	NETHERLANDS 1.75 07/15/23	PROPRE	3,400,810.00	3,791,338.51	EUR	0.46
NL0010733424	NETHERLANDS 2 07/15/24	PROPRE	3,293,770.00	3,756,552.59	EUR	0.45
NL0010071189	NETHERLANDS 2.5 01/15/33	PROPRE	1,947,550.00	2,450,089.01	EUR	0.30
NL0000102234	NETHERLANDS 4 01/15/37	PROPRE	2,132,350.00	3,340,327.15	EUR	0.40
NL0012171458	NETHERLANDS GOVERNMENT 0.75% 15/07/2027	PROPRE	2,775,130.00	2,855,554.02	EUR	0.35
NL0011220108	NETHERLANDS 0.25% 15/07/2025	PROPRE	3,380,880.00	3,407,837.18	EUR	0.41
NL0010060257	NETHERLANDS 2.25% 15/07/2022	PROPRE	3,142,100.00	3,549,522.97	EUR	0.43

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NL0010721999	NETHERLANDS 2.75% 15/01/2047	PROPRE	1,904,740.00	2,643,254.67	EUR	0.32
NL0009712470	NETHERLANDS 3.25% 15/07/2021	PROPRE	3,396,770.00	3,909,103.19	EUR	0.47
NL0009348242	NETHERLANDS 3.50% 15/07/2020	PROPRE	4,236,430.00	4,762,416.46	EUR	0.58
NL0009086115	NETHERLANDS 4.00% 15/07/2019	PROPRE	4,126,330.00	4,512,615.52	EUR	0.55
NL0000102317	NETHERLANDS 5.50% 15/01/2028	PROPRE	1,871,900.00	2,900,358.03	EUR	0.35
IT0005240350	NUONI POLIENNALI DEL TES 2.45% 01/09/2033	PROPRE	1,274,000.00	1,289,091.97	EUR	0.16
FR0011196856	OAT 3% 25/04/2022	PROPRE	16,645,890.00	19,399,097.40	EUR	2.35
FR0010916924	OAT 3.5% 25/04/26	PROPRE	22,228,860.00	28,452,164.35	EUR	3.44
FR0010171975	OAT 4% 25/04/55	PROPRE	2,147,920.00	3,476,583.60	EUR	0.42
FR0010870956	OAT 4% 25/04/60	PROPRE	1,878,930.00	3,112,318.86	EUR	0.38
FR0000187635	OAT 5.75% 25/10/32	PROPRE	8,573,100.00	14,182,138.72	EUR	1.71
AT0000A1K9C8	REPUBLIC OF AUSTRIA 0.750% 20/10/2026	PROPRE	4,037,000.00	4,144,453.31	EUR	0.50
AT0000A1FAP5	REPUBLIC OF AUSTRIA 1.2% 20/10/2025	PROPRE	3,639,000.00	3,907,294.01	EUR	0.47
AT0000A1PEF7	REPUBLIC OF AUSTRIA 1.5% 02/11/2086	PROPRE	358,000.00	312,301.30	EUR	0.04
AT0000A1K9F1	REPUBLIC OF AUSTRIA 1.5% 20/02/2047	PROPRE	650,000.00	656,486.64	EUR	0.08
AT0000A105W3	REPUBLIC OF AUSTRIA 1.75% 20/10/23	PROPRE	2,777,000.00	3,080,868.48	EUR	0.37
AT0000A10683	REPUBLIC OF AUSTRIA 2.4% 23/05/2034	PROPRE	991,000.00	1,204,627.70	EUR	0.15
AT0000A0VRQ6	REPUBLIC OF AUSTRIA 3.15% 20/06/44	PROPRE	979,000.00	1,371,922.32	EUR	0.17
AT0000A0U3T4	REPUBLIC OF AUSTRIA 3.4% 22/11/2022	PROPRE	2,502,000.00	3,046,527.75	EUR	0.37
AT0000A08968	REPUBLIC OF AUSTRIA 4.35% 15/03/2019	PROPRE	2,484,000.00	2,724,374.99	EUR	0.33
ES00000122D7	SPAIN 4% 30/04/20	PROPRE	12,551,000.00	14,118,099.79	EUR	1.71
ES0000012932	SPAIN 4.20% 31/01/37	PROPRE	2,297,000.00	3,047,645.45	EUR	0.37
ES00000123X3	SPAIN 4.40% 31/10/2023	PROPRE	6,863,000.00	8,415,006.37	EUR	1.02
ES00000121S7	SPAIN 4.7% 30/07/41	PROPRE	1,551,000.00	2,175,948.90	EUR	0.26
ES00000120N0	SPAIN 4.9% 30/07/40	PROPRE	1,925,000.00	2,754,104.08	EUR	0.33
ES00000124H4	SPAIN 5.15% 31/10/2044	PROPRE	1,554,000.00	2,300,358.52	EUR	0.28
ES00000123U9	SPAIN 5.4% 31/01/23	PROPRE	7,094,000.00	9,223,157.19	EUR	1.11
ES00000123B9	SPAIN 5.5% 30/04/21	PROPRE	6,547,000.00	7,992,593.31	EUR	0.97

LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
ES0000011868	SPAIN 6% 31/01/29	PROPRE	5,344,040.00	8,010,745.25	EUR	0.97
<b>Total Bond</b>				<b>825,286,418.86</b>		<b>99.76</b>
<b>Total Investment Securities</b>				<b>825,286,418.86</b>		<b>99.76</b>
<b>Cash</b>						
<b>OTHER</b>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-8,237.88	EUR	-0.00
<b>Total OTHER</b>				<b>-8,237.88</b>		<b>-0.00</b>
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	1,157,677.80	EUR	0.14
<b>Total AT BANK OR PENDING</b>				<b>1,157,677.80</b>		<b>0.14</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-119,513.38	EUR	-0.01
<b>Total MANAGEMENT FEES</b>				<b>-119,513.38</b>		<b>-0.01</b>
<b>Total Cash</b>				<b>1,029,926.54</b>		<b>0.12</b>
<b>Coupons</b>						
<b>Bond</b>						
AT0000A1PEF7	AUSTR REP 1.5% 2086	ACHLIG	358.00	5,370.00	EUR	0.00
IT0001278511	BTP 5.25 11/29	ACHLIG	1,022,828,999.99999	268,492.61	EUR	0.03
IT0001174611	BTP 6.50 11/27	ACHLIG	972,509,999.99999	316,065.75	EUR	0.04
IT0004848831	BTPS 5.5 11/01/22	ACHLIG	12,137.00	333,767.50	EUR	0.04
<b>Total Bond</b>				<b>923,695.86</b>		<b>0.11</b>
<b>Total Coupons</b>				<b>923,695.86</b>		<b>0.11</b>
<b>Total LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE UCITS ETF</b>				<b>827,240,041.26</b>		<b>100.00</b>

APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment:	31-Oct.	
Management commission of the fund:	0.165	% tax included
Average fortune of the fund for the period from 01/11/16 to 31/10/17:	858,051,404.68	

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	1,533,235.06	698,427.61	1,416,125.76
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	1,533,235.06	698,427.61	1,416,125.76

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including bonus depending on the performance

$$(1,416,125.76 / 858,051,404.68) * 100$$

**0.165** %

Performance fee as a share in percentage of the net average assets:

- %

**LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE UCITS ETF**  
 (compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b>LYXOR EUROMTS ALL-MATURITY INVESTMENT GRADE (DR) UCITS ETF</b>	-0.46%	+3.19%	+4.82%
<b>MTS Mid Price Eurozone Government Bond Index Investment Grade All Maturity</b>	-0.29%	+3.36%	+4.86%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.



# LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt securities listed in euros.

The LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF Compartment (the “**Compartment**”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to reproduce the evolution of the FTSE MTS Eurozone Government Bond IG 3-5Y (Mid Price) Index (Ex-CNO Etrix) (the “**Benchmark Indicator**”) listed in euros (EUR), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is the sub-index, consisting of securities having a maturity between 3 and 5 years, of the FTSE MTS Eurozone Government Bond IG (Mid Price) Index (Ex-CNO Etrix), which is a “Total Return” type index (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator), weighted by country, consisting of securities issued by the governments of Member States of the eurozone.

The Benchmark Indicator has been calculated in real-time by FTSE MTS.

The eligible universe of FTSE MTS indices consists of the securities with the following criteria:

- (i) nominal and fixed coupons listed in euros which does not include option nor any convertibility with a maturity greater than or equal to 1 year;
- (ii) issued by the sovereign governments of a eurozone country, selected by FTSE MTS from the following list of countries as having at least two ratings in the category “Investment Grade” issued by the rating agencies Standard & Poor’s, Moody’s and Fitch: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain;
- (iii) with at least €2 billion of issued equities.

(iv) listed on the FTSE MTS markets;

The methodology of the FTSE MTS indices is supervised by an independent consulting committee consisting of bond and issuer specialists.

The composition of these indices is reviewed each month.

These characteristics are such that the FTSE MTS indices are a highly liquid and representative measure of the performance of sovereign bond securities.

The monitored performance is that of the 5.30 p.m. fixing (Paris time) of the Benchmark Indicator as determined by FTSE MTS.

#### **Benchmark Indicator publication**

The Benchmark Indicator fixing price is provide daily by Reuters and Bloomberg.

The Reuters code of the Benchmark Indicator is: FMMPIEB5=

The Bloomberg code of the Benchmark Indicator is: FMMPIEB5

The Benchmark Indicator's closing price is available on the Internet site: [www.ftse.com/](http://www.ftse.com/)

#### **Benchmark Indicator revision**

Should a bond no longer meet the selection criteria on a revision date, it will be removed from the Benchmark Indicator.

Changes to index constituents will be taken into account on the next monthly rebalancing date (the first business day after the 15th of the previous month) and are effectively implemented on the opening of the market on the second business day of the month following this monthly revision date.

Once selected, a bond remains in the Benchmark Indicator until its maturity becomes too short (i.e. less than one year), and the index constituents are not rebalanced during the month.

All of the coupons detached from the Benchmark Indicator bonds will be reinvested daily in the Benchmark Indicator at market close.

The Benchmark Indicator's composition is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition of the Benchmark Indicator's components will be available on the Internet site: [www.ftse.com](http://www.ftse.com).

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a pure replication method, which means that the Compartment will invest mainly in bonds making up the Benchmark Indicator.

Information relative to the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio are available on the page dedicated to the Compartment on the site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the Compartment is managed:	Between 2 and 5
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets

Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets
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In the present case, the financial manager by delegation intends to use primarily the following assets:

## **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, financial instruments from France or from countries of the OECD (bonds and other debt securities). The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

Investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the financial manager by delegation, or a company with which it is linked.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

## **3. Off-balance sheet assets (derivative instruments)**

The Compartment will not have recourse to futures financial instruments, except, on an ancillary basis, and within limits set by regulations, to future contracts on indices or bonds that are listed on regulated markets.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

## **4. Securities with integrated derivatives**

None.

## **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

## **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

## **7. Temporary securities acquisition and sale operations**

None. The Compartment will not have recourse to temporary acquisition and sale operations involving securities.

## **8. Financial guarantees**

None. No financial guarantee will be granted / received by the Compartment within the framework of the implementation of its management objective.

## **Risk profile:**

Through the Compartment, the bearer is primarily exposed to the following risks:

### **- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

### **- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment, the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment bonds. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the

Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the bonds markets of the eurozone.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is greater than 3 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the COB (French market regulator): 26 November 2003.*
- *Compartment creation date: 28 January 2004.*

## Activity report

The net asset value of the LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF Compartment shows an evolution of 0.48% over the fiscal year and stands at EUR 153.7631 on 31/10/2017, meaning a compartment performance of 53.76% since inception.

The fund replicates the performance of the MTS Mid Price InvG Ex-CNO Etri 3-5Y index, listed in euros (EUR), representative of the most important and the most traded investment grade government bonds of the eurozone in the 3-5-year segment.

This index has shown an evolution of 0.66% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the compartment and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price InvG Ex-CNO Etri 3-5Y, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price InvG Ex-CNO Etri 3-5Y Index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The compartment's risk and yield profile has been classed as category 2 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0289% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** (not audited by the auditor)

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

## Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website Lyxor.com and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on Lyxor website, Lyxor.com.

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
6.3	4.2	7.4	6.8

Portfolio rated 100%  
Nb Securities rated 17

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.2</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>7.4</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>6.8</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	30%
Average (A, BBB,BB)	70%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials		9.6%	31.8%	10.0%				
Industrials		19.9%		28.7%				



## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1 & 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gas	0%
Oil	0%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

**Information on the compensation policy:**

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the Compartment)*

In the course of the fiscal year, the Compartment did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>907,661,406.62</b>	<b>1,108,497,075.34</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	907,661,406.62	1,108,497,075.34
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>60,572.29</b>	<b>72,537.89</b>
Liquidity	60,572.29	72,537.89
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>907,721,978.91</b>	<b>1,108,569,613.23</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	901,600,727.72	1,089,978,418.71
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-16,532,730.64	-14,739,244.03
• Earnings of the fiscal year	22,503,541.04	33,172,959.99
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>907,571,538.12</b>	<b>1,108,412,134.67</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>150,440.79</b>	<b>157,478.56</b>
Future foreign exchange operations	-	-
Other	150,440.79	157,478.56
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>907,721,978.91</b>	<b>1,108,569,613.23</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	49.39	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	27,700,200.12	30,195,374.62
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>27,700,249.51</b>	<b>30,195,374.62</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-796.28	-189,09
• Other financial charges	-	-
<b>Total (II)</b>	<b>-796.28</b>	<b>-189,09</b>
<b>Earnings on financial operations (I - II)</b>	<b>27,699,453.23</b>	<b>30,195,185.53</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-1,741,516.76	-1,609,594.59
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>25,957,936.47</b>	<b>28,585,590.94</b>
Adjustment of the fiscal year's earnings (V)	-3,454,395.43	4,587,369.05
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>22,503,541.04</b>	<b>33,172,959.99</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of holding an EMTN, it will be assessed on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this assessment.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.



The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial manager by delegation.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.165% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euro.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

# appendix

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

# appendix

The Compartment in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE TMX Global Debt Capital Markets (collectively referred to as the “Holders”).  
FTSE TMX Global Debt Capital Markets cannot be held liable for the promotion or marketing of the Compartment.  
FTSE MTS and the names of the FTSE MTS index (FTSE MTS Index<sup>TM</sup>) and of the FTSE MTS indices (FTSE MTS Indices<sup>TM</sup>) are registered trademarks of FTSE TMX Global Debt Capital Markets. The FTSE MTS indices are calculated by FTSE TMX Global Debt Capital Markets, and marketed and distributed by MTSNext, a company owned by FTSE TMX Global Debt Capital Markets.  
Neither FTSE TMX Global Debt Capital Markets nor MTSNext can be held liable for any losses or damages of any nature whatsoever (including, notably, investment losses) linked to all or part of the Compartment or to the supply of the FTSE MTS Eurozone Government Bond IG 3-5Y (Mid Price) Index (Ex-CNO Etrix), or of sub-indices or of registered trademarks.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>1,108,412,134.67</b>	<b>753,084,042.09</b>
Subscriptions (including subscription commission acquired by the Compartment)	117,707,846.00	677,484,442.00
Redemptions (less the redemption commission acquired by the Compartment)	-322,891,954.10	-331,923,638.00
Capital gains generated on deposits and financial instruments	19,843,468.57	19,687,532.05
Capital losses generated on deposits and financial instruments	-38,464,854.91	-31,243,428.43
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	-2,993,038.58	-7,262,405.98
- <i>Estimate difference fiscal year N</i>	-4,903,120.15	-1,910,081.57
- <i>Estimate difference fiscal year N-1</i>	-1,910,081.57	5,352,324.41
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	25,957,936.47	28,585,590.94
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>907,571,538.12</b>	<b>1,108,412,134.67</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	907,661,406.62	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	907,661,406.62	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	60,572.29
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	907,661,406.62	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	60,572.29	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	150,440.79
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	130,943.93
Miscellaneous debtors and creditors	19,496.86
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	770,000	117,707,846.00	2,111,000	322,891,954.10
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.16</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU	-
- other financial instruments	-

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	22,503,541.04	33,172,959.99
<b>Total</b>	<b>22,503,541.04</b>	<b>33,172,959.99</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	22,503,541.04	33,172,959.99
<b>Total</b>	<b>22,503,541.04</b>	<b>33,172,959.99</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-



**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
	EUR	EUR
<b>Allocation of the net capital gains and losses</b>		
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-16,532,730.64	-14,739,244.03
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-16,532,730.64</b>	<b>-14,739,244.03</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-16,532,730.64	-14,739,244.03
<b>Total</b>	<b>-16,532,730.64</b>	<b>-14,739,244.03</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>907,571,538.12</b>	1,108,412,134.67	753,084,042.09	652,038,743.74	478,966,572.97
<b>Number of outstanding equities</b>	<b>5,902,400</b>	7,243,400	4,973,400	4,383,400	3,379,400
<b>Net asset value</b>	<b>153.7631</b>	153,0237	151.4223	148.7518	141.7312
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>1.01</b>	2,54	4,17	5,34	5,14

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Compartment creation date: 28 January 2004.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
BE0000321308	BELGIUM 4.25% 28/09/2021	PROPRE	21,669,120.00	25,779,217.70	EUR	2.84
BE0000325341	BELGIUM 4.25% 28/09/2022	PROPRE	20,781,330.00	25,516,882.64	EUR	2.81
ES0000012801	BONOS Y OBLIG DEL ESTADO 0.40% 30/04/2022	PROPRE	39,850,000.00	40,281,908.65	EUR	4.44
AT0000A001X2	BUND (AUT) 3.5% 15/09/21	PROPRE	14,048,000.00	16,281,670.49	EUR	1.79
AT0000A0N9A0	BUND (AUT) 3.65% 20/04/2022	PROPRE	7,724,000.00	9,260,303.60	EUR	1.02
DE0001135424	BUNDESREPUB DEUTSCHLAND 2.5% 04/01/21	PROPRE	78,622,690.00	88,174,161.99	EUR	9.72
DE0001135465	DEUTSCHLAND 2% 04/01/2022	PROPRE	82,763,150.00	92,835,255.69	EUR	10.23
FI4000242862	FINNISH GOVERNMENT 0% 15/04/2022	PROPRE	5,417,000.00	5,492,838.00	EUR	0.61
FI4000020961	FINNISH GVT 3.5% 15/04/2021	PROPRE	8,128,000.00	9,411,199.63	EUR	1.04
FR0010192997	FRANCE OAT 3.75 04/25/21	PROPRE	92,954,430.00	108,558,995.98	EUR	11.96
IE00BJ38CQ36	IRISH REPUBLIC 0.80% 15/03/2022	PROPRE	6,178,330.00	6,489,624.72	EUR	0.72
IT0004634132	ITALY BTP 3.75% 01/03/2021	PROPRE	122,251,000.00	137,687,957.74	EUR	15.17
IT0004801541	ITALY BTP 5.50% 01/09/2022	PROPRE	98,666,000.00	122,535,267.87	EUR	13.50
NL0010060257	NETHERLANDS 2.25% 15/07/2022	PROPRE	19,767,230.00	22,330,364.09	EUR	2.46
NL0009712470	NETHERLANDS 3.25% 15/07/2021	PROPRE	21,374,830.00	24,598,785.35	EUR	2.71
FR0011196856	OAT 3% 25/04/2022	PROPRE	104,786,210.00	122,117,705.58	EUR	13.46
ES00000123B9	SPAIN 5.5% 30/04/21	PROPRE	41,210,000.00	50,309,266.90	EUR	5.54
<i>Total Bond</i>				<b>907,661,406.62</b>		<b>100.01</b>
<i>Total Investment Securities</i>				<b>907,661,406.62</b>		<b>100.01</b>
<i>Cash</i>						
<i>OTHER</i>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-19,496.86	EUR	-0.00
<i>Total OTHER</i>				<b>-19,496.86</b>		<b>-0.00</b>
<i>AT BANK OR PENDING</i>						
	EUR SGP BANK	PROPRE	0.00	60,572.29	EUR	0.01
<i>Total AT BANK OR PENDING</i>				<b>60,572.29</b>		<b>0.01</b>

LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-130,943.93	EUR	-0.01
<b>Total MANAGEMENT FEES</b>				<b>-130,943.93</b>		<b>-0.01</b>
<b>Total Cash</b>				<b>-89,868.50</b>		<b>-0.01</b>
<b>Total LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF</b>				<b>907,571,538.12</b>		<b>100.00</b>

APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment:	31-Oct.	
Management commission of the fund:	0.165	% tax included
Average fortune of the fund for the period from 01/11/16 to 31/10/17:	1,055,569,183.22	

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	1,609,594.59	890,823.16	1,741,516.76
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	1,609,594.59	890,823.16	1,741,516.76

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(174,151.76 / 1,055,569,183.22) * 100$$

**0.165** %

Performance fee as a share in percentage of the net average assets:

- %

LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b>LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF</b>	+0.48%	+1.06%	+1.80%
<b>MTS Mid Price Eurozone Government Bond Index Investment Grade 3-5Y</b>	+0.66%	+1.23%	+1.77%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR EUROMTS 10-15Y INVESTMENT GRADE UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR EUROMTS 10-15Y INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR EUROMTS 10-15Y INVESTMENT GRADE (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt securities listed in euros.

The LYXOR EUROMTS 10-15Y INVESTMENT GRADE (DR) UCITS ETF Compartment (the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to reproduce the evolution of the FTSE MTS Eurozone Government Bond IG 10-15Y (Mid Price) Index (Ex-CNO Etrix) (the “Benchmark Indicator”) listed in euros (EUR), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator. The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is the sub-index, consisting of securities having a maturity between 10 and 15 years, of the FTSE MTS Eurozone Government Bond IG (Mid Price) Index (Ex-CNO Etrix), which is a “Total Return” type index (i.e. all coupons detached by the components of the Index are reinvested in the Index), weighted by country, consisting of securities issued by the governments of Member States of the eurozone. The Benchmark Indicator has been calculated in real-time by FTSE MTS.

The eligible universe of FTSE MTS Investment Grade indices consists of the securities with the following criteria:

- (i) nominal and fixed coupons listed in euros which does not include option nor any convertibility with a maturity greater than or equal to 1 year;
- (ii) issued by the sovereign governments of a eurozone country, selected by FTSE MTS from the following list of countries as having at least two ratings in the category “Investment Grade” issued by the rating agencies Standard & Poor’s, Moody’s and Fitch: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain;
- (iii) with at least €2 billion of issued equities ;
- (iv) listed on the FTSE MTS markets;

The methodology of the FTSE MTS indices is supervised by an independent consulting committee consisting of bond and issuer specialists.

These characteristics are such that the FTSE MTS indices are a highly liquid and representative measure of the performance of sovereign bond securities.

The monitored performance is that of the 5.30 p.m. fixing (Paris time) of the Benchmark Indicator as determined by FTSE MTS.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition of the Benchmark Indicator’s components will be available on the Internet site: [www.ftse.com/](http://www.ftse.com/).



### **Benchmark Indicator publication**

FTSE MTS calculates and disseminates the value of the Benchmark Indicator.

The Benchmark Indicator is published every 30 seconds from 9:00 am to 5:00 pm (Paris time). Two fixings are also published, at 11:00 am and 4:00 pm (Paris time).

The Reuters code is: FMMPIEE5=

The Bloomberg code is: FMMPIEE5

The Benchmark Indicator's characteristics (including maturity, sensitivity, convexity, the accrued coupon and components) are available at the Internet site: [www.ftse.com](http://www.ftse.com)

### **Benchmark Indicator revision and composition**

The Benchmark Indicator's composition is revised monthly.

The exact composition of the Benchmark Indicator and FTSE MTS Limited's rules for rebalancing the index are available on the Internet site: [www.ftse.com](http://www.ftse.com).

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

## **Investment strategy:**

### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a pure replication method, which means that the Compartment will invest mainly in securities making up the Benchmark Indicator.

Information relative to the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio are available on the page dedicated to the Compartment on the site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the UCITS is managed:	Between 9 and 15
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets

In the present case, the financial manager by delegation intends to use primarily the following assets:

### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, any kind of bonds. The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

Investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the financial manager by delegation, or a company with which it is linked.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will not have recourse to futures financial instruments, except, on an ancillary basis, and within limits set by regulations, to future contracts on indices or bonds that are listed on regulated markets.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The Compartment will not have recourse to temporary acquisition and sale operations involving securities.

### **8. Financial guarantees**

None. No financial guarantee will be granted / received by the Compartment within the framework of the implementation of its management objective.

### **Risk profile:**

Through the Compartment, the bearer is primarily exposed to the following risks:

#### **- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

#### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

#### **- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

#### **- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

#### **- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities classes on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment, the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Index or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment, the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the bonds markets of the eurozone.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is greater than 2 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the COB (French market regulator): 19 December 2003.*
- *Mutual fund creation date: 28 January 2004.*

## Activity report

The net asset value of the LYXOR EUROMTS 10-15Y INVESTMENT GRADE (DR) UCITS ETF Compartment shows an evolution of 0.52% over the fiscal year and stands at EUR 211.3841 on 31/10/2017, meaning a fund performance of 111.38% since inception.

The fund replicates the performance of the MTS Mid Price InvG Ex-CNO Etri 10-15Y index, listed in euros (EUR), representative of the most important and the most traded investment grade government bonds of the eurozone in the 10-15-year segment.

This index has shown an evolution of -0.35% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price InvG Ex-CNO Etri 10-15Y, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price InvG Ex-CNO Etri 10-15Y Index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 4 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0143% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

### Regulatory information

**Transfer commission** (*not audited by the auditor*)

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

## Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website Lyxor.com and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on Lyxor website, Lyxor.com.

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

#### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
6.1	4.2	7.2	6.5

Portfolio rated 100%  
Nb Securities rated 14

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.2</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>7.2</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>6.5</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	18%
Average (A, BBB,BB)	82%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials		4.8%	36.7%	15.3%				
Industrials		13.1%		30.0%				

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1 & 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gas	0%
Oil	0%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

### **Information on the compensation policy:**

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

### **Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the CIU)*

In the course of the fiscal year, the CIU did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).



## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>65,437,988.90</b>	<b>101,232,870.35</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	65,437,988.90	101,232,870.35
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>416,294.10</b>	<b>675,915.84</b>
Future foreign exchange operations	-	-
Other	416,294.10	675,915.84
<b>Financial accounts</b>	<b>170,877.43</b>	<b>166,299.85</b>
Liquidity	170,877.43	166,299.85
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>66,025,160.43</b>	<b>102,075,086.04</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	64,892,857.01	96,894,381.01
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-1,075,988.38	2,076,531.14
• Earnings of the fiscal year	2,198,389.12	3,089,701.29
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>66,015,257.75</b>	<b>102,060,613.44</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>9,902.68</b>	<b>14,472.60</b>
Future foreign exchange operations	-	-
Other	9,902.68	14,472.60
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>66,025,160.43</b>	<b>102,075,086.04</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	7.14	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	2,563,407.12	3,863,857.53
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>2,563,414.26</b>	<b>3,863,857.53</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-45.37	-195.91
• Other financial charges	-	-
<b>Total (II)</b>	<b>-45.37</b>	<b>-195.91</b>
<b>Earnings on financial operations (I - II)</b>	<b>2,563,368.89</b>	<b>3,863,661.62</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-127,402.70	-213,898.53
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>2,435,966.19</b>	<b>3,649,763.09</b>
Adjustment of the fiscal year's earnings (V)	-237,577.07	-560,061.80
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>2,198,389.12</b>	<b>3,089,701.29</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this assessment.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of CIU operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of CIU operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

#### Operation and management fees

Put information about the prospectus, notice or regulation (including fixed and variable costs, transactions and retrocessions).

Fees invoiced to the Compartment	Basis	Schedule, rate (including tax)
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.165% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euro.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

#### Indication of other changes declared to each of the bearers individually (Not certified by the auditor)

- Occurred change: None.
- Future change: None.

# appendix

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

# appendix

The Compartment in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE TMX Global Debt Capital Markets (collectively referred to as the “Holders”).  
FTSE TMX Global Debt Capital Markets cannot be held liable for the promotion or marketing of the Compartment.  
FTSE MTS and the names of the FTSE MTS index (FTSE MTS Index<sup>TM</sup>) and of the FTSE MTS indices (FTSE MTS Indices<sup>TM</sup>) are registered trademarks of FTSE TMX Global Debt Capital Markets. The FTSE MTS indices are calculated by FTSE TMX Global Debt Capital Markets, and marketed and distributed by MTSNext, a company owned by FTSE TMX Global Debt Capital Markets.  
Neither FTSE TMX Global Debt Capital Markets nor MTSNext can be held liable for any losses or damages of any nature whatsoever (including, notably, investment losses) linked to all or part of the Compartment or to the supply of the FTSE MTS Eurozone Government Bond IG 10-15Y (Mid Price) Index (Ex-CNO Etrix), or of sub-indices or of registered trademarks.



## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>102,060,613.44</b>	<b>134,116,355.44</b>
Subscriptions (including subscription commission acquired by the Compartment)	-	53,470,793.00
Redemptions (less the redemption commission acquired by the Compartment)	-34,741,837.20	-91,801,478.40
Capital gains generated on deposits and financial instruments	987,226.30	5,566,497.43
Capital losses generated on deposits and financial instruments	-2,262,039.74	-2,521,005.52
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	-2,464,671.24	-420,311.60
- <i>Estimate difference fiscal year N</i>	-912,374.60	1,552,296.64
- <i>Estimate difference fiscal year N-1</i>	1,552,296.64	1,972,608.24
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	2,435,966.19	3,649,763.09
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>66,015,257.75</b>	<b>102,060,613.44</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	65,437,988.90	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR EUROMTS 10-15Y INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	65,437,988.90	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	170,877.43
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months -1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	65,437,988.90
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	170,877.43	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>416,294.10</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Coupons receivable	416,294.10
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>9,902.68</b>
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	9,632.97
Miscellaneous debtors and creditors	269.71
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	-	-	168,000	34,741,837.20
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the CIU		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0,165</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	-

**3.10 Allocation of the earnings table** *(in the CIU's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	2,198,389.12	3,089,701.29
<b>Total</b>	<b>2,198,389.12</b>	<b>3,089,701.29</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	2,198,389.12	3,089,701.29
<b>Total</b>	<b>2,198,389.12</b>	<b>3,089,701.29</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the CIU's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-1,075,988.38	2,076,531.14
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-1,075,988.38</b>	<b>2,076,531.14</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-1,075,988.38	2,076,531.14
<b>Total</b>	<b>-1,075,988.38</b>	<b>2,076,531.14</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

LYXOR EUROMTS 10-15Y INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

**3.12 Table of the earnings and other characteristic elements of the mutual fund during the last 5 fiscal years**

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>66,015,257.75</b>	102,060,613.44	134,116,355.44	72,053,593.15	44,929,841.94
<b>Number of outstanding equities</b>	<b>312,300</b>	480,300	662,300	385,300	283,300
<b>Net asset value</b>	<b>211.3841</b>	212.4934	202.5009	187.0064	158.5945
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>3.59</b>	10.75	2.60	13.87	11.06

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Mutual fund creation date: 28 January 2004



## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
BE0000335449	BELGIUM 1.00% 22/06/2031	PROPRE	1,350,810.00	1,355,867.22	EUR	2.05
BE0000291972	BELGIUM 5.50% 28/03/2028	PROPRE	2,562,890.00	3,924,425.31	EUR	5.94
IT0001278511	BTP 5.25% 01/11/29	PROPRE	7,284,320.00	9,757,674.65	EUR	14.78
IT0001174611	BTP 6.50% 01/11/27	PROPRE	6,925,560.00	9,905,140.63	EUR	15.00
DE0001135085	BUND 4.75% 04/07/28	PROPRE	2,449,400.00	3,597,670.34	EUR	5.45
DE0001135069	BUND 5.625% 04/01/28	PROPRE	3,157,010.00	4,975,103.96	EUR	7.54
ES00000124C5	ESPAGNE 5.15% 31/10/2028	PROPRE	3,173,000.00	4,310,939.94	EUR	6.53
FI4000037635	FINLAND 2.75% 04/07/2028	PROPRE	512,000.00	633,659.62	EUR	0.96
FI4000148630	FINNISH GOVERNMENT 0.75% 15/04/2031	PROPRE	461,000.00	458,824.14	EUR	0.70
FR0011883966	FRANCE OAT 2.5 05/25/30	PROPRE	6,302,590.00	7,553,196.55	EUR	11.44
IE00BJ38CR43	IRELAND 2.40% 15/05/2030	PROPRE	937,400.00	1,097,220.93	EUR	1.66
NL0000102317	NETHERLANDS 5.50% 15/01/2028	PROPRE	1,333,590.00	2,066,290.11	EUR	3.13
FR0000187635	OAT 5.75% 25/10/32	PROPRE	6,104,260.00	10,098,034.80	EUR	15.30
ES0000011868	SPAIN 6% 31/01/29	PROPRE	3,805,150.00	5,703,940.70	EUR	8.64
<i>Total Bond</i>				<b>65,437,988.90</b>		<b>99.13</b>
<i>Total Investment Securities</i>				<b>65,437,988.90</b>		<b>99.13</b>
<i>Cash</i>						
<i>OTHER</i>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-269.71	EUR	-0.00
<i>Total OTHER</i>				<b>-269.71</b>		<b>0.00</b>
<i>AT BANK OR PENDING</i>						
	EUR SGP BANK	PROPRE	0.00	170,877.43	EUR	0.26
<i>Total AT BANK OR PENDING</i>				<b>170,877.43</b>		<b>0.26</b>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-9,632.97	EUR	-0.01
<i>Total MANAGEMENT FEES</i>				<b>-9,632.97</b>		<b>-0.01</b>
<i>Total Cash</i>				<b>160,974.75</b>		<b>0.24</b>

LYXOR EUROMTS 10-15Y INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Coupons</i>						
<i>Bond</i>						
IT0001278511	BTP 5.25 11/29	ACHLIG	728,431,999.99998	191,213.40	EUR	0.29
IT0001174611	BTP 6.50 11/27	ACHLIG	692,556,000.00	225,080.70	EUR	0.34
<i>Total Bond</i>				<b>416,294.10</b>		<b>0.63</b>
<i>Total Coupons</i>				<b>416,294.10</b>		<b>0.63</b>
<b>Total LYXOR UCITS ETF EUROMTS 10-15Y INVESTMENT GRADE</b>				<b>66,015,257.75</b>		<b>100.00</b>

APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment:	31-Oct.	
Management commission of the fund:	0.165	% tax included
Average fortune of the fund for the period from 01/11/16 to 31/10/17:	77,218,269.25	

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	213,898.53	66,865.66	127,402.70
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	213,898.53	66,865.66	127,402.70

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(127,402.70 / 77,218,269.25) * 100$$

TER 0.165 %

Performance fee as a share in percentage of the net average assets:

- %

LYXOR EUROMTS 10-15Y INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b>LYXOR EUROMTS 10-15Y INVESTMENT GRADE (DR) UCITS ETF</b>	-0.52%	+4.93%	+8.29%
<b>MTS Mid Price Eurozone Government Bond Index Investment Grade 10-15Y</b>	-0.35%	+5.11%	+8.32%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR MTS INFLATION LINKED INVESTMENT GRADE UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

<b>Compartments / feeder</b>	LYXOR EUROMTS INFLATION LINKED INVESTMENT GRADE (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt securities listed in euros.

The LYXOR EUROMTS INFLATION LINKED INVESTMENT GRADE (DR) UCITS ETF Compartment (the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

The exposure to the equity risk does not exceed 10% of the net assets.

### Terms of determination and allocation of amounts available for distribution:

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to replicate the evolution, whether upwards or downwards, of the FTSE MTS Eurozone Inflation-Linked Bond IG (Mid Price) Index (the “Benchmark Indicator”), listed in EUR, representative of the government bonds markets indexed on the eurozone inflation with a capacity of investment grade, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator. The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is the FTSE MTS Eurozone Inflation-Linked Bond IG (Mid Price) Index.

The Benchmark Indicator is an index, calculated and published in real time by FTSE MTS, which measures the performance of the sovereign debt of member states of the eurozone, indexed to inflation.

It is a “Total Return” type Benchmark Indicator (i.e. all coupons detached by the components of the index are reinvested in the index), including all bond securities indexed to inflation (country and/or European) issued by the governments of Member States of the eurozone, selected by FTSE MTS among the following list of countries as having at least two Investment Grade rating issued by the credit-rating agencies Standard & Poor’s, Moody’s and Fitch: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain. The securities used in the composition of the Benchmark Indicator are all listed and negotiable on the FTSE MTS markets, have more than EUR 2 billion outstanding and a minimum time to maturity of one year. The monitored performance is that of the 5.30 p.m. fixing (Paris time) of the index as determined by FTSE MTS.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components will be available on the Internet site: [www.ftse.com](http://www.ftse.com)

### **Benchmark Indicator publication**

FTSE MTS calculates and disseminates the value of the Benchmark Indicator. The Benchmark Indicator is published every 30 seconds from 9:00 a.m. to 5:00 p.m. (Paris time). Two fixings are also published, at 11:00 am and 4:00 pm (Paris time).

The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: FMMPIIG5=

Bloomberg code: FMMPIIG5

### **Benchmark Indicator revision and composition**

Should a bond no longer meet the selection criteria on a revision date, it will be removed from the Benchmark Indicator. Changes to index constituents will be taken into account on the next monthly rebalancing date (the first business day after the 15<sup>th</sup> of the previous month) and are effectively implemented on the opening of the market on the second business day of the month following this monthly revision date.

Once selected, a bond remains in the Benchmark Indicator until its maturity becomes too short (i.e. less than one year), and the index constituents are not rebalanced during the month.

All coupons detached from the bonds comprising the Benchmark Indicator are reinvested in the index each day, after market close.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components will be available on the Internet site: [www.ftse.com](http://www.ftse.com)

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its financial manager by delegation, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument ("FFI"). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of balance sheet assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's internet site at [www.lyxoretf.com](http://www.lyxoretf.com). The frequency of any updates and/or the date on which the aforementioned information is updated is also indicated on the same page of the aforementioned internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the UCITS is managed:	Between 5 and 10
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 10% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets

In the present case, the financial manager by delegation intends to use primarily the following assets:

## **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, financial instruments of any kind.

The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

Investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

## **3. Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

## **4. Securities with integrated derivatives**

None.

## **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

## **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

## **7. Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities.

Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.

Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

For this purpose the management company may appoint an intermediary (hereinafter the "Agent") to provide the following services in connection with the Compartment's temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment's behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment's behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.

The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.



These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment's management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment's gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment's annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment's overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment's annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment's counterparty risk, and;
- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received non-cash guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;

- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment in the event of temporary securities transactions. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

An additional discount may be applied to collateral received in another currency than the euro.

**Reinvestment of received guarantees:**

Non-cash collateral will not be sold, reinvested or pledged.

At the manager's discretion, cash collateral may either be:

- (i) Deposited in an authorised institution
- (ii) Invested in high-quality government bonds
- (iii) Used for reverse repurchase transactions, provided that these are entered into with credit institutions that are subject to prudential supervision and that the UCITS is able to withdraw the total amount of its cash collateral and the accrued interest at any time.
- (iv) Invested in short-term money market funds that meet the guidelines for a common EU definition of money market funds.

The reinvestment of cash collateral must meet the diversification requirements that apply to non-cash collateral.

**Risk profile:**

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**- Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and derivatives. The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected.

Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment may use FFI on an ancillary basis. In such a case, the Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter. In compliance with the UCITS regulations, the counterparty risk cannot exceed 10% of the total value of the Compartment's assets by counterparty. When Société Générale is involved as a counterparty of the FFIs and/or a temporary securities transaction, conflicts of interest can arise between the Compartment's Management Company and the counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk arising from temporary securities transactions**

If a borrower of securities defaults on its obligation there could be a risk that the value of the guarantee received by the Compartment is less than the value of the securities lent. This risk could arise, for example, in the event of (i) an inaccurate valuation of the securities lent and/or (ii) unfavourable market movements and/or (iii) the lowering of the credit rating(s) of the issuer(s) of securities taken as guarantee and/or (iv) the illiquidity of the market in which the guarantees received are listed. If cash guarantees are reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Compartment to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of guarantees the Compartment must repay. The Compartment could also fail to receive the securities lent by the date specified, which would diminish its capacity to accommodate investor redemptions.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or its FFI's counterparty), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment bonds. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this index or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Risk related to the use of derivative instruments**

In order to achieve its investment objective, the Compartment can enter into transactions involving over-the-counter Future Financial Instrument (FFI), such as swaps, in order to secure the performance of the Benchmark Indicator. These FFI involve various risks, such as counterparty risk, hedging disruption, Benchmark Indicator disruption, taxation risk, regulatory risk, operational risk and liquidity risk. These risks can materially affect an FFI and may require an adjustment of the FFI transaction or even its premature termination, which could adversely affect the Compartment's net asset value.

**- Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the performance, whether upward or downward, of inflation-indexed eurozone government bond markets.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is greater than 3 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.
- Creation date of the Multi Units France mutual fund: 4 March 2002.
- Compartment approval date by the COB (French market regulator): 22 March 2005.
- Mutual fund creation date: 15 April 2005.

## Activity report

The net asset value of the LYXOR EUROMTS INFLATION LINKED INVESTMENT GRADE (DR) UCITS ETF Compartment shows an evolution of 1.71% over the fiscal year and stands at EUR 150.4687 on 31/10/2017, meaning a fund performance of 50.47% since inception.

The fund replicates the performance of the MTS Mid Price InvG Inflation-L index, listed in euros (EUR), representative of the government bonds markets indexed on the eurozone inflation with a capacity of investment grade.

This index has shown an evolution of 1.92% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price InvG Inflation-L index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price InvG Inflation-L index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 3 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0024% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's internet site or at its head office (upon request).

## Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533 22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on [Lyxor website](http://Lyxor.com), [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

#### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
6.1	4.2	7.2	6.5

Portfolio rated

100%

Nb Securities rated

35

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.2</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>7.2</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>6.5</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	14%
Average (A, BBB,BB)	86%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials			46.0%	9.0%				
Industrials		14.1%		31.0%				

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1 & 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gas	0%
Oil	0%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

**Information on the compensation policy:**

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the CIU)*

In the course of the fiscal year, the CIU did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).



## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>794,894,507.53</b>	<b>1,038,747,454.83</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	794,894,507.53	1,038,747,454.83
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>786,540.34</b>	<b>138,671.59</b>
Liquidity	786,540.34	138,671.59
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>795,681,047.87</b>	<b>1,038,886,126.42</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	789,516,078.10	1,032,077,059.74
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-3,476,930.07	-5,223,183.94
• Earnings of the fiscal year	8,736,956.05	11,857,509.93
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>794,776,104.08</b>	<b>1,038,711,385.73</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>144,897.14</b>	<b>174,740,69</b>
Future foreign exchange operations	-	-
Other	144,897.14	174,740,69
<b>Financial accounts</b>	<b>760,046.65</b>	-
Current bank accommodations	760,046.65	-
Loans	-	-
<b>Total liabilities</b>	<b>795,681,047.87</b>	<b>1,038,886,126.42</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	20.46	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	10,555,644.07	10,268,145.84
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>10,555,664.53</b>	<b>10,268,145.84</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-607.45	-73,07
• Other financial charges	-	-
<b>Total (II)</b>	<b>-607.45</b>	<b>-73,07</b>
<b>Earnings on financial operations (I - II)</b>	<b>10,555,057.08</b>	<b>10,268,072.77</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-1,672,931.09	-1,461,135.39
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>8,882,125.99</b>	<b>8,806,937.38</b>
Adjustment of the fiscal year's earnings (V)	-145,169.94	3,050,572.55
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>8,736,956.05</b>	<b>11,857,509.93</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this assessment.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

#### Operation and management fees

Put information about the prospectus, notice or regulation (including fixed and variable costs, transactions and retrocessions).

Fees invoiced to the Compartment	Basis	Schedule, rate (including tax)
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	Maximum 0.20% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None
Cost of temporary purchases and disposals of securities	The amount of the transaction	Maximum 35% of the income obtained from these transactions

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euro.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

# appendix

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

# appendix

The Compartment in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE TMX Global Debt Capital Markets (collectively referred to as the “Holders”).  
FTSE TMX Global Debt Capital Markets cannot be held liable for the promotion or marketing of the Compartment.  
FTSE MTS and the names of the FTSE MTS index (FTSE MTS Index™) and of the FTSE MTS indices (FTSE MTS Indices™) are registered trademarks of FTSE TMX Global Debt Capital Markets. The FTSE MTS indices are calculated by FTSE TMX Global Debt Capital Markets, and marketed and distributed by MTSNext, a company owned by FTSE TMX Global Debt Capital Markets.  
Neither FTSE TMX Global Debt Capital Markets nor MTSNext can be held liable for any losses or damages of any nature whatsoever (including, notably, investment losses) linked to all or part of the Compartment or to the supply of the FTSE MTS Eurozone Inflation-Linked Bond IG (Mid Price) Index, or of sub-indices or of registered trademarks.



## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>1,038,711,385.73</b>	<b>529,019,602.82</b>
Subscriptions (including subscription commission acquired by the CIU)	96,824,024.90	695,940,981.50
Redemptions (less the redemption commission acquired by the CIU)	-349,619,139.70	-194,197,097.40
Capital gains generated on deposits and financial instruments	4,037,801.56	3,534,596.08
Capital losses generated on deposits and financial instruments	-7,721,729.87	-6,458,780.16
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	3,661,635.47	2,065,145.51
- <i>Estimate difference fiscal year N</i>	8,906,706.88	5,245,071.41
- <i>Estimate difference fiscal year N-1</i>	5,245,071.41	3,179,925.90
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	8,882,125.99	8,806,937.38
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>794,776,104.08</b>	<b>1,038,711,385.73</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	794,894,507.53	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR MTS INFLATION LINKED INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	794,894,507.53	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	786,540.34
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	760,046.65
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	150,480,688.67	113,174,917.21	531,238,901.65
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	786,540.34	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	760,046.65	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Coupons receivable	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	144,897.14
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	138,158.65
Miscellaneous debtors and creditors	6,738.49
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	652,000	96,824,024.90	2,391,000	349,619,139.70
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the CIU		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.20</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	-

**3.10 Allocation of the earnings table** *(in the CIU's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	8,736,956.05	11,857,509.93
<b>Total</b>	<b>8,736,956.05</b>	<b>11,857,509.93</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	8,736,956.05	11,857,509.93
<b>Total</b>	<b>8,736,956.05</b>	<b>11,857,509.93</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the CIU's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-3,476,930.07	-5,223,183.94
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-3,476,930.07</b>	<b>-5,223,183.94</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-3,476,930.07	-5,223,183.94
<b>Total</b>	<b>-3,476,930.07</b>	<b>-5,223,183.94</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the mutual fund during the last 5 fiscal years**

Currency EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>794,776,104.08</b>	1,038,711,385.73	529,019,602.82	189,715,473.11	186,501,521.12
<b>Number of outstanding equities</b>	<b>5,282,000</b>	7,021,000	3,628,000	1,351,000	1,418,000
<b>Net asset value</b>	<b>150.4687</b>	147.9435	145.8157	140.4259	131.5243
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>0.99</b>	0.94	1.21	7.33	5.98

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Mutual fund creation date: 15 April 2005.



## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
IT0005004426	BTP I 2.35% 15/09/24	PROPRE	21,616,000.00	25,366,273.86	EUR	3.19
IT0003745541	BTPE I 2.35% 15/09/35	PROPRE	21,353,000.00	31,545,402.35	EUR	3.97
IT0004545890	BTPE I 2.55% 15/09/41	PROPRE	14,172,000.00	19,202,077.05	EUR	2.42
IT0005246134	BUONI CLN I 1.3% 15/05/2028	PROPRE	8,852,000.00	9,463,170.95	EUR	1.19
IT0005188120	BUONI POLIENNALI DEL TES I 0.1% 15/05/2022	PROPRE	11,504,000.00	12,044,495.16	EUR	1.52
ES00000126A4	ESPAGNE I 1.8% 30/11/2024 INDEXE	PROPRE	20,904,000.00	24,769,653.56	EUR	3.12
FR0012558310	FRANCE GOVT I 0.1% 01/03/2025	PROPRE	12,938,580.00	14,197,239.22	EUR	1.79
FR0013209871	FRANCE GOVT I 0.1% 25/07/2047	PROPRE	10,306,450.00	10,917,121.77	EUR	1.37
FR0013140035	FRANCE I 0.1% 01/03/2021	PROPRE	7,638,400.00	8,228,402.65	EUR	1.04
FR0013238268	FRANCE I 0.1% 01/03/2028	PROPRE	6,366,420.00	6,941,836.29	EUR	0.87
FR0010899765	FRANCE I 1.10% 25/07/22	PROPRE	29,275,090.00	36,541,214.18	EUR	4.60
FR0010850032	FRANCE I 1.30% 25/07/2019	PROPRE	19,169,480.00	21,862,286.12	EUR	2.75
FR0000186413	FRANCE I 3.40% 25/07/2029	PROPRE	14,261,410.00	27,158,871.20	EUR	3.42
FR0011347046	FRANCE OAT I 0.1% 25/07/2021	PROPRE	12,736,110.00	13,801,150.15	EUR	1.74
FR0011427848	FRANCE OAT I 0.25% 25/07/2024	PROPRE	22,235,940.00	25,288,433.12	EUR	3.18
FR0011982776	FRANCE OAT I 0.7% 25/07/2030	PROPRE	15,077,590.00	17,889,753.97	EUR	2.25
FR0010447367	FRANCE OAT I 1.80% 25/07/2040	PROPRE	18,733,510.00	32,140,328.44	EUR	4.04
FR0011008705	FRANCE OAT I 1.85% 25/07/2027	PROPRE	26,948,300.00	37,277,921.57	EUR	4.69
FR0010585901	FRANCE OAT I 2.10% 25/07/23	PROPRE	25,627,340.00	34,371,942.51	EUR	4.32
FR0010050559	FRANCE OAT I 2.25% 25/07/2020	PROPRE	33,162,870.00	46,061,323.12	EUR	5.80
FR0000188799	FRANCE OAT I 3.15% 25/07/32	PROPRE	16,589,600.00	32,600,270.23	EUR	4.10
DE0001030567	GERMANY I 0.1% I 15/04/2026	PROPRE	17,961,180.00	20,325,727.52	EUR	2.56
DE0001030575	GERMANY I 0.1% I 15/04/2046	PROPRE	10,613,420.00	12,583,975.10	EUR	1.58
DE0001030542	GERMANY I 0.1% 15/04/2023	PROPRE	26,125,350.00	29,740,945.36	EUR	3.74
DE0001030559	GERMANY I 0.5% 15/04/2030	PROPRE	14,695,510.00	17,467,344.54	EUR	2.20

LYXOR MTS INFLATION LINKED INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE0001030526	GERMANY I 1.75% 15/04/2020	OWN SPECIFIC	26,125,350.00	31,736,394.08	EUR	3.99
IT0005138828	ITALY BTP I 1.25%I 15/09/2032	OWN SPECIFIC	13,421,000.00	14,048,192.13	EUR	1.77
IT0004604671	ITALY BTP I 2.10% 15/09/2021	OWN SPECIFIC	28,267,000.00	34,640,176.44	EUR	4.36
IT0004380546	ITALY BTP I 2.35% 15/09/2019	OWN SPECIFIC	28,282,000.00	34,100,785.36	EUR	4.29
IT0004243512	ITALY BTP I 2.6% 15/09/23	OWN SPECIFIC	28,820,000.00	38,926,140.42	EUR	4.90
IT0004735152	ITALY BTP I 3.10% 15/09/2026	OWN SPECIFIC	20,525,000.00	27,149,986.86	EUR	3.42
ES00000128S2	SPAIN BOND 0.65% I 30/11/2027	OWN SPECIFIC	9,358,000.00	9,883,514.04	EUR	1.24
ES00000126W8	SPAIN I 0.55% 30/11/2019	OWN SPECIFIC	15,701,000.00	16,719,899.99	EUR	2.10
ES00000127C8	SPAIN I 1% 30/11/2030	OWN SPECIFIC	11,091,000.00	11,982,779.59	EUR	1.51
ES00000128D4	SPAIN INFLATION LINKED I 0.3% 30/11/2021	OWN SPECIFIC	7,353,000.00	7,919,478.63	EUR	1.00
<b>Total Bond</b>				<b>794,894,507.53</b>		<b>100.01</b>
<b>Total Investment Securities</b>				<b>794,894,507.53</b>		<b>100.01</b>
<b>Cash</b>						
<b>OTHER</b>						
	MISCELLANEOUS CREDITORS EUR	OWN SPECIFIC	0.00	-6,738.49	EUR	-0.00
<b>Total OTHER</b>				<b>-6,738.49</b>		<b>-0.00</b>
<b>AT BANK OR PENDING</b>						
	EUR NEWEDG BANK	OWN SPECIFIC	0.00	786,540.34	EUR	0.10
	EUR SGP BANK	OWN SPECIFIC	0.00	-760,046.65	EUR	-0.10
<b>Total AT BANK OR PENDING</b>				<b>26,493.69</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	OWN SPECIFIC	0.00	138,158.65	EUR	-0.02
<b>Total MANAGEMENT FEES</b>				<b>138,158.65</b>		<b>-0.02</b>
<b>Total Cash</b>				<b>-118,403.45</b>		<b>-0.01</b>
<b>Total LYXOR UCITS ETF MTS INFLATION LINKED INV GRADE</b>				<b>794,776,104.08</b>		<b>100.00</b>

APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Management commission of the fund: 0.20 % tax included

Average fortune of the fund for  
the period from 01/11/16 to 31/10/17:

836,755,227.48

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	1,461,135.39	900,646.39	1,672,931.09
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	1,461,135.39	900,646.39	1,672,931.09

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(1,672,931.09 / 836,755,227.48) * 100$$

0.20 %

Performance fee as a share in percentage of the net average assets:

- %

**LYXOR EUROMTS INFLATION LINKED INVESTMENT GRADE UCITS ETF**  
 (compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b>LYXOR EUROMTS INFLATION LINKED INVESTMENT GRADE (DR) UCITS ETF</b>	+1.71%	+1.46%	+3.84%
<b>MTS Mid Price InvG Inflation-Linked</b>	+1.92%	+1.67%	+4.73%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR EUROMTS 1-3Y INVESTMENT GRADE UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

**LYXOR EUROMTS 1-3Y INVESTMENT GRADE UCITS ETF**  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR EUROMTS 1-3Y INVESTMENT GRADE (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## **INFORMATION ON THE INVESTMENTS AND MANAGEMENT**

### **Classification:**

Bonds and other debt securities listed in euros.

The LYXOR EUROMTS 1-3Y INVESTMENT GRADE (DR) UCITS ETF Compartment (the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### **Terms of determination and allocation of amounts available for distribution:**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year.

### **Management objective:**

The Compartment’s management objective is to reproduce the evolution of the FTSE MTS Eurozone Government Bond IG 1-3Y (Mid Price) Index (Ex-CNO Etrix) (the “Benchmark Indicator”), listed in EUR, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### **Benchmark indicator:**

The Benchmark Indicator is the sub-index, consisting of securities having a maturity between 1 and 3 years, of the FTSE MTS Eurozone Government Bond IG (Mid Price) Index (Ex-CNO Etrix), which is a “Total Return” type index (i.e. all coupons detached by the components of the index are reinvested in the index), weighted by country, consisting of securities issued by the governments of Member States of the eurozone. The index FTSE MTS Eurozone Government Bond IG 1-3Y (Mid Price) Index (Ex-CNO Etrix) has been calculated in real-time by FTSE MTS.

The eligible universe of FTSE MTS Investment Grade indices consists of the securities with the following criteria:

- (i) nominal and fixed coupons listed in euros which does not include option nor any convertibility with a maturity greater than or equal to 1 year;
- (ii) listed on the FTSE MTS markets;
- (iii) issued by the sovereign governments of a eurozone country, selected by FTSE MTS from the following list of countries as having at least two ratings in the category “Investment Grade” issued by the rating agencies Standard & Poor’s, Moody’s and Fitch: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain;
- (iv) with at least €2 billion of issued equities.

The methodology of the FTSE MTS indices is supervised by an independent consulting committee consisting of bond and issuer specialists.

These characteristics are such that the FTSE MTS indices are a highly liquid and representative measure of the performance of sovereign bond securities.

The monitored performance is that of the 5.30 p.m. fixing (Paris time) of the Benchmark Indicator as determined by FTSE MTS.

### **Benchmark Indicator publication**

FTSE MTS calculates and disseminates the value of the index FTSE MTS Eurozone Government Bond IG 1-3Y (Mid Price) Index (Ex-CNO Etrix).

The Benchmark Indicator is published every 30 seconds from 9:00 am to 5:00 pm (Paris time). Two fixings are also published, at 11:00 am and 4:00 pm (Paris time).

Reuters code: FMMPIEA5= Bloomberg code: FMMPIEA5

### **Benchmark Indicator revision**

The Benchmark Indicator's composition is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the following Internet site: [www.ftse.com](http://www.ftse.com)

## **Investment strategy:**

### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a pure replication method, which means that the Compartment will invest mainly in securities making up the Benchmark Indicator.

Information relative to the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio are available on the page dedicated to the Compartment on the site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the UCITS is managed:	Between 1 and 3
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets

In the present case, the financial manager by delegation intends to use primarily the following assets:

### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, any kind of bonds. The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

Investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the financial manager by delegation, or a company with which it is linked.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The Compartment will not have recourse to temporary acquisition and sale operations involving securities.

### **8. Financial guarantees**

None. No financial guarantee will be granted / received by the Compartment within the framework of the implementation of its management objective.

### **Risk profile:**

Through the Compartment, the bearer is primarily exposed to the following risks:

#### **- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

#### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

#### **- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

#### **- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

#### **- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.



**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment, the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the Benchmark Indicator is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the Benchmark Indicator makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment, the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the market for bonds issued by the governments of Member States within the eurozone and having a maturity between 1 and 3 years.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for five years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is greater than 2 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 6 September 2005.*
- *Mutual fund creation date: 22 September 2005.*

## Activity report

The net asset value of the LYXOR EUROMTS 1-3Y INVESTMENT GRADE (DR) UCITS ETF Compartment shows an evolution of -0.19%\* over the fiscal year and stands at EUR 125.9668 on 31/10/2017, meaning a fund performance of 25.97% since inception.

The fund replicates the performance of the MTS Mid Price InvG Ex-CNO Etri 1-3Y index, listed in euros (EUR), representative of the most important and the most traded investment grade government bonds of the eurozone in the 1-3-year segment.

This index has shown an evolution of -0.03% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price InvG Ex-CNO Etri 1-3Y, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price InvG Ex-CNO Etri 1-3Y index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 2 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0153% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*\* The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** (not audited by the auditor)

None.

## Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

## Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on [Lyxor website](http://Lyxor.com), [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
6.3	4.3	7.4	6.8

Portfolio rated 100%  
Nb Securities rated 18

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.3</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>7.4</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>6.8</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	31%
Average (A, BBB,BB)	69%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials		10.2%	31.6%	14.2%				
Industrials		20.3%		23.7%				

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1 & 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

**Information on the compensation policy:**

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the CIU)*

In the course of the fiscal year, the CIU did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>775,633,074.09</b>	<b>646,755,273.47</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	775,633,074.09	646,755,273.47
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>21,735.63</b>	<b>82,895.68</b>
Liquidity	21,735.63	82,895.68
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>775,654,809.72</b>	<b>646,838,169.15</b>



## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	768,567,952.35	645,627,769.48
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-14,188,905.03	-22,447,624.46
• Earnings of the fiscal year	21,160,811.20	23,569,030.60
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>775,539,858.52</b>	<b>646,749,175.62</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>114,951.20</b>	<b>88,993.53</b>
Future foreign exchange operations	-	-
Other	114,951.20	88,993.53
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>775,654,809.72</b>	<b>646,838,169.15</b>

## Off-balance sheet commitments

Currency	31.10.2017	31.10.2016
	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	53.14	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	23,107,865.70	22,131,501.42
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>23,107,918.84</b>	<b>22,131,501.42</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-637.51	-240.19
• Other financial charges	-	-
<b>Total (II)</b>	<b>-637.51</b>	<b>-240.19</b>
<b>Earnings on financial operations (I - II)</b>	<b>23,107,281.33</b>	<b>22,131,261.23</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-1,302,089.95	-977,537.11
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>21,805,191.38</b>	<b>21,153,724.12</b>
Adjustment of the fiscal year's earnings (V)	-644,380.18	2,415,304.48
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>21,160,811.20</b>	<b>23,569,030.60</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this assessment.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial manager by delegation.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate (including tax)
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.165% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euro.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

# appendix

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year.

# appendix

The Compartment in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE TMX Global Debt Capital Markets (collectively referred to as the “Holders”).  
FTSE TMX Global Debt Capital Markets cannot be held liable for the promotion or marketing of the Compartment.  
FTSE MTS and the names of the FTSE MTS index (FTSE MTS Index<sup>TM</sup>) and of the FTSE MTS indices (FTSE MTS Indices<sup>TM</sup>) are registered trademarks of FTSE TMX Global Debt Capital Markets. The FTSE MTS indices are calculated by FTSE TMX Global Debt Capital Markets, and marketed and distributed by MTSNext, a company owned by FTSE TMX Global Debt Capital Markets.  
Neither FTSE TMX Global Debt Capital Markets nor MTSNext can be held liable for any losses or damages of any nature whatsoever (including, notably, investment losses) linked to all or part of the Compartment or to the supply of the FTSE MTS Eurozone Government Bond IG 1-3Y (Mid Price) Index (Ex-CNO Etrix), or of sub-indices or of registered trademarks.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>646,749,175.62</b>	<b>711,424,831.58</b>
Subscriptions (including subscription commission acquired by the Compartment)	324,380,303.80	163,115,299.00
Redemptions (less the redemption commission acquired by the Compartment)	-194,182,022.00	-227,295,671.50
Capital gains generated on deposits and financial instruments	14,221,739.03	14,193,048.69
Capital losses generated on deposits and financial instruments	-28,397,376.39	-34,037,234.80
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	-9,037,152.92	-1,804,821.47
- <i>Estimate difference fiscal year N-1</i>	-13,381,719.05	-4,344,566.13
	-4,344,566.13	2,539,744.66
Changes to the estimate difference of financial contracts:		
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	21,805,191.38	21,153,724.12
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>775,539,858.52</b>	<b>646,749,175.62</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	775,633,074.09	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable European Commercial Paper (NEU CP) issued by non- financial issuers	-	-
Negotiable European Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable European Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-



LYXOR EUROMTS 1-3Y INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	775,633,074.09	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	21,735.63
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	775,633,074.09	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	21,735.63	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	114,951.20
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	112,615.04
Miscellaneous debtors and creditors	2,336.16
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	2,572,000	324,380,303.80	1,540,000	194,182,022.00
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the CIU		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.17</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	-

**3.10 Allocation of the earnings table** *(in the CIU's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	21,160,811.20	23,569,030.60
<b>Total</b>	<b>21,160,811.20</b>	<b>23,569,030.60</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	21,160,811.20	23,569,030.60
<b>Total</b>	<b>21,160,811.20</b>	<b>23,569,030.60</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the CIU's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-14,188,905.03	-22,447,624.46
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-14,188,905.03</b>	<b>-22,447,624.46</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-14,188,905.03	-22,447,624.46
<b>Total</b>	<b>-14,188,905.03</b>	<b>-22,447,624.46</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

LYXOR EUROMTS 1-3Y INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

**3.12 Table of the earnings and other characteristic elements of the mutual fund during the last 5 fiscal years**

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>775,539,858.52</b>	646,749,175.62	711,424,831.58	486,111,879.30	367,553,675.59
<b>Number of outstanding equities</b>	<b>6,156,700</b>	5,124,700	5,633,700	3,878,700	2,974,700
<b>Net asset value</b>	<b>125.9668</b>	126.2023	126.2802	125.3285	123.5599
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>1.13</b>	0.21	2.00	1.64	3.92

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Mutual fund creation date: 22 September 2005.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
BE0000327362	BELGIUM KINGDOM 3% 28/09/2019	PROPRE	14,515,670.00	15,572,798.49	EUR	2.01
BE0000315243	BELGIUM 4.00% 28/03/2019	PROPRE	14,035,150.00	15,296,488.93	EUR	1.97
ES00000127H7	BONOS Y OBLIG DEL ESTADO 1.15% 30/07/2020	PROPRE	46,578,000.00	48,363,947.24	EUR	6.24
AT0000386115	BUND (AUT) 3.90% 15/07/20	PROPRE	13,478,000.00	15,278,706.89	EUR	1.97
FI0001006306	FINLAND 4.375% 04/07/2019	PROPRE	5,077,000.00	5,586,621.24	EUR	0.72
FI4000106117	FINNISH GOVERNMENT 0.375% 15/09/2020	PROPRE	6,088,000.00	6,256,139.30	EUR	0.81
FR0010776161	FRANCE OAT 3.75% 25/10/2019	PROPRE	92,920,330.00	101,227,121.31	EUR	13.05
FR0000189151	FRANCE OAT 4.25% 25/04/2019	PROPRE	81,846,840.00	89,674,240.44	EUR	11.56
DE0001135390	GERMANY BUND 3.25% 04/01/2020	PROPRE	68,624,340.00	76,512,049.78	EUR	9.87
DE0001135382	GERMANY BUND 3.50% 04/07/2019	PROPRE	74,865,740.00	81,139,694.14	EUR	10.46
IE0034074488	IRELAND 4.50% 18/04/2020	PROPRE	12,880,720.00	14,811,359.08	EUR	1.91
IE00B6089D15	IRELAND 5.9% 18/10/19	PROPRE	7,527,990.00	8,512,460.33	EUR	1.10
IT0003493258	ITALY BTP 4.25% 01/02/2019	PROPRE	85,802,000.00	91,597,538.13	EUR	11.81
IT0004423957	ITALY 4.50% 01/03/2019	PROPRE	85,999,000.00	92,152,415.93	EUR	11.88
NL0009348242	NETHERLANDS 3.50% 15/07/2020	PROPRE	18,444,730.00	20,734,789.87	EUR	2.67
NL0009086115	NETHERLANDS 4.00% 15/07/2019	PROPRE	17,957,560.00	19,638,653.21	EUR	2.53
AT0000A08968	REPUBLIC OF AUSTRIA 4.35% 15/03/2019	PROPRE	10,803,000.00	11,848,398.96	EUR	1.53
ES00000122D7	SPAIN 4% 30/04/20	PROPRE	54,611,000.00	61,429,650.82	EUR	7.92
<i>Total Bond</i>				<b>775,633,074.09</b>		<b>100.01</b>
<i>Total Investment Securities</i>				<b>775,633,074.09</b>		<b>100.01</b>
<i>Cash</i>						
<i>OTHER</i>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-2,336.16	EUR	-0.00
<i>Total OTHER</i>				<b>-2,336.16</b>		<b>-0.00</b>
<i>AT BANK OR PENDING</i>						
	EUR SGP BANK	PROPRE	0.00	21,735.63	EUR	0.00
<i>Total AT BANK OR PENDING</i>				<b>21,735.63</b>		<b>0.00</b>

LYXOR EUROMTS 1-3Y INVESTMENT GRADE UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	OWN SPECIFIC	0.00	-112,615.04	EUR	-0.01
<b>Total MANAGEMENT FEES</b>				<b>-112,615.04</b>		<b>-0.01</b>
<b>Total Cash</b>				<b>-93,215.57</b>		<b>-0.00</b>
<b>Total LYXOR UCITS ETF EUROMTS 1-3Y INVESTMENT GRADE</b>				<b>775,539,858.52</b>		<b>100.00</b>



APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment:	31-Oct.	
Management commission of the fund:	0.165	% tax included
Average fortune of the fund for the period from 01/11/16 to 31/10/17:	788,717,018.39	

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	977,537.11	629,946.63	1,302,089.95
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	977,537.11	629,946.63	1,302,089.95

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(1,302,089.95 / 788,717,018.39) * 100$$

**0.165** %

Performance fee as a share in percentage of the net average assets:

- %

**LYXOR EUROMTS 1-3Y INVESTMENT GRADE UCITS ETF**  
 (compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b>LYXOR EUROMTS 1-3Y INVESTMENT GRADE (DR) UCITS ETF</b>	-0.19%	-0.06%	+0.76%
<b>MTS Mid Price Eurozone Government Bond Index Investment Grade 1-3Y</b>	-0.03%	+0.10%	+0.87%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR FTSE ALL SHARE UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR FTSE ALL SHARE UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR UCITS ETF FTSE ALL SHARE is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Equities of European Union Countries.

At least 60% of the LYXOR FTSE ALL SHARE UCITS ETF Compartment ("the Compartment") is continuously exposed in one or several markets of equities issued in one or several European Union countries including any eurozone markets.

The Compartment is an UCITS ETF type index Compartment.

### Terms of determination and allocation of amounts available for distribution:

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution. The Board of directors will take all necessary measures to be eligible for the "Distributing Status" (section 760 ICTA) in the United Kingdom. The Compartment will distribute at least 85% of its earnings (including the "UK equivalent profits") and will ask the HMRC for "Distributing Status" (status as a distributor).

### Management objective:

The Compartment's management objective is reproduce the evolution of the FTSE ALL SHARE™ index (the "Benchmark Indicator") listed in pounds sterling (GBP), regardless of its evolution, while insofar as possible minimizing the tracking error between the Compartment's performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.06%.

### Benchmark indicator:

The Benchmark Indicator is the FTSE ALL SHARE™ Gross Total Return index (gross dividends reinvested).

The Benchmark Indicator is an equities index calculated, maintained and published by the supplier of international indices, FTSE.

The Benchmark Indicator monitors the continuous evolution of the equity prices of the main companies in the United Kingdom listed on the London Stock Exchange (LSE).

The equities in the Benchmark Indicator are weighted according to their stock market capitalisations, adjusted by the "free float" while using the FTSE free float system. Consequently, the number of securities included in the composition of the basket comprising the Benchmark Indicator may change over time. No component may represent more than 15% of the Benchmark Indicator.

The composition of the Benchmark Indicator is reviewed each year, using the FTSE methodology.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components will be available on the Internet site: [www.ftse.com](http://www.ftse.com).

The Benchmark Indicator is calculated and published in real-time by the company FTSE.

The monitored performance is that of the Benchmark Indicator closing prices.

### Benchmark Indicator revision and composition

The Benchmark Indicator is designed to represent over 98% of the total market capitalisation of the UK market.

The FTSE methodology and calculation method are based on a variable number of companies in the Benchmark Indicator.

The Benchmark Indicator is revised quarterly.

The exact composition and the revision rules of the Benchmark Indicator published by NYSE-Euronext are available on the Internet site: [www.ftse.com](http://www.ftse.com).

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

**Benchmark Indicator publication**

The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Bloomberg code: FTPTTALL

Reuters code: .TFTAS

The Benchmark Indicator's closing price is available on the FTSE Internet site: [www.ftse.com](http://www.ftse.com).

**Investment strategy:**

**Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

**Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation of the international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,
  - o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
  - o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
  - o Geographical area,
  - o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

**Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.

- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

**Securities with integrated derivatives**

None.

**Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

**Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

**Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

**Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

Policy related to discounts:

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

Reinvestment of received guarantees:

Non-cash collateral will not be sold, reinvested or pledged.

At the manager's discretion, cash collateral may either be:

- (i) Deposited in an authorised institution
- (ii) Invested in high-quality government bonds
- (iii) Used for reverse repurchase transactions, provided that these are entered into with credit institutions that are subject to prudential supervision and that the UCITS is able to withdraw the total amount of its cash collateral and the accrued interest at any time.
- (iv) Invested in short-term money market funds that meet the guidelines for a common EU definition of money market funds.

The reinvestment of cash collateral must meet the diversification requirements that apply to non-cash collateral.

**Risk profile:**

Through the Compartment, the shareholder is primarily exposed to the following risks:

**Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

### **Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

### **Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

### **Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

### **Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

### **Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

### **Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

### **Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

### **Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

### **Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.



“Events affecting the Benchmark Indicator” are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market’s actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator’s components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator’s performance.

#### **Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment’s counterparty in a future financial instrument), the Compartment’s net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST’s treatment in the methodology used by the Benchmark Indicator.

#### **Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

#### **Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the equities markets of United Kingdom.

The amount that it is reasonable to invest in this Compartment depends on each investor’s personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one’s investments so as to avoid an exposure only to this Compartment’s risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment’s complete prospectus and the latest annual and periodic documents are sent within one week of the bearer’s written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 23 February 2007.*
- *Mutual fund creation date: 3 April 2007.*

## Activity report

The net asset value of the LYXOR FTSE ALL SHARE UCITS ETF Compartment shows an evolution of 13.06% over the fiscal year and stands at GBP 5.3483 on 31/10/2017, meaning a fund performance of 74.56% since inception.

The fund replicates the performance of the FTSE UK Series FTSE All Share index, listed in pounds sterling (GBP), representative of 98% of the entire market capitalisation of British companies which respond to the integration criteria in the Index.

This index has shown an evolution of 13.39% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the FTSE UK Series FTSE All Share index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the FTSE UK Series FTSE All Share index.

The equities held as assets by the Compartment will notably be equities that make up the FTSE UK Series FTSE All Share index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0154% for the Compartment. The level of the tracking error for the period was of 0.06%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### **Regulatory information**

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### **Overall risk of the Compartment**

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

## Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
5.1	5.3	4.5	5.8

Portfolio rated 94%  
Nb Securities rated 359

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>5.3</b>	<b>27.5%</b>
	Climate Change	6.8	7.6%
	Environmental Opportunities	4.7	3.6%
	Natural Capital	4.7	10.2%
	Pollution & Waste	4.9	6.0%
<b>Social</b>		<b>4.5</b>	<b>43.1%</b>
	Human Capital	4.6	19.3%
	Product Liability	4.2	18.3%
	Social Opportunities	5.3	5.4%
	Stakeholder Opposition	2.4	0.1%
<b>Governance</b>		<b>5.8</b>	<b>29.1%</b>
	Corporate Behavior	3.9	11.1%
	Corporate Governance	6.9	18.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	31%
Average (A, BBB,BB)	66%
Laggards (B,CCC)	2%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	2.1%	3.5%	2.8%	1.1%	0.3%		0.4%	
Consumer Staples	3.2%	1.1%	4.6%	6.3%	0.1%	0.0%		
Energy		0.4%	0.0%	8.7%	4.4%	0.0%		
Financials	0.9%	3.0%	3.7%	2.5%	10.2%	0.3%		
Health Care		3.1%	0.5%	3.0%	2.1%			
Industrials	1.9%	2.9%	2.6%	2.1%	0.0%	0.7%		
Information Technology			0.5%	1.7%	0.5%	0.2%		
Materials	1.6%	0.3%	0.3%	4.9%	2.2%	0.0%	0.1%	
Real Estate	0.5%	0.9%	0.3%	0.3%	0.1%	0.2%		
Telecommunication Services	2.5%	1.0%	0.0%	0.1%		0.0%		
Utilities	1.4%	1.0%	0.4%	0.2%				

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risk associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	10%
Orange Flag	42%
Yellow Flag	18%
Green Flag	30%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	94%
150	201	166	Scope 1 reported (vs estimated)	98%
			Scope2 reported (vs estimated)	98%
			Scope 1& 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	20%
Thermal Coal	6%
Natural Gas	16%
Oil	17%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	19%
20-49.9%	2%
50-100%	1%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;

- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	<b>Securities lending</b>
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	<b>Securities lending</b>	<b>Securities borrowing</b>	<b>Repo operations</b>	<b>Reverse repo operations</b>	<b>TRS</b>
Absolute value	-	-	-	-	5,481,518
% of assets under management	-	-	-	-	61.51

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	BNP PARIBAS
	Amount	127,031
2	Name	DANONE
	Amount	24,366
3	Name	ZODIAC AEROSPACE
	Amount	22,140
4	Name	SUZUKI MOTOR CORP
	Amount	10,517
5	Name	IMERYS
	Amount	10,357
6	Name	AMUNDI
	Amount	10,215
7	Name	BT GROUP
	Amount	9,366
8	Name	ORANGE
	Amount	8,835
9	Name	SHIMANO INC
	Amount	8,202
10	Name	BOUYGUES
	Amount	6,761

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	-	5,481,518

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	237,790
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	237,790

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	-	EUR
	Amount	-	-	-	-	209,705
2	Currency	-	-	-	-	JPY
	Amount	-	-	-	-	18,719
3	Currency	-	-	-	-	GPB
	Amount	-	-	-	-	9,366



### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	5,481,518
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	5,481,518

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	5,481,518

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	237,790

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Net fixed assets</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>9,151,951.46</b>	<b>12,323,730.00</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	8,995,014.79	12,323,730.00
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	156,936.67	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>0.02</b>	-
Liquidity	0.02	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>9,151,951.48</b>	<b>12,323,730.00</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 GBP	31.10.2016 GBP
<b>Shareholders' equity</b>		
• Capital	7,075,869.84	12,520,969.55
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	1,869,030.42	-199,860.59
• Earnings of the fiscal year	-33,862.75	-44,757.86
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>8,911,037.51</b>	<b>12,276,351.10</b>
<b>Financial instruments</b>	<b>237,789.79</b>	<b>43,184.17</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	237,789.79	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	43,184.17
<b>Debts</b>	<b>3,124.18</b>	<b>4,194.69</b>
Future foreign exchange operations	-	-
Other	3,124.18	4,194.69
<b>Financial accounts</b>	-	<b>0.04</b>
Current bank accommodations	-	0.04
Loans	-	-
<b>Total liabilities</b>	<b>9,151,951.48</b>	<b>12,323,730.00</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	5,481,518.35	8,537,599.35
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-41,217.90	-45,247.90
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-41,217.90</b>	<b>-45,247.90</b>
Adjustment of the fiscal year's earnings (V)	7,355.15	490.04
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-33,862.75</b>	<b>-44,757.86</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of undertakings for collective investment in transferable securities operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of AIF operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.



The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.40% per year including tax
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in pounds sterling (GBP).

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution.

The Board of directors will take all necessary measures to be eligible for the "Distributing Status" (section 760 ICTA) in the United Kingdom. The Compartment will distribute at least 85% of its earnings (including the "UK equivalent profits") and will ask the HMRC for "Distributing Status" (status as a distributor).

# appendix

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Net assets at the start of the fiscal year</b>	<b>12,276,351.10</b>	<b>20,912,231.90</b>
Subscriptions (including subscription commission acquired by the CIU)	886,921.88	-
Redemptions (less the redemption commission acquired by the CIU)	-5,579,863.40	-9,948,802.72
Capital gains generated on deposits and financial instruments	2,931,761.77	1,319,008.92
Capital losses generated on deposits and financial instruments	-469,144.87	-2,315,774.60
Capital gains generated on financial contracts	23,121,254.05	20,444,885.14
Capital losses generated on financial contracts	-23,475,578.02	-21,188,339.13
Negotiation fees	-	-
Exchange differentials	-873,792.45	2,653,226.49
Changes to the estimate difference of the deposits and financial instruments:	-65,775.49	373,517.50
- <i>Estimate difference fiscal year N</i>	389,791.51	455,567.00
- <i>Estimate difference fiscal year N-1</i>	455,567.00	82,049.50
Changes to the estimate difference of financial contracts:	200,120.84	71,645.50
- <i>Estimate difference fiscal year N</i>	156,936.67	-43,184.17
- <i>Estimate difference fiscal year N-1</i>	-43,184.17	-114,829.67
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-41,217.90	-45,247.90
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>8,911,037.51</b>	<b>12,276,351.10</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	5,481,518.35	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.02
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.02	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	5,481,518.35	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	EUR	JPY	SEK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	5,138,717.31	3,240,865.15	285,766.48	320,300.25
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	209,705.48	18,718.72	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	3,124.18
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	3,124.18
-	-
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	174,200	886,921.88	1,103,100	5,579,863.40
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the CIU		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.40</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- other financial instruments	<b>156,936.67</b>

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**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	GBP	GBP
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-33,862.75	-44,757.86
<b>Total</b>	<b>-33,862.75</b>	<b>-44,757.86</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-33,862.75	-44,757.86
<b>Total</b>	<b>-33,862.75</b>	<b>-44,757.86</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-



**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
	GBP	GBP
<b>Allocation of the net capital gains and losses</b>		
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	1,869,030.42	-199,860.59
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>1,869,030.42</b>	<b>-199,860.59</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	1,869,030.42	-199,860.59
<b>Total</b>	<b>1,869,030.42</b>	<b>-199,860.59</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the mutual fund during the last 5 fiscal years**

Currency GBP	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>8,911,037.51</b>	12,276,351.10	20,912,231.90	17,894,570.36	19,540,798.71
<b>Number of outstanding equities</b>	<b>1,666,115</b>	2,595,015	4,945,615	4,344,431	4,774,431
<b>Net asset value</b>	<b>5.3483</b>	4.7307	4.2284	4.1189	4.0928
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>1.10</b>	-0.09	0.13	0.28	0.57

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Mutual fund creation date: 3 April 2007.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
ES0167050915	ACS	PROPRE	427.00	12,681.60	EUR	0.14
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	6,270.00	482,656.37	EUR	5.42
FR0004125920	AMUNDI SA	PGARAN	160.00	10,215.40	EUR	0.11
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	4,473.00	412,209.82	EUR	4.63
CH0012410517	BALOISE-HOLDING NOM.	PROPRE	273.00	32,442.01	CHF	0.36
PTBCP0AM0015	BANCO COMERCIAL PORTUGUES SA	PROPRE	79,925.00	17,984.29	EUR	0.20
ES0113860A34	BANCO DE SABADELL	PROPRE	255,778.00	385,711.37	EUR	4.33
CH0011432447	BASILEA PHARMACEUTICA N	PROPRE	312.00	19,127.56	CHF	0.21
FR0000131104	BNP PARIBAS	PGARAN	2,160.00	127,031.41	EUR	1.43
FR0000120503	BOUYGUES	PGARAN	187.00	6,761.15	EUR	0.08
GB0030913577	BT GROUP PLC	PGARAN	3,598.00	9,365.59	GBP	0.11
JP3519400000	CHUGAI PHARM	PROPRE	23,129.00	827,701.53	JPY	9.29
DE0006062144	COVESTRO AG	PROPRE	5,936.00	428,877.84	EUR	4.81
FR0000120644	DANONE	PGARAN	396.00	24,366.00	EUR	0.27
DK0010274414	DANSKE BANK A/S	PROPRE	1,296.00	37,234.11	DKK	0.42
JP3802300008	FAST RETAILING	PROPRE	2,316.00	577,251.45	JPY	6.48
DE0005785802	FRESENIUS MEDICAL CARE AG & CO	PROPRE	77.00	5,607.86	EUR	0.06
CH0030170408	GEBERIT AG-NOM	PROPRE	91.00	31,046.43	CHF	0.35
DE0006048432	HENKEL KGAA VZ PFD	PROPRE	3,881.00	410,255.17	EUR	4.60
CH001221405E	HOLCIM LTD-NOM EUR	PROPRE	742.00	31,504.50	EUR	0.35
FR0000120859	IMERYS SA	PGARAN	151.00	10,357.42	EUR	0.12
NL0011821202	ING GROUP NV	PROPRE	10,465.00	145,601.48	EUR	1.63
SE0000806994	JM AB	PROPRE	14,382.00	285,766.48	SEK	3.21
BE0003565737	KBC GROUPE	PROPRE	327.00	20,456.04	EUR	0.23
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	13,686.00	419,671.25	EUR	4.71

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
JP3256000005	KYOWA HAKKO KIRIN	PROPRE	32,126.00	444,539.44	JPY	4.99
JP3743000006	NH FOODS SHS	PROPRE	4,162.00	89,917.21	JPY	1.01
CH0012005267	NOVARTIS AG-NOM	PROPRE	2,873.00	178,411.89	CHF	2.00
FR0000133308	ORANGE	PGARAN	715.00	8,834.59	EUR	0.10
JP3180400008	OSAKA GAS CO LTD	PROPRE	13,287.00	192,706.62	JPY	2.16
NL0000379121	RANDSTAD HOLDING NV	PROPRE	384.00	17,793.16	EUR	0.20
DE000SHA0159	SCHAEFFLER AG	PROPRE	16,630.00	198,187.05	EUR	2.22
JP3357200009	SHIMADZU CORP	PROPRE	12,921.00	201,056.15	JPY	2.26
JP3358000002	SHIMANO	PGARAN	80.00	8,201.69	JPY	0.09
JP3436100006	SOFTBANK GROUP CORP	PROPRE	2,728.00	179,828.96	JPY	2.02
BE0003470755	SOLVAY	PROPRE	722.00	80,786.92	EUR	0.91
JP3435000009	SONY CORP	PROPRE	10,752.00	314,446.18	JPY	3.53
JP3397200001	SUZUKI MOTOR CORP	PGARAN	257.00	10,517.03	JPY	0.12
JP3456000003	TAKASHIMAYA CO LTD	PROPRE	57,378.00	394,698.89	JPY	4.43
ES0178430E18	TELEFONICA SA	PROPRE	48,194.00	380,757.34	EUR	4.27
CH0244767585	UBS GROUP INC NAMEN AKT	PROPRE	1,718.00	22,038.25	CHF	0.25
DE000UNSE018	UNIPER SE	PROPRE	15,911.00	336,665.14	EUR	3.78
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	3,089.00	422,461.76	EUR	4.74
DE000A1ML7J1	VONOVIA SE NAMEN AKT	PROPRE	21,710.00	719,142.88	EUR	8.07
FR0000125684	ZODIAC AEROSPACE	PGARAN	1,028.00	22,139.51	EUR	0.25
<b>Total Equity</b>				<b>8,995,014.79</b>		<b>100.94</b>
<b>Total Investment Securities</b>				<b>8,995,014.79</b>		<b>100.94</b>
<b>Interest rate swap</b>						
SWAP03598585	FEES LEG GBP LYX ETF	PROPRE	1.00	3,124.22	GBP	0.04
SWAP03598612	INDEX LEG GBP LYX ET	PROPRE	5,481,518.35	8,911,037.46	GBP	100.00
SWAP03598575	VRAC LEG LYX ETF FT	PROPRE	5,481,518.35	-8,757,225.01	GBP	-98.27
<b>Total Interest rate swap</b>				<b>156,936.67</b>		<b>1.76</b>

LYXOR FTSE ALL SHARE UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Cash</i>						
<i>AT BANK OR PENDING</i>						
	GBP SGP BANK	PROPRE	0.00	0.02	GBP	0.00
<i>Total AT BANK OR PENDING</i>				<b>0.02</b>		<b>0.00</b>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-3,124.18	GBP	-0.04
<i>Total MANAGEMENT FEES</i>				<b>-3,124.18</b>		<b>-0.04</b>
<i>Total Cash</i>				<b>-3,124.16</b>		<b>-0.04</b>
<i>Files</i>						
<i>AD1 REME: Deposit of Collateral (File)</i>						
PDC-02060320	PDC LYXOFR0000120503	PGAR1	-7,707.21	-6,761.15	EUR	-0.08
PDC-02060331	PDC LYXOFR0000120644	PGAR1	-27,775.44	-24,366.00	EUR	-0.27
PDC-02060337	PDC LYXOFR0000120859	PGAR1	-11,806.69	-10,357.42	EUR	-0.12
PDC-02060358	PDC LYXOFR0000125684	PGAR1	-25,237.40	-22,139.51	EUR	-0.25
PDC-02060314	PDC LYXOFR0000131104	PGAR1	-144,806.40	-127,031.41	EUR	-1.43
PDC-02060342	PDC LYXOFR0000133308	PGAR1	-10,070.78	-8,834.59	EUR	-0.10
PDC-02060308	PDC LYXOFR0004125920	PGAR1	-11,644.80	-10,215.40	EUR	-0.11
PDC-02060325	PDC LYXOGB0030913577	PGAR1	-9,365.59	-9,365.59	GBP	-0.11
PDC-02060347	PDC LYXOJP3358000002	PGAR1	-1,237,600.00	-8,201.69	JPY	-0.09
PDC-02060353	PDC LYXOJP3397200001	PGAR1	-1,586,975.00	-10,517.03	JPY	-0.12
<i>Total AD1 REME: Deposit of Collateral (File)</i>				<b>-237,789.79</b>		<b>-2.67</b>
<i>Total Files</i>				<b>-237,789.79</b>		<b>-2.67</b>
<b>Total LYXOR UCITS ETF FTSE ALL SHARE</b>				<b>8,911,037.51</b>		<b>100.00</b>

# LYXOR FTSE 100 UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR FTSE 100 UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR FTSE 100 UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Equities of European Union Countries.

At least 60% of the LYXOR FTSE 100 UCITS ETF Compartment ("the Compartment") is continuously exposed in one or several markets of equities issued in one or several European Union countries including any eurozone markets.

The Compartment is an UCITS ETF type index Compartment.

### Terms of determination and allocation of amounts available for distribution:

**Class of C-GBP, Monthly Hedged C-EUR, Monthly Hedged C-USD equities:** Capitalisation of all the amounts available for distribution.

**Class of D-GBP equities:** The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment's management objective is an exposure to the United Kingdom equities market by reproducing the evolution of the FTSE 100 Gross Total Return index (the "Benchmark Indicator") listed in pounds sterling (GBP), while insofar as possible minimizing the tracking error between the Compartment's performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.05%.

### Benchmark indicator:

The Benchmark Indicator is an equities index calculated, maintained and published by the supplier of international indices, FTSE.

The Benchmark Indicator monitors the continuous evolution of the equity prices of the 100 main companies in the United Kingdom listed on the London Stock Exchange (LSE).

The equities in the Benchmark Indicator are weighted according to their stock market capitalisations, adjusted by the "free float" while using the FTSE free float system. No component may represent more than 15% of the index.

The FTSE methodology and its calculation method entail the index being made up of a fixed number of companies.

The Benchmark Indicator is calculated and published in real-time by the company FTSE.

The monitored performance is that of the Benchmark Indicator closing prices.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator will be available at the Internet site of FTSE: [www.ftse.com](http://www.ftse.com).

### **Benchmark Indicator revision and composition**

The composition of the Benchmark Indicator is reviewed each year in accordance with the FTSE methodology. Should an equity no longer meet the selection criteria on a revision date, it will be removed from the composition of the Benchmark Indicator.

The exact composition and the revision rules of the Benchmark Indicator are published by FTSE and available on the FTSE Internet site: [www.ftse.com](http://www.ftse.com).

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

### **Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day.

The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Bloomberg code: TUKXG

Reuters code: .TFTSE

The Benchmark Indicator's closing price is available on the FTSE Internet site: [www.ftse.com](http://www.ftse.com).

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

In the present case, the financial manager by delegation intends to use primarily the following assets:

#### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation of the international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,
  - o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
  - o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
  - o Geographical area,
  - o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.



When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The Compartment will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected.

Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's financial manager by delegation and the FFI's counterparty. The financial manager by delegation manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Risk related to the exchange hedging specific to the Monthly Hedged C-EUR equity class:**

In order to hedge the EUR/GBP exchange risk on the Monthly Hedged C-EUR equity class, the Compartment uses a hedging strategy intended to reduce the impact of the evolution between the currency of the Benchmark Indicator and the currency of the equity class. Because of the monthly implementation of this hedge and of its imperfection, Monthly Hedged C-EUR equity class can therefore be subject to costs or downward market movements that will impact on the net asset value of these equities.

**- Risk related to the exchange hedging specific to the Monthly Hedged C-USD equity class:**

In order to hedge the USD/GBP exchange risk on the Monthly Hedged C-USD equity class, the Compartment uses a hedging strategy intended to reduce the impact of the evolution between the currency of the Benchmark Indicator and the currency of the equity class. Because of the monthly implementation of this hedge and of its imperfection, Monthly Hedged C-USD equity class can therefore be subject to costs or downward market movements that will impact on the net asset value of these equities.

**- Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the equities markets of United Kingdom.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 23 February 2007.*
- *Compartment creation date: 3 April 2007.*

## Activity report

The net asset value of the C-GBP unit of the LYXOR FTSE 100 UCITS ETF Compartment shows an evolution of 12.00% over the fiscal year and stands at GBP 10.0164 on 31/10/2017, meaning a fund performance of 71.00% since inception.

The net asset value of the D-GBP unit of the LYXOR FTSE 100 UCITS ETF Compartment shows an evolution of 11.98% over the fiscal year (dividends reinvested) and stands at GBP 114.2853 on 31/10/2017, meaning a fund performance of 30.87% since inception (dividends reinvested).

The net asset value of the Monthly Hedged C-EUR unit of the LYXOR FTSE 100 UCITS ETF Compartment shows an evolution of 10.36% over the fiscal year and stands at EUR 117.4365 on 31/10/2017, meaning a fund performance of 17.44% since inception.

The net asset value of the Monthly Hedged C-USD unit of the LYXOR FTSE 100 UCITS ETF Compartment shows an evolution of 12.48% over the fiscal year and stands at USD 120.9076 on 31/10/2017, meaning a fund performance of 20.91% since inception.

The fund replicates the performance of the FTSE 100 TOTAL RETURN index, listed in pounds sterling (GBP), representative of the 100 largest market capitalisation of London Stock Exchange.

This index has shown an evolution of 12.06% over the fiscal year. The Monthly Hedged C-EUR, Monthly Hedged C-USD classes not being valued to the index currency, the evolution of their net asset value is subject to the exchange risk. During the fiscal year, the EUR shows a decrease of 2.29% compared to the GBP, the USD shows a decrease of 8.06% compared to the GBP.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the FTSE 100 TOTAL RETURN index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the FTSE 100 TOTAL RETURN index.

The equities held as assets by the Compartment will notably be equities that make up the FTSE 100 TOTAL RETURN index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0492% for the Compartment. The level of the tracking error for the period was of 0.05%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** (not audited by the auditor)

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
5.1	5.4	4.6	5.6

Portfolio rated 99%  
Nb Securities rated 98

Pillars	Corporate			Government		
	Themes	Score	Weight	Themes	Score	Weight
<b>Environment</b>		<b>5.4</b>	<b>27.9%</b>		<b>0.0</b>	<b>0.0%</b>
	Climat Change	7.0	7.7%	Environmental Externalities	0.0	0.0%
	Environmental Opportunities	5.0	2.5%	Natural Resource	0.0	0.0%
	Natural Capital	4.7	11.3%			
	Pollution & Waste	4.9	6.4%			
<b>Social</b>		<b>4.6</b>	<b>43.1%</b>		<b>0.0</b>	<b>0.0%</b>
	Human Capital	4.6	18.6%	Human Capital	0.0	0.0%
	Product Liability	4.2	18.5%	Economic Environment	0.0	0.0%
	Social Opportunities	5.4	5.9%			
	Stakeholder Opposition	0.0	0.0%			
<b>Governance</b>		<b>5.6</b>	<b>29.0%</b>		<b>0.0</b>	<b>0.0%</b>
	Corporate Behavior	3.8	11.6%	Financial Governance	0.0	0.0%
	Corporate Governance	6.8	17.4%	Political Governance	0.0	0.0%

**LYXOR FTSE 100 UCITS ETF**  
(compartment of the Multi Units France mutual fund)

**Breakdown of companies according to their ESG rating**

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated	Leaders (AAA,AA)	31%
Consumer Discretionary	2.4%	2.9%	2.5%	0.4%			0.5%		Average (A, BBB, BB)	68%
Consumer Staples	3.5%	1.0%	5.4%	7.3%					Laggards (B, CCC)	1%
Energy				10.3%	5.1%					
Financials	0.7%	3.4%	4.1%	1.9%	11.4%					
Health Care		3.3%	0.3%	3.4%	2.4%					
Industrials	1.8%	1.5%	1.8%	1.8%		0.8%				
Information Technology			0.4%	1.0%						
Materials	1.8%	0.3%	0.2%	5.3%	2.2%					
Real Estate	0.6%	0.6%								
Telecommunication Services	3.0%	1.1%								
Utilities	1.6%	1.0%	0.5%	0.3%						

**ESG Measurement methodology (Corporate & Government issuers)**

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

**Portfolio Exposure to ESG Controversies**

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	12%
Orange Flag	50%
Yellow Flag	20%
Green Flag	19%

**Portfolio Carbon Footprint as of 2017-10-31**

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	99%
143	191	162	Scope 1 reported (vs estimated)	98%
			Scope2 reported (vs estimated)	99%
			Scope 1& 2 estimations are based on MSCI methodology	

**Carbon Measurement methodology**

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).



Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

Weight of the portfolio	
Fossil Fuel Reserves	23%
Thermal Coal	7%
Natural Gas	18%
Oil	20%

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

Issuer with a revenue dedicated to environmental solutions between:	
0-19.9%	19%
20-49.9%	1%
50-100%	1%

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

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### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.



**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	<b>Securities lending</b>
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	<b>Securities lending</b>	<b>Securities borrowing</b>	<b>Repo operations</b>	<b>Reverse repo operations</b>	<b>TRS</b>
Absolute value	-	-	-	-	316,092,316
% of assets under management	-	-	-	-	68.40

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	THYSSENKRUPP
	Amount	7,084,635
2	Name	GEBERIT
	Amount	1,360,584
3	Name	BNP PARIBAS
	Amount	1,160,161
4	Name	SCHINDLER HOLDING
	Amount	1,131,797
5	Name	PARTNERS GROUP HOLDING
	Amount	1,070,614
6	Name	GROUPE ADP
	Amount	463,004
7	Name	ROYAL DUTCH SHELL
	Amount	315,629
8	Name	E.ON
	Amount	131,556
9	Name	HENKEL AG & CO KGAA
	Amount	84,857
10	Name	ZODIAC AEROSPACE
	Amount	56,059

LYXOR FTSE 100 UCITS ETF  
(compartment of the Multi Units France mutual fund)

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	316,092,316

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	13,009,387
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	13,009,387

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	9,446,393
2	Currency		-	-	-	CHF
	Amount		-	-	-	3,562,994

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	316,092,316
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	316,092,316

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	316,092,316

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	13,009,387

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>475,199,354.25</b>	<b>759,339,056.52</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	471,506,335.39	759,339,056.52
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	3,693,018.86	-
<b>Receivables</b>	<b>9,790,434.13</b>	<b>27,561,829.40</b>
Future foreign exchange operations	-	-
Other	9,790,434.13	27,561,829.40
<b>Financial accounts</b>	<b>1.72</b>	<b>0.58</b>
Liquidity	1.72	0.58
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>484,989,790.10</b>	<b>786,900,886.50</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 GBP	31.10.2016 GBP
<b>Shareholders' equity</b>		
• Capital	380,875,624.65	1,259,821,021.34
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	64,622,217.08	-517,276,677.30
• Earnings of the fiscal year	16,603,384.95	16,664,465.91
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>462,101,226.68</b>	<b>759,208,809.95</b>
<b>Financial instruments</b>	<b>13,009,387.24</b>	<b>14,037.85</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	13,009,387.24	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	14,037.85
<b>Debts</b>	<b>9,879,176.18</b>	<b>27,678,038.70</b>
Future foreign exchange operations	-	-
Other	9,879,176.18	27,678,038.70
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>484,989,790.10</b>	<b>786,900,886.50</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	316,092,315.68	697,158,456.54
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-



## Profit and loss account

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	2,292,301.93	414,730.47
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	28,243,952.68	15,514,899.73
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>30,536,254.61</b>	<b>15,929,630.20</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-54.92	-30.17
• Other financial charges	-	-
<b>Total (II)</b>	<b>-54.92</b>	<b>-30.17</b>
<b>Earnings on financial operations (I - II)</b>	<b>30,536,199.69</b>	<b>15,929,600.03</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-1,276,749.37	-752,333.78
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>29,259,450.32</b>	<b>15,177,266.25</b>
Adjustment of the fiscal year's earnings (V)	-12,223,027.27	1,782,505.18
Advances on result paid for the fiscal year (VI)	-433,038.10	-295,305.52
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>16,603,384.95</b>	<b>16,664,465.91</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the financial manager by delegation.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate C-GBP and D-GBP equities	Schedule, rate Monthly Hedged C-USD; Monthly Hedged C-EUR
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.15% per year	maximum 0.30% per year
Outperformance commissions	Net assets	None	
Transactions commissions	Collection on each transaction	None	

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

# appendix

# appendix

## **Accounting currency**

The Compartment's accounting is carried out in pounds sterling (GBP).

## **Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

## **Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

## **Indication and justification of the changes to estimates and application provisions**

None.

## **Indication of the nature of the errors corrected during the fiscal year**

None.

## **Indication of the rights and conditions attached to each category of equities**

### **Class of C-GBP, Monthly Hedged C-EUR, Monthly Hedged C-USD equities:**

Capitalisation of all the amounts available for distribution.

**Class of D-GBP equities:** The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year.

The realised net capital gain will be capitalised.

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Net assets at the start of the fiscal year</b>	<b>759,208,809.95</b>	<b>391,525,074.43</b>
Subscriptions (including subscription commission acquired by the Compartment)	272,649,878.32	484,762,190.28
Redemptions (less the redemption commission acquired by the Compartment)	-634,452,824.73	-193,152,728.72
Capital gains generated on deposits and financial instruments	179,364,300.60	73,248,582.77
Capital losses generated on deposits and financial instruments	-69,418,951.71	-104,083,750.37
Capital gains generated on financial contracts	2,161,037,996.18	1,613,180,627.68
Capital losses generated on financial contracts	-2,214,650,490.50	-1,654,792,365.09
Negotiation fees	-	-33,395.19
Exchange differentials	-33,451,246.87	117,927,353.35
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	9,470,753.81	15,859,800.32
- <i>Estimate difference fiscal year N-1</i>	29,787,587.99	20,316,834.18
	20,316,834.18	4,457,033.86
Changes to the estimate difference of financial contracts:		
- <i>Estimate difference fiscal year N</i>	3,707,056.71	97,338.16
- <i>Estimate difference fiscal year N</i>	3,693,018.86	-14,037.85
- <i>Estimate difference fiscal year N-1</i>	-14,037.85	-111,376.01
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-190,467.30	-211,878.40
Net earnings of the fiscal year before adjustment account	29,259,450.32	15,177,266.25
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-433,038.10	-295,305.52
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>462,101,226.68</b>	<b>759,208,809.95</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	316,092,315.68	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	1.72
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	1.72	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	316,092,315.68	-	-	-

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### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	EUR	JPY	AUD	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	362,777,892.42	83,294,557.58	13,404,064.75	8,466,826.20
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	1.37	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	9,446,393.48	-	-	3,562,994.39
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>9,790,434.13</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Account receivable	4,978,317.70
Deferred settlement sales	4,812,116.43
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>9,879,176.18</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	9,790,434.13
Accrued expenses	88,742.05
-	-
-	-
-	-
Other operations	-



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**3.6 Shareholders' equity**

Number of equities issued/redeemed during the fiscal year:	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
EQUITY C-GBP / FR0010438127	15,187,320	142,707,111.00	40,668,269	390,735,394.33
EQUITY Monthly Hedged C-EUR / FR0013186574	1,319,861	127,516,150.83	2,528,800	242,631,064.14
EQUITY Monthly Hedged C-USD / FR0013186582	27,400	2,426,616.49	-	-
EQUITY D-GBP / FR0011833102	-	-	9,800	1,086,366.26
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-GBP / FR0010438127		-		-
EQUITY Monthly Hedged C-EUR / FR0013186574		-		-
EQUITY Monthly Hedged C-USD / FR0013186582		-		-
EQUITY D-GBP / FR0011833102		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-GBP / FR0010438127		-		-
EQUITY Monthly Hedged C-EUR / FR0013186574		-		-
EQUITY Monthly Hedged C-USD / FR0013186582		-		-
EQUITY D-GBP / FR0011833102		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY C-GBP / FR0010438127		-		-
EQUITY Monthly Hedged C-EUR / FR0013186574		-		-
EQUITY Monthly Hedged C-USD / FR0013186582		-		-
EQUITY D-GBP / FR0011833102		-		-

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### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-GBP / FR0010438127	0.15
EQUITY Monthly Hedged C-EUR / FR0013186574	0.30
EQUITY Monthly Hedged C-USD / FR0013186582	0.30
EQUITY D-GBP / FR0011833102	0.15
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY C-GBP / FR0010438127	-
EQUITY Monthly Hedged C-EUR / FR0013186574	
EQUITY Monthly Hedged C-USD / FR0013186582	
EQUITY D-GBP / FR0011833102	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" UCITS:	
- UCITS 1	-
- UCITS 2	-
- UCITS 3	-
- UCITS 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....None  
 3.8.2 Description of the other commitments received and/or given.....None

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	<b>3,693,018.86</b>

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**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
14/12/16	-	71,820.60	0.47	-	-
12/07/17	-	261,217.50	2.50	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		<b>433,038.10</b>	<b>2.97</b>	<b>-</b>	<b>-</b>

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	31.10.2017	31.10.2016
Allocation of the earnings	GBP	GBP
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	16,603,384.95	16,664,465.91
<b>Total</b>	<b>16,603,384.95</b>	<b>16,664,465.91</b>

EQUITY C-GBP / FR0010438127	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	12,432,058.94	16,677,039.03
<b>Total</b>	<b>12,432,058.94</b>	<b>16,677,039.03</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

EQUITY Monthly Hedged C-EUR / FR0013186574	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	3,797,738.89	-201,419.95
<b>Total</b>	<b>3,797,738.89</b>	<b>-201,419.95</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

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EQUITY Monthly Hedged C-USD / FR0013186582	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	165,854.28	-1,624.35
<b>Total</b>	<b>165,854.28</b>	<b>-1,624.35</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

EQUITY D-GBP / FR0011833102	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Allocation</b>		
Distribution	-	190,467.30
Carried forward for the fiscal year	-	-
Capitalisation	207,732.84	3,88
<b>Total</b>	<b>207,732.84</b>	<b>190,471.18</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	154,287
Distribution per unit	-	1.2345
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	GBP	GBP
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	64,622,217.08	-517,276,677.30
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>64,622,217.08</b>	<b>-517,276,677.30</b>

EQUITY C-GBP / FR0010438127	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	16,800,058.81	165,957,291.86
<b>Total</b>	<b>16,800,058.81</b>	<b>165,957,291.86</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY Monthly Hedged C-EUR / FR0013186574	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	59,948,455.37	-687,961,294.57
<b>Total</b>	<b>59,948,455.37</b>	<b>-687,961,294.57</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-



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EQUITY Monthly Hedged C-USD / FR0013186582	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-5,204,641.02	-1,816,488.70
<b>Total</b>	<b>-5,204,641.02</b>	<b>-1,816,488.70</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY D-GBP / FR0011833102	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-6,921,656.08	6,543,814.11
<b>Total</b>	<b>-6,921,656.08</b>	<b>6,543,814.11</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 3 April 2007.

Compartment currency

GBP	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>462,101,226.68</b>	759,208,809.95	391,525,074.43	436,638,885.56	271,062,299.61

EQUITY C-GBP / FR0010438127

Currency of the equity and of the NAV: GBP

	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>33,407,826</b>	58,888,775	48,167,248	54,275,932	39,948,332
<b>Net asset value</b>	<b>10.0164</b>	8.9436	7.8617	7.8053	7.756
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>0.87</b>	3.10	-0.04	0.57	1.22

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY Monthly Hedged C-EUR / FR0013186574

Currency of the equity and of the NAV: EUR

	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>1,034,645</b>	2,243,584	132,424	130,000	-
<b>Net asset value</b>	<b>117.4365</b>	106.4122	97.0063	99.9664	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	4.69	2.67	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>61.61</b>	-306.72	-15.95	-187.26	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

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EQUITY Monthly Hedged C-USD / FR0013186582		Currency of the equity and of the NAV: USD			
	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>48,000</b>	20,600	-	-	-
<b>Net asset value</b>	<b>120.9076</b>	107.4894	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-104.97</b>	-78.93	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY D-GBP / FR0011833102		Currency of the equity and of the NAV: GBP			
	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>144,487</b>	154,287	-	-	-
<b>Net asset value</b>	<b>114.2853</b>	106.032	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	<b>4.20</b>	3.46	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-46.46</b>	42.41	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0000852564	AALBERTS INDUSTRIES	PROPRE	304,700.00	11,318,736.99	EUR	2.45
NL0011540547	ABN AMRO GROUP N.V.	PROPRE	20,598.00	479,115.32	EUR	0.10
FR0010340141	ADP	PGARAN	3,650.00	463,003.78	EUR	0.10
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	2,469.00	190,060.38	EUR	0.04
DE0008404005	ALLIANZ SE-NOM	PROPRE	58,743.00	10,272,963.36	EUR	2.22
NL0011333760	ALTICE NV	PROPRE	25,586.00	363,389.71	EUR	0.08
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	84,073.00	7,747,756.77	EUR	1.68
NL0011872643	ASR NEDERLAND N.V	PROPRE	67,568.00	2,086,445.79	EUR	0.45
AU000000AGL7	AUSTRALIAN GAS LIGHT	PROPRE	241,114.00	3,518,094.56	AUD	0.76
FR0000120628	AXA	PROPRE	743,264.00	16,907,094.96	EUR	3.66
CH0012410517	BALOISE-HOLDING NOM.	PROPRE	16,485.00	1,958,998.14	CHF	0.42
DE000BASF111	BASF SE	PROPRE	251,520.00	20,656,871.03	EUR	4.47
DE000BAY0017	BAYER AG	PROPRE	97,842.00	9,587,422.62	EUR	2.07
DE0005190037	BAYERISCHE MOTOREN WERKE PFD	PROPRE	1,099.00	72,230.20	EUR	0.02
AU000000BSL0	BLUESCOPE STEEL LTD	PROPRE	251,328.00	1,863,312.67	AUD	0.40
FR0000131104	BNP PARIBAS	PGARAN	19,727.00	1,160,161.44	EUR	0.25
JP3242800005	CANON INC	PROPRE	370,159.00	10,408,412.34	JPY	2.25
AU000000CWN6	CROWN RESORTS	PROPRE	1,003,579.00	6,727,653.63	AUD	1.46
DE0007100000	DAIMLER	PROPRE	297,432.00	18,601,145.21	EUR	4.03
FR0000120644	DANONE	PGARAN	826.00	50,824.04	EUR	0.01
FR0000120644	DANONE	PROPRE	326,580.00	20,094,570.27	EUR	4.35
FR0000121725	DASSAULT AVIATION	PGARAN	44.00	51,684.06	EUR	0.01
DE0007480204	DEUTSCHE EUROSHP AG	PROPRE	26,377.00	723,679.21	EUR	0.16
DE0005557508	DEUTSCHE TELEKOM AG-NOM	PROPRE	560,140.00	7,685,227.23	EUR	1.66
DE0005550636	DRAEGERWERK AG CO KGAA	PROPRE	3,178.00	275,026.38	EUR	0.06

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE000ENAG999	E.ON SE	PGARAN	14,804.00	131,556.38	EUR	0.03
DE000ENAG999	E.ON SE	PROPRE	1,915,647.00	17,023,478.48	EUR	3.68
NL0012059018	EXOR HOLDINGS N.V	PROPRE	12,919.00	623,892.26	EUR	0.14
JP3802300008	FAST RETAILING	PROPRE	5,105.00	1,272,395.79	JPY	0.28
NL0011585146	FERRARI NV	PROPRE	17,556.00	1,584,763.00	EUR	0.34
NL0010877643	FIAT CHRYSLER AUTOMOBILES NV	PROPRE	414,454.00	5,395,523.81	EUR	1.17
DE0005785802	FRESENIUS MEDICAL CARE AG & CO	PROPRE	30,110.00	2,192,890.07	EUR	0.47
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	384,124.00	24,164,317.98	EUR	5.23
CH0030170408	GEBERIT AG-NOM	PGARAN	3,988.00	1,360,584.23	CHF	0.29
CH0030170408	GEBERIT AG-NOM	PROPRE	2,472.00	843,371.17	CHF	0.18
DE0006047004	HEIDELBERGCEMENT AG	PROPRE	149,366.00	11,461,309.87	EUR	2.48
CH0012271687	HELVETIA HOLDING	PROPRE	1,376.00	557,704.96	CHF	0.12
DE0006048408	HENKEL KGAA	PGARAN	894.00	84,857.09	EUR	0.02
DE0006083405	HORNBACH HOLDING AG	PROPRE	2,459.00	158,572.67	EUR	0.03
ES0144580Y14	IBERDROLA SA	PROPRE	802,221.00	4,882,606.21	EUR	1.06
NL0010801007	IMCD B.V	PROPRE	16,830.00	797,262.35	EUR	0.17
ES0118594417	INDRA SISTEMAS SA	PROPRE	42,900.00	464,403.87	EUR	0.10
NL0011821202	ING GROUP NV	PROPRE	775,479.00	10,789,382.79	EUR	2.33
ES0139140174	INMOBILIARIA COLONIAL SA	PROPRE	8,138.00	58,318.98	EUR	0.01
JP3143600009	ITOCHU CORP	PROPRE	146,839.00	1,924,823.22	JPY	0.42
JP3386380004	J FRONT RETAILING	PROPRE	502,827.00	5,558,246.20	JPY	1.20
JP3205800000	KAO CORP	PROPRE	120,771.00	5,471,266.39	JPY	1.18
BE0003565737	KBC GROUPE	PROPRE	32,352.00	2,023,834.28	EUR	0.44
FR0000121485	KERING	PGARAN	139.00	47,982.50	EUR	0.01
DE000KGX8881	KION GROUP	PROPRE	65,454.00	3,945,295.32	EUR	0.85
JP3258000003	KIRIN HOLDINGS CO LTD	PROPRE	232,758.00	4,171,716.11	JPY	0.90
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	3,858.00	54,675.47	EUR	0.01
NL0000009082	KONINKLIJKE KPN NV	PROPRE	1,116,812.00	2,903,899.94	EUR	0.63
JP3256000005	KYOWA HAKKO KIRIN	PROPRE	303,718.00	4,202,659.16	JPY	0.91
DE000LEG1110	LEG IMMOBILIEN	PROPRE	28,937.00	2,213,570.54	EUR	0.48

LYXOR FTSE 100 UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
JP3876600002	MARUHA NICHIRO	PROPRE	26,800.00	620,733.41	JPY	0.13
JP3898400001	MITSUBISHI CORPORATION	PROPRE	888,783.00	15,599,793.89	JPY	3.38
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	PROPRE	17,631.00	2,970,397.93	EUR	0.64
JP3649800004	NAGOYA RAILROAD	PROPRE	106,610.00	1,797,372.92	JPY	0.39
JP3743000006	NH FOODS SHS	PROPRE	74,372.00	1,606,757.01	JPY	0.35
JP3756600007	NINTENDO CO LTD	PROPRE	5,681.00	1,649,005.27	JPY	0.36
NL0010773842	NN GROUP NV	PROPRE	163,823.00	5,167,945.61	EUR	1.12
JP3762600009	NOMURA HLDGS INC	PROPRE	364,047.00	1,565,277.86	JPY	0.34
CH0012005267	NOVARTIS AG-NOM	PROPRE	9,496.00	589,696.94	CHF	0.13
DE000LED4000	OSRAM LICHT	PROPRE	4,730.00	272,532.10	EUR	0.06
CH0021783391	PARGESA HOLDING	PROPRE	1,873.00	118,222.62	CHF	0.03
CH0024608827	PARTNERS GROUP HOLDING N	PGARAN	2,112.00	1,070,613.67	CHF	0.23
CH0024608827	PARTNERS GROUP HOLDING N	PROPRE	1,303.00	660,515.91	CHF	0.14
NL0011821392	PHILIPS LIGHTING NV	PROPRE	12,389.00	353,489.84	EUR	0.08
DE000PAH0038	PORSCHE AUTOMOBIL HOLDING SE	PROPRE	598,224.00	32,699,789.77	EUR	7.08
BE0003810273	PROXIMUS SA DE DROIT PUBLIC	PROPRE	4,040.00	101,042.01	EUR	0.02
AU000000QAN2	QANTAS AIRWAYS LTD	PROPRE	101,158.00	359,215.60	AUD	0.08
ES0173093024	RED ELECTRICA CORPORACION SA	PROPRE	333,399.00	5,559,935.92	EUR	1.20
ES0173516115	REPSOL	PROPRE	348,016.00	4,910,702.82	EUR	1.06
GB00B03MLX29	ROYAL DUTCH SHELL PLC-A	PGARAN	13,343.00	315,628.67	EUR	0.07
DE0007037129	RWE AG	PROPRE	115,588.00	2,176,034.84	EUR	0.47
DE0007165631	SARTORIUS VZ PFD	PROPRE	13,428.00	942,494.84	EUR	0.20
DE000SHA0159	SCHAEFFLER AG	PROPRE	2,456.00	29,269.24	EUR	0.01
CH0024638196	SCHINDLER HOLDING PS	PGARAN	6,626.00	1,131,796.49	CHF	0.24
JP3351600006	SHISEIDO CO LTD	PROPRE	283,580.00	8,782,022.05	JPY	1.90
AU000000SYD9	SIDNEY AIRPORT	PROPRE	227,944.00	935,788.29	AUD	0.20
DE0007236101	SIEMENS AG-NOM	PROPRE	133,649.00	14,362,339.19	EUR	3.11
CH0000587979	SIKA	PROPRE	142.00	792,237.13	CHF	0.17
DE000WAF3001	SILTRONIC AG	PROPRE	65,930.00	7,356,878.17	EUR	1.59
JP3436100006	SOFTBANK GROUP CORP	PROPRE	113,651.00	7,491,840.51	JPY	1.62

LYXOR FTSE 100 UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
BE0003470755	SOLVAY	PROPRE	847.00	94,773.57	EUR	0.02
JP3165000005	SOMPO HOLDINGS SHS	PROPRE	16,478.00	495,664.51	JPY	0.11
NL0000226223	STMICROELECTRONICS NV	PROPRE	60,702.00	1,075,666.76	EUR	0.23
JP3890350006	SUMITOMO MITSUI FINANCIAL GRP	PROPRE	62,157.00	1,860,643.97	JPY	0.40
JP3892100003	SUMITOMO MITSUI TRUST HLD	PROPRE	54,525.00	1,606,166.57	JPY	0.35
CH0267291224	SUNRISE COMMUNICATIONS GROUP LTD	PROPRE	1,505.00	94,369.35	CHF	0.02
CH0014852781	SWISS LIFE HOLDING NOM	PROPRE	3,677.00	963,361.02	CHF	0.21
CH0126881561	SWISS RE AG	PROPRE	18,777.00	1,331,302.76	CHF	0.29
CH0008742519	SWISSCOM N	PROPRE	1,463.00	557,046.20	CHF	0.12
JP3459600007	TAKARA HOLDINGS	PROPRE	78,189.00	572,573.28	JPY	0.12
JP3456000003	TAKASHIMAYA CO LTD	PROPRE	698,998.00	4,808,353.96	JPY	1.04
DE0007500001	THYSSENKRUPP AG	PGARAN	352,585.00	7,084,635.41	EUR	1.53
DE000A12B8Z4	TLG IMMOBILIEN REIT	PROPRE	3,542.00	61,740.45	EUR	0.01
JP3910660004	TOKIO MARINE HLDGS INC	PROPRE	56,841.00	1,828,833.16	JPY	0.40
FR0000127771	VIVENDI	PROPRE	803,993.00	15,040,583.48	EUR	3.25
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	79,131.00	10,822,214.71	EUR	2.34
DE000A1ML7J1	VONOVIA SE NAMEN AKT	PROPRE	951,969.00	31,533,935.05	EUR	6.82
FR0000125684	ZODIAC AEROSPACE	PGARAN	2,603.00	56,059.48	EUR	0.01
<b>Total Equity</b>				<b>471,506,335.39</b>		<b>102.04</b>
<b>Total Investment Securities</b>				<b>471,506,335.39</b>		<b>102.04</b>
<b>Interest rate swap</b>						
SWAP03598512	FEES LEG C GBP LYX E	PROPRE	1.00	41,912.45	GBP	0.01
SWAP03598555	FEES LEG D GBP LYX E	PROPRE	1.00	2,173.46	GBP	0.00
SWAP03598517	FEES LEG Y HEDGED C	PROPRE	1.00	1,156.74	GBP	0.00
SWAP03598574	FEES LEG Y HEDGED C	PROPRE	1.00	43,499.40	GBP	0.01
SWAP03598546	INDEX LEG C GBP LYX	PROPRE	211,137,460.32	334,643,836.85	GBP	72.42
SWAP03598516	INDEX LEG D GBP LYX	PROPRE	14,448,700.00	16,512,729.13	GBP	3.57
SWAP03598526	INDEX LEG Y HEDGED C	PROPRE	3,678,746.99	4,370,246.41	GBP	0.95
SWAP03598597	INDEX LEG Y HEDGED C	PROPRE	86,827,408.40	106,574,412.80	GBP	23.06

LYXOR FTSE 100 UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
SWAP03598538	VRAC LEG LYX ETF FTS	PROPRE	316,092,315.68	-458,496,948.38	GBP	-99.22
<b>Total Interest rate swap</b>				<b>3,693,018.86</b>		<b>0.80</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	RECEIVABLE ON SWAP	PROPRE	0.00	4,978,317.70	GBP	1.08
	DEF. PURCHASES GBP SECURITIES	PROPRE	0.00	-9,790,434.13	GBP	-2.12
	EUR SGP BANK	PROPRE	0.00	1.37	EUR	0.00
	GBP SGP BANK	PROPRE	0.00	0.35	GBP	0.00
	DEF. SALES GBP SECURITIES	PROPRE	0.00	4,812,116.43	GBP	1.04
<b>Total AT BANK OR PENDING</b>				<b>1.72</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-88,742.05	GBP	-0.02
<b>Total MANAGEMENT FEES</b>				<b>-88,742.05</b>		<b>-0.02</b>
<b>Total Cash</b>				<b>-88,740.33</b>		<b>-0.02</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02060093	PDC LYXOCH0024608827	PGAR1	-1,417,152.00	-1,070,613.67	CHF	-0.23
PDC-02060105	PDC LYXOCH0024638196	PGAR1	-1,498,138.60	-1,131,796.49	CHF	-0.24
PDC-02060076	PDC LYXOCH0030170408	PGAR1	-1,800,980.80	-1,360,584.23	CHF	-0.29
PDC-02060070	PDC LYXODE000ENAG999	PGAR1	-149,964.52	-131,556.38	EUR	-0.03
PDC-02060082	PDC LYXODE0006048408	PGAR1	-96,730.80	-84,857.09	EUR	-0.02
PDC-02060111	PDC LYXODE0007500001	PGAR1	-8,075,959.43	-7,084,635.41	EUR	-1.53
PDC-02060059	PDC LYXOFR0000120644	PGAR1	-57,935.64	-50,824.04	EUR	-0.01
PDC-02060088	PDC LYXOFR0000121485	PGAR1	-54,696.50	-47,982.50	EUR	-0.01
PDC-02060065	PDC LYXOFR0000121725	PGAR1	-58,916.00	-51,684.06	EUR	-0.01
PDC-02060117	PDC LYXOFR0000125684	PGAR1	-63,903.65	-56,059.48	EUR	-0.01
PDC-02060053	PDC LYXOFR0000131104	PGAR1	-1,322,498.08	-1,160,161.44	EUR	-0.25
PDC-02060047	PDC LYXOFR0010340141	PGAR1	-527,790.00	-463,003.78	EUR	-0.10
PDC-02060099	PDC LYXOGB00B03MLX29	PGAR1	-315,628.67	-315,628.67	GBP	-0.07
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-13,009,387.24</b>		<b>-2.82</b>
<b>Total Files</b>				<b>-13,009,387.24</b>		<b>-2.82</b>
<b>Total LYXOR FTSE 100 UCITS ETF</b>				<b>462,101,226.68</b>		<b>100.00</b>



# LYXOR FTSE 250 UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR FTSE 250 UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR FTSE 250 UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Equities of European Union Countries.

At least 60% of the LYXOR FTSE 250 UCITS ETF Compartment ("the Compartment") is continuously exposed in one or several markets of equities issued in one or several European Union countries including any eurozone markets.

The Compartment is an UCITS ETF type index Compartment.

### **Terms of determination and allocation of amounts available for distribution:**

The management company reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

### **Management objective:**

The Compartment's management objective is an exposure to the United Kingdom equities market by reproducing the evolution of the FTSE 250<sup>TM</sup> index (the "Benchmark Indicator"), listed in pounds sterling (GBP), while insofar as possible minimizing the tracking error between the Compartment's performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.05%.

### **Benchmark indicator:**

The Benchmark Indicator is the FTSE 250<sup>TM</sup> Gross Total Return index (gross dividends reinvested).

The Benchmark Indicator is an equities index calculated, maintained and published by the supplier of international indices, FTSE.

The Benchmark Indicator monitors the continuous evolution of the equity prices of the main companies in the United Kingdom listed on the London Stock Exchange (LSE) which are not already included in the FTSE 100<sup>TM</sup> index.

The equities in the Benchmark Indicator are weighted according to their stock market capitalisations, adjusted by the "free float" while using the FTSE free float system. No component may represent more than 15% of the index.

The FTSE methodology and its calculation method entail the index being made up of a fixed number of companies.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components will be available on the Internet site: [www.ftse.com](http://www.ftse.com).

The monitored performance is that of the Benchmark Indicator closing prices in GBP.

### **Benchmark Indicator revision and composition**

The composition of the Benchmark Indicator is reviewed quarterly.

The exact composition and the revision rules of the Benchmark Indicator are published by FTSE and available on the Internet site: [www.ftse.com](http://www.ftse.com).

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

**Benchmark Indicator publication**

The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: .TFTMC

Bloomberg code: FTPTT250

The Benchmark Indicator's closing price is available on the Internet site: [www.ftse.com](http://www.ftse.com).

**Investment strategy:**

**Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

**Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation of the European equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,
  - o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
  - o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
  - o Geographical area,
  - o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

**Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

**Securities with integrated derivatives**

None.

**Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

**Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

**Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

**Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

### **Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

### **Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

### **Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

#### **Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

#### **Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

#### **Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

#### **Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

#### **Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

#### **Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

“Events affecting the Benchmark Indicator” are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market’s actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator’s components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator’s performance.

**Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment’s counterparty in a future financial instrument), the Compartment’s net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST’s treatment in the methodology used by the Benchmark Indicator.

**Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the equities markets of United Kingdom.

The amount that it is reasonable to invest in this Compartment depends on each investor’s personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one’s investments so as to avoid an exposure only to this Compartment’s risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment’s complete prospectus and the latest annual and periodic documents are sent within one week of the bearer’s written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 23 February 2007.*
- *Mutual fund creation date: 3 April 2007.*

## Activity report

The net asset value of the LYXOR FTSE 250 UCITS ETF Compartment shows an evolution of 18.12% over the fiscal year and stands at GBP 24.6147 on 31/10/2017, meaning a fund performance of 121.40% since inception.

The fund replicates the performance of the FTSE UK Series FTSE 250 Total index, listed in pounds sterling (GBP), representative of the 250 largest British companies in terms of market capitalisation, excluding the 100 first market capitalisations.

This index has shown an evolution of 18.52% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the FTSE UK Series FTSE 250 Total index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the FTSE UK Series FTSE 250 Total index.

The equities held as assets by the Compartment will notably be equities that make up the FTSE UK Series FTSE 250 Total index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0123% for the Compartment. The level of the tracking error for the period was of 0.05%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.



## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

## Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
5.1	4.8	4.2	6.8

Portfolio rated 83%  
Nb Securities rated 191

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.8</b>	<b>25.2%</b>
	Climate Change	5.5	7.1%
	Environmental Opportunities	4.3	9.4%
	Natural Capital	4.8	4.9%
	Pollution & Waste	4.8	3.8%
<b>Social</b>		<b>4.2</b>	<b>43.5%</b>
	Human Capital	4.6	22.9%
	Product Liability	3.7	17.3%
	Social Opportunities	3.8	2.7%
	Stakeholder Opposition	2.1	0.6%
<b>Governance</b>		<b>6.8</b>	<b>29.9%</b>
	Corporate Behavior	5.3	8.4%
	Corporate Governance	7.4	21.5%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	33%
Average (A, BBB,BB)	60%
Laggards (B,CCC)	6%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	0.6%	6.9%	4.3%	4.3%	2.0%			
Consumer Staples		1.6%		0.8%	1.0%			
Energy		2.4%	0.2%	0.1%	0.8%			
Financials	2.4%	0.6%	1.6%	6.2%	3.7%	2.1%		
Health Care		1.4%	1.8%	0.7%	0.4%			
Industrials	2.3%	10.3%	6.9%	3.6%				
Information Technology			1.0%	5.4%	3.7%	1.2%		
Materials	0.3%		1.1%	3.2%	2.3%	0.3%	0.6%	
Real Estate		2.5%	2.1%	1.7%	0.3%	1.3%		
Telecommunication Services				0.9%		0.3%		
Utilities		1.3%	0.2%					

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	2%
Yellow Flag	11%
Green Flag	86%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	80%
188	273	191	Scope 1 reported (vs estimated)	100%
			Scope2 reported (vs estimated)	95%
			Scope 1 & 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

Weight of the portfolio	
Fossil Fuel Reserves	2%
Thermal Coal	0%
Natural Gas	2%
Oil	2%

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	16%
20-49.9%	5%
50-100%	4%

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;

- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	4,457,134
% of assets under management	-	-	-	-	47.78

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	BNP PARIBAS
	Amount	130,560
2	Name	GROUPE ADP
	Amount	45,539
3	Name	E.ON
	Amount	10,495
4	Name	KERING
	Amount	10,011
5	Name	KLEPIERRE
	Amount	9,615
6	Name	DANONE
	Amount	9,537
7	Name	L'OREAL
	Amount	9,386
8	Name	CNP ASSURANCES
	Amount	9,340
9	Name	BOUYGUES
	Amount	9,328
10	Name	ORANGE
	Amount	9,181

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	-	4,457,134

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	262,067
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	262,067

**3.3. Guarantee currency.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	EUR
	Amount	-	-	-	262,067

**3.4. Maturity of the securities financing operations and total return swaps.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	4,457,134
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

**3.5. Countries where the counterparties are established.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	4,457,134

**3.6. Settlement and clearing.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	4,457,134

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	262,067

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.



## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Net fixed assets</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>9,594,110.53</b>	<b>7,810,658.04</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	9,494,063.37	7,810,658.04
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	100,047.16	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>230,603.90</b>	<b>360,363.17</b>
Future foreign exchange operations	-	-
Other	230,603.90	360,363.17
<b>Financial accounts</b>	<b>0.04</b>	-
Liquidity	0.04	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>9,824,714.47</b>	<b>8,171,021.21</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 GBP	31.10.2016 GBP
<b>Shareholders' equity</b>		
• Capital	7,300,600.64	8,156,190.33
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	2,059,026.03	-321,792.69
• Earnings of the fiscal year	-30,430.36	-26,236.92
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>9,329,196.31</b>	<b>7,808,160.72</b>
<b>Financial instruments</b>	<b>262,066.64</b>	<b>135.40</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	262,066.64	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	135.40
<b>Debts</b>	<b>233,451.52</b>	<b>362,725.07</b>
Future foreign exchange operations	-	-
Other	233,451.52	362,725.07
<b>Financial accounts</b>	-	<b>0.02</b>
Current bank accommodations	-	0.02
Loans	-	-
<b>Total liabilities</b>	<b>9,824,714.47</b>	<b>8,171,021.21</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	4,457,134.08	4,406,566.08
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-30,257.67	-33,417.34
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-30,257.67</b>	<b>-33,417.34</b>
Adjustment of the fiscal year's earnings (V)	-172.69	7,180.42
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-30,430.36</b>	<b>-26,236.92</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of undertakings for collective investment in transferable securities operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of AIF operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### **Posting method for the trading fees**

The chosen method is that of included fees.

#### **Posting method of incomes from fixed income securities**

The chosen method is that of the collected coupon.

#### **Financial instruments received as collateral**

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### **Valuation methods for off-balance sheet commitments**

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

#### **Operation and management fees**

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

<b>Fees invoiced to the Compartment</b>	<b>Basis</b>	<b>Schedule, rate</b>
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.35% per year including tax
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### **Accounting currency**

The Compartment's accounting is carried out in pounds sterling (GBP).

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The management company reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

# appendix



## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	GBP	GBP
<b>Net assets at the start of the fiscal year</b>	<b>7,808,160.72</b>	<b>10,569,224.07</b>
Subscriptions (including subscription commission acquired by the CIU)	102,415.68	9,751,234.01
Redemptions (less the redemption commission acquired by the CIU)	-	-13,021,076.02
Capital gains generated on deposits and financial instruments	2,202,818.96	1,251,937.99
Capital losses generated on deposits and financial instruments	-330,594.78	-2,020,266.23
Capital gains generated on financial contracts	16,862,614.44	33,014,742.44
Capital losses generated on financial contracts	-16,802,663.89	-34,316,584.35
Negotiation fees	-	-
Exchange differentials	-463,015.80	2,250,290.07
Changes to the estimate difference of the deposits and financial instruments:	-120,463.91	363,393.71
- <i>Estimate difference fiscal year N</i>	281,541.57	402,005.48
- <i>Estimate difference fiscal year N-1</i>	402,005.48	38,611.77
Changes to the estimate difference of financial contracts:	100,182.56	-1,317.63
- <i>Estimate difference fiscal year N</i>	100,047.16	-135.40
- <i>Estimate difference fiscal year N-1</i>	-135.40	1,182.23
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-30,257.67	-33,417.34
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>9,329,196.31</b>	<b>7,808,160.72</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR FTSE 250 UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	4,457,134.08	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.04
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.04	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	4,457,134.08	-	-	-

LYXOR FTSE 250 UCITS ETF  
(compartment of the Multi Units France mutual fund)

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	EUR	JPY	SEK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	6,649,443.08	2,387,701.10	306,230.87	150,688.32
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	262,066.64	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>230,603.90</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Account receivable	230,603.90
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>233,451.52</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	230,603.90
Accrued expenses	2,847.62
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	4,300	102,415.68	-	-
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the CIU		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.35</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	<b>100,047.16</b>

**3.10 Allocation of the earnings table** *(in the CIU's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	GBP	GBP
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-30,430.36	-26,236.92
<b>Total</b>	<b>-30,430.36</b>	<b>-26,236.92</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-30,430.36	-26,236.92
<b>Total</b>	<b>-30,430.36</b>	<b>-26,236.92</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the CIU's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
	GBP	GBP
<b>Allocation of the net capital gains and losses</b>		
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	2,059,026.03	-321,792.69
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>2,059,026.03</b>	<b>-321,792.69</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	2,059,026.03	-321,792.69
<b>Total</b>	<b>2,059,026.03</b>	<b>-321,792.69</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the mutual fund during the last 5 fiscal years**

Currency GBP	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>9,329,196.31</b>	7,808,160.72	10,569,224.07	9,661,340.84	11,281,748.92
<b>Number of outstanding equities</b>	<b>379,008</b>	374,708	532,308	549,708	657,708
<b>Net asset value</b>	<b>24.6147</b>	20.8379	19.8554	17.5754	17.1531
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>5.35</b>	-0.92	1.19	2.38	3.25

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Mutual fund creation date: 3 April 2007.



## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0011540547	ABN AMRO GROUP N.V.	PROPRE	694.00	16,142.64	EUR	0.17
DE000A1EWWW0	ADIDAS NOM	PROPRE	684.00	114,637.45	EUR	1.23
FR0010340141	ADP	PGARAN	359.00	45,539.28	EUR	0.49
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	6,504.00	500,669.38	EUR	5.37
NL0011333760	ALTICE NV	PROPRE	22,207.00	315,398.86	EUR	3.38
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	3,173.00	292,408.17	EUR	3.13
JP3711200000	AOZORA BANK	PROPRE	880.00	25,805.90	JPY	0.28
JP3112000009	ASAHI GLASS CO LTD	PROPRE	12,803.00	375,870.82	JPY	4.03
ES0113900J37	BANCO SANTANDER SA	PROPRE	16,585.00	84,719.95	EUR	0.91
DE000BASF111	BASF SE	PROPRE	566.00	46,484.53	EUR	0.50
DE000BAY0017	BAYER AG	PROPRE	2,904.00	284,559.55	EUR	3.05
FR0000131104	BNP PARIBAS	PGARAN	2,220.00	130,560.06	EUR	1.40
FR0000120503	BOUYGUES	PGARAN	258.00	9,328.21	EUR	0.10
JP3519400000	CHUGAI PHARM	PROPRE	24,019.00	859,551.35	JPY	9.21
FR0000120222	CNP ASSURANCES	PGARAN	533.00	9,339.80	EUR	0.10
DE000CBK1001	COMMERZBANK	PROPRE	601.00	6,202.83	EUR	0.07
DE0006062144	COVESTRO AG	PROPRE	4,476.00	323,392.39	EUR	3.47
DE0007100000	DAIMLER	PROPRE	9,149.00	572,170.71	EUR	6.13
FR0000120644	DANONE	PGARAN	155.00	9,537.20	EUR	0.10
DE0005140008	DEUTSCHE BANK AG-NOM	PROPRE	34,153.00	417,952.03	EUR	4.48
DE0005557508	DEUTSCHE TELEKOM AG-NOM	PROPRE	19,580.00	268,641.32	EUR	2.88
DE000ENAG999	E.ON SE	PGARAN	1,181.00	10,495.01	EUR	0.11
DE000ENAG999	E.ON SE	PROPRE	34,873.00	309,900.40	EUR	3.32
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	6,763.00	425,444.08	EUR	4.56
CH001221405E	HOLCIM LTD-NOM EUR	PROPRE	1,579.00	67,042.60	EUR	0.72

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
NL0011821202	ING GROUP NV	PROPRE	17,453.00	242,826.82	EUR	2.60
JP3726800000	JAPAN TOBACCO INC	PROPRE	12,918.00	320,776.18	JPY	3.44
SE0000806994	JM AB	PROPRE	14,808.00	294,230.99	SEK	3.15
FR0000121485	KERING	PGARAN	29.00	10,010.74	EUR	0.11
FR0000121964	KLEPIERRE	PGARAN	321.00	9,615.14	EUR	0.10
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	16,809.00	238,216.71	EUR	2.55
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	3,635.00	111,464.64	EUR	1.19
CH0012214059	LAFARGEHOLCIM LTD	PROPRE	2,907.00	123,752.88	CHF	1.33
FR0000120321	L'OREAL SA	PGARAN	56.00	9,385.52	EUR	0.10
JP3201200007	OLYMPUS CORP	PROPRE	10,931.00	303,526.81	JPY	3.25
FR0000133308	ORANGE	PGARAN	743.00	9,180.56	EUR	0.10
JP3188200004	OTSUKA	PROPRE	746.00	38,067.35	JPY	0.41
FR0013269123	RUBIS SCA	PGARAN	192.00	9,075.12	EUR	0.10
DE0007164600	SAP SE	PROPRE	3,611.00	309,362.44	EUR	3.32
JP3420600003	SEKISUI HOUSE LTD	PROPRE	2,047.00	28,637.11	JPY	0.31
JP3436100006	SOFTBANK GROUP CORP	PROPRE	6,606.00	435,465.58	JPY	4.67
SE0000242455	SWEDBANK A SHS A	PROPRE	642.00	11,999.88	SEK	0.13
CH0008742519	SWISSCOM N	PROPRE	25.00	9,518.90	CHF	0.10
DE000UNSE018	UNIPER SE	PROPRE	17,666.00	373,799.66	EUR	4.01
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	1,338.00	182,989.26	EUR	1.96
DE000A1ML7J1	VONOVIA SE NAMEN AKT	PROPRE	26,274.00	870,325.20	EUR	9.33
NL0000395903	WOLTERS KLUWER CVA	PROPRE	342.00	12,624.82	EUR	0.14
AU000000WOR2	WORLEY GROUP	PROPRE	2,153.00	17,416.54	AUD	0.19
<b>Total Equity</b>				<b>9,494,063.37</b>		<b>101.77</b>
<b>Total Investment Securities</b>				<b>9,494,063.37</b>		<b>101.77</b>
<b>Interest rate swap</b>						
SWAP03598547	FEES LEG GBP LYX ETF	PROPRE	1.00	2,847.65	GBP	0.03
SWAP03598590	INDEX LEG GBP LYX ET	PROPRE	4,457,134.08	9,329,196.25	GBP	100.00
SWAP03598577	VRAC LEG LYX ETF FTS	PROPRE	4,457,134.08	-9,231,996.74	GBP	-98.96
<b>Total Interest rate swap</b>				<b>100,047.16</b>		<b>1.07</b>

LYXOR FTSE 250 UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Cash</i>						
<i>AT BANK OR PENDING</i>						
	RECEIVABLE ON SWAP	PROPRE	0.00	230,603.90	GBP	2.47
	DEF. PURCHASES GBP SECURITIES	PROPRE	0.00	-230,603.90	GBP	-2.47
	GBP SGP BANK	PROPRE	0.00	0.04	GBP	0.00
<i>Total AT BANK OR PENDING</i>				<i>0.04</i>		<i>0.00</i>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-2,847.62	GBP	-0.03
<i>Total MANAGEMENT FEES</i>				<i>-2,847.62</i>		<i>-0.03</i>
<i>Total Cash</i>				<i>-2,847.58</i>		<i>-0.03</i>
<i>Files</i>						
<i>AD1 REME: Deposit of Collateral (File)</i>						
PDC-02060149	PDC LYXODE000ENAG999	PGAR1	-11,963.53	-10,495.01	EUR	-0.11
PDC-02060139	PDC LYXOFR0000120222	PGAR1	-10,646.68	-9,339.80	EUR	-0.10
PDC-02060166	PDC LYXOFR0000120321	PGAR1	-10,698.80	-9,385.52	EUR	-0.10
PDC-02060134	PDC LYXOFR0000120503	PGAR1	-10,633.47	-9,328.21	EUR	-0.10
PDC-02060145	PDC LYXOFR0000120644	PGAR1	-10,871.70	-9,537.20	EUR	-0.10
PDC-02060155	PDC LYXOFR0000121485	PGAR1	-11,411.50	-10,010.74	EUR	-0.11
PDC-02060160	PDC LYXOFR0000121964	PGAR1	-10,960.55	-9,615.14	EUR	-0.10
PDC-02060128	PDC LYXOFR0000131104	PGAR1	-148,828.80	-130,560.06	EUR	-1.40
PDC-02060172	PDC LYXOFR0000133308	PGAR1	-10,465.16	-9,180.56	EUR	-0.10
PDC-02060122	PDC LYXOFR0010340141	PGAR1	-51,911.40	-45,539.28	EUR	-0.49
PDC-02060177	PDC LYXOFR0013269123	PGAR1	-10,344.96	-9,075.12	EUR	-0.10
<i>Total AD1 REME: Deposit of Collateral (File)</i>				<i>-262,066.64</i>		<i>-2.81</i>
<i>Total Files</i>				<i>-262,066.64</i>		<i>-2.81</i>
<b>Total LYXOR UCITS ETF FTSE 250</b>				<b>9,329,196.31</b>		<b>100.00</b>

# LYXOR KUWAIT (FTSE COAST KUWAIT 40) UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR KUWAIT (FTSE COAST KUWAIT 40) UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR UCITS ETF KUWAIT (FTSE COAST KUWAIT 40) is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International equities.

At least 60% of the LYXOR KUWAIT (FTSE COAST KUWAIT 40) UCITS ETF (the "Compartment") is continuously exposed in one or several foreign equity markets or in equity markets of several countries, including possibly the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

The Board of directors will take all necessary measures to be eligible for the "Distributing Status" (section 760 ICTA) in the United Kingdom. The fund will distribute at least 85% of its earnings (including the "UK equivalent profits") and will ask the HMRC for "Distributing Status" (status as a distributor).

### Management objective:

The Compartment's management objective is an exposure to the Kuwaiti equities market by reproducing the evolution of the FTSE COAST KUWAIT 40™ index (the "Benchmark Indicator"), listed in Kuwaiti Dinar (KWD), while insofar as possible minimizing the tracking error between the Compartment's performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.50%.

### Benchmark indicator:

The Benchmark indicator is the FTSE COAST KUWAIT 40™ index, increased by the dividends possibly collected by the Compartment pursuant to the holding of the equities comprising the Benchmark Indicator.

The Benchmark Indicator is an index that monitors the continuous evolution of the 40 main companies listed in the Kuwait Stock Exchange, after having taken account of their liquidity. The equities in the Benchmark Indicator are weighted according to their stock market capitalisations, adjusted by their free float.

The Benchmark Indicator is an equities index calculated, maintained and published by the supplier of international indices, FTSE.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as informations on the composition and the respective weights of components of the Benchmark Indicator will be available at the following Internet site: [www.ftse.com](http://www.ftse.com)

The monitored performance is that of the index closing prices.

### Benchmark Indicator revision and composition

The composition of the Benchmark Indicator is reviewed twice a year, based on data from the last Trading Day of March and September. Modifications take effect on the third Wednesday in April and October. The Benchmark Indicator is revised in accordance with FTSE's rules.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

### **Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price on Monday, Tuesday, Wednesday and Thursday, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is available via Reuters and Bloomberg.

Reuters code: .FTGPCST001

Bloomberg code: GPCST001

### **Investment strategy:**

#### **Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets. The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed up to 20% of its assets in equities from a single issuing entity. This 20% limit will be checked on each rebalancing date of the Benchmark Indicator, in application of the Benchmark Indicator's calculation method that limits the exposure to each equities of a single issuing entity to 20%, and for which the calculation is carried out by the sponsor or the calculation agent of the Benchmark Indicator.

This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument or of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

In the present case, the financial manager by delegation intends to primarily use the following assets:

#### **Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation of the international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,
  - o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
  - o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
  - o Geographical area,
  - o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

#### **Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

#### **Securities with integrated derivatives**

None.

#### **Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

#### **Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

#### **Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

#### **Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

#### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

#### **Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

#### **Risk profile:**

Through the Compartment, the shareholder is primarily exposed to the following risks:

##### **Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

##### **Risk related to low diversification of the index**

The Benchmark Indicator to which the investors are exposed covers a given region, area or strategy and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment's underlyings.

##### **Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.



### **Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

### **Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

### **Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty.

In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

### **Risk related to the exposure to Emerging markets**

The Compartment's exposure to emerging markets results in a greater risk of loss than would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the Benchmark Indicator.

### **Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

### **Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

### **Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

### **Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

### **Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

### **Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

### **Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this index or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

### **Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the reference index.

### **Exchange risk linked to the Compartment (KWD/USD)**

The abovementioned Compartment is exposed to an exchange risk to the extent that it is listed in a currency other than that of the Benchmark Indicator. The net asset value of the abovementioned Compartment can therefore decrease due to fluctuating exchange rates even though the value of the Benchmark Indicator has increased.

### **Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

### **Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the equities market of Kuwait.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the COB (French market regulator): 13 May 2008.*
- *Mutual fund creation date: 18 June 2008.*

## Activity report

The net asset value of the LYXOR KUWAIT (FTSE COAST KUWAIT 40) UCITS ETF Compartment shows an evolution of 25.17% over the fiscal year and stands at USD 20.184 on 31/10/2017, meaning a fund performance of -61.51% since inception.

The fund replicates the performance of the FTSE Coast Kuwait 40 Idx index, listed in Kuwaiti Dinar (KWD), representative of the Kuwaiti stock market.

This index has shown an evolution of -21.60% over the fiscal year. The class not being valued to the index currency, the evolution of its net asset value is subject to the exchange risk. During the fiscal year, the USD decreased by 0.18% compared to the KWD.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the FTSE Coast Kuwait 40 Idx index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the FTSE Coast Kuwait 40 Idx index.

The equities held as assets by the Compartment will notably be equities that make up the FTSE Coast Kuwait 40 Idx index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.7037% for the Compartment. The level of the tracking error for the period was of 0.75%.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

### Regulatory information

#### Transfer commission *(not audited by the auditor)*

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-18-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy.
- Sustainability to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products.
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy.
- MSCI and Sustainalytics ESG research to integrate ESG issues.
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.

This document is solely intended for investors qualified as "eligible counterparties" or "professional clients" as defined in MIFID (Directive 2004/39/EC).

This document is for informational purposes only and does not constitute, on the portfolio management company, an offer to buy or sell or a solicitation or investment advice, and must not be used as a basis or be taken into account for any contract or commitment.

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Lyxor International Asset Management (LIAM) is a portfolio management company regulated by the Autorité des marchés financiers to conduct investment business in compliance with provisions of the UCITS (2009/65/CE) and AIFM (2011/61/EU) Directives. Société Générale is a French credit institution approved by the Autorité de contrôle prudentiel et de résolution.

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;

- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	11,900,335
% of assets under management	-	-	-	-	195.05

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	FREENET
	Amount	57,427
2	Name	AMUNDI
	Amount	26,055
3	Name	BARCLAYS
	Amount	19,656
4	Name	MICHELIN
	Amount	18,133
5	Name	DEUTSCHE BORSE
	Amount	14,278
6	Name	KERING
	Amount	7,477
7	Name	GROUPE PSA
	Amount	6,782
8	Name	VEOLIA ENVIRONNEMENT
	Amount	6,753
9	Name	BOUYGUES
	Amount	6,594
10	Name	CNP ASSURANCES
	Amount	6,112

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	11,900,335

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	169,267
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	169,267

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	149,611
2	Currency		-	-	-	GPB
	Amount		-	-	-	19,656

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	11,900,335
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	11,900,335

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	11,900,335

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	169,267

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.



**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>6,273,937.01</b>	<b>5,441,698.79</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	6,130,947.52	5,441,698.79
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	142,989.49	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>106,184.20</b>	-
Future foreign exchange operations	-	-
Other	106,184.20	-
<b>Financial accounts</b>	<b>0.37</b>	<b>0.33</b>
Liquidities	0.37	0.33
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>6,380,121.58</b>	<b>5,441,699.12</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	5,509,745.74	6,078,118.80
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	630,712.03	-702,003.80
• Earnings of the fiscal year	-39,358.92	-34,398.86
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>6,101,098.85</b>	<b>5,341,716.14</b>
<b>Financial instruments</b>	<b>169,266.87</b>	<b>97,116.84</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	169,266.87	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	97,116.84
<b>Debts</b>	<b>109,755.34</b>	<b>2,865.77</b>
Future foreign exchange operations	-	-
Other	109,755.34	2,865.77
<b>Financial accounts</b>	<b>0.52</b>	<b>0.37</b>
Current bank accommodations	0.52	0.37
Loans	-	-
<b>Total liabilities</b>	<b>6,380,121.58</b>	<b>5,441,699.12</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	11,900,334.88	12,272,284.77
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-41,999.96	-38,870.18
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-41,999.96</b>	<b>-38,870.18</b>
Adjustment of the fiscal year's earnings (V)	2,641.04	4,471.32
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-39,358.92</b>	<b>-34,398.86</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial manager by delegation.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.65% per year including tax
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros (EUR).

# appendix



**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

The Board of directors will take all necessary measures to be eligible for the "Distributing Status" (section 760 ICTA) in the United Kingdom. The fund will distribute at least 85% of its earnings (including the "UK equivalent profits") and will ask the HMRC for "Distributing Status" (status as a distributor).

# appendix

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>5,341,716.14</b>	<b>12,384,812.94</b>
Subscriptions (including subscription commission acquired by the CIU)	1,118,555.49	2,256,660.00
Redemptions (less the redemption commission acquired by the CIU)	-1,195,148.01	-9,348,736.99
Capital gains generated on deposits and financial instruments	1,776,298.08	1,117,834.99
Capital losses generated on deposits and financial instruments	-297,000.04	-1,443,445.04
Capital gains generated on financial contracts	14,500,887.61	18,938,740.16
Capital losses generated on financial contracts	-15,255,478.61	-19,041,510.26
Negotiation fees	-	-
Exchange differentials	142,609.57	27,484.87
Changes to the estimate difference of the deposits and financial instruments:	55,771.39	154,043.21
- <i>Estimate difference fiscal year N</i>	236,263.53	180,492.14
- <i>Estimate difference fiscal year N-1</i>	180,492.14	26,448.93
Changes to the estimate difference of financial contracts:	240,106.33	55.17
- <i>Estimate difference fiscal year N</i>	142,989.49	-97,116.84
- <i>Estimate difference fiscal year N-1</i>	-97,116.84	-97,172.01
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-41,999.96	-38,870.18
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	*334,647.27
<b>Net assets at the end of the fiscal year</b>	<b>6,101,098.85</b>	<b>5,341,716.14</b>

\* Impact linked to the change in currency from USD to EUR on 05/09/2016.

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	11,900,334.88	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.37
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.52
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.37	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.52	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	11,900,334.88	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	JPY	CHF	SEK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	2,365,879.85	338,391.84	233,976.81	32,616.23
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	0.37
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	19,655.90
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	<b>106,184.20</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	106,184.20
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>109,755.34</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Account payable	106,184.20
Accrued expenses	3,571.14
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	60,994	1,118,555.49	72,000	1,195,148.01
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the CIU		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.65</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU	-
- other financial instruments	<b>142,989.49</b>

**3.10 Allocation of the earnings table** *(in the CIU's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	USD
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-39,358.92	-34,398.86
<b>Total</b>	<b>-39,358.92</b>	<b>-34,398.86</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-39,358.92	-34,398.86
<b>Total</b>	<b>-39,358.92</b>	<b>-34,398.86</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the CIU's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	USD
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	630,712.03	-702,003.80
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>630,712.03</b>	<b>-702,003.80</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	630,712.03	-702,003.80
<b>Total</b>	<b>630,712.03</b>	<b>-702,003.80</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-



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**3.12 Table of the earnings and other characteristic elements of the mutual fund during the last 5 fiscal years**

currency EUR	EUR 31.10.2017	EUR 31.10.2016	USD 30.10.2015	USD 31.10.2014	USD 31.10.2013
<b>Net assets</b>	<b>6,101,098.85</b>	5,341,716.14	13,576,231.94	17,879,931.58	16,188,787.81
<b>Number of outstanding equities</b>	<b>352,131</b>	363,137	777,037	748,492	683,492
<b>Net asset value</b>	<b>17.3262</b>	14.7099	17.4717	23.8879	23.6854
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>1.67</b>	-2.02	-7.17	4.08	1.10

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Mutual fund creation date: 18 June 2008.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0011540547	ABN AMRO GROUP N.V.	PROPRE	280.00	7,424.20	EUR	0.12
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	3,799.00	333,362.25	EUR	5.46
DE0008404005	ALLIANZ SE-NOM	PROPRE	146.00	29,105.10	EUR	0.48
FR0004125920	AMUNDI SA	PGARAN	358.00	26,055.24	EUR	0.43
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	3,200.00	336,160.00	EUR	5.51
GB0031348658	BARCLAYS PLC	PGARAN	9,273.00	19,655.90	GBP	0.32
DE000BAY0017	BAYER AG	PROPRE	638.00	71,264.60	EUR	1.17
FR0000120503	BOUYGUES	PGARAN	160.00	6,594.40	EUR	0.11
FR0000120222	CNP ASSURANCES	PGARAN	306.00	6,112.35	EUR	0.10
DE0006062144	COVESTRO AG	PROPRE	388.00	31,955.68	EUR	0.52
DE0005140008	DEUTSCHE BANK AG-NOM	PROPRE	9,099.00	126,931.05	EUR	2.08
DE0005810055	DEUTSCHE BOERSE AG	PGARAN	161.00	14,277.48	EUR	0.23
DE0005810055	DEUTSCHE BOERSE AG	PROPRE	1,461.00	129,561.48	EUR	2.12
DE0005557508	DEUTSCHE TELEKOM AG-NOM	PROPRE	2,422.00	37,880.08	EUR	0.62
ES0130960018	ENAGAS	PROPRE	1,809.00	44,736.57	EUR	0.73
DE000A0Z2ZZ5	FREENET	PGARAN	2,002.00	57,427.37	EUR	0.94
DE000A0Z2ZZ5	FREENET	PROPRE	2,510.00	71,999.35	EUR	1.18
DE0005785802	FRESENIUS MEDICAL CARE AG & CO	PROPRE	985.00	81,774.70	EUR	1.34
CH0030170408	GEBERIT AG-NOM	PROPRE	11.00	4,277.99	CHF	0.07
DE0006048432	HENKEL KGAA VZ PFD	PROPRE	2,195.00	264,497.50	EUR	4.34
ES0118594417	INDRA SISTEMAS SA	PROPRE	1,550.00	19,127.00	EUR	0.31
NL0011821202	ING GROUP NV	PROPRE	5,596.00	88,752.56	EUR	1.45
SE0000806994	JM AB	PROPRE	8,317.00	188,380.23	SEK	3.09
BE0003565737	KBC GROUPE	PROPRE	232.00	16,543.92	EUR	0.27
FR0000121485	KERING	PGARAN	19.00	7,476.50	EUR	0.12

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	15,018.00	242,615.79	EUR	3.98
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	8,257.00	288,623.44	EUR	4.73
CH0010570767	LINDT AND SPRUENGLI PS	PROPRE	9.00	44,759.73	CHF	0.73
ES0152503035	MEDIASET ESPANA COMUNICACION SA	PROPRE	3,830.00	35,741.56	EUR	0.59
FR0000121261	MICHELIN (CGDE)-SA	PGARAN	146.00	18,133.20	EUR	0.30
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	PROPRE	463.00	88,919.15	EUR	1.46
JP3733400000	NIPPON ELECTRIC GLASS	PROPRE	9,330.00	324,572.00	JPY	5.32
JP3165650007	NTT DOCOMO INC	PROPRE	11,878.00	245,953.00	JPY	4.03
JP3201200007	OLYMPUS CORP	PROPRE	16,568.00	524,425.59	JPY	8.60
CH0024608827	PARTNERS GROUP HOLDING N	PROPRE	233.00	134,639.17	CHF	2.21
FR0000121501	PEUGEOT SA	PGARAN	333.00	6,781.55	EUR	0.11
JP3780610006	PILOT	PROPRE	2,610.00	112,583.92	JPY	1.85
JP3780200006	PIONEER CORP	PROPRE	8,988.00	14,869.86	JPY	0.24
BE0003810273	PROXIMUS SA DE DROIT PUBLIC	PROPRE	1,963.00	55,965.13	EUR	0.92
ES0173516115	REPSOL	PROPRE	1,527.00	24,561.80	EUR	0.40
JP3983600002	ROYAL HOLDINGS CO	PROPRE	1,786.00	39,505.02	JPY	0.65
DE0007164600	SAP SE	PROPRE	748.00	73,049.68	EUR	1.20
JP3494600004	SCREEN HOLDINGS CO LTD	PROPRE	5,314.00	353,669.19	JPY	5.80
DE0007236101	SIEMENS AG-NOM	PROPRE	389.00	47,652.50	EUR	0.78
JP3436100006	SOFTBANK GROUP CORP	PROPRE	3,528.00	265,106.55	JPY	4.35
DE000A2GS401	SOFTWARE AG	PROPRE	629.00	27,493.59	EUR	0.45
JP3435000009	SONY CORP	PROPRE	14,554.00	485,194.72	JPY	7.95
SE0000242455	SWEDBANK A SHS A	PROPRE	2,140.00	45,596.58	SEK	0.75
DK0010311471	SYDBANK	PROPRE	387.00	12,960.33	DKK	0.21
FR0000124141	VEOLIA ENVIRONNEMENT	PGARAN	332.00	6,752.88	EUR	0.11
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	1,819.00	283,582.10	EUR	4.65
DE000A1ML7J1	VONOVIA SE NAMEN AKT	PROPRE	4,004.00	151,191.04	EUR	2.48
CH0011075394	ZURICH INSURANCE GROUP AG	PROPRE	590.00	154,714.95	CHF	2.54
<b>Total Equity</b>				<b>6,130,947.52</b>		<b>100.49</b>
<b>Total Investment Securities</b>				<b>6,130,947.52</b>		<b>100.49</b>

LYXOR KUWAIT (FTSE COAST KUWAIT 40) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Interest rate swap</i>						
SWAP03599298	FEES LEG USD LYX ETF	PROPRE	1.00	3,571.49	EUR	0.06
SWAP03599299	INDEX LEG USD LYX ET	PROPRE	11,900,334.88	6,101,098.64	EUR	100.00
SWAP03599297	VRAC LEG LYX ETF KUW	PROPRE	11,900,334.88	-5,961,680.64	EUR	-97.71
<i>Total Interest rate swap</i>				<b>142,989.49</b>		<b>2.34</b>
<i>Cash</i>						
<i>AT BANK OR PENDING</i>						
	PAYABLE ON SWAP	PROPRE	0.00	-106,184.20	EUR	-1.74
	EUR SGP BANK	PROPRE	0.00	-0.52	EUR	-0.00
	USD SGP BANK	PROPRE	0.00	0.37	USD	0.00
	DEF. SALES EUR SECURITIES	PROPRE	0.00	106,184.20	EUR	1.74
<i>Total AT BANK OR PENDING</i>				<b>-0.15</b>		<b>-0.00</b>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-3,571.14	EUR	-0.06
<i>Total MANAGEMENT FEES</i>				<b>-3,571.14</b>		<b>-0.06</b>
<i>Total Cash</i>				<b>-3,571.29</b>		<b>-0.06</b>
<i>Files</i>						
<i>AD1 REME: Deposit of Collateral (File)</i>						
PDC-02061042	PDC LYXODE000A0Z2ZZ5	PGAR1	-57,427.37	-57,427.37	EUR	-0.94
PDC-02061037	PDC LYXODE0005810055	PGAR1	-14,277.48	-14,277.48	EUR	-0.23
PDC-02061033	PDC LYXOFR0000120222	PGAR1	-6,112.35	-6,112.35	EUR	-0.10
PDC-02061028	PDC LYXOFR0000120503	PGAR1	-6,594.40	-6,594.40	EUR	-0.11
PDC-02061050	PDC LYXOFR0000121261	PGAR1	-18,133.20	-18,133.20	EUR	-0.30
PDC-02061047	PDC LYXOFR0000121485	PGAR1	-7,476.50	-7,476.50	EUR	-0.12
PDC-02061055	PDC LYXOFR0000121501	PGAR1	-6,781.55	-6,781.55	EUR	-0.11
PDC-02061060	PDC LYXOFR0000124141	PGAR1	-6,752.88	-6,752.88	EUR	-0.11
PDC-02061018	PDC LYXOFR0004125920	PGAR1	-26,055.24	-26,055.24	EUR	-0.43
PDC-02061023	PDC LYXOGB0031348658	PGAR1	-17,243.14	-19,655.90	GBP	-0.32
<i>Total AD1 REME: Deposit of Collateral (File)</i>				<b>-169,266.87</b>		<b>-2.77</b>
<i>Total Files</i>				<b>-169,266.87</b>		<b>-2.77</b>
<b>Total LYXOR UCITS ETF KUWAIT</b>				<b>6,101,098.85</b>		<b>100.00</b>

# LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF

**rapport**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International bonds and other debt securities.

The LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF Compartment (hereafter the “**Compartment**”) is continuously exposed to rate securities listed in currencies other than euros (and possibly to rate securities listed in euros).

The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

Class of D-USD and Monthly Hedged D-EUR equities: The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year.

### Management objective:

The Compartment’s management objective is to replicate, upwards and downwards, the evolution of the Markit Iboxx USD Treasuries 10+ Mid Price TCA index (the “**Benchmark Indicator**”), listed in US Dollars (USD) and representative of the American government bonds (“**Treasury bonds**”) with maturities of more than 10 years, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator..

The Compartment also uses a monthly currency hedging strategy in order to reduce the impact of fluctuations in the Euro (EUR) exchange rate against each of the securities comprising the Benchmark Index, specific to the category of the Monthly Hedged D-EUR equities.

The anticipated level of the ex-post tracking error under normal market conditions is 0.10%.

### Benchmark indicator:

The Benchmark Indicator of the Compartment is the Markit Iboxx USD Treasuries 10+ Mid Price TCA index.

The Benchmark Indicator is a “**Total Return**” type index (i.e. all coupons detached by the components of the index are reinvested in the Benchmark Indicator).

The Benchmark Indicator represents American treasury bills with a maturity of more than 10 years, within the Markit iBoxx USD family of indices, an indicator of the main segments of the bond market listed in USD.

The Benchmark Indicator is compiled, administered and managed by Markit.

On 31 August 2010, the price of each bond included in the index is provided by 10 major financial institutions: Barclays Capital, BNP Paribas, Deutsche Bank, Dresdner Kleinwort, Goldman Sachs, HSBC, JP Morgan, Morgan Stanley, the Royal Bank of Scotland and UBS.

The Markit methodology and its calculation method require the Benchmark Indicator to be made up of a variable number of companies. On 24/08/2010 the Benchmark Indicator included 35 constituents.

The complete methodology for the Benchmark Indicator is available on the site [www.markit.com](http://www.markit.com).

The monitored performance is that of the closing prices of the Benchmark Indicator.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the following Internet site: [www.markit.com/](http://www.markit.com/).

### **Methodology**

The Benchmark Indicator is calculated at the end of each trading day, at 3 p.m. New York time.

The Benchmark Indicator is calculated on the basis of iBoxx prices consolidated on each Benchmark Indicator trading day, as defined in the calendar for iBoxx USD indices calculation, which is compliant with the recommendations of the Bond Market Association (BMA).

The Benchmark Indicator is calculated every trading day in line with the recommendations of the BMA, as well as on the last calendar day of each month.

On each day of price consolidation, the end-of-day buy and sell prices are received by the banks which participate in the Markit iBoxx USD indices, then the calculation of the Benchmark Indicator takes place. The Benchmark Indicator data is published and distributed approximately 2 hours after the contributed prices are received.

### **Benchmark Indicator publication**

The Benchmark Indicator price is fixed daily and available through Reuters and Bloomberg.

Reuters code: .IBXXABXJ

Bloomberg code: IBXXABXJ

The Benchmark Indicator's closing price is available on the Internet site: [www.markit.com/indices](http://www.markit.com/indices)

### **Benchmark Indicator revision**

The Benchmark Indicator's composition is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available on the Markit iBoxx Limited Internet site: [www.markit.com/indices](http://www.markit.com/indices).

## **Investment strategy:**

### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its delegated asset manager, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of 'balance sheet' assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's website at [www.lyxoretf.com](http://www.lyxoretf.com). The frequency of any updates and/or the date on which the aforementioned information is updated is also indicated on the same page of the aforementioned website.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the Compartment is managed:	Between 9 and 25
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 10% of net assets Others: from 0 to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: United States of America : from 0 to 100% of net assets Emerging countries: 0% of net assets

In the present case, the manager intends to use primarily the following assets:

## **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, financial instruments of any kind.

The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

Investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

## **3. Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

## **4. Securities with integrated derivatives**

None.

## **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

## **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

## **7. Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities. Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.

Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

For this purpose the management company may appoint an intermediary (hereinafter the "Agent") to provide the following services in connection with the Compartment's temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment's behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment's behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.



The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.

These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment's management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment's gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment's annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment's overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment's annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment's counterparty risk, and;
- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) any non-cash guarantee received must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including liquidity, short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;

(iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;

(iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;

(v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;

(vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

The financial guarantees received on another form than cash will not be sold, reinvested or pledged.

The guarantees received in cash will be, at the manager discretion:

(v) Placed as a deposit to an approved institution;

(vi) Invested in government bonds of highest grade;

(vii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;

(viii) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

#### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment in the event of temporary securities transactions.. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

An additional discount may be applied to guarantees received in another currency than the euro.

#### **Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

(i) Placed as a deposit to an approved institution;

(ii) Invested in government bonds of highest grade;

(iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;

(iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

#### **Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

##### **- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

##### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**- Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and derivatives. The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument ("FFI")) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected.

Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the equities of the Compartment on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment may use FFI on an ancillary basis. In such a case, the Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter. In compliance with the UCITS regulations, the counterparty risk cannot exceed 10% of the total value of the Compartment's assets by counterparty.

When Société Générale is involved as a counterparty of the FFIs and/or a temporary securities transaction, conflicts of interest can arise between the Compartment's Management Company and the counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk arising from temporary securities transactions**

If a borrower of securities defaults on its obligation there could be a risk that the value of the guarantee received by the Compartment is less than the value of the securities lent. This risk could arise, for example, in the event of (i) an inaccurate valuation of the securities lent and/or (ii) unfavourable market movements and/or (iii) the lowering of the credit rating(s) of the issuer(s) of securities taken as guarantee and/or (iv) the illiquidity of the market in which the guarantees received are listed. If cash guarantees are reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Compartment to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of guarantees the Compartment must repay. The Compartment could also fail to receive the securities lent by the date specified, which would diminish its capacity to accommodate investor redemptions.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or its FFI's counterparty), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the Benchmark Indicator is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the Benchmark Indicator makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a FFI), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Risk related to the use of derivative instruments**

In order to achieve its investment objective, the Compartment can enter into transactions involving over-the-counter Future Financial Instrument (FFI), such as swaps, in order to secure the performance of the Benchmark Indicator. These FFI involve various risks, such as counterparty risk, hedging disruption, Benchmark Indicator disruption, taxation risk, regulatory risk, operational risk and liquidity risk. These risks can materially affect an FFI and may require an adjustment of the FFI transaction or even its premature termination, which could adversely affect the Compartment's net asset value.

**- Exchange risk linked to the Monthly Hedged D-EUR equity classes**

In order to cover the EUR/USD currency exposure on the Monthly Hedged D-EUR equity class, the Compartment uses a hedging strategy enabling it to reduce the impact of variations between the currency of the Benchmark Indicator and the currency of the equity class. The daily implementation of this coverage and its imperfection means that Monthly Hedged D-EUR equity class may be subject to costs or downward market movements which may impact upon their net asset value.

**- Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure, whether upward or downward, to the main sections of the market for long-term bonds listed in USD.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is greater than 3 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 5 November 2010.*
- *Compartment creation date: 10 November 2010.*

## Activity report

The net asset value of the D-USD unit of the LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF Compartment shows an evolution of 2.28% over the fiscal year (dividends reinvested) and stands at USD 140.2143 on 31/10/2017, meaning a fund performance of 48.89% since inception (dividends reinvested).

The net asset value of the MONTHLY HEDGED D-EUR unit of the LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF Compartment shows an evolution of 3.46% between the 03/02/2017 and 31/10/2017 and stands at USD 103.4566 on 31/10/2017, meaning a fund performance of 4.82% since inception.

The fund replicates the performance of the Markit iBoxx USD Treasuries 10 index, listed in US dollars (USD), representative of American government bonds ("Treasury bonds") whose maturities are greater than 10 years.

This index has shown an evolution of -2.22% over the fiscal year. The MONTHLY HEDGED D-EUR class not being valued to the index currency, the evolution of their net asset value is subject to the exchange risk. During the fiscal year, the EUR shows an increase of 7.89% compared to the USD.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the Markit iBoxx USD Treasuries 10 index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Markit iBoxx USD Treasuries 10 index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.1731% for the Compartment. The level of the tracking error for the period was of 0.1%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission *(not audited by the auditor)*

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on [Lyxor website](http://Lyxor.com), [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
7.0	6.0	7.9	7.0

Portfolio rated 100%  
Nb Securities rated 47

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>6.0</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>7.9</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>7.0</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	0%
Average (A, BBB,BB)	100%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials								100.0%

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

# LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF (compartment of the Multi Units France mutual fund)

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversie
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions(combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity,generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenu dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:



- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

#### **Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the CIU)*

In the course of the fiscal year, the CIU did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>117,745,205.02</b>	<b>93,293,070.33</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	117,745,205.02	93,293,070.33
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>2,806,608.85</b>	<b>547,388.38</b>
Future foreign exchange operations	2,047,002.20	-
Other	759,606.65	547,388.38
<b>Financial accounts</b>	<b>7,738.92</b>	<b>7,862.46</b>
Liquidity	7,738.92	7,862.46
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>120,559,552.79</b>	<b>93,848,321.17</b>

## BALANCE SHEET liabilities

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Shareholders' equity</b>		
• Capital	119,783,581.58	88,909,032.58
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-3,958,791.99	2,329,285.17
• Earnings of the fiscal year	1,920,741.16	2,049,935.75
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>117,745,530.75</b>	<b>93,288,253.50</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>2,813,698.67</b>	<b>560,067.67</b>
Future foreign exchange operations	2,078,585.05	-
Other	735,113.59	560,067.67
<b>Financial accounts</b>	<b>323.37</b>	-
Current bank accommodations	323.37	-
Loans	-	-
<b>Total liabilities</b>	<b>120,559,552.79</b>	<b>93,848,321.17</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	1,211.35	749.86
• Earnings on equities and similar securities	115.12	-
• Earnings on bonds and similar securities	3,457,263.98	4,223,299.94
• Earnings on debt securities	442,056.26	1,602,220.69
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>3,900,646.71</b>	<b>5,826,270.49</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-707.31	-2,363.27
• Other financial charges	-	-
<b>Total (II)</b>	<b>-707.31</b>	<b>-2,363.27</b>
<b>Earnings on financial operations (I - II)</b>	<b>3,899,939.40</b>	<b>5,823,907.22</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-75,393.02	-128,826.19
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>3,824,546.38</b>	<b>5,695,081.03</b>
Adjustment of the fiscal year's earnings (V)	617,163.55	-1,141,461.44
Advances on result paid for the fiscal year (VI)	-2,520,968.77	-2,503,683.84
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>1,920,741.16</b>	<b>2,049,935.75</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of holding an EMTN, it will be assessed on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this assessment.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the financial manager by delegation.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate maximum D-USD equities	Schedule, rate maximum Monthly Hedged D-EUR equities
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	0.07% per year	0.15% per year
Outperformance commissions	Net assets	None	
Transactions commissions	Collection on each transaction	None	
Cost of temporary purchases and disposals of securities	The amount of the transaction	Maximum 35% of the income obtained from these transactions	

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

# appendix



# appendix

## Accounting currency

The Compartment's accounting is carried out in US Dollars.

## Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

## Indication of other changes declared to each of the bearers individually *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

## Indication and justification of the changes to estimates and application provisions

None.

## Indication of the nature of the errors corrected during the fiscal year

None.

## Indication of the rights and conditions attached to each category of equities

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year.

Markit Iboxx USD Treasuries 10+ Mid Price TCA ("the index") is a trademark of Markit Indices Co ("Markit", also referred to as the "index sponsor") and is the subject of a licence granted to Lyxor International Asset Management.

The index referred herein is the property of Markit and is used under licence for the Compartment. The index sponsor does not approve, propose or recommend the Compartment.

The index sponsor provides no explicit or implicit guarantee regarding the data linked to the index, nor in terms of their quality, accuracy and/or exhaustiveness, nor with regard to the financial rating of any issuing entity, and it declines all liability resulting from the usage of the index and/or of its composition.

The index sponsor cannot be held liable for any reason whatsoever relative to an error involving the index, and the index sponsor is not required to communicate such an error, in the event that it should occur.

Under no circumstance does the index sponsor issue any purchase or sale recommendation regarding the Compartment or any opinion with regard to the ability of the index to replicate the performance of the markets in question or to the index or any operation or product related thereto or to the risks pertaining thereto. The index sponsor is under no circumstances required to consider the needs of a third party when determining or modifying the composition or calculation of the index. Neither a buyer nor seller of the Compartment, nor the index sponsor can be held liable in the event that the index sponsor fails to take the necessary measures for the determination, adjustment or calculation of the index. The index sponsor or its affiliated companies retain the possibility of handling any of the bonds comprising the index, as well as the ability, provided it is allowed, to accept deposits, to make loans or to carry out any other credit activity, and more generally to perform any service of an investment and financing bank, or other commercial activity with the issuers of these bonds or affiliated companies and they can carry out such activities as if the index did not exist without considering the potential consequences that might arise therefrom for the index of the Compartment.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net assets at the start of the fiscal year</b>	<b>93,288,253.50</b>	<b>174,184,098.70</b>
Subscriptions (including subscription commission acquired by the Compartment)	81,626,203.99	62,111,934.50
Redemptions (less the redemption commission acquired by the Compartment)	-50,230,600.90	-152,909,372.00
Capital gains generated on deposits and financial instruments	507,096.32	6,568,426.79
Capital losses generated on deposits and financial instruments	-3,982,229.57	-2,979,393.27
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	92,220.08	14,661.66
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	-3,450,747.96	3,106,499.93
- <i>Estimate difference fiscal year N-1</i>	-1,269,032.34	2,181,715.62
	2,181,715.62	-924,784.31
Changes to the estimate difference of financial contracts:		
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-1,408,242.32	-
Net earnings of the fiscal year before adjustment account	3,824,546.38	5,695,081.03
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-2,520,968.77	-2,503,683.84
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>117,745,530.75</b>	<b>93,288,253.50</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	117,745,205.02	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	117,745,205.02	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	7,738.92
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	323.37
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	117,745,205.02
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	7,738.92	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	323.37	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	EUR	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	1,983,697.97	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	62,300.21	-	-	-
Financial accounts	323.37	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>2,806,608.85</b>
Future currency exchange operations:	
Future purchases of currency	63,304.23
Total negotiated amount of future currency sales	1,983,697.97
Other receivables:	
Deferred settlement sales	759,606.65
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>2,813,698.67</b>
Future currency exchange operations:	
Future sales of currency	2,016,284.87
Total negotiated amount of future currency purchases	62,300.21
Other debts:	
Deferred settlement purchases	726,824.38
Accrued expenses	7,473.99
Miscellaneous debtors and creditors	815.22
-	-
-	-
Other operations	-

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### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year:				
EQUITY D-USD / FR0010961003	560,000	79,839,119.00	361,000	50,230,600.90
EQUITY Monthly Hedged D-EUR / FR0013217718	16,000	1,787,084.99	-	-
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY D-USD / FR0010961003		167.91		-
EQUITY Monthly Hedged D-EUR / FR0013217718		-		-
Remittances by equity category:		Amount		Amount
EQUITY D-USD / FR0010961003		-		-
EQUITY Monthly Hedged D-EUR / FR0013217718		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY D-USD / FR0010961003		167.91		-
EQUITY Monthly Hedged D-EUR / FR0013217718		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY D-USD / FR0010961003	<b>0.07</b>
EQUITY Monthly Hedged D-EUR / FR0013217718	<b>0.15</b>
Performance commissions (variable fees): amount of costs for the fiscal year	<b>Amount</b>
Equity category:	
EQUITY D-USD / FR0010961003	-
EQUITY Monthly Hedged D-EUR / FR0013217718	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....None
- 3.8.2 Description of the other commitments received and/or given.....None

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
	- CIU	-
	- other financial instruments	-

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
12/07/17	2,496,302.65	2.65	-	-
12/07/17	24,666.12	1.54	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>2,520,968.77</b>	<b>4.19</b>	<b>-</b>	<b>-</b>



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	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	USD	USD
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	1,920,741.16	2,049,935.75
<b>Total</b>	<b>1,920,741.16</b>	<b>2,049,935.75</b>

EQUITY D-USD / FR0010961003	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	1,528,101.85	1,454,642.32
Carried forward for the fiscal year	-	-
Capitalisation	375,112.59	595,293.43
<b>Total</b>	<b>1,903,214.44</b>	<b>2,049,935.75</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	826,001	627,001
Distribution per unit	1.85	2.32
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

EQUITY Monthly Hedged D-EUR / FR0013217718	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	17,440.00	-
Carried forward for the fiscal year	-	-
Capitalisation	86.72	-
<b>Total</b>	<b>17,526.72</b>	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	16,000	-
Distribution per unit	1.09	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	USD	USD
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-3,958,791.99	2 329 285.17
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-3,958,791.99</b>	<b>2 329 285.17</b>

EQUITY D-USD / FR0010961003	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-4,105,768.15	2,329,285.17
<b>Total</b>	<b>-4,105,768.15</b>	<b>2,329,285.17</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY Monthly Hedged D-EUR / FR0013217718	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	146,976.16	-
<b>Total</b>	<b>146,976.16</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 10 November 2010.

Currency					
USD	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>117,745,530.75</b>	93,288,253.50	174,184,098.70	80,276,140.66	24,264,132.60

EQUITY D-USD / FR0010961003	Currency of the equity and of the NAV: USD				
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>826,001</b>	627,001	1,242,001	602,001	205,001
<b>Net asset value</b>	<b>140.2143</b>	148.7848	140.2447	133.3488	118.361
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	<b>4.50</b>	6.16	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-4.51</b>	4.66	0.03	16.08	-12.7

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY Monthly Hedged D-EUR / FR0013217718	Currency of the equity and of the NAV: EUR				
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>16,000</b>	-	-	-	-
<b>Net asset value</b>	<b>103.4566</b>	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	<b>2.63</b>	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>9.19</b>	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
US912810PW27	T-BOND 4.375% 15/02/2038	PROPRE	1,411,100.00	1,800,662.37	USD	1.53
US912810QA97	TREASURY BOND 3.5% 15/02/39	PROPRE	1,623,000.00	1,840,577.88	USD	1.56
US912810QB70	TREASURY BOND 4.25% 15/05/39	PROPRE	2,429,200.00	3,080,207.51	USD	2.62
US912810QH41	TREASURY BOND 4.375% 15/05/40	PROPRE	2,723,200.00	3,516,267.18	USD	2.99
US912810FT08	TREASURY BOND 4.5% 15/02/36	PROPRE	1,653,600.00	2,134,188.82	USD	1.81
US912810PT97	TREASURY BOND 4.75% 15/02/37	PROPRE	1,039,200.00	1,385,372.94	USD	1.18
US912810PU60	TREASURY BOND 5% 15/05/2037	PROPRE	1,341,400.00	1,857,907.31	USD	1.58
US912810FG86	TREASURY BOND 5.25% 15/02/29	PROPRE	711,000.00	919,880.44	USD	0.78
US912810FF04	TREASURY BOND 5.25% 15/11/28	PROPRE	685,700.00	893,093.95	USD	0.76
US912810FP85	TREASURY BOND 5.375% 15/02/31	PROPRE	1,029,000.00	1,384,312.63	USD	1.18
US912810FE39	TREASURY BOND 5.50% 15/08/28	PROPRE	737,600.00	965,461.76	USD	0.82
US912810FJ26	TREASURY BOND 6.125% 15/08/29	PROPRE	700,100.00	977,250.64	USD	0.83
US912810FB99	TREASURY BOND 6.125% 15/11/27	PROPRE	1,379,200.00	1,884,027.53	USD	1.60
US912810FM54	TREASURY BOND 6.25% 15/05/30	PROPRE	1,067,800.00	1,540,265.28	USD	1.31
US912810RB61	US TREASURY 2.875% 15/05/2043	PROPRE	2,631,000.00	2,681,770.01	USD	2.28
US912810RT79	US TREASURY N/B 2.25% 15/08/2046	PROPRE	2,443,000.00	2,154,428.99	USD	1.83
US912810RQ31	US TREASURY N/B 2.5% 15/02/2046	PROPRE	2,443,000.00	2,279,591.43	USD	1.94
US912810RS96	US TREASURY N/B 2.5% 15/05/2046	PROPRE	2,443,000.00	2,292,569.62	USD	1.95
US912810RY64	US TREASURY NB 2.75% 15/08/2047	PROPRE	2,443,000.00	2,397,683.16	USD	2.04
US912810RN00	US TREASURY N/B 2.875% 15/08/2045	PROPRE	2,631,000.00	2,652,171.53	USD	2.25
US912810RP57	US TREASURY N/B 3% 15/11/2045	PROPRE	2,631,000.00	2,736,936.94	USD	2.32
US912810QX90	US TREASURY 2.75% 15/08/2042	PROPRE	2,631,000.00	2,609,748.37	USD	2.22
US912810QY73	US TREASURY 2.75% 15/11/2042	PROPRE	2,631,000.00	2,624,752.96	USD	2.23
US912810RV26	US TREASURY 3% 15/02/2047	PROPRE	2,443,000.00	2,520,945.12	USD	2.14
US912810RX81	US TREASURY 3% 15/05/2047	PROPRE	2,443,000.00	2,539,848.87	USD	2.16

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US912810RH32	US TREASURY 3.125% 15/08/44	PROPRE	2,631,000.00	2,786,965.26	USD	2.37
US912810RC45	US TREASURY 3.625% 15/08/2043	PROPRE	2,631,000.00	3,030,859.97	USD	2.57
US912810QD37	US TREASURY 4.375% 15/11/39	PROPRE	2,791,600.00	3,599,789.13	USD	3.06
US912810PX00	US TREASURY 4.50% 15/05/38	PROPRE	1,597,700.00	2,091,000.81	USD	1.78
US912810QE10	US TREASURY 4.625% 15/02/2040	PROPRE	2,812,800.00	3,719,593.52	USD	3.16
US912810QW18	USA T-BOND 3% 15/05/2042	PROPRE	2,631,000.00	2,752,147.54	USD	2.34
US912810QS06	USA T-BOND 3.75% 15/08/2041	PROPRE	2,661,600.00	3,125,246.38	USD	2.65
US912810QL52	USA T-BOND 4.25% 15/11/2040	PROPRE	2,687,500.00	3,415,708.36	USD	2.90
US912810QC53	USA T-BOND 4.50% 15/08/39	PROPRE	2,595,600.00	3,372,269.82	USD	2.86
US912810RK60	USA T-BONDS 2.50% 15/02/2045	PROPRE	2,631,000.00	2,463,032.52	USD	2.09
US912810RM27	USA T-BONDS 3.00% 15/05/2045	PROPRE	2,631,000.00	2,738,581.31	USD	2.33
US912810RJ97	USA T-BONDS 3.00% 15/11/2044	PROPRE	2,631,000.00	2,740,431.43	USD	2.33
US912810QU51	USA T-BONDS 3.125% 15/02/2042	PROPRE	2,631,000.00	2,792,309.61	USD	2.37
US912810QZ49	USA T-BONDS 3.125% 15/02/2043	PROPRE	2,631,000.00	2,786,348.56	USD	2.37
US912810QT88	USA T-BONDS 3.125% 15/11/2041	PROPRE	2,631,000.00	2,815,330.86	USD	2.39
US912810RG58	USA T-BONDS 3.375% 15/05/2044	PROPRE	2,631,000.00	2,934,914.27	USD	2.49
US912810RE01	USA T-BONDS 3.625% 15/02/2044	PROPRE	2,631,000.00	3,036,204.59	USD	2.58
US912810RD28	USA T-BONDS 3.75% 15/11/2043	PROPRE	2,631,000.00	3,120,764.78	USD	2.65
US912810QK79	USA T-BONDS 3.875% 15/08/2040	PROPRE	2,706,900.00	3,232,869.93	USD	2.75
US912810QQ40	USA T-NOTE 4.375% 15/05/41	PROPRE	2,631,000.00	3,408,521.54	USD	2.89
US912810QN19	USA T-NOTES 4.75% 15/02/41	PROPRE	2,694,000.00	3,635,609.67	USD	3.09
US912810RU43	USA 2.875% 15/11/2046	PROPRE	2,443,000.00	2,476,781.92	USD	2.10
<b>Total Bond</b>				<b>117,745,205.02</b>		<b>100.00</b>
<b>Total Investment Securities</b>				<b>117,745,205.02</b>		<b>100.00</b>
<b>Cash</b>						
<b>OTHER</b>						
	DEF. PURCHASES USD SECURITIES	PROPRE	0.00	-815.22	USD	-0.00
<b>Total OTHER</b>				<b>-815.22</b>		<b>-0.00</b>
<b>AT BANK OR PENDING</b>						
	DEF. PURCHASES USD SECURITIES	PROPRE	0.00	-726,824.38	USD	-0.62
	EUR SGP BANK	PROPRE	0.00	-323.37	EUR	-0.00

LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
	USD SGP BANK	PROPRE	0.00	7 738,92	USD	0,01
	DEF. SALES USD SECURITIES	PROPRE	0.00	759,606.65	USD	0.65
<b>Total AT BANK OR PENDING</b>				<b>40,197.82</b>		<b>0.03</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-7,473.99	USD	-0.01
<b>Total MANAGEMENT FEES</b>				<b>-7,473.99</b>		<b>-0.01</b>
<b>Total Cash</b>				<b>31,908.61</b>		<b>0.03</b>
<b>Forward exchange</b>						
	OACT 171102 USD/EUR D	RECEIVED	0.00	63,304.23	USD	0.05
	OACT 171102 USD/EUR D	PAID	0.00	-62,300.21	EUR	-0.05
	OACT 171102 USD/EUR D	RECEIVED	0.00	1,983,697.97	EUR	1.68
	OACT 171102 USD/EUR D	PAID	0.00	-2,016,284.87	USD	-1.71
<b>Total Forward exchange</b>				<b>-31,582.88</b>		<b>-0.03</b>
<b>Total LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF</b>				<b>117,745,530.75</b>		<b>100.00</b>

APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment: 31-Oct.

Average fortune of the fund for the period from 01/11/16 to 31/10/17: 106,612,673.22

Management commission of the fund: % tax included

<b>UNIT D-USD</b>	<b>0.07</b>	<b>% tax included</b>	<b>C</b>
<b>UNIT Monthly hedged D-EUR</b>	<b>0.15</b>	<b>% tax included</b>	<b>D</b>

Unit D-USD

Average fortune of the fund for the period from 01/11/16 to 31/10/17: 105,684,094.50

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	128,826.16	30,870.43	74,000.11
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	128,826.16	30,870.43	74,000.11

**Calculation of the TER for 12 months from 31/10/16 to 31/10/17:**

TER including performance fee

$$(74,000.11 / 105,684,094.50) * 100$$

0.07 %

Performance fee as a share in percentage of the net average assets

- %



Unit monthly hedged D-EUR

Average fortune of the fund for  
the period from 01/11/16 to 31/10/17:

928,578.72

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	n.a.	37.44	1,392.91
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	0.00	37.44	1,392.91

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(1,392.91 / 928,578.72) * 100$$

**0.15** %

Performance fee as a share in percentage of the net average assets

- %

LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	Annual performance from 31/10/2016 to 31/10/2017	Annual performance from 30/10/2015 to 31/10/2016	Annual performance from 31/10/2014 to 30/10/2015
<b>LYXOR IBOXX \$ TREASURIES 10Y + (DR) UCITS ETF</b>			
Part D-USD	-2.28%	+8.64%	+5.17%
Part MONTHLY HEDGED D-EUR (*)	+3.46%	-	-
<b>MARKIT IBOXX \$ TREASURIES 10Y + (USD)</b>	-2.22%	+8.75%	+5.32%

(\*) unit launched on 03/02/2017

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF

**rapport**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

<b>Compartments / feeder</b>	LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International bonds and other debt securities.

The LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF Compartment (hereafter the “Compartment”) is continuously exposed to rate securities listed in currencies other than euros (and possibly to rate securities listed in euros). The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

Class of D-USD and Monthly Hedged D-EUR equities: the Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year.

### Management objective:

The Compartment’s management objective is to obtain an exposure, upwards or downwards, to the bonds listed in USD and issued by the sovereign states of low or middle income countries by reproducing the evolution of the Markit iBoxx USD Liquid Emerging Markets Sovereigns Mid Price TCA index (“Benchmark Indicator”) listed in USD, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The Compartment also uses a monthly currency hedging strategy in order to reduce the impact of fluctuations in the Euro (EUR) exchange rate against each of the securities comprising the Benchmark Index, specific to the category of the Monthly Hedged D-EUR equities.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator includes some of the most liquid bonds within the Markit iBoxx USD Liquid Emerging Markets Sovereigns Mid Price TCA index. It contains bonds listed in USD and that have been issued by the sovereign states of low income or middle income countries as determined by the World Bank (this classification is available from the site [www.worldbank.org](http://www.worldbank.org)). The index represents 20 countries.

The Benchmark Indicator is a “Total Return” type index (i.e. all coupons detached by the components of the index are reinvested in the index). The Benchmark Indicator is based on transparent and objective construction rules, and in keeping with the usual specifications for the iBoxx family of indices.

It notably relies on a price determination by a multi-contributor platform.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components are available at the following Internet site: [www.markit.com](http://www.markit.com)

### Benchmark Indicator revision and composition

The Benchmark Indicator is calculated at the end of each trading day, at 3 p.m. New York time.

The Benchmark Indicator is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

**Benchmark Indicator publication**

The Benchmark Indicator fixing price is provide daily by Reuters and Bloomberg.

Reuters code: .IBXXLES1

Bloomberg code: IBXXLES1

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The securities held as assets by the Compartment will notably be bonds that make up the Benchmark Indicator, as well as bonds issued by governmental or non-governmental issuers, listed in one of the currencies of an OECD member State.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an emerging OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Interest rate sensitivity range within which the Compartment is managed:	Between 2 and 12
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: Up to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 100% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : Up to 100% of net assets Emerging countries: 0% of net assets

In the present case, the manager intends to use primarily the following assets:

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international bond securities, including the small capitalisation markets.

The aforementioned equities will be bonds chosen on the basis of criteria:

- Of eligibility, in particular:

- o Senior debt,
- o Fixed maturity,
- o Maximum residual maturity,
- o Minimum issuing amount,
- o Requirement of a minimal threshold in S&P rating or equivalent.

- Of diversification, in particular:

- o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),

- o Geographical area,
- o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in the assets of undertakings for collective investment in transferable securities (“UCITS”) that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment’s management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment’s assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the “Counterparty”) will have no discretionary power regarding the composition of the Compartment’s investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment’s use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment’s account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment’s assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

#### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

#### **Reinvestment of received guarantees:**

Received financial guarantees will not be sold, reinvested or pledged.

#### **Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

##### **- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

##### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for future financial instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the equity classes of the Compartment on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's management company and the FFI's counterparty. The management company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk related to the exposure to Emerging markets**

The Compartment's exposure to emerging markets results in a greater risk of loss than would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the Benchmark Indicator.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.



**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the bonds.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this index or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Exchange risk linked to the Monthly Hedged D-EUR equity classes**

In order to cover the EUR/USD currency exposure on the Monthly Hedged D-EUR equity class, the Compartment uses a hedging strategy enabling it to reduce the impact of variations between the currency of the Benchmark Indicator and the currency of the equity class. The daily implementation of this coverage and its imperfection means that Monthly Hedged D-EUR equity class may be subject to costs or downward market movements which may impact upon their net asset value.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure, whether upward or downward, to the main sections of the market for long-term bonds listed in USD.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers.

The minimum recommended investment period is greater than 3 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 22 November 2010.*
- *Compartment creation date: 6 December 2010.*

## Activity report

The net asset value of the D-USD unit of the LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF Compartment shows an evolution of 2.79% over the fiscal year (dividends reinvested) and stands at USD 102.7743 on 31/10/2017, meaning a fund performance of 37.25% since inception (dividends reinvested).

The net asset value of the Monthly Hedged D-EUR unit of the LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF Compartment shows an evolution of 1.44% between the 30/11/2016 and 31/10/2017 and stands at EUR 101.4381 on 31/10/2017, meaning a fund performance of 6.75% since inception.

The fund replicates the performance of the Markit iBoxx USD Liquid Emergi index, listed in US dollars (USD), representative of the emerging States public debt, listed in USD.

This index has shown an evolution of 3.20% over the fiscal year. The Monthly Hedged D-EUR class not being valued to the index currency, the evolution of their net asset value is subject to the exchange risk. During the fiscal year, the EUR shows an increase of 9.82% compared to the USD.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the Markit iBoxx USD Liquid Emergi index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Markit iBoxx USD Liquid Emergi index.

The equities held as assets by the Compartment will notably be equities that make up the Markit iBoxx USD Liquid Emergi index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 4 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0093% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

## Regulatory information

### Transfer commission (not audited by the auditor)

None.

### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

### ESG criteria

Pursuant to articles L533 22-1 and D533-16-1 of the Monetary and Financial Code.

#### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website Lyxor.com and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on Lyxor website, Lyxor.com.

For the reporting year, the voting scope does not include this fund.

#### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

#### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
7.0	6.0	7.9	7.0

Portfolio rated

100%

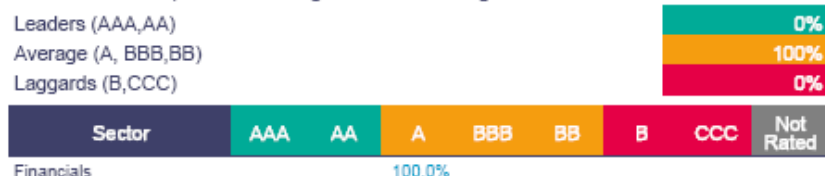
Nb Securities rated

47

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>6.0</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>7.9</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>7.0</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

**LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating



### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	100%
0	0	0	Scope 1 reported (vs estimated)	0%
			Scope2 reported (vs estimated)	0%
			Scope 1 & 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions(combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity,generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gas	0%
Oil	0%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaitre/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	193,770,880
% of assets under management	-	-	-	-	97.03

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	UNITED STATES OF AMERICA
	Amount	3,880,595

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	-	193,770,880

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	3,880,595
Rating or literary	Not applicable				

### 3.2. Guarantee maturity.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	3,880,595

### 3.3. Guarantee currency.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	USD
	Amount	-	-	-	3,880,595

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	193,770,880
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Country	-	-	-	FRANCE
	Amount	-	-	-	193,770,880

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	193,770,880



**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians		1
1	Name	SOCIETE GENERALE
	Amount	3,880,595

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment assets (or, as the case may be, any other asset held by the Compartment against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net fixed assets</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>203,632,442.27</b>	<b>244,929,568.06</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	199,928,172.71	244,929,568.06
Not negotiated on a regulated or similar market		
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	3,704,269.56	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>14,356,270.02</b>	<b>12,002,276.97</b>
Future foreign exchange operations	-	-
Other	14,356,270.02	12,002,276.97
<b>Financial accounts</b>	<b>9.80</b>	<b>6,545,130.17</b>
Liquidity	9.80	6,545,130.17
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>217,988,722.09</b>	<b>263,476,975.20</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 USD	31.10.2016 USD
<b>Shareholders' equity</b>		
• Capital	235,016,182.41	229,043,334.67
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-42,071,472.89	4,452,151.79
• Earnings of the fiscal year	6,760,061.82	8,711,626.90
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>199,704,771.34</b>	<b>242,207,113.36</b>
<b>Financial instruments</b>	<b>3,880,594.59</b>	<b>2,659,647.23</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	3,880,594.59	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	2,659,647.23
<b>Debts</b>	<b>14,403,356.16</b>	<b>18,610,214.61</b>
Future foreign exchange operations	-	-
Other	14,403,356.16	18,610,214.61
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>217,988,722.09</b>	<b>263,476,975.20</b>

## Off-balance sheet commitments

Currency	31.10.2017	31.10.2016
	USD	USD
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	193,770,880.00	230,200,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	769,211.30	4,205.14
• Earnings on debt securities	15,229,693.35	12,576,977.09
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>15,998,904.65</b>	<b>12,581,182.23</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-29.61	-24.45
• Other financial charges	-	-
<b>Total (II)</b>	<b>-29.61</b>	<b>-24.45</b>
<b>Earnings on financial operations (I - II)</b>	<b>15,998,875.04</b>	<b>12,581,157.78</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-562,845.18	-432,102.89
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>15,436,029.86</b>	<b>12,149,054.89</b>
Adjustment of the fiscal year's earnings (V)	1,655,134.63	4,412,482.01
Advances on result paid for the fiscal year (VI)	-10,331,102.67	-7,849,910.00
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>6,760,061.82</b>	<b>8,711,626.90</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate maximum D-USD equities	Schedule, rate maximum Monthly Hedged D-EUR equities
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	0.30% per year	0.40% per year
Outperformance commissions	Net assets	None	
Transactions commissions	Collection on each transaction	None	

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

# appendix



**Accounting currency**

The Compartment's accounting is carried out in US Dollars.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

Class of D-USD and Monthly Hedged D-EUR equities: the Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year.

# appendix

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net assets at the start of the fiscal year</b>	<b>242,207,113.36</b>	<b>74,484,879.23</b>
Subscriptions (including subscription commission acquired by the Compartment)	207,263,922.98	319,920,522.50
Redemptions (less the redemption commission acquired by the Compartment)	-240,881,297.70	-153,784,619.40
Capital gains generated on deposits and financial instruments	26,987,080.66	22,093,881.25
Capital losses generated on deposits and financial instruments	-47,797,211.93	-25,287,837.01
Capital gains generated on financial contracts	949,721,757.07	998,085,005.98
Capital losses generated on financial contracts	-953,618,058.07	-990,903,333.17
Negotiation fees	-	-
Exchange differentials	-41,479.19	115,089.86
Changes to the estimate difference of the deposits and financial instruments:	4,394,100.16	-4,325,720.03
- <i>Estimate difference fiscal year N</i>	476,320.76	-3,917,779.40
- <i>Estimate difference fiscal year N-1</i>	-3,917,779.40	407,940.63
Changes to the estimate difference of financial contracts:	6,363,916.79	-2,489,900.74
- <i>Estimate difference fiscal year N</i>	3,704,269.56	-2,659,647.23
- <i>Estimate difference fiscal year N-1</i>	-2,659,647.23	-169,746.49
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	15,436,029.86	12,149,054.89
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-10,331,102.67	-7,849,910.00
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>199,704,771.34</b>	<b>242,207,113.36</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	4,742,714.42	-
Convertible bonds	-	-
Fixed-rate bonds	190,755,869.39	-
Variable-rate bonds	4,429,588.90	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	193,770,880.00	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	190,755,869.39	-	9,172,303.32	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	9.80
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	193,770,880.00

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	288,559.20	762,625.17	44,513,732.61	31,687,533.12	119,675,722.31
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	9.80	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	193,770,880.00	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	EUR	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	0.91	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>14,356,270.02</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Account receivable	12,987,563.39
Deferred settlement sales	1,368,706.63
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>14,403,356.16</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	13,739,823.77
Account payable	616,446.25
Accrued expenses	47,086.14
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year:				
EQUITY D-USD / FR0010967323	1,923,000	200,170,490.50	2,352,000	240,881,297.70
EQUITY Monthly Hedged D-EUR / FR0013217700	61,000	7,093,432,48	-	-
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY D-USD / FR0010967323		-		-
EQUITY Monthly Hedged D-EUR / FR0013217700		-		-
Remittances by equity category:		Amount		Amount
EQUITY D-USD / FR0010967323		-		-
EQUITY Monthly Hedged D-EUR / FR0013217700		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY D-USD / FR0010967323		-		-
EQUITY Monthly Hedged D-EUR / FR0013217700		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY D-USD / FR0010967323	<b>0.30</b>
EQUITY Monthly Hedged D-EUR / FR0013217700	<b>0.40</b>
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY D-USD / FR0010967323	-
EQUITY Monthly Hedged D-EUR / FR0013217700	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....None  
 3.8.2 Description of the other commitments received and/or given.....None

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	3,704,269.56

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
12/07/17	-	9,964,000.00	5.30	-	-
12/07/17	-	367,102.66	6.02	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		<b>10,331,102.66</b>	<b>11.32</b>	<b>-</b>	<b>-</b>



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	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	USD	USD
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	6,760,061.82	8,711,626.90
<b>Total</b>	<b>6,760,061.82</b>	<b>8,711,626.90</b>

EQUITY D-USD / FR0010967323	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	6,541,808.58	8,711,626.90
<b>Total</b>	<b>6,541,808.58</b>	<b>8,711,626.90</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

EQUITY Monthly Hedged D-EUR / FR0013217700	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	218,253.24	-
<b>Total</b>	<b>218,253.24</b>	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	USD	USD
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-42,071,472.89	4,452,151.79
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-42,071,472.89</b>	<b>4,452,151.79</b>

EQUITY D-USD / FR0010967323	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-20,749,635.38	4,452,151.79
<b>Total</b>	<b>-20,749,635.38</b>	<b>4,452,151.79</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY Monthly Hedged D-EUR / FR0013217700	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-21,321,837.51	-
<b>Total</b>	<b>-21,321,837.51</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 6 December 2010

Currency					
USD	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>199,704,771.34</b>	242,207,113.36	74,484,879.23	153,639,275.27	80,935,396.04

EQUITY D-USD / FR0010967323		Currency of the equity and of the NAV: USD			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>1,873,000</b>	2,302,000	741,000	1,408,000	752,000
<b>Net asset value</b>	<b>102.7743</b>	105.2159	100.5194	109,1188	107.6268
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	<b>5.30</b>	5.41	6.60	6.10	7.4
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-7.58</b>	5.71	-9.13	-2.22	-12.9

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY Monthly Hedged D-EUR / FR0013217700		Currency of the equity and of the NAV: EUR			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>61,000</b>	-	-	-	-
<b>Net asset value</b>	<b>101.4381</b>	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	<b>6.01</b>	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-345.96</b>	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
US00828EBQ17	AFRICAN DEVELOPMENT BANK 1.125% 20/09/2019	PROPRE	407,000.00	403,012.42	USD	0.20
US00828ECA55	AFRICAN DEVELOPMENT BANK 1.875% 16/03/2020	PROPRE	313,000.00	314,383.72	USD	0.16
XS1558077845	ARAB REPUBLIC OF EGYPT 6.125% 31/01/2022	PROPRE	1,457,000.00	1,545,611.50	USD	0.77
XS1558078496	ARAB REPUBLIC OF EGYPT 8.5% 31/01/2047	PROPRE	2,106,000.00	2,430,834.12	USD	1.22
US045167DT73	ASIAN DEVELOPMENT BANK 1.75% 10/01/2020	PROPRE	794,000.00	798,307.01	USD	0.40
US045167DR18	ASIAN DEVELOPMENT BANK 1.75% 14/08/2026	PROPRE	5,063,000.00	4,791,074.71	USD	2.40
US06416CAC29	BANK OF NOVA SCOTIA 1.875% 26/04/2021	PROPRE	2,426,000.00	2,397,233.71	USD	1.20
US105756BV13	BRASIL 4.25% 07/01/2025	PROPRE	4,174,000.00	4,300,999.75	USD	2.15
US105756BW95	BRAZIL 5% 27/01/2045	PROPRE	2,657,000.00	2,504,008.46	USD	1.25
US136069UT60	CANADIAN IMPERIAL BANK 2.35% 27/07/2022	PROPRE	1,824,000.00	1,828,726.69	USD	0.92
US195325BM66	COLOMBIA 6.125% 18/01/2041	PROPRE	1,796,000.00	2,150,251.02	USD	1.08
US222213AQ37	COUNCIL OF EUROPE 1.5% 17/05/2019	PROPRE	2,284,000.00	2,293,364.40	USD	1.15
US222213AP53	COUNCIL OF EUROPE 1.875% 27/01/2020	PROPRE	2,893,000.00	2,910,916.11	USD	1.46
XS1492688392	CPPIB CAPITAL INC 1.25% 20/9/2019	PROPRE	280,000.00	277,482.33	USD	0.14
XS0821238226	EUROPEAN INVESTMENT BANK 1.875% 15/10/2019	PROPRE	12,455,000.00	12,503,579.69	USD	6.26
US445545AL04	HUNGARY 5.375% 25/03/2024	PROPRE	376,000.00	430,416.34	USD	0.22
US445545AJ57	HUNGARY 5.75% 22/11/2023	PROPRE	160,000.00	188,344.89	USD	0.09
USY20721BN86	INDONESIA 4.75% 08/01/26	PROPRE	2,105,000.00	2,327,796.71	USD	1.17
US4581X0CM87	INTER AMERICAN DEVELOPMENT BANK 2.125% 15/01/2025	PROPRE	5,951,000.00	5,896,673.16	USD	2.95
US4581X0CS57	INTER AMERICAN 1.875% 15/03/2021	PROPRE	1,382,000.00	1,382,909.24	USD	0.69
US459058EP48	INTL BANK RECON AND DEVELOP 2.5% 29/07/2025	PROPRE	3,213,000.00	3,248,257.32	USD	1.63
US45950VFH42	INTL FINANCE CORP FRN 02/02/2018	PROPRE	484,000.00	484,060.50	USD	0.24
US45950VGS97	INTL FINANCE CORP FRN 15/12/2020	PROPRE	1,230,000.00	1,232,175.05	USD	0.62
US500769GL25	KFW 1% 26/01/2018	PROPRE	288,000.00	288,559.20	USD	0.14
US500769GT50	KFW 1.12% 16/11/2018	PROPRE	752,000.00	752,182.36	USD	0.38

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US500769HD99	KFW 2.00% 30/11/2021	PROPRE	7,636,000.00	7,689,371.40	USD	3.85
US500769DP65	KFW 4% 27/01/20	PROPRE	2,508,000.00	2,655,923.23	USD	1.33
US50048MBY57	KOMMUNALBANKEN FRN 17/03/2020	PROPRE	150,000.00	150,395.83	USD	0.08
XS1203975088	KOMMUNALBANKEN FRN 17/03/2020	PROPRE	1,352,000.00	1,355,588.06	USD	0.68
XS1627551457	KOMMUNEKREDIT 1.625% 12/06/2020	PROPRE	183,000.00	182,933.10	USD	0.09
XS1547364098	KOMMUNEKREDIT 1.75% 10/01/2020	PROPRE	1,866,000.00	1,889,447.85	USD	0.95
XS1599284111	KSA SUKUK LTD 2.894% 20/04/2022	PROPRE	642,000.00	644,314.20	USD	0.32
XS1599284202	KSA SUKUK LTD 3.628% 20/04/2027	PROPRE	800,000.00	813,871.47	USD	0.41
XS1582346703	KUWAIT INTL BOND 2.75% 20/03/2022	PROPRE	600,000.00	607,928.00	USD	0.30
XS1582346968	KUWAIT INTL BOND 3.5% 20/03/2027	PROPRE	1,100,000.00	1,129,967.67	USD	0.57
XS1453477181	L BANK BW FOERDERBANK 1.375% 21/07/2021	PROPRE	640,000.00	626,398.49	USD	0.31
DE000NRW0J55	LAND NORDRHEIN WESTFALEN FRN 23/11/2018*	PROPRE	1,000,000.00	1,004,527.65	USD	0.50
US51511CAM01	LANDWIRTSCH. RENTENBANK FRN 19/02/2021	PROPRE	200,000.00	202,841.81	USD	0.10
XS1107866979	LANDWIRTSCH RENTENBANK 1.875% 22/01/2020	PROPRE	4,903,000.00	4,982,959.76	USD	2.50
XS1196419854	LEBANESE REPUBLIC 6.65% 26/02/2030	PROPRE	915,000.00	872,518.58	USD	0.44
XS1586230051	LEBANON REPUBLIC 6.85% 23/03/2027	PROPRE	3,185,000.00	3,137,020.63	USD	1.57
US65556GAD79	NORDDEUTSCHE LANDESBANK 2% 05/02/2019	PROPRE	3,200,000.00	3,219,354.67	USD	1.61
XS1479554567	NRW BANK 1.5% 23/08/2021	PROPRE	15,328,000.00	15,014,312.48	USD	7.52
XS1575968026	OMAN GOV INTERNTL BOND 6.50% 08/03/2047	PROPRE	1,951,000.00	2,029,859.42	USD	1.02
US71567RAH93	PERUSAHAAN PENERBIT SBSN 4.15% 29/03/2027	PROPRE	5,390,000.00	5,575,950.51	USD	2.79
US857524AC63	POLAND 4% 22/01/2024	PROPRE	109,000.00	118,129.96	USD	0.06
US731011AT95	POLOGNE 3.00% 17/03/2023	PROPRE	312,000.00	320,158.80	USD	0.16
US040114GX20	REPUBLIC OF ARGENTINA 7.50% 22/04/2026	PROPRE	600,000.00	680,543.00	USD	0.34
XS1080330704	REPUBLIC OF ECUADOR 7.95% 20/06/2024	PROPRE	1,495,000.00	1,551,219.48	USD	0.78
XS1458514673	REPUBLIC OF EUCADOR 10.75% 28/03/2022	PROPRE	980,000.00	1,119,662.52	USD	0.56
XS1107498724	REPUBLIC OF FINLAND 1.75% 10/09/2019	PROPRE	4,376,000.00	4,391,043.72	USD	2.20
US715638BU55	REPUBLIC OF PERU 4.125% 25/08/2027	PROPRE	649,000.00	716,627.15	USD	0.36
US718286CA32	REPUBLIC OF PHILIPPINES 3.7% 01/03/2041	PROPRE	1,979,000.00	1,984,361.99	USD	0.99
US718286CB15	REPUBLIC OF PHILIPPINES 3.7% 02/02/2042	PROPRE	3,435,000.00	3,452,209.35	USD	1.73
US836205AU87	REPUBLIC OF SOUTH AFRICA 4.30% 12/10/2028	PROPRE	300,000.00	278,564.67	USD	0.14

**LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US900123CK49	REPUBLIC OF TURKEY 4.875% 09/10/2026	PROPRE	5,338,000.00	5,242,180.68	USD	2.62
US900123CL22	REPUBLIC OF TURKEY 6% 25/03/2027	PROPRE	7,951,000.00	8,435,070.13	USD	4.22
XS0971721450	RUSSIA FEDERATION 4.875% 16/09/23	PROPRE	2,600,000.00	2,847,985.83	USD	1.43
XS0971721963	RUSSIA FEDERATION 5.875% 16/09/2043	PROPRE	3,000,000.00	3,455,120.83	USD	1.73
XS1508675417	SAUDI INTERNATIONAL BOND 3.25% 26/10/2026	PROPRE	1,684,000.00	1,659,727.95	USD	0.83
XS1508675508	SAUDI INTERNATIONAL BOND 4.5% 26/10/2046	PROPRE	1,328,000.00	1,334,308.00	USD	0.67
US836205AR58	SOUTH AFRICA 5.875% 16/09/2025	PROPRE	1,633,000.00	1,753,690.04	USD	0.88
XS1405781698	STATE OF QATAR 2.375% 02/06/2021	PROPRE	400,000.00	396,048.33	USD	0.20
XS1405782159	STATE OF QATAR 3.25% 02/06/2026	PROPRE	400,000.00	396,544.67	USD	0.20
US912828K338	TSY INFL IX N/B 0.125% I 15/04/2020	PROPRE	4,506,500.00	4,742,714.42	USD	2.37
US91086QBC15	UNITED MEXICAN STATES 4% 02/10/2023	PROPRE	1,810,000.00	1,904,813.83	USD	0.95
US91087BAC46	UNITED MEXICAN STATES 4.15% 28/03/2027	PROPRE	1,796,000.00	1,877,573.32	USD	0.94
US912810RN00	US TREASURY N/B 2.875% 15/08/2045	PROPRE	1,167,400.00	1,176,155.56	USD	0.59
US912833RZ58	USA STRIPS 0% 15/08/2028	PGARAN	5,081,000.00	3,880,594.59	USD	1.94
US912810QS06	USA T-BOND 3.75% 15/08/2041	PROPRE	28,890,800.00	33,905,473.51	USD	16.98
US922646AS37	VENEZUELA 9.25% 15/09/27 *USD	PROPRE	2,201,000.00	841,005.16	USD	0.42
<b>Total Bond</b>				<b>199,928,172.71</b>		<b>100.11</b>
<b>Total Investment Securities</b>				<b>199,928,172.71</b>		<b>100.11</b>
<b>Interest rate swap</b>						
SWAP03643907	FEES LEG ETF MH D EU	PROPRE	1.00	2,557.45	USD	0.00
SWAP03598603	FEES LEG USD LYX ETF	PROPRE	1.00	44,528.46	USD	0.02
SWAP03643906	INDEX LEG ETF MH D E	PROPRE	6,470,880.00	7,208,390.60	EUR	3.61
SWAP03598611	INDEX LEG USD LYX ET	PROPRE	187,300,000.00	192,496,371.17	USD	96.39
SWAP03598544	VRAC LEG LYX ETF IBO	PROPRE	193,770,880.00	-196,047,578.12	USD	-98.17
<b>Total</b>						
<b>Total Interest rate swap</b>				<b>3,704,269.56</b>		<b>1.85</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	RECEIVABLE ON SWAP	PROPRE	0.00	12,987,563.39	USD	6.50
	PAYABLE ON SWAP	PROPRE	0.00	-616,446.25	USD	-0.31
	DEF. PURCHASES USD SECURITIES	PROPRE	0.00	-13,739,823.77	USD	-6.13

LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
	EUR SGP BANK	PROPRE	0.00	0.91	EUR	0.00
	USD SGP BANK	PROPRE	0.00	8.89	USD	0.00
	DEF. SALES USD SECURITIES	PROPRE	0.00	1,368,706.63	USD	-0.07
<b>Total AT BANK OR PENDING</b>				<b>9.80</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-47,086.14	USD	-0.02
<b>Total MANAGEMENT FEES</b>				<b>-47,086.14</b>		<b>-0.02</b>
<b>Total Cash</b>				<b>-47,076.34</b>		<b>-0.02</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02061004	PDC LYXOUS912833RZ58	PGAR1	-3,880,594.59	-3,880,594.59	USD	-1.94
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-3,880,594.59</b>		<b>-1.94</b>
<b>Total Files</b>				<b>-3,880,594.59</b>		<b>-1.94</b>
<b>Total LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF</b>				<b>199,704,771.34</b>		<b>100.00</b>



APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment: 31-Oct.

Average fortune of the fund for the period from 01/11/16 to 31/10/17:: 186,764,916.17

Management commission of the fund: 0.30 % tax included

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	432,102.89	267,669.98	562,845.18
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	432,102.89	267,669.98	562,845.18

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(562,845.18 / 186,764,916.17) * 100$$

0.30 %

Performance fee as a share in percentage of the net average assets:

- %

LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF  
(compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b>LYXOR IBOXX \$ LIQUID EMERGING MARKETS SOVEREIGNS UCITS ETF</b>			
Unit D-USD	+2.79%	+10.02%	-1.73%
Unit Monthly Hedged D-EUR (*)	+1.44%	-	-
<b>MARKIT IBOXX \$ <i>LIQUID EMERGING MARKETS SOVEREIGNS (USD)</i></b>	+3.20%	+10.40%	-1.88%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR BOFAML € HIGH YIELD EX- FINANCIAL BOND UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR BOFAML € HIGH YIELD EX-FINANCIAL BOND UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR UCITS ETF IBOXX € LIQUID HIGH YIELD 30 EX-FINANCIAL is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt securities listed in euros.

The LYXOR BOFAML € HIGH YIELD EX-FINANCIAL BOND UCITS ETF Compartment (the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year.

### Management objective:

The Compartment’s management objective is to replicate the evolution, whether upwards or downwards, of the BofA Merrill Lynch BB-CCC Euro Developed Markets Non-Financial High Yield Constrained index (the “Benchmark Indicator”), listed in Euros, representative of the high yield non-financial corporate bonds market issued in euro, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is a “Total Return” type index (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator).

The Benchmark Indicator selects bonds listed in euro, the main features of which are listed below, to represent the universe of high yield, non-financial corporate bonds listed in euro.

The bonds must adhere to a certain number of criteria relative to their type, rating, residual maturity, issue size as well as other liquidity criteria, in order to be eligible for inclusion in the Benchmark Indicator. In particular, bonds with a residual maturity of less than 1 year at each rebalancing date are not eligible.

Only non-Investment Grade rated bonds (i.e. those with a credit rating between BB1 and CCC3, as defined by the Benchmark Indicator calculator based on an average of the credit rating of Moody's, S&P and Fitch,) issued by non-financial issuers, are included in the Benchmark Indicator.

The proportions of bonds are calculated on the basis of the market value of the bonds and are subject to a maximum of 3% per issuer.

The coupons from the Benchmark Indicator bonds are accumulated and then reinvested in the Reference Indicator on the next monthly rebalancing date.

The Reference Indicator is rebalanced monthly on the last calendar day of the month in question.

The Benchmark Indicator is administered and managed by BofA Merrill Lynch.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available on the Internet site: <http://www.mlindex.ml.com>

#### **Benchmark Indicator publication**

The Benchmark Indicator fixing price is provided daily by Reuters and Bloomberg.

Reuters code: .MERHEDX

Bloomberg code: HEDX

#### **Benchmark Indicator revision and composition**

The Benchmark Indicator is reviewed monthly to account for changes that may affect the securities in the Benchmark Indicator universe. The rebalancing frequency indicated above will have an impact on the cost(s) borne by the Compartment and may therefore affect the performance of the Compartment.

The revision policy for the Benchmark Indicator is published by BofA Merrill Lynch and is available on the Internet site: <http://www.mlindex.ml.com/>

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of balance sheet assets (excluding any securities received as collateral), for (ii) the value of securities enabling it to achieve its management objective, in most cases the securities that underlie the Benchmark Indicator.

The securities held as assets by the Compartment will notably be securities that make up the Benchmark Indicator, as well as bonds issued by an OECD member State or bonds issued by non-governmental issuers in one of the currency of an OECD member State.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com).

The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by a non-sovereign issuing entity.

This 20% limit will be checked at each rebalancing date of the Benchmark Indicator, in compliance with the calculation method of the Benchmark Indicator that limits the exposure of each of components by 20% and whose calculation is ensured by the sponsor or the calculation agent of the benchmark Indicator. This 20% limit may be increased to 35% for a single non-sovereign issuing entity when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant, in case of high volatility of a debt issue, and/or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing entity debt and/or that could affect the credit rating of said issuer, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Interest rate sensitivity range within which the Compartment is managed:	Between 1 and 11
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: Up to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Developed countries : from 0% to 100% of net assets Emerging countries: 0% of net assets

## **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international bond securities.

The aforementioned equities will be bonds chosen on the basis of criteria:

- Of eligibility, in particular:

- o Senior debt,
- o Fixed maturity,
- o Maximum residual maturity,
- o Minimum issuing amount,
- o Requirement of a minimal threshold in S&P rating or equivalent.

- Of diversification, in particular:

- o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- o Geographical area,
- o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

## **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

## **4. Securities with integrated derivatives**

None.

## **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

## **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

## **7. Temporary securities acquisition and sale operations**

None.

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

## **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

The manager is prohibited from receiving cash guarantees.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

### **Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged.

The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

#### **Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

##### **- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

##### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

##### **- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

##### **- Investment in non-investment grade (or high yield) credit rating securities**

The Compartment will be exposed to non-Investment Grade rated bonds. In the event of default or insolvency of the issuer concerned, these bonds may be subject to a higher risk of loss of income or capital than bonds with comparable characteristics but with a higher credit quality. Their market value may also be more volatile.

##### **- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for future financial instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

##### **- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

##### **- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.



In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's management company and the FFI's counterparty. The management company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Index. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the bonds may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the bonds.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment’s counterparty in a future financial instrument), the Compartment’s net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST’s treatment in the methodology used by the Benchmark Indicator.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the market for high yield non-financial corporate bonds issued in euro.

The amount that it is reasonable to invest in this Compartment depends on each investor’s personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one’s investments so as to avoid an exposure only to this Compartment’s risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 3 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment’s complete prospectus and the latest annual and periodic documents are sent within one week of the bearer’s written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 9 December 2010.*
- *Compartment creation date: 6 January 2011.*

## Activity report

The net asset value of the Lyxor BofAML €High Yield Ex-Financial Bond UCITS ETF compartment shows an evolution of 6.54% over the fiscal year and stands at EUR 117.7662 on 31/10/2017, meaning a fund performance of 48.43% since inception.

The fund replicated the performance of the Markit iBoxx EUR Liquid High Yield 30 Ex-Financial index, listed in EUR, until 07/03/2017, then the BofA Merrill Lynch BB-CCC Euro Developed Markets Non-Financial High Yield Constrained index, listed in EUR, from 08/03/2017.

The Markit iBoxx EUR Liquid High Yield 30 Ex-Financial index shows an evolution of 2.62% from 31/10/2017 to 08/03/2017. The BofA Merrill Lynch BB-CCC Euro Developed Markets Non-Financial High Yield Constrained index shows an evolution 5.03% from 08/03/2017 to 31/10/2017. The pro-rated performance was therefore 7.78% over the period. Since the EUR class is valued in the currency of the index, the evolution of its net asset value is not subject to currency risk.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the Lyxor BofAML €High Yield Ex-Financial index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Lyxor BofAML €High Yield Ex-Financial index.

The equities held as assets by the Compartment will notably be equities that make up the Lyxor BofAML €High Yield Ex-Financial index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 4 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.2357% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*\* The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission (not audited by the auditor)

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-18-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

## Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.7	5.5	4.5	4.9

Portfolio rated 81%  
Nb Securities rated 271

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>5.5</b>	<b>29.0%</b>
	Climate Change	6.2	10.0%
	Environmental Opportunities	4.7	6.7%
	Natural Capital	6.0	5.9%
	Pollution & Waste	5.0	6.3%
<b>Social</b>		<b>4.5</b>	<b>38.2%</b>
	Human Capital	4.3	20.6%
	Product Liability	4.4	13.5%
	Social Opportunities	5.8	3.8%
	Stakeholder Opposition	6.7	0.3%
<b>Governance</b>		<b>4.9</b>	<b>27.4%</b>
	Corporate Behavior	4.7	9.8%
	Corporate Governance	5.0	17.6%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	27%
Average (A, BBB,BB)	49%
Laggards (B,CCC)	19%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	4.2%	4.2%	2.3%	5.3%	6.1%			
Consumer Staples	6.0%		0.3%	0.5%	0.3%			
Energy			0.7%					
Financials	3.7%	2.8%	1.0%	1.0%	1.7%			
Health Care			1.5%	0.8%			0.8%	
Industrials	1.8%	0.9%	0.9%	2.2%	3.0%	1.4%	0.3%	
Information Technology		1.3%	0.3%	0.7%	0.4%			
Materials	0.4%	1.9%	2.2%	5.8%	0.5%	4.7%	1.7%	
Real Estate		0.6%	0.4%				0.6%	
Telecommunication Services		2.9%	1.9%	8.3%		1.1%		
Utilities	1.5%	2.0%		1.6%				

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	1%
Orange Flag	13%
Yellow Flag	27%
Green Flag	53%



### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	38%
757	334	408	Scope 1 reported (vs estimated)	97%
			Scope2 reported (vs estimated)	82%
			Scope 1& 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	8%
Thermal Coal	1%
Natural Gas	3%
Oil	3%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	32%
20-49.9%	4%
50-100%	1%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;

- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	210,300,000
% of assets under management	-	-	-	-	84.91

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	GERMAN STATE
	Amount	8,773,791

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	210,300,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	8,773,791
Rating or literary	Not applicable				



### 3.2. Guarantee maturity.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	8,773,791
Open	-	-	-	-	-

### 3.3. Guarantee currency.

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	8,773,791

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	210,300,000
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Country	-	-	-	-	FRANCE
	Amount	-	-	-	-	210,300,000

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	210,300,000

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians		1
1	Name	SOCIETE GENERALE
	Amount	8,773,791

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>256,536,327.34</b>	<b>271,164,676.73</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	248,315,794.50	271,164,676.73
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	8,220,532.84	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>17,733,301.16</b>	<b>18,868,065.48</b>
Future foreign exchange operations	-	-
Other	17,733,301.16	18,868,065.48
<b>Financial accounts</b>	-	-
Liquidity	-	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>274,269,628.50</b>	<b>290,032,742.21</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	248,408,561.57	277,644,846.50
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-3,160,341.09	-11,719,767.46
• Earnings of the fiscal year	2,414,157.63	3,906,267.33
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>247,662,378.11</b>	<b>269,831,346.37</b>
<b>Financial instruments</b>	<b>8,773,790.59</b>	<b>1,227,666.50</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	8,773,790.59	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	1,227,666.50
<b>Debts</b>	<b>17,833,454.83</b>	<b>18,646,111.52</b>
Future foreign exchange operations	-	-
Other	17,833,454.83	18,646,111.52
<b>Financial accounts</b>	<b>4.97</b>	<b>327,617.82</b>
Current bank accommodations	4.97	327,617.82
Loans	-	-
<b>Total liabilities</b>	<b>274,269,628.50</b>	<b>290,032,742.21</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	210,300,000.00	234,400,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	1,607,141.08	2,054,262.05
• Earnings on debt securities	13,376,170.68	17,573,816.86
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>14,983,311.76</b>	<b>19,628,078.91</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-26.01	-34,17
• Other financial charges	-	-
<b>Total (II)</b>	<b>-26.01</b>	<b>-34,17</b>
<b>Earnings on financial operations (I - II)</b>	<b>14,983,285.75</b>	<b>19,628,044.74</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-1,196,848.69	-1,258,567.35
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>13,786,437.06</b>	<b>18,369,477.39</b>
Adjustment of the fiscal year's earnings (V)	-167,029.43	-1,538,410.06
Advances on result paid for the fiscal year (VI)	-11,205,250.00	-12,924,800.00
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>2,414,157.63</b>	<b>3,906,267.33</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The financial manager by delegation nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The financial manager by delegation nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The financial management delegatee independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the responsibility of the financial management delegatee.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Classes of equities in undertakings for collective investment in transferable securities operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Classes of equities and equities of AIF operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.



# appendix

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the responsibility of the financial management delegatee.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

## Posting method for the trading fees

The chosen method is that of included fees.

## Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

## Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

## Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

## Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.45% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

**Accounting currency**

The Compartment's accounting is carried out in euro.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year.

# appendix

The Markit iBoxx EUR Liquid High Yield 30 Ex-Financial index ("the index") referred herein is the property of Markit Indices Limited (the "index sponsor") and is used under licence for the LYXOR BOFAML €HIGH YIELD EX-FINANCIAL BOND UCITS ETF.

The parties agree on the fact that the index sponsor does not approve, propose or recommend the LYXOR BOFAML €HIGH YIELD EX-FINANCIAL BOND UCITS ETF.

The index sponsor provides no explicit or implicit guarantee and explicitly declines all liability (including, without limitation, regarding the commercial value or suitability for a particular use) regarding the index or any data included in or linked to the index, and in particular declines all liability regarding the quality, accuracy and/or exhaustiveness of the index or of the data included in or linked to the index, or the results obtained from the use of the index and/or of its composition at any particular date or moment, or the financial rating of any issuing entity, or any credit event or similar event (however defined) with regard to a bond, in the Index at any particular date or other moment.

The index sponsor cannot be held liable for any reason whatsoever relative to an error involving the index, and the index sponsor is not required to communicate such an error, in the event that it should occur.

Under no circumstance does the index sponsor issue any purchase or sale recommendation regarding the LYXOR BOFAML €HIGH YIELD EX-FINANCIAL BOND UCITS ETF or any opinion with regard to the ability of the index to replicate the performance of the markets in question or to the index or any operation or product related thereto or to the risks pertaining thereto.

The index sponsor is under no circumstances required to consider the needs of a third party when determining or modifying the composition or calculation of the index. Neither a buyer nor seller of the LYXOR BOFAML €HIGH YIELD EX-FINANCIAL BOND UCITS ETF, nor the index sponsor can be held liable in the event that the index sponsor fails to take the necessary measures for the determination, adjustment or calculation of the index.

The index sponsor or its affiliated companies retain the possibility of handling any of the bonds comprising the index, as well as the ability, provided it is allowed, to accept deposits, to make loans or to carry out any other credit activity, and more generally to perform any service of an investment and financing bank, or other commercial activity with the issuers of these bonds or affiliated companies and they can carry out such activities as if the index did not exist without considering the potential consequences that might arise therefrom for the index of the LYXOR BOFAML €HIGH YIELD EX-FINANCIAL BOND UCITS ETF.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>269,831,346.37</b>	<b>241,949,530.74</b>
Subscriptions (including subscription commission acquired by the Compartment)	72,713,504.50	195,596,727.00
Redemptions (less the redemption commission acquired by the Compartment)	-100,154,330.60	-167,142,726.20
Capital gains generated on deposits and financial instruments	35,637,221.28	33,766,268.78
Capital losses generated on deposits and financial instruments	-24,793,814.44	-41,374,367.14
Capital gains generated on financial contracts	509,567,196.65	716,758,575.41
Capital losses generated on financial contracts	-524,348,777.47	-722,590,053.35
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	-2,819,354.58	7,367,391.61
- <i>Estimate difference fiscal year N-1</i>	6,834,976.83	9,654,331.41
	9,654,331.41	2,286,939.80
Changes to the estimate difference of financial contracts:		
- <i>Estimate difference fiscal year N</i>	9,448,199.34	55,322.13
- <i>Estimate difference fiscal year N</i>	8,220,532.84	-1,227,666.50
- <i>Estimate difference fiscal year N-1</i>	-1,227,666.50	-1,282,988.63
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	13,786,437.06	18,369,477.39
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-11,205,250.00	-12,924,800.00
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>247,662,378.11</b>	<b>269,831,346.37</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	202,503,689.37	-
Variable-rate bonds	41,094,563.74	-
Zero coupon bonds	4,717,541.39	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR BOFAML € HIGH YIELD EX-FINANCIAL BOND UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	210,300,000.00	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	197,206,199.37	41,094,563.74	10,015,031.39	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	8,773,790.59	-	-	-
Financial accounts	-	-	-	4.97
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	210,300,000.00

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	3,104,832.56	2,231,872.48	41,281,904.16	49,296,004.00	152,401,181.30
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	8,773,790.59	-	-	-	-
Financial accounts	4.97	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	210,300,000.00	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	<b>17,733,301.16</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Account receivable	16,024,367.30
Deferred settlement sales	1,708,933.86
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>17,833,454.83</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	16,856,178.35
Account payable	877,122.81
Accrued expenses	100,153.67
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	622,000	72,713,504.50	863,000	100,154,330.60
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.45</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
- CIU securities	-
- Swaps	<b>8,220,532.84</b>

**3.10 Allocation of the earnings table** (in the Compartment's currency of account)

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
12/07/17	11,205,250.00	4.75	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>11,205,250.00</b>	<b>4.75</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	2,414,157.63	3,906,267.33
<b>Total</b>	<b>2,414,157.63</b>	<b>3,906,267.33</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	2,414,157.63	3,906,267.33
<b>Total</b>	<b>2,414,157.63</b>	<b>3,906,267.33</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>



**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-3,160,341.09	-11,719,767.46
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-3,160,341.09</b>	<b>-11,719,767.46</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-3,160,341.09	-11,719,767.46
<b>Total</b>	<b>-3,160,341.09</b>	<b>-11,719,767.46</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

Currency EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>247,662,378.11</b>	269,831,346.37	241,949,530.74	310,760,478.94	154,945,463.73
<b>Number of outstanding equities</b>	<b>2,103,000</b>	2,344,000	2,105,000	2,592,000	1,322,000
<b>Net asset value</b>	<b>117.7662</b>	115.1157	114.9403	119.8921	117.2053
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	<b>4.75</b>	5.60	4.95	3.75	8.10
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>-0.35</b>	-3.33	-5.49	1.61	3.11

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Compartment creation date: 6 January 2011.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
FR0012005924	ACCOR SA TF-2020 / TV PERPETUAL	PROPRE	1,300,000.00	1,412,081.73	EUR	0.57
XS1028959754	ALDESA FINANCIAL SERVICES S.A. 7.25% 01/04/2021	PROPRE	250,000.00	253,127.15	EUR	0.10
XS0836306471	ALGECO SCOTSMAN 9% 15/10/18	PROPRE	200,000.00	197,757.00	EUR	0.08
DE0001108595	ALLEMAGNE 0% 04/07/2042 STRIPS	PROPRE	2,976.00	2,224.98	EUR	0.00
XS1181246775	ALTICE FINANCING SA 5.25% 15/02/2023	PROPRE	700,000.00	740,355.58	EUR	0.30
XS0946155693	ALTICE FINCO SA 9% 15/06/2023	PROPRE	200,000.00	225,592.00	EUR	0.09
XS1061642317	ALTICE SA 7.25% 15/05/2022	PROPRE	3,557,000.00	3,851,971.14	EUR	1.56
BE6285450449	ANHEUSER-BUSCH INBEV NV FRN 17/03/2020	PROPRE	54,000.00	54,901.60	EUR	0.02
XS1586831999	ARAMARK 3.125% 01/04/2025	PROPRE	300,000.00	314,856.29	EUR	0.13
XS1084568762	ARCELORMITTAL 2.875% 06/07/2020	PROPRE	600,000.00	649,576.97	EUR	0.26
XS1167308128	ARCELORMITTAL 3.125% 14/01/2022	PROPRE	531,000.00	600,319.40	EUR	0.24
XS1574148877	ARDAGH PKG FIN 2.75% 15/03/2024	PROPRE	2,215,000.00	2,297,586.89	EUR	0.93
XS1406669983	ARDAGH PKG/HLDGS USA 6.75% 15/05/2024	PROPRE	600,000.00	691,768.50	EUR	0.28
FR0011791391	AREVA SA 3.125% 20/03/2023	PROPRE	5,100,000.00	5,459,881.15	EUR	2.20
FR0010941690	AREVA 3.50% 22/03/2021	PROPRE	500,000.00	547,047.67	EUR	0.22
FR0012278539	ARKEMA SA TV PERPETUAL	PROPRE	900,000.00	988,911.49	EUR	0.40
XS1000393899	ASTALDI SPA 7.125% 01/12/20	PROPRE	100,000.00	105,306.54	EUR	0.04
XS1144084099	AT&T INC FRN 04/06/2019	PROPRE	5,063,000.00	5,106,928.42	EUR	2.06
XS1153374084	AURIS LUXEMBOURG II 8% 15/01/2023	PROPRE	100,000.00	108,079.28	EUR	0.04
XS1496337236	AVIS BUDGET FINANCE PLC 4.125% 15/11/2024	PROPRE	300,000.00	313,284.13	EUR	0.13
XS1492656787	AXALTA COATING SYSTEMS DUTCH HOLDING 3.75% 15/01/2025*	PROPRE	400,000.00	435,336.33	EUR	0.18
XS1468538035	AXALTA COATING SYSTEMS 4.25% 15/08/2024	PROPRE	300,000.00	327,285.08	EUR	0.13
XS1330978567	BALL CORP 4.375% 15/12/2023	PROPRE	500,000.00	582,625.92	EUR	0.24
BE6222320614	BARRY CAL 5.375 15/06/2021	PROPRE	100,000.00	121,225.03	EUR	0.05
BE6286963051	BARRY CALLEBAUT SVCS NV 2.375% 24/05/2024	PROPRE	400,000.00	431,810.44	EUR	0.17

**LYXOR BOFAML € HIGH YIELD EX-FINANCIAL BOND UCITS ETF**  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE000A1R0TU2	BILFINGER BERGER 2.375% 07/12/19	PROPRE	593,000.00	628,030.05	EUR	0.25
XS1432585997	BMBG BOND FINANCE SCA 3.00% 15/06/2021	PROPRE	400,000.00	416,930.16	EUR	0.17
XS0552915943	BOMBARDIER INC 6.125% 15/05/2021	PROPRE	800,000.00	890,518.56	EUR	0.36
XS1600514696	BURGERKING FRANCE SAS 6% 01/05/2024	PROPRE	300,000.00	326,598.50	EUR	0.13
XS1401125346	BUZZI UNICEM SPA 2.125% 28/04/2023	PROPRE	400,000.00	429,462.08	EUR	0.17
XS0835273235	BUZZI UNICEM 6.25% 28/09/2018	PROPRE	200,000.00	212,674.63	EUR	0.09
FR0012369122	CASINO GUICHARD PERRACHO 2.33% 07/02/2025	PROPRE	200,000.00	218,675.21	EUR	0.09
FR0011765825	CASINO GUICHARD PERRACHON SA	PROPRE	700,000.00	812,858.12	EUR	0.33
FR0011606169	3.248% 07/03/2024	PROPRE	1,100,000.00	1,177,980.96	EUR	0.48
FR0010893396	CASINO GUICHARD TF/TV PERP	PROPRE	400,000.00	446,137.95	EUR	0.18
XS1531338678	CASINO GUICHARD 4.481% 12/11/18	PROPRE	300,000.00	330,091.92	EUR	0.13
XS1551726810	CATALENT PHARMA SOLUTION 4.75% 15/12/2024	PROPRE	300,000.00	324,181.77	EUR	0.13
XS1468525057	CELLNEX TELECOM SA 2.875% 18/04/2025	PROPRE	600,000.00	638,318.92	EUR	0.26
XS1265778933	CELLNEX TELECOM SAU 2.375% 16/01/2024	PROPRE	500,000.00	557,027.71	EUR	0.22
XS1382783527	CELLNEX TELECOM 3.125% 27/07/2022	PROPRE	300,000.00	330,096.96	EUR	0.13
XS1400351653	CHEMOURS CO 6.125% 15/05/2023	PROPRE	200,000.00	216,791.72	EUR	0.09
XS1227583033	CIRSA FUNDING LUXEMBOURG 5.75% 15/05/2021	PROPRE	592,000.00	640,075.42	EUR	0.26
XS1244815111	CIRSA FUNDING LUXEMBOURG 5.875% 15/05/2023	PROPRE	4,203,000.00	4,529,866.14	EUR	1.83
XS1412424662	CMA CGM SA 7.75% 15/01/2021	PROPRE	187,000.00	211,071.88	EUR	0.09
XS1046851025	CNH INDUSTRIAL FIN EUR S 2.875% 17/05/2023	PROPRE	2,830,000.00	2,990,017.89	EUR	1.21
XS1114452060	CNH INDUSTRIAL FINANCE EUROPE 2.75% 18/03/2019	PROPRE	100,000.00	110,821.56	EUR	0.04
XS1197832832	CNH 2.875% 27/09/2021	PROPRE	258,000.00	259,520.91	EUR	0.10
XS1599406839	COCA COLA CO FRN 09/09/2019	PROPRE	300,000.00	320,494.08	EUR	0.13
XS1513765922	COCOLFAX CORP 3.25% 15/05/2025	PROPRE	400,000.00	419,140.00	EUR	0.17
XS1064882316	CODERE FINANCE 2 LUXEMBO 6.75% 01/11/2021	PROPRE	300,000.00	313,841.96	EUR	0.13
XS1433185755	CONSTELLIUM NV 4.625% 15/05/2021	PROPRE	500,000.00	536,569.24	EUR	0.22
XS1400707771	CONTOURGLOBAL POWER HLDG 5.125% 15/06/2021	PROPRE	200,000.00	235,042.61	EUR	0.09
XS1436943309	CORRAL PETROLEUM HOLDING 11.5% 15/05/2021	PROPRE	200,000.00	224,183.22	EUR	0.09
XS1490137418	COTT FINANCE CORP 5.50% 01/07/2024	PROPRE	300,000.00	312,826.00	EUR	0.13
XS1227287221	CROWN EURO HOLDINGS SA 2.625% 30/09/2024	PROPRE	500,000.00	542,533.13	EUR	0.22

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XS1084050316	CROWN EURO HOLDINGS 4% 15/07/2022	PROPRE	505,000.00	574,626.31	EUR	0.23
XS1405766202	CRYSTAL ALMOND SARL 10% 01/11/2021	PROPRE	200,000.00	227,333.56	EUR	0.09
XS1240984754	DARLING GLOBAL FINANCE 4.75% 30/05/2022	PROPRE	200,000.00	213,840.11	EUR	0.09
DE0001108660	DBRR 0% 04/07/2044	PROPRE	1,700.00	1,217.86	EUR	0.00
XS1498935391	DEA FINANCE SA 7.5% 15/10/2022	PROPRE	300,000.00	334,680.50	EUR	0.14
XS1271836600	DEUTSCHE LUFTHANSA AG VAR 12/08/2075	PROPRE	649,000.00	741,280.07	EUR	0.30
XS1266592457	DUFYR FINANCE SCA 4.5% 01/08/2023	PROPRE	550,000.00	591,984.25	EUR	0.24
XS1028950704	EC FINANCE PLC 5.125% 15/07/2021	PROPRE	275,000.00	286,488.85	EUR	0.12
XS1491985476	EDREAMS ODIGEO SA 8.5% 01/08/2021	PROPRE	400,000.00	433,389.05	EUR	0.17
XS1432395785	EIRCOM FINANCE DAC 4.50% 31/05/2022	PROPRE	525,000.00	557,930.63	EUR	0.23
XS0954675129	ENEL SPA TF/TV 10/01/2074	PROPRE	1,800,000.00	2,026,057.19	EUR	0.82
XS1014997073	ENEL SPA TF/TV 15/01/2075	PROPRE	1,000,000.00	1,132,038.01	EUR	0.46
PTEDPUOM0024	ENERGIAS DE PORTUGAL SA VAR 16/09/2075	PROPRE	600,000.00	693,013.27	EUR	0.28
EU000A1U9829	EURO STABILITY MECHANISM 0.875% 15/10/2019	PROPRE	1.00	1.03	EUR	0.00
XS1241053666	EUROPCAR GROUPE SA 5.75% 15/06/2022	PROPRE	3,071,000.00	3,317,085.20	EUR	1.34
XS1555331617	EUROPEAN INVESTMENT BANK 0.5% 15/01/2027	PROPRE	2,704,000.00	2,718,924.23	EUR	1.10
XS1204116088	FAURECIA 3.125% 15/06/2022	PROPRE	500,000.00	522,773.68	EUR	0.21
XS1384278203	FAURECIA 3.625% 15/06/2023	PROPRE	500,000.00	536,720.07	EUR	0.22
XS1587905727	FEDERAL MOGUL HOLDINGS C 4.875% 15/04/2022	PROPRE	300,000.00	308,202.63	EUR	0.12
XS1388625425	FIAT CHRYSLER AUTOMOBILE 3.750% 29/03/2024	PROPRE	529,000.00	594,933.11	EUR	0.24
XS0953215349	FIAT FINANCE & TRADE 6.75% 14/10/2019	PROPRE	129,000.00	145,629.22	EUR	0.06
XS0999654873	FINMEC FINANCE SA 4.5% 19/01/2021	PROPRE	3,094,000.00	3,627,849.78	EUR	1.46
XS0182242247	FINMECCAN 5.75% 12/12/18	PROPRE	509,000.00	568,422.51	EUR	0.23
XS0576395478	FMC FIN 7 5.25% 15/02/21 *EUR	PROPRE	68,000.00	79,764.28	EUR	0.03
FR0010050559	FRANCE OAT I 2.25% 25/07/2020	PROPRE	893,619.00	1,241,240.80	EUR	0.50
FR0013283686	FRANCE 0% 25/03/2023	PROPRE	1,418,490.00	1,426,830.72	EUR	0.58
XS1071420027	GALAPAGOS HOLDING S.A 7% 15/06/2022	PROPRE	200,000.00	192,818.78	EUR	0.08
XS1139494493	GAS NATURAL FENOSA TF-2022 / TV PERPETUEL	PROPRE	1,200,000.00	1,354,928.14	EUR	0.55
XS1224710399	GAS NATURAL FENOSA FINAN VAR 29/12/2049	PROPRE	500,000.00	530,131.71	EUR	0.21
DE0001030567	GERMANY I 0.1% I 15/04/2026	PGARAN	7,750,000.00	8,773,790.59	EUR	3.54

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DE0001142263	GERMANY 0% 04/01/2037	PROPRE	5,722,260.53	4,712,853.77	EUR	1.90
DE0001143386	GERMANY 0% 04/07/2035	PROPRE	1,476.00	1,244.78	EUR	0.00
XS1409497283	GESTAMP FUND LUX SA 3.50% 15/05/2023	PROPRE	300,000.00	320,008.83	EUR	0.13
FR0010014845	GIE PSA 6% 19/09/33 *EUR	PROPRE	754,000.00	993,374.55	EUR	0.40
XS1333193875	GOODYEAR DUNLOP TIRES 3.75% 15/12/2023	PROPRE	200,000.00	213,231.17	EUR	0.09
XS1598757760	GRIFOLS SA 3.2% 01/05/2025	PROPRE	7,895,000.00	8,036,114.35	EUR	3.24
XS1496175743	GROUPE FNAC SA 3.25% 30/09/2023	PROPRE	400,000.00	424,735.56	EUR	0.17
XS1246049073	GRUPO ANTOLIN DUTCH BV 5.125% 30/06/2022	PROPRE	300,000.00	322,614.92	EUR	0.13
XS1598243142	GRUPO ANTOLIN IRAUSA SA 3.25% 30/04/2024	PROPRE	300,000.00	312,289.67	EUR	0.13
XS0860855930	GTECH SPA 3.5% 05/03/2020	PROPRE	700,000.00	791,166.71	EUR	0.32
XS1419661118	HANESBRANDS FINANCE LUX 3.50% 15/06/2024	PROPRE	300,000.00	329,410.33	EUR	0.13
XS1645113322	HAPAG LLOYD AG 5.125% 15/07/2024	PROPRE	200,000.00	214,327.11	EUR	0.09
XS1387174375	HEIDELBERGCEMENT AG 2.25% 30/03/2023	PROPRE	4,950,000.00	5,460,972.23	EUR	2.21
XS1086785182	HELLENIC TELECOM 3.50% 09/07/2020	PROPRE	400,000.00	428,431.32	EUR	0.17
XS0995045951	HERTZ HOLDGS NETHERLANDS 4.375% 15/01/19	PROPRE	300,000.00	309,428.54	EUR	0.12
XS1084836441	HOLDIKKS SAS 6.75% 15/07/21	PROPRE	200,000.00	161,253.50	EUR	0.07
DE000A1R02E0	HORNBACH BAUMRKT 3.875% 15/02/20	PROPRE	246,000.00	271,786.51	EUR	0.11
XS1533914591	HP PELZER HOLDING GMBH 4.125% 01/04/2024	PROPRE	300,000.00	314,910.63	EUR	0.13
XS1395182683	HUNTSMAN INTERNATIONAL L 4.25% 01/04/2025	PROPRE	200,000.00	228,275.94	EUR	0.09
XS1056202762	HUNTSMAN INTERNATIONAL LLC 5.125% 15/04/2021	PROPRE	200,000.00	226,395.03	EUR	0.09
XS1492822033	IMS HEALTH INC 3.5% 15/10/2024	PROPRE	500,000.00	528,368.89	EUR	0.21
XS1117296209	INEOS FINANCE PLC 4% 01/05/2023	PROPRE	1,364,000.00	1,413,944.38	EUR	0.57
XS1405769990	INEOS GROUP HOLDINGS SA 5.375% 01/08/2024	PROPRE	600,000.00	659,731.08	EUR	0.27
XS1354235217	INFOR US INC 5.75% 15/05/2022	PROPRE	200,000.00	214,366.72	EUR	0.09
XS1204431867	INTERNATIONAL GAME TECH 4.125% 15/02/2020	PROPRE	930,000.00	1,008,322.66	EUR	0.41
XS1204434028	INTERNATIONAL GAME TECH 4.75% 15/02/2023	PROPRE	235,000.00	267,828.26	EUR	0.11
XS0946728564	INTERXION HOLDING NV 6% 15/07/2020	PROPRE	100,000.00	105,401.33	EUR	0.04
XS1551347393	JAGUAR LAND ROVER AUTOMO 2.2% 15/01/2024	PROPRE	500,000.00	513,371.94	EUR	0.21
NL0011613922	KINGDOM OF THE NETHERLANDS 0% 15/01/2023	PROPRE	5,793,392.00	5,857,466.92	EUR	2.37
NL0011613963	KINGDOM OF THE NETHERLANDS 0% 15/01/2027	PROPRE	155,847.00	148,327.38	EUR	0.06

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XS1251078694	KIRK BEAUTY ONE GMBH 8.75% 15/07/2023	PROPRE	300,000.00	335,270.08	EUR	0.14
XS1591416679	K+S AG 2.625% 06/04/2023	PROPRE	300,000.00	319,344.82	EUR	0.13
XS0997941199	K+S 3.125% 06/12/2018	PROPRE	393,000.00	417,434.40	EUR	0.17
XS0997941355	K+S 4.125% 06/12/2021	PROPRE	502,000.00	584,695.73	EUR	0.24
XS1605600532	LA FINAC ATALIAN SA 4% 15/05/2024	PROPRE	500,000.00	536,545.83	EUR	0.22
XS0562783034	LAFARGE MULTICPON 29/11/18	PROPRE	80,000.00	88,683.12	EUR	0.04
XS1405763019	LANXESS AG VAR 06/12/2076	PROPRE	500,000.00	565,497.43	EUR	0.23
XS1458413728	LECTA SA 6.5% 01/08/2023	PROPRE	300,000.00	323,622.17	EUR	0.13
XS1602130947	LEVI STRAUSS CO 3.375% 15/03/2027	PROPRE	200,000.00	211,856.25	EUR	0.09
XS1028411152	LGE HOLDCO VI 7.125% 15/05/2024	PROPRE	500,000.00	580,518.54	EUR	0.23
XS1395004408	LKQ ITALIA BONDCO SPA 3.875% 01/04/2024	PROPRE	400,000.00	445,052.72	EUR	0.18
XS1401324972	LOXAM SAS 3.5% 03/05/2023	PROPRE	200,000.00	210,514.89	EUR	0.09
XS1591779399	LOXAM SAS 3.50% 15/04/2022	PROPRE	300,000.00	319,652.33	EUR	0.13
XS1590066624	LOXAM SAS 4.25% 15/04/2024	PROPRE	300,000.00	326,435.08	EUR	0.13
XS1089828450	LOXAM SAS 4.875% 23/07/2021	PROPRE	200,000.00	153,245.55	EUR	0.06
FR0013257599	LVMH MOET HENNESSY VUITT VAR 26/11/2018	PROPRE	199,000.00	199,649.74	EUR	0.08
XS1219465728	MATTERHORN TELECOM SA 3.875% 01/05/2022	PROPRE	841,000.00	869,882.16	EUR	0.35
XS1204272709	MERLIN ENTERTAINMENTS PL 2.75% 15/03/2022	PROPRE	500,000.00	526,945.14	EUR	0.21
XS1512670412	MOBLUX FINANCE SAS 5.50% 15/11/2024	PROPRE	300,000.00	331,994.67	EUR	0.13
XS1385392888	NATIONWIDE BLDG SOCIETY FRN 23/03/2018	PROPRE	427,000.00	428,290.73	EUR	0.17
XS0826531120	NESTLE FINANCE INTL LTD 1.75% 12/09/2022	PROPRE	42,000.00	45,696.43	EUR	0.02
XS1603948032	NETFLIX INC 3.625% 15/05/2027	PROPRE	900,000.00	941,976.00	EUR	0.38
FR0013176294	NEXANS SA 3.25% 26/05/2021	PROPRE	200,000.00	220,172.32	EUR	0.09
FR0011376201	NEXANS SA 4.25% 19/03/18	PROPRE	500,000.00	521,158.97	EUR	0.21
XS1497527736	NH HOTEL GROUP SA 3.75% 01/10/2023	PROPRE	300,000.00	320,102.75	EUR	0.13
XS1577731604	NOKIA OYK 2% 15/03/2024	PROPRE	500,000.00	518,618.66	EUR	0.21
XS1577727164	NOKTA OYJ 1.00% 15/03/2021	PROPRE	500,000.00	509,925.58	EUR	0.21
XS1028950886	NOVAFIVES SAS 4.5% 30/06/2021	PROPRE	200,000.00	207,010.00	EUR	0.08
XS1225112272	NOVALIS SAS 3% 30/04/2022	PROPRE	504,000.00	518,324.52	EUR	0.21
XS1504057008	N&W GLOBAL VENDING SPA 7% 15/10/2023	PROPRE	300,000.00	324,339.17	EUR	0.13

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XS1574789746	NYRSTAR NEDERLAND HOLDINGS 6.875% 15/03/2024	PROPRE	300,000.00	324,450.21	EUR	0.13
XS1107268135	NYRSTAR NETHERLANDS 8.5% 15/09/19	PROPRE	600,000.00	678,862.33	EUR	0.27
XS1043961439	OBRASCON HUARTE LAIN S.A. 4.75% 15/03/2022	PROPRE	400,000.00	400,609.34	EUR	0.16
XS1405765907	OI EUROPE 3.125% 15/11/2024	PROPRE	500,000.00	531,410.76	EUR	0.21
XS0542593792	OI EUROPEAN GP 6.75% 15/09/2020	PROPRE	500,000.00	601,915.00	EUR	0.24
XS1176586862	ONEX WIZARD AC II 7.75% 15/02/2023	PROPRE	600,000.00	645,108.83	EUR	0.26
XS1361301457	ONORATO ARMATORI SPA 7.75% 15/02/2023	PROPRE	300,000.00	306,462.42	EUR	0.12
XS1109795176	ORIGIN ENERGY FIN TF/TV 2074	PROPRE	1,386,000.00	1,462,082.21	EUR	0.59
XS0615236774	ORIGIN ENERGY FINANCE LTD VAR 16/06/2071	PROPRE	600,000.00	645,550.67	EUR	0.26
XS1327539976	OTE PLC 4.375% 02/12/2019	PROPRE	500,000.00	555,817.05	EUR	0.22
XS0885718782	OTE PLC 7.875% 07/02/2018	PROPRE	300,000.00	311,804.26	EUR	0.13
FI4000109624	OUTOKUMPU OYJ 6.625% 30/09/2019	PROPRE	200,000.00	208,496.78	EUR	0.08
XS1207101418	PAPREC HOLDING 5.25% 01/04/2022	PROPRE	300,000.00	315,547.75	EUR	0.13
XS1518684102	PERSTORP HOLDING AB 7.625% 30/06/2021	PROPRE	200,000.00	224,780.31	EUR	0.09
FR0013245586	PEUGEOT SA 2% 23/03/2024	PROPRE	4,282,000.00	4,487,231.86	EUR	1.81
FR0011567940	PEUGEOT SA 6.5% 18/01/2019	PROPRE	501,000.00	566,341.76	EUR	0.23
XS1091770161	PHOENIX PIB DUTCH FINANCE 3.625% 30/07/21	PROPRE	300,000.00	336,229.48	EUR	0.14
XS0935786789	PHOENIX PIB DUTCH HOLDING 3.125% 27/05/2020	PROPRE	100,000.00	108,361.30	EUR	0.04
XS1117298833	PICARD BONDCO 7.75% 01/02/2020	PROPRE	400,000.00	425,402.11	EUR	0.17
XS1063837741	PPC FINANCE 5.5% 01/05/2019	PROPRE	3,256,000.00	3,032,191.60	EUR	1.22
DE000A161GC3	PROGROUP AG 5.125% 01/05/2022	PROPRE	1,000,000.00	1,049,467.36	EUR	0.42
XS1175224747	PSPC ESCROW CORP 6% 01/02/2023	PROPRE	300,000.00	321,083.00	EUR	0.13
XS1533922776	QUINTILES IMS INC 3.25% 15/03/2025	PROPRE	1,176,000.00	1,225,607.27	EUR	0.49
FR0013240835	RENAUL SA 1% 08/03/2023	PROPRE	45,000.00	46,654.11	EUR	0.02
XS1207054666	REPSOL INTL FINANCE PERP 31/12/2049	PROPRE	1,300,000.00	1,441,633.04	EUR	0.58
XS1207058733	REPSOL INTL FINANCE VAR 25/03/2075	PROPRE	1,300,000.00	1,487,960.32	EUR	0.60
XS1574686264	REXEL SA 2.625% 15/06/2024	PROPRE	300,000.00	312,300.30	EUR	0.13
XS1238996018	REXEL SA 3.25% 15/06/2022	PROPRE	400,000.00	418,565.22	EUR	0.17
XS1409506885	REXEL SA 3.50% 15/06/2023	PROPRE	500,000.00	533,987.22	EUR	0.22
XS1219498141	RWE AG VAR 21/04/2075	PROPRE	800,000.00	832,919.29	EUR	0.34



**LYXOR BOFAML € HIGH YIELD EX-FINANCIAL BOND UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
XS1219499032	RWE AG VAR 21/04/2075	PROPRE	500,000.00	535,999.32	EUR	0.22
XS1487495316	SAIPEM FINANCE INTERNATIONAL BV 3.75% 08/09/2023	PROPRE	300,000.00	326,820.21	EUR	0.13
XS1591523755	SAIPEM FINANCE INTL BV 2.75% 05/04/2022	PROPRE	300,000.00	316,808.18	EUR	0.13
XS1487498922	SAIPEM FINANCE INTL BV 3% 08/03/2021	PROPRE	300,000.00	326,387.65	EUR	0.13
XS0956262892	SALINI COSTRUTTORI 6.125% 01/08/2018	PROPRE	400,000.00	424,938.47	EUR	0.17
XS1435297202	SALINI IMPREGOLO SPA 3.75% 24/06/2021	PROPRE	500,000.00	559,071.95	EUR	0.23
XS1490153886	SCHAEFFLER VERWALTUNG ZW 3.25% PIK 15/09/2023	PROPRE	600,000.00	640,188.83	EUR	0.26
XS1490159495	SCHAEFFLER VERWALTUNG ZW 3.75% 15/09/2026	PROPRE	300,000.00	327,171.25	EUR	0.13
XS1490152565	SCHAEFFLER VERWALTUNG ZWEI GMBH PIK 2.75% 15/09/2021	PROPRE	1,000,000.00	1,043,981.94	EUR	0.42
XS1454980159	SCHMANN SPA 7% 31/7/2023	PROPRE	300,000.00	313,381.17	EUR	0.13
XS1247796185	SEALED AIR CORP 4.5% 15/09/2023	PROPRE	300,000.00	346,590.00	EUR	0.14
XS1078234330	SELECTA GROUP BV 6.5% 15/06/2020	PROPRE	300,000.00	314,145.33	EUR	0.13
XS1405765659	SES SA PERP VAR 31/12/2049	PROPRE	500,000.00	585,116.68	EUR	0.24
XS1405777746	SES SA VAR PERP 31/12/2049	PROPRE	1,000,000.00	1,123,560.55	EUR	0.45
XS1292468987	SHELL INTERNATIONAL FIN FRN 15/09/2019	PROPRE	851,000.00	857,816.23	EUR	0.35
XS1514140364	SILGAN HOLDINGS INC 3.25% 15/03/2025	PROPRE	500,000.00	523,369.03	EUR	0.21
XS1180324037	SILK BIDCO 7.5% 01/02/2022	PROPRE	700,000.00	748,568.33	EUR	0.30
XS1555147369	SMURFIT KAPPA ACQUISITIO 2.375% 01/02/2024	PROPRE	483,000.00	511,590.45	EUR	0.21
XS1117298759	SMURFIT KAPPA ACQUISITIO 2.75% 01/02/2025	PROPRE	200,000.00	212,995.28	EUR	0.09
XS0880132989	SMURFIT KAPPA ACQUISITION 4.125% 30/01/2020	PROPRE	500,000.00	551,245.83	EUR	0.22
XS0918548644	SOFTBANK CORP 4.625% 15/04/2020	PROPRE	285,000.00	312,787.22	EUR	0.13
XS1266662334	SOFTBANK GROUP CORP 4.75% 30/07/2025	PROPRE	6,899,000.00	7,855,400.70	EUR	3.17
XS0992293570	SOLVAY FINANCE TF-2019/TV PERP	PROPRE	1,100,000.00	1,180,813.87	EUR	0.48
XS0992293901	SOLVAY FINANCE TV PERPETUAL	PROPRE	586,000.00	725,420.36	EUR	0.29
XS1323897485	SOLVAY FINANCE VAR 31/12/2049 PERP	PROPRE	470,000.00	542,529.71	EUR	0.22
XS1323897725	SOLVAY FINANCE VAR 31/12/2049 PERP	PROPRE	500,000.00	616,922.88	EUR	0.25
BE6282455565	SOLVAY SA FRN 01/12/2017	PROPRE	3,100,000.00	3,104,832.56	EUR	1.25
XS1221105759	SPCM SA 2.875% 15/06/2023	PROPRE	400,000.00	415,394.39	EUR	0.17
XS1493296500	SPECTRUM BRANDS INC 4% 01/10/2026	PROPRE	300,000.00	320,131.95	EUR	0.13
FR0013245263	SPIE SA 3.125% 22/03/2024	PROPRE	500,000.00	534,624.35	EUR	0.22

**LYXOR BOFAML € HIGH YIELD EX-FINANCIAL BOND UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
XS1432392170	STORA ENSO OYJ 2.125% 16/06/2023	PROPRE	250,000.00	265,549.37	EUR	0.11
XS1516322200	SYNLAB BONDCO PLC FRN 01/07/2022	PROPRE	872,000.00	885,477.73	EUR	0.36
XS1268471494	SYNLAB UNSECURED BONDCO PLC 8.25% 01/07/2023	PROPRE	200,000.00	226,086.33	EUR	0.09
XS1212668062	TA MANUFACTURING LTD 3.625% 15/04/2023	PROPRE	300,000.00	311,496.54	EUR	0.13
XS0908516080	TAKKO LUX 2 SCA 9.875% 15/04/2019	PROPRE	400,000.00	412,361.28	EUR	0.17
XS1195581159	TDC A/S TF-2021/TV 26/02/3015	PROPRE	700,000.00	749,512.20	EUR	0.30
XS0214965963	TELE ITA 5.25% 17/03/55 *EUR	PROPRE	500,000.00	633,828.60	EUR	0.26
XS0184373925	TELE ITA 5.375% 29/01/19 *EUR	PROPRE	100,000.00	110,831.61	EUR	0.04
XS1551678409	TELECOM ITALIA SPA 2.5% 19/07/2023	PROPRE	1,195,000.00	1,300,907.20	EUR	0.53
XS0868458653	TELECOM ITALIA SPA 4% 21/01/2020	PROPRE	100,000.00	111,876.79	EUR	0.05
XS1020952435	TELECOM ITALIA SPA 4.5% 25/01/2021	PROPRE	131,000.00	153,785.99	EUR	0.06
XS0794393396	TELECOM ITALIA 6.125% 14/12/2018	PROPRE	400,000.00	449,138.82	EUR	0.18
XS1419869885	TELECOM ITALITA SPA 3.625% 25/05/2026	PROPRE	482,000.00	560,679.14	EUR	0.23
XS1571293171	TELEFONAKTIEBOLAGET LM E 0.875% 01/03/2021	PROPRE	200,000.00	200,526.45	EUR	0.08
XS1571293684	TELEFONAKTIEBOLAGET LM E 1.875% 01/03/2024	PROPRE	200,000.00	199,411.40	EUR	0.08
XS0972588643	TELEFONICA EUROP BV TF/TV PERPETUAL	PROPRE	100,000.00	123,064.57	EUR	0.05
XS0972570351	TELEFONICA EUROPE BV TF/TV PERPETUAL	PROPRE	800,000.00	848,102.96	EUR	0.34
XS1050461034	TELEFONICA EUROPE BV TF/TV PERPETUAL	PROPRE	1,200,000.00	1,454,324.55	EUR	0.59
XS1050460739	TELEFONICA EUROPE BV TF/TV 31/12/2049 PERPETUAL	PROPRE	1,000,000.00	1,118,784.04	EUR	0.45
XS1490960942	TELEFONICA EUROPE BV VAR PERP 31/12/2049	PROPRE	1,200,000.00	1,312,500.74	EUR	0.53
XS1148359356	TELEFONICA EUROPE BV 4.2% PERPETUAL	PROPRE	1,200,000.00	1,323,699.37	EUR	0.53
XS0783935306	TELENET FIN 6.75% 15/08/2024	PROPRE	400,000.00	440,021.00	EUR	0.18
XS1266726592	TELENET FINANCE VI 4.875% 15/07/2027	PROPRE	600,000.00	673,961.75	EUR	0.27
XS0161100515	TELITA FIN 7.75% 24/01/33 *EUR	PROPRE	838,000.00	1,358,520.94	EUR	0.55
XS1591694481	TENNET HOLDING BV VAR 31/12/2049 PERP	PROPRE	1,300,000.00	1,376,045.37	EUR	0.56
XS1514470316	TEOLLISUUDEN VOIMA OYJ 2.625% 13/01/2023	PROPRE	500,000.00	537,575.96	EUR	0.22
FR0011439900	TEREOS FIN GROUP 04/03/20	PROPRE	400,000.00	430,005.81	EUR	0.17
FR0013183571	TEREOS FINANCE GROUPE I 4.125% 16/06/2023	PROPRE	500,000.00	539,496.95	EUR	0.22
XS1082970853	TESCO CORP TREASURY SERV 1.375% 01/07/2019	PROPRE	6,237,000.00	6,414,575.08	EUR	2.59
XS0697395472	TESCO 3.375% 02/11/2018	PROPRE	800,000.00	827,316.00	EUR	0.33

**LYXOR BOFAML € HIGH YIELD EX-FINANCIAL BOND UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
XS0295018070	TESCO 5.125% 10/04/47 *EUR	PROPRE	550,000.00	703,634.06	EUR	0.28
XS1172436211	THOMAS COOK FINANCE PLC 6.75% 15/06/2021	PROPRE	300,000.00	322,119.75	EUR	0.13
XS1531306717	THOMAS COOK GROUP PLC 6.25% 15/06/2022	PROPRE	152,000.00	170,144.20	EUR	0.07
DE000A1R0410	THYSEENKRUPP AG 3.125% 25/10/2019	PROPRE	40,000.00	42,184.20	EUR	0.02
DE000A2BPET2	THYSENKRUPP AG 1.375% 03/03/2022	PROPRE	10,164,000.00	10,512,694.12	EUR	4.24
DE000A2AAPF1	THYSENKRUPP AG 2.750% 08/03/2021	PROPRE	92,000.00	100,098.93	EUR	0.04
DE000A1R08U3	THYSENKRUPP AG 4% 27/08/2018	PROPRE	130,000.00	135,248.42	EUR	0.05
XS1429814830	TITAN GLOBAL FINANCE PLC 3.5% 17/06/2021	PROPRE	300,000.00	327,067.50	EUR	0.13
XS1086071146	TITAN GLOBAL FINANCE 4.25% 10/07/2019	PROPRE	200,000.00	215,191.25	EUR	0.09
XS1504103984	TUI AG 2.125% 26/10/2021	PROPRE	300,000.00	318,011.26	EUR	0.13
XS1602515733	UNILAB SUBHOLDINGS AB 5.75% 15/05/2025	PROPRE	200,000.00	212,753.17	EUR	0.09
XS1199438174	UNITY MEDIA KABELKW GMBH 3.75% 15/01/2027	PROPRE	849,000.00	896,553.20	EUR	0.36
XS1334248223	UNITYMEDIA HESSEN / NRW 4.625% 15/02/2026	PROPRE	350,000.00	388,100.08	EUR	0.16
XS1150437579	UNITYMEDIA HESSEN NRW 4% 15/01/2025	PROPRE	4,727,000.00	5,105,887.43	EUR	2.06
XS0877974062	UNITYMEDIA 5.125% 21/01/2023	PROPRE	400,000.00	303,071.58	EUR	0.12
XS0982713330	UNITYMEDIA 6.25% 15/01/29	PROPRE	500,000.00	580,343.19	EUR	0.23
XS1629969327	UPC HOLDING BV 3.875% 15/06/2029	PROPRE	800,000.00	786,960.56	EUR	0.32
XS1117297603	UPCB FINANCE IV LTD 4% 15/01/2027	PROPRE	550,000.00	593,322.89	EUR	0.24
FR0012188456	VALLOUREC SA 2.25% 30/09/24	PROPRE	400,000.00	332,531.70	EUR	0.13
FR0011302793	VALLOUREC 3.25% 02/08/2019	PROPRE	100,000.00	104,610.18	EUR	0.04
XS1265903937	VERALLIA PACKAGING SASU 5.125% 01/08/2022	PROPRE	500,000.00	536,544.93	EUR	0.22
XS1310477895	VERISURE HOLDING AB 6% 01/11/2022	PROPRE	300,000.00	291,851.55	EUR	0.12
XS1169920193	VIRGIN MEDIA FINANCE PLC 4.5% 15/01/2025	PROPRE	400,000.00	429,394.00	EUR	0.17
XS1372839214	VODAFONE GROUP PLC 2.2% 25/08/2026	PROPRE	4,848,000.00	5,307,269.97	EUR	2.14
XS1109802303	VODAFONE 1% 11/09/20	PROPRE	806,000.00	830,050.76	EUR	0.34
XS1409634612	VOLVO CAR AB 3.25% 18/05/2021	PROPRE	200,000.00	220,985.11	EUR	0.09
XS1205619288	VRX ESCROW CORP 4.5% 15/05/2023	PROPRE	211,000.00	183,887.56	EUR	0.07
XS1207387801	VWR FUNDING INC 4.625% 15/04/2022	PROPRE	200,000.00	209,163.81	EUR	0.08
DE000A2AA0W5	WEPA HYGIENEPRODUKTE GMB 3.75% 15/05/2024	PROPRE	400,000.00	425,944.33	EUR	0.17
XS1252776759	WFS GLOBAL HLDGS 9.5% 15/07/2022*	PROPRE	300,000.00	336,856.83	EUR	0.14

**LYXOR BOFAML € HIGH YIELD EX-FINANCIAL BOND UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
AT0000A100E2	WIENERBERGER 4% 17/04/20	PROPRE	356,000.00	395,171.83	EUR	0.16
XS1082636876	WIND ACQUISITION FIN SA 4% 15/07/2020	PROPRE	4,306,000.00	4,401,653.01	EUR	1.78
XS1505573995	WMG ACQUISITION CORP 4.125% 01/11/2024	PROPRE	300,000.00	319,402.38	EUR	0.13
DE000A14J7F8	ZF NA CAPITAL 2.25% 26/04/2019	PROPRE	2,500,000.00	2,612,843.32	EUR	1.06
XS1175813655	ZIGGI SECURED FINANCE BV 3.75% 15/01/2025	PROPRE	5,877,000.00	6,262,683.02	EUR	2.53
XS1170079443	ZIGGO BOND FINANCE BV 4.625% 15/01/2025	PROPRE	400,000.00	433,790.61	EUR	0.18
XS1493836461	ZIGGO SECURED FINANCE BV 4.25% 15/01/2027	PROPRE	1,578,000.00	1,712,314.54	EUR	0.69
<b>Total Bond</b>				<b>248,315,794.50</b>		<b>100.26</b>
<b>Total Investment Securities</b>				<b>248,315,794.50</b>		<b>100.26</b>
<b>Interest rate swap</b>						
SWAP03589634	FEES LEG EUR LYX ETF	PROPRE	1.00	100,153.81	EUR	0.04
SWAP03589607	INDEX LEG EUR LYX ET	PROPRE	210,300,000.00	247,662,382.93	EUR	100.00
SWAP03589610	VRAC LEG LYX ETF IBO	PROPRE	210,300,000.00	-239,542,003.90	EUR	-96.72
<b>Total Interest rate swap</b>				<b>8,220,532.84</b>		<b>3.32</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	RECEIVABLE ON SWAP	PROPRE	0.00	16,024,367.30	EUR	6.47
	PAYABLE ON SWAP	PROPRE	0.00	-877,122.81	EUR	-0.35
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-16,856,178.35	EUR	-6.81
	EUR SGP BANK	PROPRE	0.00	-4.97	EUR	-0.00
	DEF. SALES EUR SECURITIES	PROPRE	0.00	1,708,933.86	EUR	0.69
<b>Total AT BANK OR PENDING</b>				<b>-4.97</b>		<b>-0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-100,153.67	EUR	-0.04
<b>Total MANAGEMENT FEES</b>				<b>-100,153.67</b>		<b>-0.04</b>
<b>Total Cash</b>				<b>-100,158.64</b>		<b>-0.04</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02059907	PDC LYXODE0001030567	PGAR1	-8,773,790.59	-8,773,790.59	EUR	-3.54
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-8,773,790.59</b>		<b>-3.54</b>
<b>Total Files</b>				<b>-8,773,790.59</b>		<b>-3.54</b>
<b>Total LYXOR BOFAML €HIGH YIELD EX-FINANCIAL BOND UCITS ETF</b>				<b>247,662,378.11</b>		<b>100.00</b>

APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment: 31-Oct.

Average fortune of the fund for the period from 01/11/16 to 31/10/17: 265,982,592.02

Management commission of the fund: 0.45 % tax included

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	1,258,567.35	579,232.19	1,196,848.69
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	1,258,567.35	579,232.19	1,196,848.69

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(1,196,848.69 / 265,982,592.02) * 100$$

0.45 %

Performance fee as a share in percentage of the net average assets:

- %

LYXOR BOFAML € HIGH YIELD EX-FINANCIAL BOND UCITS ETF  
(compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b>Lyxor BofAML €High Yield Ex- Financial Bond UCITS ETF</b>	+6.54%	+5.20%	-0.06%
<b>MARKIT IBOXX EUR LIQUID HIGH YIELD 30 EX-FINANCIAL</b>	+7.78%	+5.84%	+0.47%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR DAILY LEVERAGED BTP UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR DAILY LEVERAGED BTP UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR DAILY LEVERAGED BTP UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Bonds and other debt securities listed in euros.

The LYXOR DAILY LEVERAGED BTP UCITS ETF Compartment (hereafter the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### **Terms of determination and allocation of amounts available for distribution:**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution. The realised net capital gain will be capitalised.

### **Management objective:**

The management objective of the Compartment is to be exposed, upwards or downwards, with a daily x2 leverage, to the performance of the Italian government bonds market while reproducing the evolution of the SGI daily leveraged BTP strategy index (the “Benchmark Indicator”) while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### **Benchmark indicator:**

The Benchmark Indicator is a strategy index prepared by the Société Générale research teams, using a proprietary methodology. The Benchmark Indicator is calculated and maintained by Standard & Poor’s.

The Benchmark Indicator provides an exposure to the increase or decrease of the market evolution for Italian government bonds, for which the Long-Term Euro-BTP futures are a representative indicator, with a daily x2 leverage. As such, should the Long-Term Euro-BTP futures rise on a given market day, the Compartment’s net asset value will increase twofold on that same market day and, should the Long-Term Euro-BTP futures fall on a given market day, the Compartment’s net asset value will decrease twofold on that same market day.

The Long-Term Euro-BTP futures are a representative indicator of the market for Italian government bonds with the residual maturity of between 8.5 and 11 years, and initial maturities of less than 16 years. They are listed on Eurex, and their methodology is available at [www.eurexchange.com](http://www.eurexchange.com)

The daily performance of the Benchmark Indicator is equal to twice the daily performance of the Long-Term Euro-BTP futures, plus interest (EONIA) collected each day on the valuation of the previous evening’s 5:40 p.m. fixing of the Long-Term Euro-BTP futures.

It is therefore an index that represents a long selling strategy with an amplifying x2 leverage on the Long-Term Euro-BTP futures, with daily rebalancing. An additional rebalancing may be carried out during the session if the Benchmark Indicator drops by more than 40% during a market day (i.e. if the intraday decline of the Long-Term Euro-BTP futures, in absolute value, is greater than 20%).



The monitored performance is that of the fixing of the Benchmark Indicator at 5:40 p.m., in euros.

As the Benchmark Indicator's calculation methodology is not based on a direct investment to the BTP obligations, but is rather based on an indirect investment via futures contracts, the Compartment's performance will be impacted by the cost related to the roll of the aforesaid futures on a quarterly basis.

This phenomenon could negatively and progressively impact, potentially in a significant manner, the gap between the Compartment's performance and the gross performance on the underlyings of the aforesaid futures, notably in case of long-term investment in the Compartment's equities.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition of the Benchmark Indicator are available at the following Internet site: [www.sgindex.fr](http://www.sgindex.fr)

Benchmark Indicator revision and composition :

The Benchmark Indicator is calculated each day, using the official closing fixing of the Long-Term Euro-BTP future at 5:40 pm.

The Benchmark Indicator is also calculated in real-time on each trading day.

The Benchmark Indicator is available via Reuters and Bloomberg.

Reuters code: .SGIXDLBT

Bloomberg code: SGIXDLBT

The Benchmark Indicator is revised each day.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

### **Investment strategy:**

#### **Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

An investor subscribing to this Compartment is exposed with a daily amplifying x2 leverage, upward or downward, to the performance of the Italian government bonds market for which the Benchmark Indicator is a representative indicator.

The securities held as assets by the Compartment will mainly be bonds issued by a Member State of the OECD or issued by non-government issuers residing in one of the Member States of the OECD.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the Compartment is managed:	Between 14 and 22
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets

**Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international securities (equities, bonds), listed in one of the currencies of an OECD country.

The investment in the assets of undertakings for collective investment in transferable securities (“UCITS”) that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The aforementioned securities will be bonds chosen on the basis of criteria:

- Of eligibility, in particular:

- o Senior debt,
- o Fixed maturity,
- o Maximum residual maturity,
- o Minimum issuing amount,
- o Requirement of a minimal threshold in S&P rating or equivalent.

- Of diversification, in particular:

- o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- o Geographical area,
- o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

As part of a future optimisation of the Compartment’s management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

**Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment’s assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS):  
100% of the assets under management.

- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS):  
up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be traded with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the “Counterparty”) will have no discretionary power regarding the composition of the Compartment’s investment portfolio, nor regarding the underlying assets of the future financial instruments.

**Securities with integrated derivatives**

None.

**Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

**Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

**Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets. In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

### **Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged.

The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the UCITS may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

### **Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

#### **Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

#### **Risk of daily readjustment of the leverage**

Investors are doubly exposed to the fluctuations affecting the price or level of the underlying BTP futures at the Benchmark Indicator on a daily basis. In particular, any depreciation of the underlying market will be amplified and will entail an even higher depreciation of the Compartment's net asset value.

The daily readjustment shown in the formula of the underlying Benchmark Indicator implies that, over a period of more than one banking day, the Compartment's performance will not be equal to the double of the performance of the underlying BTP futures at the Benchmark Indicator. For example, if the underlying BTP futures at the Benchmark Indicator appreciate by 10% on one banking day and then depreciate by 5% on the next banking day, the Compartment will have appreciated in all, after these two days (and before deduction of the applicable fees), by 8%, while the underlying BTP futures at the Benchmark Indicator will have appreciated by 4.5% over the same period.

If the underlying BTP futures at the Benchmark Indicator depreciate by 5% per day for 2 consecutive banking days, they will have depreciated by a total of 9.75%, while the ETF will have depreciated (before deduction of the applicable fees) by 19% over the same period.

Negative scenario 1: Case in which the resulting negative leverage is greater than 1 within the scenario of an increase of the Benchmark Indicator's underlying.

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	10%	100	20%	100	x2
day 2	-11%	110	-22%	120	x2
		97.9		93.6	
<b>Whole period</b>		<b>-2.10%</b>		<b>-6.40%</b>	<b>x3.05</b>

Negative scenario 2: Case in which the resulting leverage is less than 2 within the scenario of an increase of the Benchmark Indicator's underlying.

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	-5%	100	-10%	100	x2
day 2	6%	95	12%	90	x2
		100.7		100.8	
<b>Whole period</b>		<b>0.70%</b>		<b>0.80%</b>	<b>x1.14</b>

Moreover, it is possible that over an observation period of more than one day, and in case of strong volatility of the Benchmark Indicator's underlyings over this period, the Compartment's net asset value will decline even if the Benchmark Indicator's underlyings also show an increase over this same period.

Inverted leverage scenario 3: Case in which the resulting leverage is negative over the period:

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	20%	100	40%	100	x2
day 2	-16%	120	-32%	140	x2
		100.8		95.2	
<b>Whole period</b>	<b>0.80%</b>		<b>-4.80%</b>		<b>x-6</b>

**Risk that the Compartment's management objective may only be partially reached:**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the Benchmark Indicator, notably should one or more of the following risks arise:

**Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses future financial instruments ("FFI") negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of bonds may be affected.

**Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of bonds.

**Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment bonds. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

### **Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

### **Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

### **Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator. When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

### **Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for FFI) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

### **Liquidity risk on a place of listing**

The ETF's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's bonds on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

### **Risk related to low diversification**

The Benchmark Indicator to which the investors are exposed only covers the market for bonds issued by the Italian State and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment's underlyings.

### **Credit risk**

It represents the potential risk of deterioration of the rating assigned by rating agencies to the issuer, which would have a negative impact on the price of the issuer's bonds as well as the risk of default on the part of an issuer. The Compartment is exposed to the credit risk of the Italian State.

### **Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure with a daily amplifying x2 leverage, upward or downward, to the Italian government bonds market while reproducing the evolution of the Benchmark Indicator. The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 6 April 2011.*
- *Mutual fund creation date: 27 April 2011.*

## Activity report

The net asset value of the of the EUR unit of the LYXOR DAILY LEVERAGED BTP UCITS ETF Compartment shows an evolution of 9.24% over the fiscal year and stands at EUR 290.066 on 31/10/2017, meaning a fund performance of 190.07% since inception.

The fund replicates the performance of the SGI Daily Leveraged BTP index, listed in euros (EUR), representative of the 2-leverage strategy on a future BTP contract, listed on Eurex, representative of Italian government bonds having a maturity between 8 and 10.5 years with a daily rebalancing.

This index has shown an evolution of 9.84% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the SGI Daily Leveraged BTP index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the SGI Daily Leveraged BTP index.

The equities held as assets by the Compartment will notably be equities that make up SGI Daily Leveraged BTP index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0066% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

### Regulatory information

#### Transfer commission *(not audited by the auditor)*

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.



## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.

This document is solely intended for investors qualified as "eligible counterparties" or "professional clients" as defined in MIFID (Directive 2004/39/EC).

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Lyxor International Asset Management (LIAM) is a portfolio management company regulated by the Autorité des marchés financiers to conduct investment business in compliance with provisions of the UCITS (2009/65/CE) and AIFM (2011/61/EU) Directives. Société Générale is a French credit institution approved by the Autorité de contrôle prudentiel et de résolution.

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;

- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	4,490,000
% of assets under management	-	-	-	-	34.47

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	GERMAN STATE
	Amount	251,482

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	4,490,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	251,482
Rating or literary	Not applicable				

### 3.2. Guarantee maturity.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	251,482
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.3. Guarantee currency.

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	251,482

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	4,490,000
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Country	-	-	-	-	FRANCE
	Amount	-	-	-	-	4,490,000

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	4,490,000

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians		1
1	Name	SOCIETE GENERALE
	Amount	251,482

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>13,279,822.78</b>	<b>13,969,224.21</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	13,084,013.91	13,969,224.21
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	195,808.87	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>235,506.46</b>	<b>155,026.79</b>
Future foreign exchange operations	-	-
Other	235,506.46	155,026.79
<b>Financial accounts</b>	-	-
Liquidity	-	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>13,515,329.24</b>	<b>14,124,251.00</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	12,247,206.43	13,093,740.31
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	821,182.05	740,750.33
• Earnings of the fiscal year	-44,420.89	-53,958.91
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>13,023,967.59</b>	<b>13,780,531.73</b>
<b>Financial instruments</b>	<b>491,361.65</b>	<b>183,848.28</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	251,481.68	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	183,848.28
<b>Debts</b>	<b>239,873.95</b>	<b>159,868.51</b>
Future foreign exchange operations	-	-
Other	239,873.95	159,868.51
<b>Financial accounts</b>	<b>6.02</b>	<b>2.48</b>
Current bank accommodations	6.02	2.48
Loans	-	-
<b>Total liabilities</b>	<b>13,515,329.24</b>	<b>14,124,251.00</b>



## Off-balance sheet commitments

Currency	31.10.2017	31.10.2016
	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	4,490,000.00	5,190,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	2,337.42	1,847.37
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>2,337.42</b>	<b>1,847.37</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>2,337.42</b>	<b>1,847.37</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-48,954.35	-61,166.04
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-46,616.93</b>	<b>-59,318.67</b>
Adjustment of the fiscal year's earnings (V)	2,196.04	5,359.76
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-44,420.89</b>	<b>-53,958.91</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this assessment.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	Maximum 0.40% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

# appendix

**Accounting currency**

The Compartment's accounting is carried out in euros.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

# appendix

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>13,780,531.73</b>	<b>18,401,644.45</b>
Subscriptions (including subscription commission acquired by the CIU)	5,780,472.70	23,942,518.00
Redemptions (less the redemption commission acquired by the CIU)	-7,785,795.00	-29,233,220.50
Capital gains generated on deposits and financial instruments	793,408.73	1,259,248.80
Capital losses generated on deposits and financial instruments	-755,284.87	-727,033.45
Capital gains generated on financial contracts	25,460,990.66	85,342,860.59
Capital losses generated on financial contracts	-24,574,280.18	-85,004,678.40
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	-9,116.40	-96,181.76
- <i>Estimate difference fiscal year N</i>	98,058.25	107,174.65
- <i>Estimate difference fiscal year N-1</i>	107,174.65	203,356.41
Changes to the estimate difference of financial contracts:	379,657.15	-45,307.33
- <i>Estimate difference fiscal year N</i>	195,808.87	-183,848.28
- <i>Estimate difference fiscal year N-1</i>	-183,848.28	-138,540.95
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-46,616.93	-59,318.67
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>13,023,967.59</b>	<b>13,780,531.73</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	531,538.68	-
Convertible bonds	-	-
Fixed-rate bonds	11,609,0810.04	-
Variable-rate bonds	943,395.19	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR DAILY LEVERAGED BTP UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	4,490,000.00	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	11,609,080.04	-	1,474,933.87	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	251,481.68	-	-	-
Financial accounts	-	-	-	6.02
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	4,490,000.00

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	62,087.03	1,099,716.58	1,886,945.42	869,771.53	9,165,493.35
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	251,481.68	-	-	-
Financial accounts	6.02	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	4,490,000.00	-	-	-	-



### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>235,506.46</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Account receivable	235,506.46
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>239,873.95</b>
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlements purchases	235,506.46
Accrued expenses	4,367.49
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	23,000	5,780,472.70	30,000	7,785,795.00
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the CIU		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.40</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU	-
- Swaps	<b>195,808.87</b>

### 3.10 Allocation of the earnings table (in the CIU's currency of account)

#### Advances paid during the fiscal year

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-44,420.89	-53,958.91
<b>Total</b>	<b>-44,420.89</b>	<b>-53,958.91</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-44,420.89	-53,958.91
<b>Total</b>	<b>-44,420.89</b>	<b>-53,958.91</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the CIU's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	821,182.05	740,750.33
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>821,182.05</b>	<b>740,750.33</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	821,182.05	740,750.33
<b>Total</b>	<b>821,182.05</b>	<b>740,750.33</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the mutual fund during the last 5 fiscal years**

Currency EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>13,023,967.59</b>	13,780,531.73	18,401,644.45	11,915,550.23	10,913,363.36
<b>Number of outstanding equities</b>	<b>44,900</b>	51,900	71,900	55,300	70,000
<b>Net asset value</b>	<b>290.066</b>	265.5208	255.9338	215.471	155.9051
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>17.29</b>	13.23	43.30	58.78	33.96

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Mutual fund creation date: 27 April 2011.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
DE0001142586	ALLEMAGNE 0% 04/01/25 STRIPS	PROPRE	63,016.00	62,429.01	EUR	0.48
DE0001108595	ALLEMAGNE 0% 04/07/2042 STRIPS	PROPRE	199,991.00	149,521.27	EUR	1.15
BE6285455497	ANHEUSER BUSCH INBEV NV 2% 17/03/2028	PROPRE	264,000.00	290,237.04	EUR	2.23
AT0000A185T1	AUTRICHE 1.65% 21/10/2024	PROPRE	92,000.00	101,957.39	EUR	0.78
DE000A1R0XG3	BASF SE 2% 05/12/22	PROPRE	5,000.00	5,591.73	EUR	0.04
BE0000339482	BELGIUM KINGDOM 0.2% 22/10/2023	PROPRE	362,573.00	367,841.29	EUR	2.82
BE0000341504	BELGIUM KINGDOM 0.8% 22/06/2027	PROPRE	117,072.00	119,587.89	EUR	0.92
XS1069282827	BNP PARIBAS FRN 20/05/2019	PROPRE	15,000.00	15,137.67	EUR	0.12
XS1345331299	BNP PARIBAS 1.125% 15/01/2023	PROPRE	52,000.00	54,625.70	EUR	0.42
XS1068871448	BNP PARIBAS 2.375% 20/05/2024	PROPRE	39,000.00	43,900.21	EUR	0.34
XS0895249620	BNP PARIBAS 2.875% 26/09/23	PROPRE	8,000.00	9,151.68	EUR	0.07
DE0001108546	BUND STRIP 0% 04/07/40	PROPRE	2,549.00	1,977.71	EUR	0.02
DE0001141661	BUND 0.25% 13/04/18	PGARAN	250,000.00	251,481.68	EUR	1.93
DE0001143477	BUNDESREPUB DEUTSCHLAND 0% 04/07/44	PROPRE	1,264.00	891.87	EUR	0.01
FR0010137554	CADES I 1.85% 25/07/19 *EUR	PROPRE	64,000.00	79,515.48	EUR	0.61
FR0011003672	CAISSE D'AMORT DETTE SOC I 1.5% 25/07/21	PROPRE	1,000.00	1,181.37	EUR	0.01
FR0000474652	CFF 4.50% 16/05/18 *EUR	PROPRE	190,000.00	199,026.69	EUR	1.53
XS0443469316	CITIGROUP INC 7.375% 04/09/2019	PROPRE	51,000.00	58,692.14	EUR	0.45
DE000CZ302M3	COMMERZBANK 4% 16/09/2020	PROPRE	24,000.00	26,857.82	EUR	0.21
XS0969344083	CONTINENTAL AG 3.125% 09/09/2020	PROPRE	29,000.00	31,793.52	EUR	0.24
FR0010345181	CRH-CAISSE DE REFINANCEMENT DE L'HABITAT 4% 25/04/18	PROPRE	239,895.00	250,032.12	EUR	1.92
DE0001142578	DBR 0% STRIP 04/01/24	PROPRE	683.00	683.84	EUR	0.01
DE0001108660	DBRR 0% 04/07/2044	PROPRE	116,564.91	83,505.94	EUR	0.64
DE000DL19TQ2	DEUTSCHE BANK AG FRN 16/05/2022	PROPRE	100,000.00	101,689.55	EUR	0.78
XS1382791892	DEUTSCHE TELEKOM INT FIN FRN 03/04/2020	PROPRE	6,000.00	6,041.04	EUR	0.05

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
XS1382792197	DEUTSCHE TELEKOM INT FIN 0.625% 03/04/2023	PROPRE	10,000.00	10,245.87	EUR	0.08
XS1557095616	DEUTSCHE TELEKOM INT FIN 1.375% 30/01/2027	PROPRE	56,000.00	58,323.01	EUR	0.45
EU000A1G0BJ5	EFSF 3% 04/09/34	PROPRE	22,000.00	28,532.88	EUR	0.22
EU000A1U9951	EURO STABILITY MECHANISM 0.125% 22/04/2024	PROPRE	76,954.86	77,133.73	EUR	0.59
XS0449594455	EUROPEAN INVESTMENT BANK EURIB3 15/01/20	PROPRE	5,000.00	5,065.75	EUR	0.04
XS1260085037	EUROPEAN INVESTMENT BANK 0.125% 15/06/2020	PROPRE	163,000.00	165,801.88	EUR	1.27
XS1555331617	EUROPEAN INVESTMENT BANK 0.5% 15/01/2027	PROPRE	378,000.00	380,086.30	EUR	2.92
XS1247736793	EUROPEAN INVESTMENT BANK 0.875% 13/09/2024	PROPRE	1,753,000.00	1,845,161.57	EUR	14.17
XS1023039545	EUROPEAN INVESTMENT BANK 2.125 01/15/24	PROPRE	1,084,000.00	1,243,723.91	EUR	9.55
DE000A185QA5	EVONIK FINANCE BV 0.375% 07/09/2024	PROPRE	31,000.00	30,569.11	EUR	0.23
XS1170787797	EVONIK INDUSTRIES AG 1% 23/01/2023	PROPRE	67,000.00	70,109.36	EUR	0.54
FR0012558310	FRANCE GOVT I 0.1% 01/03/2025	PROPRE	293,102.00	321,644.61	EUR	2.47
FR0011008705	FRANCE OAT I 1.85% 25/07/2027	PROPRE	23,821.00	32,937.69	EUR	0.25
FR0010050559	FRANCE OAT I 2.25% 25/07/2020	PROPRE	34,610.00	48,073.45	EUR	0.37
DE0001030575	GERMANY I 0.1% I 15/04/2046	PROPRE	107,611.00	127,701.56	EUR	0.98
DE0001142057	GERMANY 0% 04/01/2028	PROPRE	1,000.00	958.98	EUR	0.01
DE0001142628	GERMANY 0% 04/01/2029	PROPRE	313,573.00	293,366.36	EUR	2.25
DE0001142164	GERMANY 0% 04/01/2031	PROPRE	137,679.73	125,127.47	EUR	0.96
DE0001142263	GERMANY 0% 04/01/2037	PROPRE	1,385.00	1,140.69	EUR	0.01
DE0001143311	GERMANY 0% 04/07/2028	PROPRE	1,055.00	991.34	EUR	0.01
DE0001143329	GERMANY 0% 04/07/2029	PROPRE	33,374.00	30,820.56	EUR	0.24
DE0001143337	GERMANY 0% 04/07/2030	PROPRE	261,711.72	239,429.58	EUR	1.84
DE0001143378	GERMANY 0% 04/07/2034	PROPRE	118,551.00	101,449.43	EUR	0.78
XS1289966134	GOLDMAN SACHS FRN 11/09/2018	PROPRE	115,000.00	115,619.53	EUR	0.89
XS1577427526	GOLDMAN SACHS GROUP INC FRN 09/09/2022	PROPRE	84,000.00	84,637.00	EUR	0.65
XS1365255907	GOLDMAN SACHS GROUP INC FRN 18/12/2017	PROPRE	62,000.00	62,087.03	EUR	0.48
XS1402235060	GOLDMAN SACHS GROUP INC FRN 29/04/2019	PROPRE	42,000.00	42,360.60	EUR	0.33
XS1240146891	GOLDMAN SACHS GROUP INC FRN 29/05/2020	PROPRE	43,000.00	43,510.83	EUR	0.33
XS1589406633	GOLDMAN SACHS GROUP INC FRN 31/12/2018	PROPRE	60,000.00	60,253.12	EUR	0.46
XS0963375232	GOLDMAN SACHS GROUP INC 2.625% 19/08/2020	PROPRE	48,000.00	51,763.62	EUR	0.40

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
XS1485597329	HSBC HOLDINGS PLC 0.875% 06/09/2024	PROPRE	254,000.00	255,827.90	EUR	1.96
XS1379182006	HSBC HOLDINGS PLC 1.5% 15/03/2022	PROPRE	158,000.00	167,570.73	EUR	1.29
XS0496716282	ITALCEMENTI MULTICPON 19/03/20	PROPRE	53,000.00	61,534.87	EUR	0.47
IT0003269021	ITALY BTPS STRIP 01/02/2032	PROPRE	239,783.00	165,421.50	EUR	1.27
IT0003268874	ITALY STRIP 0% 01/02/27	PROPRE	1,291,047.00	1,083,827.50	EUR	8.32
IT0005086886	ITALY 1.35% 15/04/2022	PROPRE	155,000.00	160,747.03	EUR	1.23
XS1432608286	JP MORGAN CHASE BANK NA FRN 14/06/2018	PROPRE	229,000.00	229,486.63	EUR	1.76
NL0011613849	KINGDOM OF THE NETHERLANDS 0% 15/01/2019	PROPRE	215,244.00	217,071.42	EUR	1.67
NL0011613948	KINGDOM OF THE NETHERLANDS 0% 15/01/2025	PROPRE	68,492.00	67,354.69	EUR	0.52
XS1353555003	LB BADEN-WUERTTEMBERG 0.375% 29/01/2019	PROPRE	129,000.00	130,217.23	EUR	1.00
XS0828235225	LINDE AG 1.75% 17/09/2020	PROPRE	57,000.00	60,479.02	EUR	0.46
XS1518704900	LINDE FINANCE BV 0.25% 18/01/2022	PROPRE	188,000.00	191,437.13	EUR	1.47
XS0304159576	RABOBANK 4.75% 06/06/22 *EUR	PROPRE	21,000.00	25,849.54	EUR	0.20
XS0496481200	RB SCOTLD 5.5% 23/03/20 *EUR	PROPRE	78,000.00	90,907.32	EUR	0.70
FR0013260486	RCI BANQUE SA FRN 14/03/2022	PROPRE	22,000.00	22,331.60	EUR	0.17
FR0013201597	RCI BANQUE SA 0.50% 15/09/2023	PROPRE	44,000.00	43,805.63	EUR	0.34
FR0013053055	RCI BANQUE SA 1.375% 17/11/2020	PROPRE	235,000.00	247,623.01	EUR	1.90
XS1195056079	ROCHE FINANCE EUROPE BV 0.875% 25/02/2025	PROPRE	25,000.00	25,944.20	EUR	0.20
XS1195284705	SANTANDER INTL DEBT SA FRN 04/03/2020	PROPRE	100,000.00	101,104.91	EUR	0.78
DE000A13SL26	SAP SE 1.125% 20/02/2023	PROPRE	172,000.00	182,754.23	EUR	1.40
DE000A13SL34	SAP SE 1.75% 22/02/2027	PROPRE	35,000.00	38,787.53	EUR	0.30
ES00000126B2	SPAIN 2.75% 31/10/24	PROPRE	89,000.00	100,703.56	EUR	0.77
ES00000121O6	SPANISH 4.3% 31/10/19	PROPRE	35,000.00	38,230.87	EUR	0.29
DE0001142644	STRIP INT 04/01/31	PROPRE	236,500.00	214,153.12	EUR	1.64
DE0001143261	STRIP INT 04/07/23	PROPRE	70,739.95	71,038.12	EUR	0.55
DE0001143295	STRIP INT 04/07/26	PROPRE	235,849.00	228,795.94	EUR	1.76
DE0001143303	STRIP INT 04/07/27	PROPRE	100,253.00	95,572.69	EUR	0.73
XS0999667263	TELEKOM FINANZMANAGEMENT 3.125% 03/12/21	PROPRE	2,000.00	2,305.49	EUR	0.02
XS0954684972	TOYOTA MOTOR CDT 1.8% 23/07/2020	PROPRE	229,000.00	242,233.94	EUR	1.86
IT0004966195	UNION DI BANCHE ITALIAN 3.125% 14/10/20	PROPRE	56,000.00	61,494.54	EUR	0.47



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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
XS0479869744	VODAFONE GROUPE 4.65% 20/01/22	PROPRE	88,000.00	107,611.73	EUR	0.83
XS1167637294	VOLKSWAGEN INTERNATIONAL FINANCIAL NV FRN 16/07/2018	PROPRE	54,000.00	54,069.93	EUR	0.42
XS1014610254	VOLKSWAGEN LEASING GMBH 2.625% 15/01/2024	PROPRE	254,000.00	285,741.89	EUR	2.19
<b>Total Bond</b>				<b>13,084,013.91</b>		<b>100.46</b>
<b>Total Investment Securities</b>				<b>13,084,013.91</b>		<b>100.46</b>
<b>Interest rate swap</b>						
SWAP03589600	FEES LEG EUR LYX ETF	PROPRE	1.00	4,367.48	EUR	0.03
SWAP03589616	INDEX LEG EUR LYX ET	PROPRE	4,490,000.00	13,023,973.62	EUR	100.00
SWAP03589589	VRAC LEG LYX ETF DAI	PROPRE	4,490,000.00	-12,832,532.23	EUR	-98.53
<b>Total Interest rate swap</b>				<b>195,808.87</b>		<b>1.50</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	RECEIVABLE ON SWAP	PROPRE	0.00	235,506.46	EUR	1.81
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-235,506.46	EUR	-1.81
	EUR SGP BANK	PROPRE	0.00	-6.02	EUR	-0.00
<b>Total AT BANK OR PENDING</b>				<b>-6.02</b>		<b>-0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-4,367.49	EUR	-0.03
<b>Total MANAGEMENT FEES</b>				<b>-4,367.49</b>		<b>-0.03</b>
<b>Total Cash</b>				<b>-4,373.51</b>		<b>-0.03</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02060840	PDC LYXODE0001141661	PGAR1	-251,481.68	-251,481.68	EUR	-1.93
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-251,481.68</b>		<b>-1.93</b>
<b>Total Files</b>				<b>-251,481.68</b>		<b>-1.93</b>
<b>Total LYXOR UCITS ETF DAILY LEVERAGED BTP</b>				<b>13,023,967.59</b>		<b>100.00</b>

# LYXOR DAILY LEVERAGED BUND UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR DAILY LEVERAGED BUND UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR DAILY LEVERAGED BUND UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Bonds and other debt securities listed in euros.

The LYXOR DAILY LEVERAGED BUND UCITS ETF Compartment (hereafter the “Compartment”) is continuously exposed to rate securities listed in euros.

The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type strategy index fund.

### **Terms of determination and allocation of amounts available for distribution:**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution. The realised net capital gain will be capitalised.

### **Management objective:**

The management objective of the Compartment is to be exposed with a daily x2 leverage, upwards or downwards, to the performance of the German government bonds market with an average maturity of 10 years while reproducing the evolution of the SGI Daily Leveraged Bund strategy index (the “Benchmark Indicator”) listed in euros (EUR), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the SGI Daily Leveraged Bund index.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### **Benchmark indicator:**

The Benchmark Indicator of the Compartment is the SGI Daily Leveraged Bund index.

The Benchmark Indicator is a strategy index prepared by the Société Générale research teams, using a proprietary methodology. The Benchmark Indicator is calculated and maintained by Standard & Poor’s.

The Benchmark Indicator provides an exposure to the increase or decrease of the market evolution for German government bonds with an average maturity of 10 years, for which the Bund future are a representative indicator, with a daily x2 leverage. As such, should the Bund future rise on a given market day, the Compartment’s net asset value will increase twofold on that same market day and, should the Bund future fall on a given market day, the Compartment’s net asset value will decrease twofold on that same market day.

The Bund future is a representative indicator of the market for German government bonds, with the average maturity of 10 years. The Bund futures are listed on Eurex, and their methodology is available at [www.eurexchange.com](http://www.eurexchange.com)

The daily performance of the Benchmark Indicator is equal to twice the daily performance of the Bund future, plus interest (EONIA) collected each day on the valuation of the previous evening’s 5:40 p.m. fixing of the Bund future.

It is therefore an index that represents a long selling strategy with an amplifying x2 leverage on the Bund future, with daily rebalancing. An additional rebalancing may be carried out during the session if the strategy index drops by more than 40% during a market day (i.e. if the intraday decline of the Bund future, in absolute value, is greater than 20%).

The monitored performance is that of the fixing of the Benchmark Indicator at 5:40 p.m., in euros.

As the Benchmark Indicator's calculation methodology is not based on a direct investment to the Bund obligations, but is rather based on an indirect investment via futures contracts, the Compartment's performance will be impacted by the cost related to the roll of the aforesaid futures on a quarterly basis.

This phenomenon could negatively and progressively impact, potentially in a significant manner, the gap between the Compartment's performance and the gross performance on the underlyings of the aforesaid futures, notably in case of long-term investment in the Compartment's equities.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition of the Benchmark Indicator are available at the following Internet site: [www.sgindex.fr](http://www.sgindex.fr)

#### **Benchmark Indicator revision and composition**

The Benchmark Indicator's revision depends on that of the Bund.

More information on the index's construction methodology is available on the Internet at: [www.sgindex.fr](http://www.sgindex.fr)

#### **Benchmark Indicator publication**

The Benchmark Indicator is calculated each day, using the official closing fixing of the Bund future at 5:40 pm.

The Benchmark Indicator is also calculated in real-time on each trading day.

The Benchmark Indicator is available via Reuters and Bloomberg.

Reuters code: .SGIXDLBU

Bloomberg code: SGIXDLBU

The Benchmark Indicator is revised each day.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

#### **Investment strategy:**

##### **Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

An investor subscribing to this Compartment is exposed with a daily amplifying x2 leverage, upward or downward, to the performance of the German government bonds market with an average maturity of 10 years for which the Benchmark Indicator is a representative indicator.

The financial securities held as assets by the Compartment will mainly be securities that made up the Benchmark Indicator as well as other international equities of all economic sectors, listed on all markets, including small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by a non-member State of the OECD. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The aforementioned securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the Compartment is managed:	Between 14 and 22
Currencies in which securities held by the Compartment are listed:	Euro: up to 100% of net assets Others: up to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : up to 100% of net assets Emerging countries: 0% of net assets

In the present case, the manager intends to use primarily the following assets:

**Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international securities (equities, bonds), listed in one of the currencies of an OECD country.

The aforementioned securities will be bonds chosen on the basis of criteria:

- Of eligibility, in particular:

- o Senior debt,
- o Fixed maturity,
- o Maximum residual maturity,
- o Minimum issuing amount,
- o Requirement of a minimal threshold in S&P rating or equivalent.

- Of diversification, in particular:

- o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- o Geographical area,
- o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

**Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the securities held as assets by the Compartment (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be traded with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

**Securities with integrated derivatives**

None.

**Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

**Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

**Temporary securities acquisition and sale operations**

The Compartment will not have recourse to temporary acquisition and/or sale operations involving securities.

**Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets. In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

Policy related to discounts:

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

Reinvestment of received guarantees:

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**Risk of daily readjustment of the leverage**

Investors are doubly exposed to the fluctuations affecting the price or level of the underlying Bund futures at the Benchmark Indicator on a daily basis. In particular, any depreciation of the underlying market will be amplified and will entail an even higher depreciation of the Compartment's net asset value. The daily readjustment shown in the formula of the underlying Benchmark Indicator implies that, over a period of more than one banking day, the Compartment's performance will not be equal to the double of the performance of the underlying Bund futures at the Benchmark Indicator. For example, if the underlying Bund futures at the Benchmark Indicator appreciate by 10% on one banking day and then depreciate by 5% on the next banking day, the ETF will have appreciated in all, after these two days (and before deduction of the applicable fees), by 8%, while the underlying Bund futures at the Benchmark Indicator will have appreciated by 4.5% over the same period.

If the underlying Bund futures at the Benchmark Indicator depreciate by 5% per day for 2 consecutive banking days, they will have depreciated by a total of 9.75%, while the ETF will have depreciated (before deduction of the applicable fees) by 19% over the same period.

Negative scenario 1:

Case in which the resulting negative leverage is greater than 1 within the scenario of an increase of the Benchmark Indicator's underlying.

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	10%	100	20%	100	x2
day 2	-11%	97.9	-22%	93.6	x2
<b>Whole period</b>	<b>-2.10%</b>		<b>-6.40%</b>		<b>x3.05</b>

Negative scenario 2:

Case in which the resulting leverage is less than 2 within the scenario of an increase of the Benchmark Indicator's underlying.

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	-5%	100	-10%	100	x2
day 2	6%	95	12%	90	x2
		100.7		100.8	
<b>Whole period</b>	<b>0.70%</b>		<b>0.80%</b>		<b>x1.14</b>

Moreover, it is possible that over an observation period of more than one day, and in case of strong volatility of the Benchmark Indicator's underlyings over this period, the Compartment's net asset value will decline even if the Benchmark Indicator's underlyings also show an increase over this same period.

Inverted leverage scenario 3:

Case in which the resulting leverage is negative over the period:

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	20%	100	40%	100	x2
day 2	-16%	120	-32%	140	x2
		100.8		95.2	
<b>Whole period</b>	<b>0.80%</b>		<b>-4.80%</b>		<b>x-6</b>

**Risk that the management objective may only be partially reached:**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the Benchmark Indicator, notably should one or more of the following risks arise:

**Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses future financial instruments ("FFI") negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of equities may be affected.

**Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of equities.

**Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.



“Events affecting the Benchmark Indicator” are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market’s actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator’s components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator’s performance.

#### **Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment’s counterparty in a future financial instrument), the Compartment’s net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST’s treatment in the methodology used by the Benchmark Indicator.

#### **Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

#### **Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment’s assets by counterparty.

In case of a Counterparty’s default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment’s ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the financial manager by delegation and the FFI’s counterparty. The financial manager by delegation manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

#### **Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for FFI) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

#### **Liquidity risk on a place of listing**

The ETF’s equity price can deviate from its indicative net asset value. The liquidity of the Compartment’s bonds on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the index, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment’s indicative net asset value, and/or
- iv) A market maker’s violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace’s IT or electronic systems.

**Risk related to low diversification**

The Benchmark Indicator to which the investors are exposed only covers the market for bonds issued by the German State and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment's underlyings.

**Credit risk**

It represents the potential risk of deterioration of the rating assigned by rating agencies to the issuer, which would have a negative impact on the price of the issuer's bonds as well as the risk of default on the part of an issuer. The Compartment is exposed to the credit risk of the German State.

**Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure with an amplifying x2 leverage, upward or downward, to the German state bonds market with an average maturity of 10 years.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.
- Creation date of the Multi Units France mutual fund: 4 March 2002.
- Compartment approval date by the AMF (Financial Markets Authority): 6 April 2011.
- Compartment creation date: 27 April 2011.

## Activity report

The net asset value of the EUR unit of the LYXOR DAILY LEVERAGED BUND UCITS ETF Compartment shows an evolution of 3.37% over the fiscal year and stands at EUR 234.3201 on 31/10/2017, meaning a fund performance of 134.32% since inception.

The fund replicates the performance of the SGI Daily Leveraged Bund index, listed in euros (EUR), representative of the 2-leverage strategy on a future BUND contract, listed on Eurex, representative of German government bonds having a maturity at 10 years with a daily rebalancing.

This index has shown an evolution of 3.73% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the Compartment and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the SGI Daily Leveraged Bund index, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the SGI Daily Leveraged Bund index.

The equities held as assets by the Compartment will notably be equities that make up SGI Daily Leveraged Bund index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0041% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### **Transfer commission** (not audited by the auditor)

None.

#### **Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### **Overall risk of the Compartment**

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy.
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products.
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy.
- MSCI and Sustainalytics ESG research to integrate ESG issues.
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.

This document is solely intended for investors qualified as "eligible counterparties" or "professional clients" as defined in MIFID (Directive 2004/39/EC).

This document is for informational purposes only and does not constitute, on the portfolio management company, an offer to buy or sell or a solicitation or investment advice, and must not be used as a basis or be taken into account for any contract or commitment.

The information contained in this document is established on extra financial data basis available from various reputable sources. However, validity, accuracy, exhaustiveness, relevance and completeness of this information are not guaranteed by the portfolio management company. In addition, this information is subject to change without any prior notice and the portfolio management company shall not be obligated to update or revise the document.

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Lyxor International Asset Management (LIAM) is a portfolio management company regulated by the Autorité des marchés financiers to conduct investment business in compliance with provisions of the UCITS (2009/65/CE) and AIFM (2011/61/EU) Directives. Société Générale is a French credit institution approved by the Autorité de contrôle prudentiel et de résolution.

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;

- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	6,600,000
% of assets under management	-	-	-	-	42.68

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	ITALIAN STATE
	Amount	418,883

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	6,600,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	418,883
Rating or literary	Not applicable				

### 3.2. Guarantee maturity.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	418,883
Open	-	-	-	-	-

### 3.3. Guarantee currency.

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	418,883

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	6,600,000
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Country	-	-	-	-	FRANCE
	Amount	-	-	-	-	6,600,000

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	6,600,000

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians		1
1	Name	SOCIETE GENERALE
	Amount	418,883

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.



## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>15,886,605.91</b>	<b>20,444,402.00</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	15,466,168.19	20,444,402.00
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	420,437.72	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>33,789.91</b>	<b>500,355.54</b>
Future foreign exchange operations	-	-
Other	33,789.91	500,355.54
<b>Financial accounts</b>	-	<b>0.75</b>
Liquidity	-	0.75
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>15,920,395.82</b>	<b>20,944,758.29</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	15,620,468.04	18,112,208.18
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-125,403.04	2,055,112.09
• Earnings of the fiscal year	-29,937.81	6,869.77
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>15,465,127.19</b>	<b>20,174,190.04</b>
<b>Financial instruments</b>	<b>455,268.63</b>	<b>266,725.03</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	418,883.09	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	266,725.03
<b>Debts</b>	<b>36,384.09</b>	<b>503,843.22</b>
Future foreign exchange operations	-	-
Other	36,384.09	503,843.22
<b>Financial accounts</b>	<b>1.45</b>	-
Current bank accommodations	1.45	-
Loans	-	-
<b>Total liabilities</b>	<b>15,920,395.82</b>	<b>20,944,758.29</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	6,600,000.00	8,900,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	234.94	50,159.34
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>234.94</b>	<b>50,159.34</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>234.94</b>	<b>50,159.34</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-35,862.59	-40,790.59
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-35,627.65</b>	<b>9,368.75</b>
Adjustment of the fiscal year's earnings (V)	5,689.84	-2,498.98
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-29,937.81</b>	<b>6,869.77</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this assessment.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.
- Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	Maximum 0.20% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

# appendix



## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>20,174,190.04</b>	<b>19,111,493.96</b>
Subscriptions (including subscription commission acquired by the Compartment)	38,211,342.70	36,805,964.80
Redemptions (less the redemption commission acquired by the Compartment)	-43,458,849.30	-37,963,160.00
Capital gains generated on deposits and financial instruments	1,593,404.68	1,815,624.87
Capital losses generated on deposits and financial instruments	-1,659,287.59	-1,363,863.04
Capital gains generated on financial contracts	90,763,120.60	106,395,224.47
Capital losses generated on financial contracts	-90,768,344.99	-104,604,116.34
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	-41,984.05	20,956.34
- <i>Estimate difference fiscal year N</i>	134,156.07	176,140.12
- <i>Estimate difference fiscal year N-1</i>	176,140.12	155,183.78
Changes to the estimate difference of financial contracts:	687,162.75	-53,303.77
- <i>Estimate difference fiscal year N</i>	420,437.72	-266,725.03
- <i>Estimate difference fiscal year N-1</i>	-266,725.03	-213,421.26
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-35,627.65	9,368.75
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>15,465,127.19</b>	<b>20,174,190.04</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	500,988.24	-
Convertible bonds	-	-
Fixed-rate bonds	12,844,270.88	-
Variable-rate bonds	2,120,909.07	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR DAILY LEVERAGED BUND UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	6,600,000.00	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	12,844,270.88	-	2,621,897.31	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	418,883.09	-	-	-
Financial accounts	-	-	-	1.45
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	6,600,000.00

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	195,787.73	605,173.07	1,613,406.33	6,397,895.73	6,653,905.33
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	418,883.09	-	-	-	-
Financial accounts	1.45	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	6,600,000.00	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>33,789.91</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Account receivable	28,867.16
Deferred settlements sales	4,922.75
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>36,384.09</b>
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlements purchases	28,867.16
Account payable	4,922.75
Accrued expenses	2,594.18
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	167,000	38,211,342.70	190,000	43,458,849.30
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.20</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	<b>420,437.72</b>

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-29,937.81	6,869.77
<b>Total</b>	<b>-29,937.81</b>	<b>6,869.77</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-29,937.81	6,869.77
<b>Total</b>	<b>-29,937.81</b>	<b>6,869.77</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-125,403.04	2,055,112.09
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-125,403.04</b>	<b>2,055,112.09</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-125,403.04	2,055,112.09
<b>Total</b>	<b>-125,403.04</b>	<b>2,055,112.09</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

Currency EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>15,465,127.19</b>	20,174,190.04	19,111,493.96	8,084,978.26	7,138,439.84
<b>Number of outstanding equities</b>	<b>66,000</b>	89,000	94,000	44,000	47,000
<b>Net asset value</b>	<b>234.3201</b>	226.6762	203.3137	183.7495	151.8816
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>-2.35</b>	23.16	22.33	29.91	18.01

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Compartment creation date: 27 April 2011.



## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
DE0001108595	ALLEMAGNE 0% 04/07/2042 STRIPS	PROPRE	1,033,558.00	772,729.30	EUR	5.00
XS0452314536	ASSICURAZ 5.125% 5.125% 16/09/2024	PROPRE	131,000.00	170,894.65	EUR	1.11
AT0000A185T1	AUTRICHE 1.65% 21/10/2024	PROPRE	542,000.00	600,662.00	EUR	3.88
XS1578083625	BARCLAYS BANK PLC FRN 13/03/2019	PROPRE	265,000.00	266,296.07	EUR	1.72
XS0445843526	BARCLAYS BANK PLC 4.875% 13/08/2019	PROPRE	53,000.00	58,449.12	EUR	0.38
BE0000339482	BELGIUM KINGDOM 0.2% 22/10/2023	PROPRE	511,283.00	518,712.08	EUR	3.35
XS0562852375	BNP PAR 3.75% 25/11/2020	PROPRE	1,000.00	1,152.48	EUR	0.01
XS1345331299	BNP PARIBAS 1.125% 15/01/2023	PROPRE	74,000.00	77,736.57	EUR	0.50
XS1068871448	BNP PARIBAS 2.375% 20/05/2024	PROPRE	13,000.00	14,633.40	EUR	0.09
XS0895249620	BNP PARIBAS 2.875% 26/09/23	PROPRE	129,000.00	147,570.76	EUR	0.95
DE0001108546	BUND STRIP 0% 04/07/40	PROPRE	19,269.00	14,950.34	EUR	0.10
DE0001143477	BUNDESREPUB DEUTSCHLAND 0% 04/07/44	PROPRE	614.00	433.23	EUR	0.00
IT0005188120	BUONI POLIENNALI DEL TES I 0.1% 15/05/2022	PGARAN	400,000.00	418,883.09	EUR	2.71
FR0010137554	CADES I 1.85% 25/07/19 *EUR	PROPRE	57,000.00	70,818.48	EUR	0.46
FR0000474652	CFF 4.50% 16/05/18 *EUR	PROPRE	75,000.00	78,563.17	EUR	0.51
XS1218287230	CRED SUIS GP FUN LTD 1.25% 14/04/2022	PROPRE	226,000.00	235,279.06	EUR	1.52
FR0010345181	CRH-CAISSE DE REFINANCEMENT DE L'HABITAT 4% 25/04/18	PROPRE	314,435.00	327,721.92	EUR	2.12
DE0001142578	DBR 0% STRIP 04/01/24	PROPRE	1.38	1.38	EUR	0.00
XS1382791892	DEUTSCHE TELEKOM INT FIN FRN 03/04/2020	PROPRE	49,000.00	49,335.13	EUR	0.32
XS1382792197	DEUTSCHE TELEKOM INT FIN 0.625% 03/04/2023	PROPRE	290,000.00	297,130.31	EUR	1.92
XS1260085037	EUROPEAN INVESTMENT BANK 0.125% 15/06/2020	PROPRE	116,000.00	117,993.98	EUR	0.76
XS1555331617	EUROPEAN INVESTMENT BANK 0.5% 15/01/2027	PROPRE	361,000.00	362,992.47	EUR	2.35
XS0918749622	EUROPEAN INVESTMENT BANK 1.375% 15/09/21	PROPRE	2,527,000.00	2,701,067.89	EUR	17.47
XS1023039545	EUROPEAN INVESTMENT BANK 2.125 01/15/24	PROPRE	67,000.00	76,872.23	EUR	0.50
XS1612977717	EUROPEAN INVESTMENT BANK 1.125% 13/04/2033	PROPRE	14,000.00	14,238.49	EUR	0.09

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE000A185QA5	EVONIK FINANCE BV 0.375% 07/09/2024	PROPRE	37,000.00	36,485.71	EUR	0.24
FR0011461391	FRANCE OAT FUNGIBLE STRP 0% 25/05/2024	PROPRE	220,975.07	219,887.87	EUR	1.42
FR0011461482	FRANCE OAT FUNGIBLE STRP 0% 25/05/2030	PROPRE	93,000.00	82,070.18	EUR	0.53
FR0011461581	FRANCE OAT FUNGIBLE STRP 0% 25/05/2037	PROPRE	98,000.00	72,631.72	EUR	0.47
FR0011962547	FRNACE OAT FUNGIBLE STRIP 0% 25/11/2024	PROPRE	641,788.00	634,529.38	EUR	4.10
DE0001030575	GERMANY I 0.1% I 15/04/2046	PROPRE	9,511.00	11,286.67	EUR	0.07
DE0001142164	GERMANY 0% 04/01/2031	PROPRE	908.00	825.22	EUR	0.01
DE0001142263	GERMANY 0% 04/01/2037	PROPRE	109,170.00	89,912.41	EUR	0.58
XS1289966134	GOLDMAN SACHS FRN 11/09/2018	PROPRE	56,000.00	56,301.68	EUR	0.36
XS1365255907	GOLDMAN SACHS GROUP INC FRN 18/12/2017	PROPRE	68,000.00	68,095.46	EUR	0.44
XS1402235060	GOLDMAN SACHS GROUP INC FRN 29/04/2019	PROPRE	100,000.00	100,858.58	EUR	0.65
XS1240146891	GOLDMAN SACHS GROUP INC FRN 29/05/2020	PROPRE	17,000.00	17,201.96	EUR	0.11
XS1589406633	GOLDMAN SACHS GROUP INC FRN 31/12/2018	PROPRE	66,000.00	66,278.44	EUR	0.43
XS1362373570	GOLDMAN SACHS GROUP INC 0.75% 10/05/2019	PROPRE	6,000.00	6,105.19	EUR	0.04
XS1180277524	INSTITUT CREDITO OFICIAL 0.5% 15/12/2017	PROPRE	127,000.00	127,692.27	EUR	0.83
IT0003269013	ITALY BTPS STRIP 01/08/2031	PROPRE	181,888.00	128,624.83	EUR	0.83
IT0004848658	ITALY BTPS STRIPING 0% 01/08/21	PROPRE	303,047.93	300,008.36	EUR	1.94
IT0001312781	ITALY 0% 01/05/2028	PROPRE	199,208.82	159,295.34	EUR	1.03
IT0005086886	ITALY 1.35% 15/04/2022	PROPRE	1,539,000.00	1,596,062.40	EUR	10.32
XS1064100115	JP MORGAN CHASE & CO FRN 07/05/2019	PROPRE	240,000.00	242,227.18	EUR	1.57
DE000A13R9G3	L-BANK BW FOERDERBANK 0.125% 05/11/2020	PROPRE	194,000.00	196,765.42	EUR	1.27
XS0828235225	LINDE AG 1.75% 17/09/2020	PROPRE	12,000.00	12,732.43	EUR	0.08
DE000A1MA9K8	METRO AG 3.375% 01/03/2019	PROPRE	3,000.00	3,206.27	EUR	0.02
XS1603892065	MORGAN STANLEY FRN 08/11/2022	PROPRE	183,000.00	185,455.18	EUR	1.20
XS1139320151	MORGAN STANLY FRN 19/11/2019	PROPRE	243,000.00	245,857.03	EUR	1.59
XS1412416486	NATIONAL AUSTRALIA BANK FRN 19/04/2021	PROPRE	183,000.00	185,903.06	EUR	1.20
XS1167352613	NATIONAL AUSTRALIA BANK 0.875% 20/01/2022	PROPRE	1,000.00	1,036.60	EUR	0.01
DE000NLB8G16	NORDDEUTSCHE LANDESBANK 0.6250% 24/09/2018	PROPRE	68,000.00	68,490.47	EUR	0.44
FR0010810069	OAT 0% 25/04/2025	PROPRE	129,000.00	126,654.78	EUR	0.82
FR0010809673	OAT 0% 25/04/2036	PROPRE	0.14	0.11	EUR	0.00

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
FR0013260486	RCI BANQUE SA FRN 14/03/2022	PROPRE	176,000.00	178,652.81	EUR	1.16
FR0013053055	RCI BANQUE SA 1.375% 17/11/2020	PROPRE	165,000.00	173,862.96	EUR	1.12
XS1382368113	ROYAL BK SCOTLND GRP PLC 2.50% 22/03/2023	PROPRE	140,000.00	153,316.23	EUR	0.99
SI0002103149	SLOVENIA 4.375% 18/01/21	PROPRE	21,000.00	24,870.94	EUR	0.16
ES0000012106	SPANISH 4.3% 31/10/19	PROPRE	149,000.00	162,754.28	EUR	1.05
ES00000120Q3	SPGB STRIP 0% 30/07/34	PROPRE	47,000.00	31,591.52	EUR	0.20
ES00000120R1	SPGB STRIP 0% 30/07/35	PROPRE	25,464.00	16,480.05	EUR	0.11
DE0001143261	STRIP INT 04/07/23	PROPRE	100,828.00	101,252.99	EUR	0.65
DE0001143303	STRIP INT 04/07/27	PROPRE	779,594.00	743,198.65	EUR	4.81
XS1426022536	SUMITOMO MITSUI FINL GRP 1.546% 15/06/2026	PROPRE	226,000.00	235,818.54	EUR	1.52
XS1167637294	VOLKSWAGEN INTERNATIONAL FINANCIAL NV FRN 16/07/2018	PROPRE	74,000.00	74,095.83	EUR	0.48
XS0873793375	VOLKSWAGEN INTL FIN 2% 14/01/2020	PROPRE	182,000.00	193,292.19	EUR	1.25
XS1014610254	VOLKSWAGEN LEASING GMBH 2.625% 15/01/2024	PROPRE	238,000.00	267,742.40	EUR	1.73
XS1558022866	WELLS FARGO & COMPANY FRN 31/01/2022	PROPRE	381,000.00	384,350.66	EUR	2.49
XS1463043973	WELLS FARGO AND COMPANY 1% 02/02/2027	PROPRE	290,000.00	287,288.34	EUR	1.86
<b>Total Bond</b>				<b>15,466,168.19</b>		<b>100.01</b>
<b>Total Investment Securities</b>				<b>15,466,168.19</b>		<b>100.01</b>
<b>Interest rate swap</b>						
SWAP03589597	FEES LEG EUR LYX ETF	PROPRE	1.00	2,594.18	EUR	0.02
SWAP03589638	INDEX LEG EUR LYX ET	PROPRE	6,600,000.00	15,465,128.64	EUR	100.00
SWAP03589635	VRAC LEG LYX ETF DAI	PROPRE	6,600,000.00	-15,047,285.10	EUR	-97.30
<b>Total Interest rate swap</b>				<b>420,437.72</b>		<b>2.72</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	RECEIVABLE ON SWAP	PROPRE	0.00	28,867.16	EUR	0.19
	PAYABLE ON SWAP	PROPRE	0.00	-4,922.75	EUR	-0.03
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-28,867.16	EUR	-0.19
	EUR SGP BANK	PROPRE	0.00	-1.45	EUR	-0.00
	DEF. SALES EUR SECURITIES	PROPRE	0.00	4,922.75	EUR	0.03
<b>Total AT BANK OR PENDING</b>				<b>-1.45</b>		<b>-0.00</b>

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-2,594.18	EUR	-0.02
<b>Total MANAGEMENT FEES</b>				<b>-2,594.18</b>		<b>-0.02</b>
<b>Total Cash</b>				<b>-2,595.63</b>		<b>-0.02</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02060845	PDC LYXOIT0005188120	PGAR1	-418,883.09	-418,883.09	EUR	-2.71
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-418,883.09</b>		<b>-2.71</b>
<b>Total Files</b>				<b>-418,883.09</b>		<b>-2.71</b>
<b>Total LYXOR DAILY LEVERAGED BUND UCITS ETF</b>				<b>15,465,127.19</b>		<b>100.00</b>

# LYXOR DAILY DOUBLE SHORT BTP UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR DAILY DOUBLE SHORT BTP UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR DAILY DOUBLE SHORT BTP UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Diversified.

The LYXOR DAILY DOUBLE SHORT BTP UCITS ETF Compartment (hereafter the “Compartment”) is a strategy index-based fund. The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution. The realised net capital gain will be capitalised.

### Management objective:

The management objective of the Compartment is to be inversely exposed with a daily x2 leverage, upwards or downwards, to the daily performance of the Italian government bonds market while reproducing the evolution of the SGI daily double short BTP strategy index (the “Benchmark Indicator”) listed in euros (EUR), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the SGI daily double short BTP strategy index.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is the SGI Daily Double Short BTP strategy index.

The Benchmark Indicator is a strategy index prepared by the Société Générale research teams, using a proprietary methodology. The Benchmark Indicator is calculated and maintained by Standard & Poor’s.

The Benchmark Indicator provides an inverse exposure to the increase or decrease of the market evolution for Italian government bonds, for which the Long-Term Euro-BTP futures are a representative indicator, with a daily x2 leverage. As such, should the Long-Term Euro-BTP futures fall on a given market day, the Compartment’s net asset value will increase twofold on that same market day and, should the Long-Term Euro-BTP futures rise on a given market day, the Compartment’s net asset value will decrease twofold on that same market day and shareholders will not benefit from any increase of the Benchmark Indicator.

The Long-Term Euro-BTP futures are a representative indicator of the market for Italian government bonds with the residual maturity of between 8.5 and 11 years, and initial maturities of less than 16 years. They are listed on Eurex, and their methodology is available at [www.eurexchange.com](http://www.eurexchange.com)

The daily performance of the Benchmark Indicator is equal to twice the inverse daily performance of the Long-Term Euro-BTP futures, plus interest (EONIA) collected each day on the valuation of the previous evening’s 5:40 p.m. fixing of the Long-Term Euro-BTP futures.

The Benchmark Indicator represents a long selling strategy with an amplifying x2 leverage on the Long-Term Euro-BTP futures, with daily rebalancing. An additional rebalancing may be carried out during the session if the strategy index drops by more than 40% during a market day (i.e. if the intraday decline of the Long-Term Euro-BTP futures, in absolute value, is greater than 20%).

The monitored performance is that of the fixing of the Benchmark Indicator at 5:40 p.m., in euros.

As the Benchmark Indicator’s calculation methodology is not based on a direct exposure to the BTP bonds, but is rather based on an indirect exposure via futures contracts, the Compartment’s performance will be impacted by the cost related to the roll of the aforesaid futures on a quarterly basis.

This phenomenon could negatively and progressively impact, potentially in a significant manner, the gap between the Compartment's performance and the gross performance of the short positions on the underlyings of the aforesaid futures, notably in case of long-term investment in the Compartment's equities.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition of the Benchmark Indicator are available at the following Internet site: [www.sgindex.fr](http://www.sgindex.fr)

#### **Benchmark Indicator publication**

The Benchmark Indicator is calculated each day, using the official closing fixing of the Long-Term Euro-BTP future at 5:40 pm.

The Benchmark Indicator is also calculated in real-time on each trading day.

The Benchmark Indicator is available via Reuters and Bloomberg.

Reuters code: .SGIXDSBT

Bloomberg code: SGIXDSBT

#### **Benchmark Indicator revision and composition**

The Benchmark Indicator is revised each day.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

The revision of the Benchmark Indicator depends on the revision of the Long-Term Euro-BTP futures.

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

An investor subscribing to this Compartment is inversely exposed with a daily amplifying x2 leverage, upward or downward, to the daily performance of the Italian government bonds market for which the Benchmark Indicator is a representative indicator.

The securities held as assets by the Compartment will mainly be bonds issued by a Member State of the OECD or issued by non-government issuers residing in one of the Member States of the OECD.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com).

The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

The Compartment's sensitivity to the interest rate is between 14 and 22.

#### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international securities (equities, bonds), listed in one of the currencies of an OECD country.

The investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The aforementioned securities will be bonds chosen on the basis of criteria of eligibility, in particular:

- o Senior debt,
- o Fixed maturity,
- o Maximum residual maturity,
- o Minimum issuing amount,
- o Requirement of a minimal threshold in S&P rating or equivalent.

Of diversification, in particular:

- o Issuer (application of ratios applicable to the eligible assets of an UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- o Geographical area,
- o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives guarantee in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be traded with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.



Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets. In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

#### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

#### **Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

### **Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

#### **- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

#### **- Risk of daily readjustment of the leverage**

Investors are doubly inversely exposed to the fluctuations affecting the price or level of the underlying BTP futures at the Benchmark Indicator on a daily basis. In particular, any appreciation of the underlying market will be inversely amplified and will entail an even higher depreciation of the Compartment's net asset value. The daily readjustment of the exposure shown in the formula of the underlying "double short" Benchmark Indicator implies that, over a period of more than one banking day, the Compartment's performance will not be equal to the double of the opposite of the performance of the underlying BTP futures at the Benchmark Indicator. For example, if the underlying BTP futures of the Benchmark Indicator appreciate by 10% on one banking day and then depreciate by 5% on the next banking day, the Compartment will have depreciated in all, after these two days (and before deduction of the applicable fees), by 12%, while the underlying BTP futures of the Benchmark Indicator will have appreciated by 4.5% over the same period.

If the underlying BTP futures of the Benchmark Indicator depreciate by 10% a given banking day then is appreciate by 6% the next banking day, they will have depreciated by a total of 4.6%, while the Compartment will be appreciated (before deduction of the applicable fees) by 5.6% over the same period.

#### **Negative scenario 1:**

Case in which the resulting negative leverage is greater than 2 within the scenario of an increase of the Benchmark Indicator's underlying

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	10%	100	-20%	100	x2
day 2	-5%	110	10%	80	x2
		104.5		88	
<b>Whole period</b>		<b>4.50%</b>		<b>-12.00%</b>	<b>x-2.67</b>

#### **Negative scenario 2:**

Case in which the resulting negative leverage is less than 2 within the scenario of a decrease of the Benchmark Indicator's underlying

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	-10%	100	20%	100	x2
day 2	6%	90	-12%	120	x-2
		95.4		105.6	
<b>Whole period</b>		<b>-4.60%</b>		<b>5.60%</b>	<b>x-1.22</b>

Moreover, it is possible that over an observation period of more than one day, and in case of strong volatility of the Benchmark Indicator's underlyings over this period, the Compartment's net asset value will decline even if the Benchmark Indicator's underlyings also show a decrease over this same period.

#### **Inverted leverage scenario 3:**

Case in which the resulting leverage is positive over the period

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	5%	100	-10%	100	x-2
day 2	-5%	105	10%	90	x2
		99.75		99	
<b>Whole period</b>		<b>-0.25%</b>		<b>-1.00%</b>	<b>x 4</b>

**- Risk that the Compartment's management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the Benchmark Indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses future financial instruments ("FFI") negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator.

These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this index or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

- Counterparty risk

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator. When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

- Liquidity risk (primary market)

Should the Compartment (or one of its counterparties for FFI) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

- Liquidity risk on a place of listing

The ETF's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

- Risk related to low diversification

The Benchmark Indicator to which the investors are exposed only covers the market for bonds issued by the Italian State and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment's underlyings.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

- Credit risk

It represents the potential risk of improvement of the issuer credit quality that could notably led to an improvement of the rating assigned by rating agencies to the issuer, which would have a positive impact on the price of the issuer's bonds and thus have a negative impact on the net asset value of the Compartment. The Compartment is exposed to the credit risk of the Italian State.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure with a daily amplifying x2 leverage, upward or downward, to the Italian government bonds market while reproducing the evolution of the Benchmark Indicator.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

As this product is an arbitration product, this Compartment could not be suitable for investors that wish to make a medium or long-term investment.

*For more details, the prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 12 April 2011.*
- *Compartment creation date: 27 April 2011.*

## Activity report

The net asset value of the LYXOR DAILY DOUBLE SHORT BTP UCITS ETF Compartment shows an evolution of -11.90% over the fiscal year and stands at EUR 25.305 on 31/10/2017, meaning a fund performance of -74.70% since inception.

The fund replicates the performance of the SGI Daily Dble Short BTP index, listed in euros (EUR), representative of the investment strategy aiming to obtain twice the inverse daily performance of an Italian government bond portfolio having a maturity between 8 and 10.5 years.

This index has shown an evolution of -11.42% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the SGI Daily Dble Short BTP index, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the SGI Daily Dble Short BTP index.

The equities held as assets by the Compartment will notably be equities that make up SGI Daily Dble Short BTP index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0065% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** (not audited by the auditor)

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy.
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy.
- MSCI and Sustainalytics ESG research to integrate ESG issues.
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.

This document is solely intended for investors qualified as "eligible counterparties" or "professional clients" as defined in MIFID (Directive 2004/39/EC).

This document is for informational purposes only and does not constitute, on the portfolio management company, an offer to buy or sell or a solicitation or investment advice, and must not be used as a basis or be taken in account for any contract or commitment.

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Lyxor International Asset Management (LIAM) is a portfolio management company regulated by the Autorité des marchés financiers to conduct investment business in compliance with provisions of the UCITS (2009/65/CE) and AIFM (2011/61/EU) Directives. Société Générale is a French credit institution approved by the Autorité de contrôle prudentiel et de résolution.

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;

- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.



**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	2,506,900,000
% of assets under management	-	-	-	-	395.18

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	VODAFONE GROUP
	Amount	13,324,607
2	Name	ABN AMRO
	Amount	6,209,207

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	2,506,900,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	19,533,813
Rating or literary	Not applicable				

### 3.2. Guarantee maturity.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	19,533,813

### 3.3. Guarantee currency.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	EUR
	Amount	-	-	-	19,533,813

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	2,506,900,000
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Country	-	-	-	FRANCE
	Amount	-	-	-	2,506,900,000

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	2,506,900,000

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians		1
1	Name	SOCIETE GENERALE
	Amount	19,533,813

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>654,139,571.56</b>	<b>445,384,005.54</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	634,593,931.12	445,384,005.54
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	19,545,640.44	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>78,421,849.48</b>	<b>63,519,384.79</b>
Future foreign exchange operations	-	-
Other	78,421,849.48	63,519,384.79
<b>Financial accounts</b>	<b>0.33</b>	<b>0.35</b>
Liquidity	0.33	0.35
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>732,561,421.37</b>	<b>508,903,390.68</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	773,422,612.91	421,696,463.90
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-136,733,261.26	2,834,896.54
• Earnings of the fiscal year	-2,317,687.30	-1,652,063.04
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>634,371,664.35</b>	<b>422,879,297.40</b>
<b>Financial instruments</b>	<b>19,533,813.19</b>	<b>22,377,158.85</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	19,533,813.19	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	22,377,158.85
<b>Debts</b>	<b>78,655,943.83</b>	<b>63,646,934.43</b>
Future foreign exchange operations	-	-
Other	78,655,943.83	63,646,934.43
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>732,561,421.37</b>	<b>508,903,390.68</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	2,506,900,000.00	1,472,200,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	467,905.05	30,649.42
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>467,905.05</b>	<b>30,649.42</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>467,905.05</b>	<b>30,649.42</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-2,523,304.65	-1,062,568.73
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-2,055,399.60</b>	<b>-1,031,919.31</b>
Adjustment of the fiscal year's earnings (V)	-262,287.70	-620,143.73
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-2,317,687.30</b>	<b>-1,652,063.04</b>



## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of holding an EMTN, it will be assessed on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this assessment.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	Maximum 0.40% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The Board of directors reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The realised net capital gain will be capitalised.

# appendix

The LYXOR ETF DAILY DOUBLE SHORT BTP Compartment in no way benefits from any sponsorship, support or promotion, and is not sold by Société Générale Index (SGI), a registered trademark of the Société Générale Group (designated as the “Holder”). The Holder grants no guarantee and undertakes no commitment, whether explicitly or implicitly, relative to the results to be obtained through the use of the SGI DAILY DOUBLE SHORT BTP strategy index and/or relative to the level at which the said strategy index may be at any given moment or day, or of any other type. The Holder will not be liable for any error affecting the strategy index with regard to any party, and it will have no obligation to inform anyone of any possible error affecting the strategy index. The SGI DAILY DOUBLE SHORT BTP strategy index is the exclusive property of the Société Générale. Société Générale has signed a contract with Standard & Poor’s whereby S&P undertakes to calculate and maintain the strategy index. However, S&P cannot be held liable in the event of any error or omission involving the strategy index calculation.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>422,879,297.40</b>	<b>169,930,349.45</b>
Subscriptions (including subscription commission acquired by the Compartment)	842,832,304.80	496,023,680.60
Redemptions (less the redemption commission acquired by the Compartment)	-545,765,737.50	-228,487,519.90
Capital gains generated on deposits and financial instruments	43,725,581.71	28,834,746.89
Capital losses generated on deposits and financial instruments	-49,158,074.80	-14,716,631.68
Capital gains generated on financial contracts	1,822,129,104.59	1,057,741,569.46
Capital losses generated on financial contracts	-1,942,788,019.08	-1,060,397,988.61
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	649,807.54	-3,611,309.02
- <i>Estimate difference fiscal year N</i>	1,134,976.72	485,169.18
- <i>Estimate difference fiscal year N-1</i>	485,169.18	4,096,478.20
Changes to the estimate difference of financial contracts:	41,922,799.29	-21,405,680.48
- <i>Estimate difference fiscal year N</i>	19,545,640.44	-22,377,158.85
- <i>Estimate difference fiscal year N-1</i>	-22,377,158.85	-971,478.37
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-2,055,399.60	-1,031,919.31
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>634,371,664.35</b>	<b>422,879,297.40</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	69,245,687.44	-
Convertible bonds	-	-
Fixed-rate bonds	390,740,032.37	-
Variable-rate bonds	84,341,521.76	-
Zero coupon bonds	89,131,712.83	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR DAILY DOUBLE SHORT BTP UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	2,506,900,000.00	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	480,101,802.72	-	154,492,128.40	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.33
<b>Liabilities</b>				
Temporary financial securities operations	19,533,813.19	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	2,506,900,000.00

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	2,603,862.97	13,047,648.86	176,258,368.13	86,258,089.45	356,425,961.71
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.33	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	2,506,900,000.00	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>78,421,849.48</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlements sales	78,421,849.47
Coupon receivable	0.01
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>78,655,943.83</b>
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlements purchases	47,816,638.23
Account payable	30,605,211.24
Accrued expenses	234,094.36
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	28,652,000	842,832,304.80	18,305,000	545,765,737.50
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.40</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	<b>19,545,640.44</b>



**3.10 Allocation of the earnings table** (in the Compartment's currency of account)

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-2,317,687.30	-1,652,063.04
<b>Total</b>	<b>-2,317,687.30</b>	<b>-1,652,063.04</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-2,317,687.30	-1,652,063.04
<b>Total</b>	<b>-2,317,687.30</b>	<b>-1,652,063.04</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-136,733,261.26	2,834,896.54
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-136,733,261.26</b>	<b>2,834,896.54</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-136,733,261.26	2,834,896.54
<b>Total</b>	<b>-136,733,261.26</b>	<b>2,834,896.54</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>634,371,664.35</b>	422,879,297.40	169,930,349.45	178,466,656.96	155,298,611.56
<b>Number of outstanding equities</b>	<b>25,069,000</b>	14,722,000	5,533,000	4,727,000	2,915,000
<b>Net asset value</b>	<b>25.305</b>	28.7243	30.7121	37.7547	53.2756
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>-5.54</b>	0.08	-7.54	-15.70	-14.85

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Compartment creation date: 27 April 2011.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
XS1218821756	ABN AMRO BANK NV 1.00% 16/04/2025	PGARAN	6,020,000.00	6,209,206.54	EUR	0.98
XS1218821756	ABN AMRO BANK NV 1.00% 16/04/2025	PROPRE	1,034,000.00	1,066,554.92	EUR	0.17
ES0200002006	ADIF ALTA VELOCIDAD 1.875% 28/01/2025	PROPRE	100,000.00	106,325.08	EUR	0.02
FR0013190188	AGENCE FRANCAISE DEVELOP 0.25% 21/07/2026	PROPRE	3,000,000.00	2,889,471.99	EUR	0.46
DE0001108595	ALLEMAGNE 0% 04/07/2042 STRIPS	PROPRE	21,935,798.62	16,400,080.48	EUR	2.59
XS0982549197	ASFINAG 1.75% 21/10/2020	PROPRE	458,000.00	487,328.19	EUR	0.08
XS0452314536	ASSICURAZ 5.125% 5.125% 16/09/2024	PROPRE	649,000.00	846,646.02	EUR	0.13
XS1014759648	ASSICURAZIONI GENERALI 2.875% 14/01/2020	PROPRE	671,000.00	731,218.90	EUR	0.12
AT0000A12B06	AUSTRIA 1.15% 19/10/2018	PROPRE	4,162,000.00	4,237,024.61	EUR	0.67
ES0413860323	BANCO DE SABADELL SA 3.375% 23/01/2018	PROPRE	500,000.00	517,318.90	EUR	0.08
XS1602557495	BANK OF AMERICA CORP FRN 04/05/2023	PROPRE	1,100,000.00	1,117,025.25	EUR	0.18
XS1458405112	BANK OF AMERICA CORP FRN 26/7/2019	PROPRE	6,764,000.00	6,815,934.37	EUR	1.07
XS1079726763	BANK OF AMERICA CORP. L3R + 0.8 19/06/2019	PROPRE	4,415,000.00	4,471,713.62	EUR	0.70
XS1290850707	BANK OF AMERICA CORP 1.625% 14/09/2022	PROPRE	6,410,000.00	6,797,430.06	EUR	1.07
XS1396763192	BANK OF MONTREAL 0.125% 19/04/2021	PROPRE	400,000.00	403,413.86	EUR	0.06
XS1293495229	BANK OF MONTREAL 0.75% 21/09/2022	PROPRE	960,000.00	990,790.09	EUR	0.16
XS1116480697	BARCLAYS BK 1.5% 01/04/2022	PROPRE	1,811,000.00	1,903,289.68	EUR	0.30
XS1385051112	BARCLAYS PLC 1.875% 23/03/2021	PROPRE	356,000.00	378,143.86	EUR	0.06
XS1016720853	BBVA SENIOR FINANCE 2.375% 22/01/19	PROPRE	600,000.00	629,789.67	EUR	0.10
BE0002419910	BELFIUS BANK SA/NV 1.25% 27/11/2017	PROPRE	200,000.00	202,568.77	EUR	0.03
BE0008052012	BELGIQUE 0% STRIP 28/03/1818	PROPRE	244,410.00	245,099.24	EUR	0.04
BE0008521826	BELGIUM BE STRIP 0% 22/06/2034	PROPRE	473,559.00	382,723.28	EUR	0.06
BE0000341504	BELGIUM KINGDOM 0.8% 22/06/2027	PROPRE	857,962.00	876,399.66	EUR	0.14
BE0008071202	BELGIUM 0% 28/03/2035	PROPRE	605.00	483.73	EUR	0.00
BE0000315243	BELGIUM 4.00% 28/03/2019	PROPRE	81,000.00	88,280.28	EUR	0.01

**LYXOR DAILY DOUBLE SHORT BTP UCITS ETF**  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
BE0000324336	BELGIUM 4.50% 28/03/2026	PROPRE	10,388,746.00	14,296,368.92	EUR	2.25
XS1626933102	BNP PARIBAS FRN 07/06/2024	PROPRE	3,428,000.00	3,494,777.06	EUR	0.55
XS1069282827	BNP PARIBAS FRN 20/05/2019	PROPRE	27,000.00	27,247.81	EUR	0.00
XS1345331299	BNP PARIBAS 1.125% 15/01/2023	PROPRE	392,000.00	411,793.72	EUR	0.06
XS1068871448	BNP PARIBAS 2.375% 20/05/2024	PROPRE	150,000.00	168,846.96	EUR	0.03
XS0895249620	BNP PARIBAS 2.875% 26/09/23	PROPRE	1,226,000.00	1,402,494.20	EUR	0.22
ES0000012734	BON Y OBLIG 0% 2028	PROPRE	47,000.00	38,922.35	EUR	0.01
ES0000012742	BON Y OBLIG 0% 30/07/2029	PROPRE	47,000.00	37,459.94	EUR	0.01
ES0000012759	BON Y OBLIG 0% 30/07/2030	PROPRE	47,000.00	36,492.68	EUR	0.01
ES00000128B8	BONOS Y OBLIG DEL ESTADO 0.750% 30/07/2021	PROPRE	68,000.00	70,017.36	EUR	0.01
FR0013260361	BPCE SFH SOCIETE DE FI 1% 08/06/2029	PROPRE	100,000.00	100,812.74	EUR	0.02
FR0011637743	BPCE SFH 2.375% 29/11/2023	PROPRE	600,000.00	691,723.89	EUR	0.11
FR0011169879	BPCE SHF 4% 23/03/2022	PROPRE	300,000.00	360,813.88	EUR	0.06
FR0011654771	BPIFRANCE FINANCE 2.5% 25/05/2024	PROPRE	5,700,000.00	6,610,816.66	EUR	1.04
FR0012682060	BPIFRANCE FINANCEMENT SA 0.5% 25/05/2025	PROPRE	2,000,000.00	2,016,900.96	EUR	0.32
IT0005004426	BTP I 2.35% 15/09/24	PROPRE	25,053,000.00	29,412,344.56	EUR	4.64
IT0001278511	BTP 5.25% 01/11/29	PROPRE	3,085,828.39	4,135,581.01	EUR	0.65
IT0005127086	BTPS 2% 01/12/2025	PROPRE	860,000.00	900,067.66	EUR	0.14
IT0005028003	BTPS 2.15% 12/2021	PROPRE	1,174,000.00	1,268,353.26	EUR	0.20
DE0001108546	BUND STRIP 0% 04/07/40	PROPRE	8,913,502.78	6,915,763.97	EUR	1.09
DE0001143444	BUND STRIP 0% 04/07/41	PROPRE	79,139.00	60,364.06	EUR	0.01
DE0001143477	BUNDESREPUB DEUTSCHLAND 0% 04/07/44	PROPRE	1,922,821.00	1,356,723.27	EUR	0.21
IT0005210650	BUONI POLIENNALI DEL TES 1.25% 01/12/2026	PROPRE	1,818,000.00	1,766,622.59	EUR	0.28
XS1324916151	CAISSE CENTRALE DESJARDN 0.375% 25/11/2020	PROPRE	590,000.00	601,521.93	EUR	0.09
FR0012857548	CAISSE FRANCAISE DE FIN 0.1% 17/07/2018	PROPRE	200,000.00	200,809.18	EUR	0.03
FR0013230703	CAISSE FRANCAISE DE FIN 0.75% 11/01/2027	PROPRE	3,800,000.00	3,847,411.25	EUR	0.61
FR0011580588	CAISSE FRANCAISE DE FIN 3% 02/10/2028	PROPRE	200,000.00	243,846.59	EUR	0.04
FR0013019510	CAISSE FRANCAISE DE FINANCEMENT 0.625% 26/01/2023	PROPRE	2,700,000.00	2,788,977.21	EUR	0.44
FR0013088432	CAISSE FRANCAISE DE FIN 1.50% 13/01/2031*	PROPRE	100,000.00	105,388.11	EUR	0.02
FR0011178946	CAISSE REFINANCEMENT HABITAT 4% 17/06/22	PROPRE	6,448.00	7,766.44	EUR	0.00

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
ES0457089003	CAJA RURAL DE CASTILLA 0.875% 01/10/2021	PROPRE	2,300,000.00	2,373,811.88	EUR	0.37
IT0005218968	CCTS EU FRN 15/02/2024	PROPRE	1,000,000.00	1,009,576.14	EUR	0.16
XS1135549167	CITIGROUP INC FRN 11/11/2019	PROPRE	1,417,000.00	1,430,081.51	EUR	0.23
XS1417876759	CITIGROUP INC FRN 24/05/2021	PROPRE	2,194,000.00	2,242,248.50	EUR	0.35
XS1068874970	CITIGROUP INC 2.375% 22/05/2024	PROPRE	500,000.00	556,125.62	EUR	0.09
XS0197646218	CITIGROUP INC 5% 02/08/2019	PROPRE	3,259,000.00	3,595,728.81	EUR	0.57
XS1429037929	COUNCIL OF EUROPE 0.375% 08/06/2026	PROPRE	355,000.00	351,837.05	EUR	0.06
FR0013236247	CRED MUTUEL-CIC HOME 0.625% 10/02/2025	PROPRE	600,000.00	613,670.88	EUR	0.10
XS1218287230	CRED SUIS GP FUN LTD 1.25% 14/04/2022	PROPRE	8,516,000.00	8,865,648.29	EUR	1.40
FR0013254273	CREDIT AGRICOLE HOME LOAN 0.75% 05/05/2027	PROPRE	9,000,000.00	9,070,597.60	EUR	1.43
FR0010345181	CRH-CAISSE DE REFINANCEMENT DE L'HABITAT 4% 25/04/18	PROPRE	4,426,457.00	4,613,503.61	EUR	0.73
DE0001143238	DBR STRIP 0% 04/07/20	PROPRE	7,234,516.00	7,356,706.98	EUR	1.16
DE0001142578	DBR 0% STRIP 04/01/24	PROPRE	2,197,594.00	2,200,286.05	EUR	0.35
DE0001142594	DBR 0% STRIP 04/01/26	PROPRE	1,245,052.00	1,220,113.61	EUR	0.19
DE0001108660	DBRR 0% 04/07/2044	PROPRE	16,902,951.90	12,109,105.71	EUR	1.91
DE000DB7XHM0	DEUTSCHE BANK AG FRN 15/04/2019	PROPRE	2,300,000.00	2,310,049.53	EUR	0.36
DE000DL19TQ2	DEUTSCHE BANK AG FRN 16/05/2022	PROPRE	2,700,000.00	2,745,617.85	EUR	0.43
ES0413320088	DEUTSCHE BANK SA ESPANOLA 0.625% 15/12/2021	PROPRE	1,200,000.00	1,234,516.44	EUR	0.19
ES0413320054	DEUTSCHE BK SA ESPANOLA 0.62% 25/11/2020	PROPRE	2,700,000.00	2,773,659.14	EUR	0.44
DE000A14KKJ5	DEUTSCHE GENOSSEN HYPOBK 0.125% 30/9/2022	PROPRE	109,000.00	109,726.81	EUR	0.02
XS1382791892	DEUTSCHE TELEKOM INT FIN FRN 03/04/2020	PROPRE	639,000.00	643,370.41	EUR	0.10
XS1382792197	DEUTSCHE TELEKOM INT FIN 0.625% 03/04/2023	PROPRE	4,923,000.00	5,044,043.08	EUR	0.80
XS1382791975	DEUTSCHE TELEKOM INT FIN 1.5% 03/04/2028	PROPRE	2,052,000.00	2,137,811.41	EUR	0.34
FR0010775486	DEXIA MUNICIPAL AGENCY 5.375% 08/07/2024	PROPRE	933,000.00	1,261,000.30	EUR	0.20
LU0945626439	DUCHY OF LUXEMBOUR 2.125% 10/07/2023	PROPRE	332,000.00	376,262.31	EUR	0.06
NL0011613989	DUTCH FUNGIBLE STRIP 0% 15/01/2029	PROPRE	2,108,500.00	1,954,590.04	EUR	0.31
NL0011614011	DUTCH FUNGIBLE STRIP 0% 15/01/2032	PROPRE	7,500.00	6,585.45	EUR	0.00
EU000A1G0DF9	EFSF 0.125% 04/11/2019	PROPRE	4,772,000.00	4,836,389.32	EUR	0.76
XS0748631164	EIB 2.625% 16/03/2020	PROPRE	1,302,000.00	1,420,564.04	EUR	0.22
EU000A1U9951	EURO STABILITY MECHANISM 0.125% 22/04/2024	PROPRE	2,539,213.00	2,545,115.11	EUR	0.40

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
EU000A1Z99B9	EURO STABILITY MECHANISM 0.75% 15/03/2027	PROPRE	797,000.00	817,397.36	EUR	0.13
EU000A1U9829	EURO STABILITY MECHANISM 0.875% 15/10/2019	PROPRE	5,463,165.00	5,617,534.96	EUR	0.89
EU000A1U9894	EURO STABILITY MECHANISM 1% 23/09/2025	PROPRE	11,605,000.00	12,234,291.46	EUR	1.93
EU000A1U9811	EURO STABILITY MECHANISM 1.375% 04/03/2021	PROPRE	44,904.00	48,053.98	EUR	0.01
EU000A1U9928	EURO STABILITY MECHANISM 1.625% 17/11/2036	PROPRE	75,000.00	82,254.54	EUR	0.01
EU000A1G0DK9	EUROPEAN FINANCIAL STABILITY FACILITY 0% 17/11/2022	PROPRE	16,602,000.00	16,726,847.04	EUR	2.64
EU000A1G0DQ6	EUROPEAN FINANCIAL STABILITY FACILITY 0.375% 11/10/2024	PROPRE	42,000.00	42,532.39	EUR	0.01
XS1288040055	EUROPEAN INVESTMENT BANK 0.25% 15/10/2020	PROPRE	286,000.00	292,181.40	EUR	0.05
XS1555331617	EUROPEAN INVESTMENT BANK 0.5% 15/01/2027	PROPRE	133,000.00	133,734.07	EUR	0.02
XS1247736793	EUROPEAN INVESTMENT BANK 0.875% 13/09/2024	PROPRE	2,376,000.00	2,500,914.95	EUR	0.39
XS1107718279	EUROPEAN INVESTMENT BANK 1.25% 13/11/26	PROPRE	2,000.00	2,178.34	EUR	0.00
XS0918749622	EUROPEAN INVESTMENT BANK 1.375% 15/09/21	PROPRE	1,945,000.00	2,078,977.86	EUR	0.33
XS1023039545	EUROPEAN INVESTMENT BANK 2.125 01/15/24	PROPRE	100,000.00	114,734.68	EUR	0.02
XS0083595636	EUROPEAN INVESTMENT BANK 5.50% 15/02/2018	PROPRE	734,000.00	775,487.94	EUR	0.12
XS1612977717	EUROPEAN INVESTMENT BANK 1.125% 13/04/2033	PROPRE	2,202,000.00	2,239,510.47	EUR	0.35
EU000A1U98Z1	EUROPEAN STABILITY MECHANISM 1.25% 15/10/2018	PROPRE	208,440.00	212,209.94	EUR	0.03
XS1590503279	FCE BANK PLC FRN 26/08/2020	PROPRE	229,000.00	230,389.74	EUR	0.04
XS1317725726	FCE BANK PLC 1.528% 09/11/2020	PROPRE	606,000.00	642,436.94	EUR	0.10
FI4000010848	FINNISH GVT 3.375% 15/04/20	PROPRE	3,645,000.00	4,072,123.35	EUR	0.64
FI4000020961	FINNISH GVT 3.5% 15/04/2021	PROPRE	113,000.00	130,836.37	EUR	0.02
DE000A1REUS2	FMS WERTMANAGEMENT VAR 23/01/2018	PROPRE	800,000.00	800,948.00	EUR	0.13
DE000A1MLVD8	FMS WERTMANAGEMENT 1.875% 09/05/19	PROPRE	12,600,000.00	13,173,142.07	EUR	2.08
FR0010850032	FRANCE I 1.30% 25/07/2019	PROPRE	359,313.00	409,748.12	EUR	0.06
FR0000186413	FRANCE I 3.40% 25/07/2029	PROPRE	17,000.00	32,409.24	EUR	0.01
FR0011461391	FRANCE OAT FUNGIBLE STRP 0% 25/05/2024	PROPRE	5,000.00	4,975.40	EUR	0.00
FR0010050559	FRANCE OAT I 2.25% 25/07/2020	PROPRE	22,138,354.00	30,750,273.11	EUR	4.85
FR0011962547	FRNACE OAT FUNGIBLE STRIP 0% 25/11/2024	PROPRE	1,499,346.00	1,482,388.40	EUR	0.23
XS0874840845	GE CAPITAL EURO FUNDING 2.625% 15/03/2023	PROPRE	709,000.00	808,309.58	EUR	0.13
DE0001030575	GERMANY I 0.1% I 15/04/2046	PROPRE	522,078.00	619,547.94	EUR	0.10
DE0001030542	GERMANY I 0.1% 15/04/2023	PROPRE	2,457,682.00	2,798,649.58	EUR	0.44

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DE0001142057	GERMANY 0% 04/01/2028	PROPRE	3,960,501.40	3,798,021.83	EUR	0.60
DE0001142628	GERMANY 0% 04/01/2029	PROPRE	13,500,129.83	12,630,181.46	EUR	1.99
DE0001142164	GERMANY 0% 04/01/2031	PROPRE	299,596.00	272,281.83	EUR	0.04
DE0001142263	GERMANY 0% 04/01/2037	PROPRE	4,972,349.79	4,095,227.29	EUR	0.65
DE0001142073	GERMANY 0% 04/07/2028	PROPRE	73,623.00	70,068.11	EUR	0.01
DE0001143311	GERMANY 0% 04/07/2028	PROPRE	3,142,110.00	2,952,515.08	EUR	0.47
DE0001143329	GERMANY 0% 04/07/2029	PROPRE	4,098,991.00	3,785,377.20	EUR	0.60
DE0001143337	GERMANY 0% 04/07/2030	PROPRE	500.00	457.43	EUR	0.00
DE0001143352	GERMANY 0% 04/07/2032	PROPRE	861,155.00	763,237.37	EUR	0.12
DE0001143378	GERMANY 0% 04/07/2034	PROPRE	1,178,071.00	1,008,128.37	EUR	0.16
DE0001143386	GERMANY 0% 04/07/2035	PROPRE	3,445,617.00	2,905,843.87	EUR	0.46
DE0001143394	GERMANY 0% 04/07/2036	PROPRE	1,033,980.00	850,665.69	EUR	0.13
DE0001143402	GERMANY 0% 04/07/2037	PROPRE	1,596,250.00	1,291,621.65	EUR	0.20
DE0001143410	GERMANY 0% 04/07/2038	PROPRE	2,631,328.00	2,082,880.30	EUR	0.33
DE0001108504	GERMANY 0% 04/07/2039	PROPRE	609,363.00	481,043.34	EUR	0.08
XS1202846819	GLENCORE FINANCE EUROPE 1.25% 17/03/2021	PROPRE	503,000.00	523,767.22	EUR	0.08
XS1577427526	GOLDMAN SACHS GROUP INC FRN 09/09/2022	PROPRE	999,000.00	1,006,575.75	EUR	0.16
XS1365255907	GOLDMAN SACHS GROUP INC FRN 18/12/2017	PROPRE	665,000.00	665,933.49	EUR	0.10
XS1691349523	GOLDMAN SACHS GROUP INC FRN 26/09/2023	PROPRE	5,809,000.00	5,822,907.23	EUR	0.92
XS1402235060	GOLDMAN SACHS GROUP INC FRN 29/04/2019	PROPRE	74,000.00	74,635.35	EUR	0.01
XS1240146891	GOLDMAN SACHS GROUP INC FRN 29/05/2020	PROPRE	213,000.00	215,530.41	EUR	0.03
XS1130101931	GOLDMAN SACHS GROUP INC FRN 29/10/19	PROPRE	659,000.00	665,857.19	EUR	0.10
XS1589406633	GOLDMAN SACHS GROUP INC FRN 31/12/2018	PROPRE	5,655,000.00	5,678,856.87	EUR	0.90
XS1362373570	GOLDMAN SACHS GROUP INC 0.75% 10/05/2019	PROPRE	5,306,000.00	5,399,021.81	EUR	0.85
XS1458408561	GOLDMAN SACHS GROUP INC 1.625% 27/7/2026	PROPRE	2,522,000.00	2,583,456.13	EUR	0.41
XS0820867223	ING BANK NV 2% 28/08/2020	PROPRE	100,000.00	106,903.64	EUR	0.02
XS0671362506	ING BANK NV 3.625 31/08/20/21	PROPRE	150,000.00	172,751.53	EUR	0.03
XS0900792473	INSTITUT CREDITO OFICIAL 4% 30/04/2018	PROPRE	700,000.00	729,283.49	EUR	0.11
XS1246144650	INTESA SANPAOLO SPA FRN 15/06/2020	PROPRE	2,976,000.00	3,040,999.81	EUR	0.48
XS1197351577	INTESA SANPAOLO SPA 1.125% 04/03/2022	PROPRE	2,148,000.00	2,222,180.59	EUR	0.35



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XS1168003900	INTESA SANPAOLO SPA 1.125% 14/01/2020	PROPRE	624,000.00	644,882.16	EUR	0.10
IT0005177271	ITALIAN REPUBLIC 0.1% 15/04/2019	PROPRE	495,000.00	497,843.50	EUR	0.08
IT0005216491	ITALIAN REPUBLIC 0.35% 01/11/2021	PROPRE	7,533,000.00	7,541,811.11	EUR	1.19
IT0005175598	ITALIAN REPUBLIC 0.45% 01/06/2021	PROPRE	473,000.00	478,046.17	EUR	0.08
IT0005142143	ITALIAN REPUBLIC 0.65% 01/11/2020	PROPRE	2,903,000.00	2,954,914.22	EUR	0.47
IT0005240830	ITALIAN REPUBLIC 2.2% 01/06/2027	PROPRE	1,425,000.00	1,492,896.69	EUR	0.24
IT0005030504	ITALIE 1.5% 01/08/19	PROPRE	28,000.00	28,969.66	EUR	0.00
IT0004243512	ITALY BTP I 2.6% 15/09/23	PROPRE	3,675,000.00	4,965,286.42	EUR	0.78
IT0004801541	ITALY BTP 5.50% 01/09/2022	PROPRE	2,684,000.00	3,333,836.36	EUR	0.53
IT0004848484	ITALY BTPS HYBID 0% 01/11/29	PROPRE	5,983.00	4,580.79	EUR	0.00
IT0004848583	ITALY BTPS HYBRID 0% 01/02/19	PROPRE	20,000.00	20,073.70	EUR	0.00
IT0004848591	ITALY BTPS HYBRID 0% 01/08/2034	PROPRE	20,000.00	12,826.30	EUR	0.00
IT0001247284	ITALY BTPS STRIP 01/11/21	PROPRE	43,000.13	42,161.63	EUR	0.01
IT0004848658	ITALY BTPS STRIPING 0% 01/08/21	PROPRE	20,000.00	19,799.40	EUR	0.00
IT0004848708	ITALY BTPS 0% STRIP 01/08/23	PROPRE	20,000.00	18,993.80	EUR	0.00
IT0003268841	ITALY STRIP 0% 01/02/26	PROPRE	2,802,331.00	2,438,070.00	EUR	0.38
IT0003268817	ITALY 0% 2024 STRIPS	PROPRE	2,064,972.00	1,886,393.22	EUR	0.30
IT0005107708	ITALY 0.7% 01/05/2020	PROPRE	4,437,000.00	4,522,231.83	EUR	0.71
IT0005086886	ITALY 1.35% 15/04/2022	PROPRE	2,434,000.00	2,524,246.84	EUR	0.40
IT0005090318	ITALY 1.5% 01/06/2025	PROPRE	1,000.00	1,013.40	EUR	0.00
IT0004957574	ITALY 3.5% 01/12/2018	PROPRE	4,367,000.00	4,612,476.83	EUR	0.73
IT0004423957	ITALY 4.50% 01/03/2019	PROPRE	15,312,000.00	16,407,836.70	EUR	2.59
IT0001464202	ITLAY 0% 01/11/2030	PROPRE	47,000.00	34,258.30	EUR	0.01
DE000A181034	JAB HOLDINGS BV 1.75% 25/05/2023	PROPRE	400,000.00	428,091.67	EUR	0.07
XS1456422135	JPMORGAN CHASE CO 0.625% 25/01/2024	PROPRE	1,355,000.00	1,359,155.30	EUR	0.21
BE0002281500	KBC GROUP NV FRN 24/11/2022	PROPRE	100,000.00	101,185.67	EUR	0.02
DE000A2DAJ57	KFW 0.125% 04/10/2024	PROPRE	2,893,000.00	2,890,047.16	EUR	0.46
DE000A11QTG5	KFW 0.625% 04/07/2022	PROPRE	260,000.00	270,539.60	EUR	0.04
DE000A2DAR65	KFW 0.625% 22/02/2027	PROPRE	59,000.00	59,910.03	EUR	0.01
NL0011613880	KINGDOM OF THE NETHERLANDS STRIP 0% 15/01/2021	PROPRE	1,500.00	1,520.78	EUR	0.00

**LYXOR DAILY DOUBLE SHORT BTP UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
NL0011613849	KINGDOM OF THE NETHERLANDS 0% 15/01/2019	PROPRE	4,039,184.00	4,073,476.67	EUR	0.64
NL0011613963	KINGDOM OF THE NETHERLANDS 0% 15/01/2027	PROPRE	5,466,511.00	5,202,751.84	EUR	0.82
DE000NRW21B0	LAND NORDRHEIN WESTFALEN 0.875% 04/12/2017	PROPRE	150,000.00	151,387.18	EUR	0.02
XS0795453769	LANDWIRTSCH RENTENBANK 1.625% 01/10/2019	PROPRE	3,938,000.00	4,109,951.42	EUR	0.65
XS1139091372	LLOYDS BANK PLC 1% 19/11/2021	PROPRE	731,000.00	762,706.57	EUR	0.12
XS1633845158	LLYODS BANKING GROUP PLC FRN 21/06/2024	PROPRE	3,522,000.00	3,589,516.74	EUR	0.57
XS1615501837	MEDIOBANCA SPA FRN 18/05/2022	PROPRE	1,369,000.00	1,392,559.58	EUR	0.22
XS1529837947	MORGAN STANLEY FRN 03/12/2019	PROPRE	7,473,000.00	7,501,998.98	EUR	1.18
XS1603892065	MORGAN STANLEY FRN 08/11/2022	PROPRE	3,407,000.00	3,452,709.26	EUR	0.54
XS1511787407	MORGAN STANLEY FRN 27/01/2022	PROPRE	1,044,000.00	1,056,174.61	EUR	0.17
XS1603892149	MORGAN STANLEY 1.875% 27/04/2027	PROPRE	4,475,000.00	4,684,357.97	EUR	0.74
XS1050547857	MORGAN STANLEY 2.375% 31/03/2021	PROPRE	70,000.00	76,338.84	EUR	0.01
XS1139320151	MORGAN STANLY FRN 19/11/2019	PROPRE	100,000.00	101,175.73	EUR	0.02
XS1278084147	MPT OPER PARTINERSP / FINL 4% 19/08/2022	PROPRE	400,000.00	448,837.67	EUR	0.07
XS1048519836	NATIONAL AUSTRALIA BANK LTD FRN +0.5 25/03/2019	PROPRE	421,000.00	424,039.39	EUR	0.07
XS1412417617	NATIONAL AUSTRALIA BANK 1.25% 18/05/2026	PROPRE	776,000.00	804,652.58	EUR	0.13
XS0525146907	NATIONAL AUSTRALIA BANK 4% 13/07/20	PROPRE	548,000.00	615,943.22	EUR	0.10
NL0000103349	NETHER 0% STRIPS 15/01/2027	PROPRE	70.00	66.95	EUR	0.00
XS1054163347	NIBC BANK N.V. 1.25% 08/04/2019	PROPRE	9,867,000.00	10,164,966.96	EUR	1.60
DE000NLB8G16	NORDDEUTSCHE LANDESBANK 0.6250% 24/09/2018	PROPRE	1,004,000.00	1,011,241.66	EUR	0.16
DE000NLB8KA9	NORDDEUTSCHE LANDESBANK 1% 20/01/2021	PROPRE	1,637,000.00	1,673,383.33	EUR	0.26
FR0010809962	OAT ST 0% 25/10/2034	PROPRE	888,000.00	708,806.04	EUR	0.11
FR0010809939	OAT STRIP 0% 25/10/2033	PROPRE	888,000.00	723,609.00	EUR	0.11
FR0010809814	OAT 0% 25/04/2021	PROPRE	100,000.00	101,617.00	EUR	0.02
FR0010810069	OAT 0% 25/04/2025	PROPRE	205,000.00	201,273.10	EUR	0.03
FR0010809707	OAT 0% 25/04/2037	PROPRE	500.00	376.20	EUR	0.00
FR0010810077	OAT 0% 25/04/2037	PROPRE	888,000.00	661,218.12	EUR	0.10
FR0010809913	OAT 0% 25/10/18 STRIPPS	PROPRE	112,500.00	113,221.69	EUR	0.02
FR0010809970	OAT 0% 25/10/19 DEM	PROPRE	112,500.00	114,014.25	EUR	0.02
FR0010809764	OAT 0% 25/10/2020	PROPRE	112,500.00	114,283.69	EUR	0.02

**LYXOR DAILY DOUBLE SHORT BTP UCITS ETF**  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
FR0010809848	OAT 0% 25/10/2021	PROPRE	112,500.00	114,210.00	EUR	0.02
FR0010809897	OAT 0% 25/10/2022	PROPRE	4,156,774.00	4,197,302.55	EUR	0.66
FR0010810135	OAT 0% 25/10/2026	PROPRE	475,900.98	453,355.17	EUR	0.07
FR0010810010	OAT 0% 25/10/2035	PROPRE	888,000.00	693,545.76	EUR	0.11
FR0010810044	OAT 0% 25/10/2036	PROPRE	1,000.00	763.19	EUR	0.00
ES0334699008	PROGRAMA I 5.125% 20/07/22	PROPRE	100,000.00	124,216.82	EUR	0.02
FR0013181989	RCI BANQUE SA 0.375% 10/07/2019	PROPRE	1,054,000.00	1,064,304.44	EUR	0.17
FR0013283371	RCI BANQUE SA 0.75% 26/9/2022	PROPRE	107,000.00	108,996.11	EUR	0.02
FR0012759744	RCI BANQUE SA 1.25% 08/06/2022	PROPRE	536,000.00	560,253.60	EUR	0.09
XS1287843905	ROYAL BANK OF CANADA 0.5% 16/12/2020	PROPRE	150,000.00	153,724.84	EUR	0.02
XS1382368113	ROYAL BK SCOTLND GRP PLC 2.50% 22/03/2023	PROPRE	388,000.00	424,904.99	EUR	0.07
XS1195284705	SANTANDER INTL DEBT SA FRN 04/03/2020	PROPRE	3,200,000.00	3,235,357.24	EUR	0.51
XS1586214956	SBC HOLDINGS PLC FRN 27/09/2022	PROPRE	3,436,000.00	3,490,549.94	EUR	0.55
SI0002103149	SLOVENIA 4.375% 18/01/21	PROPRE	11,000.00	13,027.64	EUR	0.00
ES00000128S2	SPAIN BOND 0.65% I 30/11/2027	PROPRE	929,000.00	981,568.64	EUR	0.15
ES0000012775	SPAIN 0% STRIP 30/07/2032	PROPRE	47,000.00	33,963.38	EUR	0.01
ES00000121L2	SPAIN 4.6% 30/07/2019	PROPRE	456,000.00	500,787.23	EUR	0.08
ES00000123B9	SPAIN 5.5% 30/04/21	PROPRE	184,000.00	224,663.52	EUR	0.04
ES00000123Q7	SPANISH GOVT 4.5% 31/01/18	PROPRE	254,000.00	265,706.63	EUR	0.04
XS1555317897	SPAREBANK 1 BOLIGKREDITT 0.05% 25/01/2022	PROPRE	133,000.00	133,516.03	EUR	0.02
ES0000012726	SPGB STRIP 0% 30/07/27	PROPRE	47,000.00	40,386.40	EUR	0.01
ES00000120P5	SPGB STRIP 0% 30/07/33	PROPRE	47,000.00	32,546.33	EUR	0.01
ES00000120R1	SPGB STRIP 0% 30/07/35	PROPRE	21,536.00	13,937.88	EUR	0.00
ES0000012767	SPGB 0% 30/07/2031	PROPRE	47,000.00	35,232.85	EUR	0.01
DE0001143279	STRIP INT 04/01/24	PROPRE	15,747,496.52	15,690,096.90	EUR	2.47
DE0001142677	STRIP INT 04/01/34	PROPRE	4,411,398.68	3,792,986.76	EUR	0.60
DE0001142685	STRIP INT 04/01/35	PROPRE	131,892.00	111,460.61	EUR	0.02
DE0001143212	STRIP INT 04/07/19	PROPRE	859,706.00	863,707.93	EUR	0.14
DE0001143246	STRIP INT 04/07/21	PROPRE	2,580,345.00	2,627,023.44	EUR	0.41
DE0001143253	STRIP INT 04/07/22	PROPRE	1,678,474.00	1,702,711.16	EUR	0.27

LYXOR DAILY DOUBLE SHORT BTP UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE0001143261	STRIP INT 04/07/23	PROPRE	9,640,739.00	9,681,374.71	EUR	1.53
DE0001143287	STRIP INT 04/07/25	PROPRE	6,350,664.00	6,255,150.01	EUR	0.99
DE0001143295	STRIP INT 04/07/26	PROPRE	1,278,011.00	1,239,792.08	EUR	0.20
DE0001143303	STRIP INT 04/07/27	PROPRE	6,119,779.30	5,834,077.40	EUR	0.92
ES0000012718	STRIP INT 30/07/26	PROPRE	82,150.00	72,981.24	EUR	0.01
XS1069430368	TELEFONICA EMISIONES 2.242% 27/05/2022	PROPRE	500,000.00	550,173.26	EUR	0.09
XS1673620107	UBS AG LONDON FRN 05/09/2019	PROPRE	4,568,000.00	4,608,337.72	EUR	0.73
CH0359915425	UBS GROUP FUNDING SWITZE FRN 20/09/2022	PROPRE	3,524,000.00	3,578,315.90	EUR	0.56
XS1014627571	UNICREDIT SPA 3.25% 14/01/2021	PROPRE	1,790,000.00	2,016,005.40	EUR	0.32
XS1169707087	UNICREDIT SPA FRN 19/02/2020	PROPRE	3,233,000.00	3,294,978.68	EUR	0.52
XS0973623514	UNICREDIT SPA 3.625% 24/01/2019	PROPRE	487,000.00	523,046.21	EUR	0.08
IT0005140030	UNIONE DI BANCHE ITALIAN 1% 27/01/2023	PROPRE	8,091,000.00	8,430,448.48	EUR	1.33
XS1372839214	VODAFONE GROUP PLC 2.2% 25/08/2026	PGARAN	12,173,000.00	13,324,606.65	EUR	2.10
XS1167637294	VOLKSWAGEN INTERNATIONAL FINANCIAL NV FRN 16/07/2018	PROPRE	46,000.00	46,059.57	EUR	0.01
XS1586555945	VOLKSWAGEN INTL FIN NV 1.875% 30/03/2027	PROPRE	2,900,000.00	3,033,247.05	EUR	0.48
XS0873793375	VOLKSWAGEN INTL FIN 2% 14/01/2020	PROPRE	3,688,000.00	3,916,821.96	EUR	0.62
XS1642546078	VOLKSWAGEN LEASING GMBH FRN 06/07/2021	PROPRE	3,700,000.00	3,712,601.28	EUR	0.59
XS1014610254	VOLKSWAGEN LEASING GMBH 2.625% 15/01/2024	PROPRE	11,768,000.00	13,238,624.39	EUR	2.09
DE000A18V138	VONOVIA FINANCE BV 1.625% 15/12/2020	PROPRE	300,000.00	319,954.68	EUR	0.05
XS1061043797	WELLS FARGO & COMPANY EURIBOR+0.45% 24/04/2019	PROPRE	424,000.00	426,464.61	EUR	0.07
XS0801654558	WESTPAC 2.125% 09/07/19	PROPRE	155,000.00	162,504.08	EUR	0.03
ES00000120D1		PROPRE	100,000.00	62,137.00	EUR	0.01
<b>Total Bond</b>				<b>634,593,931.12</b>		<b>100.04</b>
<b>Total Investment Securities</b>				<b>634,593,931.12</b>		<b>100.04</b>
<b>Interest rate swap</b>						
SWAP03544652	FEES LEG EUR LYX ETF	PROPRE	1.00	234,094.37	EUR	0.04
SWAP03544653	INDEX LEG EUR LYX ET	PROPRE	2,506,900,000.00	634,371,664.00	EUR	100.00
SWAP03544488	VRAC LEG LYX ETF DAI	PROPRE	2,506,900,000.00	-615,060,117.93	EUR	-96.96
<b>Total Interest rate swap</b>				<b>19,545,640.44</b>		<b>3.04</b>

LYXOR DAILY DOUBLE SHORT BTP UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	RECEIVABLE ON SWAP	PROPRE	0.00	-30,605,211.24	EUR	-4.82
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-47,816,638.23	EUR	-7.54
	EUR SGP BANK	PROPRE	0.00	0.33	EUR	0.00
	DEF. SALES EUR SECURITIES	PROPRE	0.00	78,421,849.47	EUR	12.36
<b>Total AT BANK OR PENDING</b>				<b>0.33</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-234,094.36	EUR	-0.04
<b>Total MANAGEMENT FEES</b>				<b>-234,094.36</b>		<b>-0.04</b>
<b>Total Cash</b>				<b>-234,094.03</b>		<b>-0.04</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02060652	PDC LYXOXS1218821756	PGAR1	-6,209,206.54	-6,209,206.54	EUR	-0.98
PDC-02060660	PDC LYXOXS1372839214	PGAR1	-13,324,606.65	-13,324,606.65	EUR	-2.10
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-19,533,813.19</b>		<b>-3.08</b>
<b>Total Files</b>				<b>-19,533,813.19</b>		<b>-3.08</b>
<b>Coupons</b>						
<b>Bond</b>						
IT0001278511	BTP 5.25 11/29	ACHLIG	38.99999	0.01	EUR	0.00
IT0004848484	ITALY BTPS HYB 0% 29	ACHLIG	598,300.00	0.00	EUR	0.00
<b>Total Bond</b>				<b>0.01</b>		<b>0.00</b>
<b>Total Coupons</b>				<b>0.01</b>		<b>0.00</b>
<b>Total LYXOR DAILY DOUBLE SHORT BTP UCITS ETF</b>				<b>634,371,664.35</b>		<b>100.00</b>

# LYXOR MSCI INDONESIA UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR MSCI INDONESIA UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR MSCI INDONESIA UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

**Classification:** International equities.

At least 60% of the LYXOR MSCI INDONESIA UCITS ETF Compartment ("the Compartment") is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

**Terms of determination and allocation of amounts available for distribution:**

**For the equities classes C-EUR and C-USD:** Capitalisation of all the amounts available for distribution.

**For the equities classes D-EUR and D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Management objective:**

The Compartment's management objective is reproduce the evolution of the MSCI Indonesia Net Total Return index (the "Benchmark Indicator") listed in USD, regardless of its evolution, while insofar as possible minimizing the tracking error between the Compartment's performances and those of the MSCI Indonesia Net Total Return index.

The anticipated level of the ex-post tracking error under normal market conditions is 0.1%.

**Benchmark indicator:**

The Benchmark Indicator is the MSCI Indonesia Net Total Return index (net dividends reinvested).

The Benchmark Indicator is an equities index that is calculated and published by the supplier of international indices, MSCI.

The Benchmark Indicator is comprised exclusively of Indonesian securities (Indonesia) and retains the fundamental characteristics of the MSCI indices, namely: adjustment of the market capitalisation of the securities included in the Benchmark Indicator on the basis of the free-float and sector-based classification according to the GICS (Global Industry Classification Standard) classification.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the following Internet site: [www.msci.com](http://www.msci.com)

The monitored performance is that of the Benchmark Indicator in USD.

**Benchmark Indicator revision and composition**

The objective of the Benchmark Indicator is to represent 85% of the capitalization adjusted on the basis of the float, of each group of industries of the Indonesian market.

By targeting 85% of the representativeness of each industry group, the Benchmark Indicator measures 85% of the market capitalization of the Indonesian market, while also reflecting the market's economic diversity.

The MSCI indices are also reviewed quarterly in order to take into account the changes that impact the capitalisation of a value (number of securities and float) or its sectorial classification. The main changes in the capital structure of a company may be implemented in real time (merger and acquisition, large rights issues or initial public offerings, etc.).

The exact composition and the revision rules of the Benchmark Indicator are published by NYSE-Euronext and available on the Internet site: [www.msci.com](http://www.msci.com)

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

**Benchmark Indicator publication**

The Benchmark Indicator is available through Reuters and Bloomberg.

Reuters code: .MIID00000NUS

Bloomberg code: M0ID

The Benchmark Indicator's closing price is available on the Internet site: [www.msctbarra.com](http://www.msctbarra.com)

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com).

The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

Of eligibility, in particular:

- Subordination to the main market indices or to the Benchmark Indicator,
- Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
- Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),

Of diversification, notably:

- Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- Geographical area,
- Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.



The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

The manager is prohibited from receiving cash guarantees.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;

(d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;

(e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Risk related to the exposure to Emerging markets**

The Compartment's exposure to emerging markets results in a greater risk of loss than would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets.

The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the reference index.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of Future Financial Instrument (“FFI”) traded over-the-counter with Société Générale or with any other counterparty.

In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment’s assets by counterparty.

In case of a Counterparty’s default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment’s ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment’s Management Company and the FFI’s counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for FFI) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Risk related to low diversification of the Benchmark Indicator**

The Benchmark Indicator to which the investors are exposed covers a given region, area or strategy and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to a Benchmark Indicator with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment’s underlyings.

**- Liquidity risk on a place of listing**

The ETF’s equity price can deviate from its indicative net asset value. The liquidity of the Compartment’s equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment’s indicative net asset value, and/or
- iv) A market maker’s violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace’s IT or electronic systems.

**- Risk that the management objective may only be partially reached,**

indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment’s net asset value.

- Risk related to a change of the tax regime

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

- Risk related to a change of the tax regime affecting the underlyings

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

- Risk related to regulations

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Risk linked to a transaction involving securities comprising the Benchmark Indicator

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Exchange risk linked to the Benchmark Indicator

The compartment is exposed to the exchange risk insofar as the underlying securities comprising the Benchmark Indicator may be listed in a currency other than the currency of the Benchmark Indicator or be derived from securities listed in a currency other than the currency of the Benchmark Indicator. The fluctuations of exchange rates could therefore negatively affect the Benchmark Indicator followed by the compartment.

- Exchange risk linked to the D EUR and C EUR equity classes

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark Indicator. Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark Indicator, as a result of exchange rate fluctuations.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the Indonesian equity market.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 23 June 2011.*
- *Compartment creation date: 4 July 2011.*

## Activity report

The net asset value of the unit C-EUR of the LYXOR MSCI INDONESIA UCITS ETF Compartment shows an evolution of -0.77% over the fiscal year and stands at EUR 120.5331 on 31/10/2017, resulting in the fund's performance being equal to 20.53% since inception.

The net asset value of the unit C-USD of the LYXOR MSCI INDONESIA UCITS ETF Compartment shows an evolution of 5.45% over the fiscal year and stands at USD 96.7594 on 31/10/2017, resulting in the fund's performance being equal to -3.24% since inception.

The fund replicates the performance of the MSCI INDONESIA Net USD index, listed in US dollars (USD), representative of the performance of the market of large and mid-capitalisations, listed in Indonesia.

This index has shown an evolution of 6.35% over the fiscal year. As the C-EUR class is not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 6.27% compared to the USD.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MSCI INDONESIA Net USD index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the MSCI INDONESIA Net USD index.

The equities held as assets by the Compartment will notably be equities that make up the MSCI INDONESIA Net USD index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 6 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0279% for the Compartment. The level of the tracking error for the period was of 0.1%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** (not audited by the auditor)

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533 22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.5	4.1	4.8	4.4

Portfolio rated 100%  
Nb Securities rated 31

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.1</b>	<b>21.2%</b>
	Climate Change	4.9	9.5%
	Environmental Opportunities	3.3	4.0%
	Natural Capital	3.7	5.6%
	Pollution & Waste	2.9	2.2%
<b>Social</b>		<b>4.8</b>	<b>49.7%</b>
	Human Capital	5.5	18.3%
	Product Liability	4.1	22.1%
	Social Opportunities	4.9	9.3%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>4.4</b>	<b>29.1%</b>
	Corporate Behavior	4.5	12.3%
	Corporate Governance	4.4	16.7%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	9%
Average (A, BBB,BB)	77%
Laggards (B,CCC)	15%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary			10.5%		2.8%			
Consumer Staples			4.9%	3.7%		4.0%	2.2%	
Energy			3.8%		1.7%			
Financials		8.5%	29.4%					
Health Care		2.2%						
Industrials				0.9%		0.7%	0.9%	
Materials						2.1%	2.7%	
Real Estate					1.5%	1.5%		
Telecommunication Services			0.7%	13.2%		0.9%		
Utilities				1.3%				

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	17%
Yellow Flag	0%
Green Flag	83%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
88	242	250

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	42%
Scope2 reported (vs estimated)	1%
Scope 1 & 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.



**LYXOR MSCI INDONESIA UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	18%
Thermal Coal	17%
Natural Gas	1%
Oil	1%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	11%
20-49.9%	0%
50-100%	0%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	<b>Securities lending</b>
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	<b>Securities lending</b>	<b>Securities borrowing</b>	<b>Repo operations</b>	<b>Reverse repo operations</b>	<b>TRS</b>
Absolute value	-	-	-	-	35,054,485
% of assets under management	-	-	-	-	82.96

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	SAP
	Amount	435,759
2	Name	RWE
	Amount	221,124
3	Name	DAIMLER
	Amount	50,117
4	Name	BNP PARIBAS
	Amount	47,464
5	Name	KERING
	Amount	46,040
6	Name	DANONE
	Amount	45,872
7	Name	GROUPE PSA
	Amount	42,929
8	Name	CNP ASSURANCES
	Amount	42,267
9	Name	LVMH MOET HENNESSY LOUIS VUITTON
	Amount	42,256
10	Name	RUBIS
	Amount	41,326

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	-	35,054,485

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	1,015,154
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	1,015,154

**3.3. Guarantee currency.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	EUR
	Amount	-	-	-	1,015,154

**3.4. Maturity of the securities financing operations and total return swaps.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	35,054,485
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

**3.5. Countries where the counterparties are established.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	35,054,485

**3.6. Settlement and clearing.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	35,054,485

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	1,015,154

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>43,287,703.67</b>	<b>30,144,240.63</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	42,530,895.51	30,144,240.63
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	756,808.16	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>0.28</b>	<b>0.34</b>
Liquidity	0.28	0.34
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>43,287,703.95</b>	<b>30,144,240.97</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	46,850,679.80	22,556,569.55
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-4,367,350.26	7,308,550.08
• Earnings of the fiscal year	-231,024.29	-142,884.87
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>42,252,305.25</b>	<b>29,722,234.76</b>
<b>Financial instruments</b>	<b>1,015,153.99</b>	<b>408,171.31</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	1,015,153.99	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	408,171.31
<b>Debts</b>	<b>20,244.71</b>	<b>13,834.90</b>
Future foreign exchange operations	-	-
Other	20,244.71	13,834.90
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>43,287,703.95</b>	<b>30,144,240.97</b>



## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	35,054,485.34	24,469,385.34
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-224,783.19	-153,046.90
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-224,783.19</b>	<b>-153,046.90</b>
Adjustment of the fiscal year's earnings (V)	-6,241.10	10,162.03
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-231,024.29</b>	<b>-142,884.87</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

##### Equities classes D-EUR, C-EUR, D-USD and C-USD

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.55% per year including tax
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**For the equities classes C-EUR and C-USD:** Capitalisation of all the amounts available for distribution.

**For the equities classes D-EUR and D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>29,722,234.76</b>	<b>24,457,397.61</b>
Subscriptions (including subscription commission acquired by the Compartment)	37,950,343.63	117,087.00
Redemptions (less the redemption commission acquired by the Compartment)	-25,506,498.89	-2,736,573.39
Capital gains generated on deposits and financial instruments	9,418,746.82	3,607,961.08
Capital losses generated on deposits and financial instruments	-1,882,886.83	-6,150,119.25
Capital gains generated on financial contracts	119,032,116.20	69,825,451.01
Capital losses generated on financial contracts	-127,481,811.41	-60,313,167.30
Negotiation fees	-	-
Exchange differentials	-1,379,059.30	1,072,868.08
Changes to the estimate difference of the deposits and financial instruments:	1,438,923.99	196,428.41
- <i>Estimate difference fiscal year N</i>	2,035,488.27	596,564.28
- <i>Estimate difference fiscal year N-1</i>	596,564.28	400,135.87
Changes to the estimate difference of financial contracts:	1,164,979.47	-202,051.59
- <i>Estimate difference fiscal year N</i>	756,808.16	-408,171.31
- <i>Estimate difference fiscal year N-1</i>	-408,171.31	-206,119.72
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-224,783.19	-153,046.90
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>42,252,305.25</b>	<b>29,722,234.76</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR MSCI INDONESIA UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	35,054,485.34	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.28
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.28	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	35,054,485.34	-	-	-



### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	CHF	JPY	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	1,348,570.01	737,074.90	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	20,244.71
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	20,244.71
Account payable	-
-	-
-	-
-	-
Other operations	-

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**3.6 Shareholders' equity**

	<b>Subscriptions</b>		<b>Redemptions</b>	
Number of equities issued/redeemed during the fiscal year:	Number of equities	Amount	Number of equities	Amount
EQUITY C-EUR / FR0011067511	311,251	37,950,343.63	205,400	25,506,498.89
EQUITY C-USD / FR0011070374	-	-	-	-
EQUITY D-USD / FR0011070382	-	-	-	-
EQUITY D-EUR / FR0011070366	-	-	-	-
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-EUR / FR0011067511		-		-
EQUITY C-USD / FR0011070374		-		-
EQUITY D-USD / FR0011070382		-		-
EQUITY D-EUR / FR0011070366		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-EUR / FR0011067511		-		-
EQUITY C-USD / FR0011070374		-		-
EQUITY D-USD / FR0011070382		-		-
EQUITY D-EUR / FR0011070366		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY C-EUR / FR0011067511		-		-
EQUITY C-USD / FR0011070374		-		-
EQUITY D-USD / FR0011070382		-		-
EQUITY D-EUR / FR0011070366		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-EUR / FR0011067511	0.55
EQUITY C-USD / FR0011070374	0.55
EQUITY D-USD / FR0011070382	-
EQUITY D-EUR / FR0011070366	-
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY C-EUR / FR0011067511	-
EQUITY C-USD / FR0011070374	-
EQUITY D-USD / FR0011070382	-
EQUITY D-EUR / FR0011070366	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....None  
 3.8.2 Description of the other commitments received and/or given.....None

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	756,808.16

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

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	31.10.2017	31.10.2016
Allocation of the earnings	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-231,024.29	-142,884.87
<b>Total</b>	<b>-231,024.29</b>	<b>-142,884.87</b>

EQUITY C-EUR / FR0011067511	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-216,792.71	-130,275.34
<b>Total</b>	<b>-216,792.71</b>	<b>-130,275.34</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

EQUITY C-USD / FR0011070374	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-14,231.58	-12,609.53
<b>Total</b>	<b>-14,231.58</b>	<b>-12,609.53</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

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(compartment of the Multi Units France mutual fund)

EQUITY D-USD / FR0011070382	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

EQUITY D-EUR / FR0011070366	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-



LYXOR MSCI INDONESIA UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-4 367 350.26	7,308,550.08
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-4 367 350.26</b>	<b>7,308,550.08</b>

EQUITY C-EUR / FR0011067511	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-4,695,027.96	6,889,818.97
<b>Total</b>	<b>-4,695,027.96</b>	<b>6,889,818.97</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY C-USD / FR0011070374	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	327,677.70	418,731.11
<b>Total</b>	<b>327,677.70</b>	<b>418,731.11</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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EQUITY D-USD / FR0011070382	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY D-EUR / FR0011070366	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 4 July 2011.

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>42,252,305.25</b>	29,722,234.76	24,457,397.61	26,290,764.08	22,475,097.58

EQUITY C-EUR / FR0011067511		Currency of the equity and of the NAV: EUR			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>328,951</b>	223,100	245,600	237,900	239,000
<b>Net asset value</b>	<b>120.5331</b>	121.4668	91.5341	104.9352	88.4656
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-14.93</b>	30.29	-10.65	24.65	-32.13

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY C-USD / FR0011070374		Currency of the equity and of the NAV: USD			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>31,337</b>	31,337	31,337	18,347	21,847
<b>Net asset value</b>	<b>96.7594</b>	91.7545	69.6767	90.5963	82.8756
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>10.00</b>	12.95	-23.44	65.02	109.15

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

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EQUITY D-USD / FR0011070382		Currency of the equity and of the NAV: -			
	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	-	-	-	-	-
<b>Net asset value</b>	-	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	-	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY D-EUR / FR0011070366		Currency of the equity and of the NAV: EUR			
	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	-	-	-	-	-
<b>Net asset value</b>	-	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	-	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
ES0167050915	ACS	PROPRE	11,940.00	404,228.70	EUR	0.96
DE000A1EWWW0	ADIDAS NOM	PROPRE	3,370.00	643,838.50	EUR	1.52
ES0105046009	AENA SME SA	PROPRE	5,574.00	877,905.00	EUR	2.08
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	27,637.00	2,425,146.75	EUR	5.74
DE0008404005	ALLIANZ SE-NOM	PROPRE	5,387.00	1,073,898.45	EUR	2.54
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	19,743.00	2,074,002.15	EUR	4.91
NL0000334118	ASM INTERNATIONAL NV	PROPRE	12,015.00	691,102.80	EUR	1.64
NL0011872643	ASR NEDERLAND N.V	PROPRE	52,189.00	1,837,052.80	EUR	4.35
DE000BASF111	BASF SE	PROPRE	12,439.00	1,164,539.18	EUR	2.76
DE000BAY0017	BAYER AG	PROPRE	16,592.00	1,853,326.40	EUR	4.39
FR0000131104	BNP PARIBAS	PGARAN	708.00	47,464.32	EUR	0.11
FR0000120222	CNP ASSURANCES	PGARAN	2,116.00	42,267.10	EUR	0.10
DE0007100000	DAIMLER	PGARAN	703.00	50,116.87	EUR	0.12
DE0007100000	DAIMLER	PROPRE	2,599.00	185,282.71	EUR	0.44
FR0000120644	DANONE	PGARAN	654.00	45,871.56	EUR	0.11
DE0005140008	DEUTSCHE BANK AG-NOM	PROPRE	67,602.00	943,047.90	EUR	2.23
DE0005552004	DEUTSCHE POST AG-NOM	PROPRE	29,002.00	1,140,358.64	EUR	2.70
DE0005557508	DEUTSCHE TELEKOM AG-NOM	PROPRE	124,584.00	1,948,493.76	EUR	4.61
DE000ENAG999	E.ON SE	PROPRE	103,303.00	1,046,459.39	EUR	2.48
JP3802400006	FANUC LTD	PROPRE	3,700.00	737,074.90	JPY	1.74
NL0011585146	FERRARI NV	PROPRE	15,877.00	1,633,743.30	EUR	3.87
NL0010877643	FIAT CHRYSLER AUTOMOBILES NV	PROPRE	220,567.00	3,273,214.28	EUR	7.75
DE000A0Z2ZZ5	FREENET	PROPRE	12,888.00	369,692.28	EUR	0.87
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	6,651.00	476,943.21	EUR	1.13
DE0006048432	HENKEL KGAA VZ PFD	PROPRE	6,214.00	748,787.00	EUR	1.77

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CH001221405E	HOLCIM LTD-NOM EUR	PROPRE	930.00	45,012.00	EUR	0.11
ES0144580Y14	IBERDROLA SA	PROPRE	317,803.00	2,204,917.21	EUR	5.22
NL0011821202	ING GROUP NV	PROPRE	101,019.00	1,602,161.34	EUR	3.79
BE0003565737	KBC GROUPE	PROPRE	2,512.00	179,130.72	EUR	0.42
FR0000121485	KERING	PGARAN	117.00	46,039.50	EUR	0.11
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	118,078.00	1,907,550.09	EUR	4.51
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	62,166.00	2,173,012.53	EUR	5.14
FR0000121014	LVMH MOET HENNESSY LOUIS VUITTON SE	PGARAN	165.00	42,256.50	EUR	0.10
DE000A0JQ5U3	MANZ	PROPRE	5.00	190.95	EUR	0.00
FR0000121501	PEUGEOT SA	PGARAN	2,108.00	42,929.42	EUR	0.10
DE000PAH0038	PORSCHE AUTOMOBIL HOLDING SE	PROPRE	8,510.00	530,258.10	EUR	1.25
CH0012032048	ROCHE HOLDING LTD	PROPRE	1,680.00	333,482.60	CHF	0.79
FR0013269123	RUBIS SCA	PGARAN	767.00	41,325.96	EUR	0.10
DE0007037129	RWE AG	PGARAN	10,304.00	221,123.84	EUR	0.52
DE0007037129	RWE AG	PROPRE	81,582.00	1,750,749.72	EUR	4.14
DE0007164600	SAP SE	PGARAN	4,462.00	435,758.92	EUR	1.03
DE0007236101	SIEMENS AG-NOM	PROPRE	17,354.00	2,125,865.00	EUR	5.03
BE0003470755	SOLVAY	PROPRE	6,371.00	812,621.05	EUR	1.92
DE0008303504	TAG IMMOBILIEN AG	PROPRE	7,816.00	115,403.24	EUR	0.27
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	1,420.00	221,378.00	EUR	0.52
DE000A1ML7J1	VONOVIA SE NAMEN AKT	PROPRE	24,861.00	938,751.36	EUR	2.22
FI0009800643	YIT OYJ	PROPRE	1,844.00	12,032.10	EUR	0.03
CH0011075394	ZURICH INSURANCE GROUP AG	PROPRE	3,871.00	1,015,087.41	CHF	2.40
<b>Total Equity</b>				<b>42,530,895.51</b>		<b>100.66</b>
<b>Total Investment Securities</b>				<b>42,530,895.51</b>		<b>100.66</b>
<b>Interest rate swap</b>						
SWAP03547730	FEES LEG C EUR LYX E	PROPRE	1.00	18,997.41	EUR	0.04
SWAP03547740	FEES LEG C USD LYX E	PROPRE	1.00	1,247.10	EUR	0.00
SWAP03547760	INDEX LEG C EUR LYX	PROPRE	32,895,100.00	39,649,487.36	EUR	93.84
SWAP03547828	INDEX LEG C USD LYX	PROPRE	2,159,385.34	2,602,817.82	EUR	6.16

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
SWAP03547758	VRAC LEG LYX ETF MSC	PROPRE	35,054,485.34	-41,515,741.53	EUR	-98.26
<b>Total Interest rate swap</b>				<b>756,808.16</b>		<b>1.79</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	0.28	EUR	0.00
<b>Total AT BANK OR PENDING</b>				<b>0.28</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-20,244.20	EUR	-0.05
	PRN-1COMGESTADM	PROPRE	0.00	-0.51	EUR	-0.00
<b>Total MANAGEMENT FEES</b>				<b>-20,244.71</b>		<b>-0.05</b>
<b>Total Cash</b>				<b>-20,244.43</b>		<b>-0.05</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02061626	PDC LYXODE0007037129	PGAR1	-221,123.84	-221,123.84	EUR	-0.52
PDC-02061603	PDC LYXODE0007100000	PGAR1	-50,116.87	-50,116.87	EUR	-0.12
PDC-02061630	PDC LYXODE0007164600	PGAR1	-435,758.92	-435,758.92	EUR	-1.03
PDC-02061598	PDC LYXOFR0000120222	PGAR1	-42,267.10	-42,267.10	EUR	-0.10
PDC-02061608	PDC LYXOFR0000120644	PGAR1	-45,871.56	-45,871.56	EUR	-0.11
PDC-02061615	PDC LYXOFR0000121014	PGAR1	-42,256.50	-42,256.50	EUR	-0.10
PDC-02061612	PDC LYXOFR0000121485	PGAR1	-46,039.50	-46,039.50	EUR	-0.11
PDC-02061618	PDC LYXOFR0000121501	PGAR1	-42,929.42	-42,929.42	EUR	-0.10
PDC-02061593	PDC LYXOFR0000131104	PGAR1	-47,464.32	-47,464.32	EUR	-0.11
PDC-02061622	PDC LYXOFR0013269123	PGAR1	-41,325.96	-41,325.96	EUR	-0.10
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-1,015,153.99</b>		<b>-2.40</b>
<b>Total Files</b>				<b>-1,015,153.99</b>		<b>-2.40</b>
<b>Total LYXOR MSCI INDONESIA UCITS ETF</b>				<b>42,252,305.25</b>		<b>100.00</b>

# LYXOR THAILAND (SET50 NET TR) UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE



<b>Compartments / feeder</b>	LYXOR THAILAND (SET50 NET TR) UCITS ETF is a compartment of the MULTI UNITS FRANCE compartment
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International equities.

At least 60% of the LYXOR THAILAND (SET50 NET TR) UCITS ETF Compartment (hereafter the “Compartment”) is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**For the equities classes C-EUR and C-USD:** Capitalisation of all the amounts available for distribution.

**For the equities classes D-EUR and D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is an exposure to the Thai equities market by reproducing the evolution of the SET50 NET Total Return index (the “Benchmark Indicator “), listed in Thai Baht (THB), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the SET50 NET Total Return index.

The anticipated level of the ex-post tracking error under normal market conditions is 0.10%.

### Benchmark indicator:

The Benchmark Indicator is the SET50 NET Total Return index, (net dividends reinvested).

The Benchmark Indicator is the benchmark index of the Stock Exchange of Thailand. It is comprised of the 50 main securities listed in the Stock Exchange of Thailand, in terms of market capitalisation adjusted on the basis of the free-float and the liquidity.

The SET50 NET Total Return index was initially created in 1950 to serve as an underlying asset for derivative instruments. It is maintained by the Stock Exchange of Thailand. The SET's Index Committee is responsible for specifying the index’s selection criteria, its components and methodology.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components are available at the following Internet site: [www.set.or.th](http://www.set.or.th)

The monitored performance is that of the Benchmark Indicator.

### **Benchmark Indicator revision and composition**

The Benchmark Indicator is reviewed twice a year in June and in December with effective date on the first business day of the following day.

The exact composition and the revision rules of the Benchmark Indicator are published by MSCI and available on the Internet site: [www.set.or.th](http://www.set.or.th)

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

### **Benchmark Indicator publication**

SET50 NET Total Return index publication:

The SET50 Net Total Return index is calculated daily using the index’s closing price.

The SET50 NET Total Return index is available:

Reuters code: .SET50NETRI

Bloomberg code: SET50NTR

The Benchmark Indicator's closing price is available on the Internet site: [www.set.or.th](http://www.set.or.th)

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com).

The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
- Subordination to the main market indices or to the Benchmark Indicator,
- Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
- Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
- Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- Geographical area,
- Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

The manager is prohibited from receiving cash guarantees.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at least on a daily basis and assets showing strong price volatility must not be accepted as guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Compartment may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

Received financial guarantees will not be sold, reinvested or pledged.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial manager. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Risk related to the exposure to Emerging markets**

The Compartment's exposure to emerging markets results in a greater risk of loss than would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the reference index.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of Future Financial Instrument ("FFI") traded over-the-counter with Société Générale or with any other counterparty.

In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for FFI) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Risk related to low diversification of the Benchmark Indicator**

The Benchmark Indicator to which the investors are exposed covers a given region, area or strategy and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to such index with low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment's underlyings.

**- Liquidity risk on a place of listing**

The ETF's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Risk that the management objective may only be partially reached**, indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Risk linked to a transaction involving securities comprising the Benchmark Indicator**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Exchange risk linked to the equity class**

For C-USD and D-USD equity classes:

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark Indicator.

Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark Indicator, as a result of exchange rate fluctuations.

The exchange rate use for the valuation of the equity classes is the USD/THO (Baht onshore) exchange rate applicable to local investors, which can vary from the USD/THB (Baht offshore) exchange rate applicable to foreign investors.

For C-EUR and D-EUR equity classes:

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark Indicator.

Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark Indicator, as a result of exchange rate fluctuations.

The exchange rate use for the valuation of the equity classes is the EUR/THO (Baht onshore) exchange rate applicable to local investors, which can vary from the EUR/THB (Baht offshore) exchange rate applicable to foreign investors.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber wishing to be exposed to the Thai equities market.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 23 June 2011.*
- *Compartment creation date: 4 July 2011.*

## Activity report

The net asset value of the unit C-EUR of the LYXOR THAILAND (SET50 NET TR) UCITS ETF Compartment shows an evolution of 18.83% over the fiscal year and stands at EUR 192.5551 on 31/10/2017, resulting in the fund's performance being equal to 92.56% since inception.

The net asset value of the unit C-USD of the LYXOR THAILAND (SET50 NET TR) UCITS ETF Compartment shows an evolution of 26.28% over the fiscal year and stands at USD 154.5734 on 31/10/2017, resulting in the fund's performance being equal to 54.57% since inception.

The fund replicates the performance of the SET50 net TRI index, listed in Thai Baht (THB), representative of equities of the 50 more important companies, listed on the Thai stock exchange.

This index has shown an evolution of 20.33% over the fiscal year. As the C-EUR, C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 6.27% compared to the USD, the USD decreased by 5.08% compared to the THB.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the SET50 Net TRI index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the SET50 Net TRI index.

The equities held as assets by the Compartment will notably be equities that make up the SET50 Net TRI index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 6 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0183% for the Compartment. The level of the tracking error for the period was of 0.1%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### **Transfer commission** *(not audited by the auditor)*

None.

#### **Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### **Overall risk of the Compartment**

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

#### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.7	4.6	5.9	3.9

Portfolio rated 92%  
Nb Securities rated 41

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.6</b>	<b>31.4%</b>
	Climate Change	5.3	10.2%
	Environmental Opportunities	4.3	4.7%
	Natural Capital	4.7	9.2%
	Pollution & Waste	3.8	7.2%
<b>Social</b>		<b>5.9</b>	<b>36.7%</b>
	Human Capital	7.1	18.4%
	Product Liability	4.7	13.0%
	Social Opportunities	4.4	5.0%
	Stakeholder Opposition	5.3	0.3%
<b>Governance</b>		<b>3.9</b>	<b>28.5%</b>
	Corporate Behavior	2.9	12.0%
	Corporate Governance	4.8	16.5%



LYXOR THAILAND (SET50 NET TR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	22%
Average (A, BBB,BB)	71%
Laggards (B,CCC)	4%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	1.8%		1.6%		0.8%			
Consumer Staples				0.8%	8.2%			
Energy			13.5%	7.0%		0.7%		
Financials	9.8%			3.5%	3.5%			
Health Care			3.2%	1.5%				
Industrials		1.0%		10.2%		1.1%		
Information Technology				1.0%	0.6%			
Materials		5.6%		3.5%		2.3%		
Real Estate		3.4%						
Telecommunication Services			5.6%	2.0%				
Utilities			0.9%	2.1%	1.3%			

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	18%
Yellow Flag	3%
Green Flag	74%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
320	745	929

Portfolio rated by weight	91%
Scope 1 reported (vs estimated)	100%
Scope2 reported (vs estimated)	97%
Scope 1& 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	16%
Thermal Coal	13%
Natural Gas	15%
Oil	15%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-10.0%	13%
20-49.9%	2%
50-100%	2%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	8,193,476
% of assets under management	-	-	-	-	51.93

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	HEIDELBERGCEMENT
	Amount	182,462
2	Name	LEONI
	Amount	99,886
3	Name	SIEMENS
	Amount	31,483
4	Name	SAP
	Amount	18,458
5	Name	KERING
	Amount	16,920
6	Name	DANONE
	Amount	16,343
7	Name	WENDEL
	Amount	16,073
8	Name	BOUYGUES
	Amount	15,785
9	Name	CNP ASSURANCES
	Amount	15,780
10	Name	GROUPE PSA
	Amount	15,620

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	-	8,193,476

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	428,810
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	428,810

**3.3. Guarantee currency.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	EUR
	Amount	-	-	-	428,810

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	8,193,476
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	8,193,476

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	8,193,476

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	428,810

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>16,211,897.61</b>	<b>13,349,855.08</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	15,961,854.21	13,349,855.08
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	250,043.40	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>0.08</b>	<b>0.11</b>
Liquidity	0.08	0.11
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>16,211,897.69</b>	<b>13,349,855.19</b>



## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	14,636,703.09	11,659,410.74
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	1,204,917.68	1,672,589.00
• Earnings of the fiscal year	-64,664.50	-55,236.89
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>15,776,956.27</b>	<b>13,276,762.85</b>
<b>Financial instruments</b>	<b>428,810.08</b>	<b>67,993.28</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	428,810.08	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	67,993.28
<b>Debts</b>	<b>6,131.34</b>	<b>5,099.06</b>
Future foreign exchange operations	-	-
Other	6,131.34	5,099.06
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>16,211,897.69</b>	<b>13,349,855.19</b>

## Off-balance sheet commitments

Currency	31.10.2017	31.10.2016
	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	8,193,476.30	8,193,476.30
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-64,664.50	-59,123.62
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-64,664.50</b>	<b>-59,123.62</b>
Adjustment of the fiscal year's earnings (V)	-	3,886.73
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-64,664.50</b>	<b>-55,236.89</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the calculation date of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The financial manager nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The financial manager nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the net asset value calculation date. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the net asset value calculation date. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The financial manager independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the financial manager's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities in Undertakings for Collective Investment in Transferable Securities operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of AIF operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the financial manager's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM/Reuters fixing the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

##### Equities classes D-EUR, C-EUR, D-USD and C-USD

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the financial manager.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.45% per year including tax
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**For the equities classes C-EUR and C-USD:** Capitalisation of all the amounts available for distribution.

**For the equities classes D-EUR and D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

The Compartment LYXOR THAILAND (SET50 NET TR) UCITS ETF is in no way sponsored, endorsed, sold or recommended by the Stock Exchange of Thailand ("SET") and SET in no way guarantees (whether explicitly or implicitly) neither the results expected to be obtained through the use of the SET50 Net Total Return index (hereafter the "Index") nor the level reached by the Index at any given moment or day. The Index is compiled and calculated by SET. However, SET does not assume any liability with regard to any error that could arise in the Index whether on the basis of negligence or any other basis. Moreover, SET has no obligation to inform anyone of any such error.  
SET is a registered trademark of the Stock Exchange of Thailand.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>13,276,762.85</b>	<b>10,608,985.15</b>
Subscriptions (including subscription commission acquired by the Compartment)	-	13,152,818.66
Redemptions (less the redemption commission acquired by the Compartment)	-	-11,489,082.62
Capital gains generated on deposits and financial instruments	3,020,361.57	1,826,133.49
Capital losses generated on deposits and financial instruments	-1,073,217.50	-2,639,559.66
Capital gains generated on financial contracts	22,721,562.82	55,502,085.97
Capital losses generated on financial contracts	-23,210,559.34	-53,780,932.49
Negotiation fees	-	-
Exchange differentials	-252,143.18	415,363.51
Changes to the estimate difference of the deposits and financial instruments:	1,040,816.87	-475,989.68
- <i>Estimate difference fiscal year N</i>	915,248.19	-125,568.68
- <i>Estimate difference fiscal year N-1</i>	-125,568.68	350,421.00
Changes to the estimate difference of financial contracts:	318,036.68	216,064.14
- <i>Estimate difference fiscal year N</i>	250,043.40	-67,993.28
- <i>Estimate difference fiscal year N-1</i>	-67,993.28	-284,057.42
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-64,664.50	-59,123.62
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>15,776,956.27</b>	<b>13,276,762.85</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-



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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	8,193,476.30	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.08
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.08	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	8,193,476.30	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	JPY	CHF	SEK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	601,670.89	132,949.97	43,296.70	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>6,131.34</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	6,131.34
-	-
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year:				
EQUITY C-EUR / FR0011067529	-	-	-	-
EQUITY C-USD / FR0011070440	-	-	-	-
EQUITY D-USD / FR0011070424	-	-	-	-
EQUITY D-EUR / FR0011070432	-	-	-	-
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-EUR / FR0011067529		-		-
EQUITY C-USD / FR0011070440		-		-
EQUITY D-USD / FR0011070424		-		-
EQUITY D-EUR / FR0011070432		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-EUR / FR0011067529		-		-
EQUITY C-USD / FR0011070440		-		-
EQUITY D-USD / FR0011070424		-		-
EQUITY D-EUR / FR0011070432		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY C-EUR / FR0011067529		-		-
EQUITY C-USD / FR0011070440		-		-
EQUITY D-USD / FR0011070424		-		-
EQUITY D-EUR / FR0011070432		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-EUR / FR0011067529	0.45
EQUITY C-USD / FR0011070440	0.45
EQUITY D-USD / FR0011070424	-
EQUITY D-EUR / FR0011070432	-
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY C-EUR / FR0011067529	-
EQUITY C-USD / FR0011070440	-
EQUITY D-USD / FR0011070424	-
EQUITY D-EUR / FR0011070432	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	<b>250,043.40</b>

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>	-	-	-	-	-

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	31.10.2017	31.10.2016
Allocation of the earnings	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-64,664.50	-55,236.89
<b>Total</b>	<b>-64,664.50</b>	<b>-55,236.89</b>

EQUITY C-EUR / FR0011067529	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-51,449.24	-43,948.24
<b>Total</b>	<b>-51,449.24</b>	<b>-43,948.24</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

EQUITY C-USD / FR0011070440	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-13,215.26	-11,288.65
<b>Total</b>	<b>-13,215.26</b>	<b>-11,288.65</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

LYXOR THAILAND (SET50 NET TR) UCITS ETF  
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EQUITY D-USD / FR0011070424	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

EQUITY D-EUR / FR0011070432	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-



**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

LYXOR THAILAND (SET50 NET TR) UCITS ETF  
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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	1,204,917.68	1,672,589.00
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>1,204,917.68</b>	<b>1,672,589.00</b>

EQUITY C-EUR / FR0011067529	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	958,682.44	1,696,182.91
<b>Total</b>	<b>958,682.44</b>	<b>1,696,182.91</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY C-USD / FR0011070440	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	246,235.24	-23,593.91
<b>Total</b>	<b>246,235.24</b>	<b>-23,593.91</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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EQUITY D-USD / FR0011070424	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY D-EUR / FR0011070432	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 4 July 2011.

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>15,776,956.27</b>	13,276,762.85	10,608,985.15	19,325,130.23	18,761,291.07

EQUITY C-EUR / FR0011067529	Currency of the equity and of the NAV: EUR				
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>65,190</b>	65,190	56,580	105,800	114,900
<b>Net asset value</b>	<b>192.5551</b>	162.0406	148.0234	162.7313	143.3398
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>13.91</b>	25.34	13.58	22.04	9.23

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY C-USD / FR0011070440	Currency of the equity and of the NAV: USD				
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>24,300</b>	24,300	21,900	18,800	23,200
<b>Net asset value</b>	<b>154.5734</b>	122.4014	112.6751	140.4948	134.2823
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>9.58</b>	-1.43	-78.61	106.23	-17.52

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

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EQUITY D-USD / FR0011070424		Currency of the equity and of the NAV: USD			
	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	-	-	-	-	-
<b>Net asset value</b>	-	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	-	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY D-EUR / FR0011070432		Currency of the equity and of the NAV: EUR			
	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	-	-	-	-	-
<b>Net asset value</b>	-	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	-	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
ES0167050915	ACS	PROPRE	2,691.00	91,103.81	EUR	0.58
DE000A1EWWW0	ADIDAS NOM	PROPRE	1,057.00	201,939.85	EUR	1.28
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	9,114.00	799,753.50	EUR	5.07
DE0008404005	ALLIANZ SE-NOM	PROPRE	4,714.00	939,735.90	EUR	5.96
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	13,149.00	1,381,302.45	EUR	8.76
DE000BASF111	BASF SE	PROPRE	5,458.00	510,977.96	EUR	3.24
DE000BAY0017	BAYER AG	PROPRE	4,540.00	507,118.00	EUR	3.21
DE0005190003	BAYERISCHE MOTORENWERKE	PROPRE	6,341.00	554,837.50	EUR	3.52
SE0000862997	BILLERUDKORSNAS	PROPRE	1,361.00	20,109.21	SEK	0.13
FR0000120503	BOUYGUES	PGARAN	383.00	15,785.35	EUR	0.10
FR0000120222	CNP ASSURANCES	PGARAN	790.00	15,780.25	EUR	0.10
DE000CBK1001	COMMERZBANK	PROPRE	4,914.00	57,813.21	EUR	0.37
DE0006062144	COVESTRO AG	PROPRE	11,459.00	943,763.24	EUR	5.98
DE0007100000	DAIMLER	PROPRE	4,573.00	326,009.17	EUR	2.07
FR0000120644	DANONE	PGARAN	233.00	16,342.62	EUR	0.10
DE0005140008	DEUTSCHE BANK AG-NOM	PROPRE	6,504.00	90,730.80	EUR	0.58
DE0008232125	DEUTSCHE LUFTHANSA NOM	PROPRE	2,586.00	70,856.40	EUR	0.45
DE0005552004	DEUTSCHE POST AG-NOM	PROPRE	8,204.00	322,581.28	EUR	2.04
DE0005557508	DEUTSCHE TELEKOM AG-NOM	PROPRE	19,146.00	299,443.44	EUR	1.90
FI0009007884	ELISA OYJ	PROPRE	6,019.00	208,197.21	EUR	1.32
DE000ENAG999	E.ON SE	PROPRE	34,772.00	352,240.36	EUR	2.23
DE0005664809	EVOTEC	PROPRE	7,740.00	139,436.10	EUR	0.88
JP3802400006	FANUC LTD	PROPRE	1,363.00	271,522.46	JPY	1.72
JP3802300008	FAST RETAILING	PROPRE	1,162.00	330,148.43	JPY	2.09
DE0005785802	FRESENIUS MEDICAL CARE AG & CO	PROPRE	3,928.00	326,102.56	EUR	2.07

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	4,498.00	322,551.58	EUR	2.04
DE0008402215	HANNOVER RUECK SE	PROPRE	486.00	52,317.90	EUR	0.33
DE0006047004	HEIDELBERGCEMENT AG	PGARAN	2,086.00	182,462.42	EUR	1.16
DE0006047004	HEIDELBERGCEMENT AG	PROPRE	977.00	85,458.19	EUR	0.54
NL0000009165	HEINEKEN NV	PROPRE	5,237.00	438,127.42	EUR	2.78
DE0006048432	HENKEL KGAA VZ PFD	PROPRE	293.00	35,306.50	EUR	0.22
CH001221405E	HOLCIM LTD-NOM EUR	PROPRE	354.00	17,133.60	EUR	0.11
DE000A1PHFF7	HUGO BOSS AG	PROPRE	2,041.00	156,830.44	EUR	0.99
ES0144580Y14	IBERDROLA SA	PROPRE	2,687.00	18,642.41	EUR	0.12
NL0011821202	ING GROUP NV	PROPRE	11,186.00	177,409.96	EUR	1.12
FR0000121485	KERING	PGARAN	43.00	16,920.50	EUR	0.11
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	34,377.00	555,360.44	EUR	3.52
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	20,222.00	706,860.01	EUR	4.48
DE0005408884	LEONI AG	PGARAN	1,753.00	99,885.94	EUR	0.63
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	PROPRE	1,032.00	198,195.60	EUR	1.26
FR0000121501	PEUGEOT SA	PGARAN	767.00	15,619.96	EUR	0.10
NL0006144495	RELX NV	PROPRE	24,945.00	483,683.55	EUR	3.07
DE0007037129	RWE AG	PROPRE	14,343.00	307,800.78	EUR	1.95
DE0007164600	SAP SE	PGARAN	189.00	18,457.74	EUR	0.12
DE0007164600	SAP SE	PROPRE	2,464.00	240,634.24	EUR	1.53
DE0007236101	SIEMENS AG-NOM	PGARAN	257.00	31,482.50	EUR	0.20
DE0007236101	SIEMENS AG-NOM	PROPRE	3,803.00	465,867.50	EUR	2.95
SE0000310336	SWEDISH MATCH AB	PROPRE	717.00	23,187.49	SEK	0.15
DE0008303504	TAG IMMOBILIEN AG	PROPRE	16,993.00	250,901.65	EUR	1.59
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	8,949.00	1,395,149.10	EUR	8.84
DE000A1ML7J1	VONOVIA SE NAMEN AKT	PROPRE	19,146.00	722,952.96	EUR	4.58
FR0000121204	WENDEL ACT	PGARAN	111.00	16,072.80	EUR	0.10
CH0011075394	ZURICH INSURANCE GROUP AG	PROPRE	507.00	132,949.97	CHF	0.84

**Total Equity** **15,961,854.21** **101.17**

**Total Investment Securities** **15,961,854.21** **101.17**

LYXOR THAILAND (SET50 NET TR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>Interest rate swap</b>						
SWAP03598565	FEES LEG C EUR LYX E	PROPRE	1.00	4,878.60	EUR	0.03
SWAP03598549	FEES LEG C USD LYX E	PROPRE	1.00	1,253.25	EUR	0.01
SWAP03598525	INDEX LEG C EUR LYX	PROPRE	6,519,000.00	12,552,666.50	EUR	79.56
SWAP03598613	INDEX LEG C USD LYX	PROPRE	1,674,476.30	3,224,289.15	EUR	20.44
SWAP03598495	VRAC LEG LYX ETF THA	PROPRE	8,193,476.30	-15,533,044.10	EUR	-98.45
<b>Total Interest rate swap</b>				<b>250,043.40</b>		<b>1.58</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	0.08	EUR	0.00
<b>Total AT BANK OR PENDING</b>				<b>0.08</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-6,131.34	EUR	-0.04
<b>Total MANAGEMENT FEES</b>				<b>-6,131.34</b>		<b>-0.04</b>
<b>Total Cash</b>				<b>-6,131.26</b>		<b>-0.04</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02059904	PDC LYXODE0005408884	PGAR1	-99,885.94	-99,885.94	EUR	-0.63
PDC-02059893	PDC LYXODE0006047004	PGAR1	-182,462.42	-182,462.42	EUR	-1.16
PDC-02059916	PDC LYXODE0007164600	PGAR1	-18,457.74	-18,457.74	EUR	-0.12
PDC-02059921	PDC LYXODE0007236101	PGAR1	-31,482.50	-31,482.50	EUR	-0.20
PDC-02059881	PDC LYXOFR0000120222	PGAR1	-15,780.25	-15,780.25	EUR	-0.10
PDC-02059876	PDC LYXOFR0000120503	PGAR1	-15,785.35	-15,785.35	EUR	-0.10
PDC-02059887	PDC LYXOFR0000120644	PGAR1	-16,342.62	-16,342.62	EUR	-0.10
PDC-02059927	PDC LYXOFR0000121204	PGAR1	-16,072.80	-16,072.80	EUR	-0.10
PDC-02059899	PDC LYXOFR0000121485	PGAR1	-16,920.50	-16,920.50	EUR	-0.11
PDC-02059910	PDC LYXOFR0000121501	PGAR1	-15,619.96	-15,619.96	EUR	-0.10
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-428,810.08</b>		<b>-2.72</b>
<b>Total Files</b>				<b>-428,810.08</b>		<b>-2.72</b>
<b>Total LYXOR THAILAND (SET50 NET TR) UCITS ETF</b>				<b>15,776,956.27</b>		<b>100.00</b>



# LYXOR MSCI ALL COUNTRY WORLD UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

<b>Compartments / feeder</b>	LYXOR MSCI ALL COUNTRY WORLD UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International equities.

At least 60% of the LYXOR MSCI ALL COUNTRY WORLD UCITS ETF Compartment ("the Compartment") is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**Equities classes C-EUR and C-USD:** Capitalisation of all the amounts available for distribution.

**Equities classes D-EUR and D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment's management objective is an exposure to the equity markets of emerging and developed countries and to replicate the MSCI AC World Index (ACWI) Net Total Return index (the "Benchmark indicator"), listed in US Dollars (USD), while insofar as possible minimizing the tracking error between the Compartment's performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.07%.

### Benchmark indicator:

The Benchmark Indicator is the MSCI AC World Index (ACWI) Net Total Return index, (net dividends reinvested). The Benchmark Indicator is an equities index that is calculated and published by the international supplier of indices, MSCI.

The Benchmark Indicator is a free float-adjusted market capitalization weighted index created to measure the investable universe and the performance of the companies of the developed and emerging markets. The Benchmark Indicator was created to cover large and mid-capitalisations and is constructed using the MSCI Global Investable Market Index (GIMI) methodology in order to meet criteria in terms of size, liquidity and free-float adjusted market capitalisation.

The MSCI methodology and its calculation method entail the Benchmark Indicator being made up of a variable number of companies.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the following Internet site: [www.msci.com](http://www.msci.com)

The monitored performance is that of the Benchmark Indicator in USD.

### **Benchmark Indicator revision and composition**

The composition of the Benchmark Indicator is reviewed quarterly.

The exact composition and the revision rules of the Benchmark Indicator are published by MSCI and available on the Internet site: [www.msci.com](http://www.msci.com)

### **Benchmark Indicator publication**

The Benchmark Indicator is available through Reuters and Bloomberg.

Reuters code: .MIWD00000NUS

Bloomberg code: M1WD

The Benchmark Indicator's closing price is available on the Internet site: [www.msci.com](http://www.msci.com)

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com).

The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

Of eligibility, in particular:

- Subordination to the main market indices or to the Benchmark Indicator,
- Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
- Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),

Of diversification, notably:

- Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- Geographical area,
- Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

The manager is prohibited from receiving cash guarantees.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at least on a daily basis and assets showing strong price volatility must not be accepted as guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Compartment may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and

such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets. In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

Received financial guarantees will not be sold, reinvested or pledged.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Risk related to the exposure to Emerging markets**

The Compartment's exposure to emerging markets results in a greater risk of loss than would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the reference index.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of Future Financial Instrument ("FFI") traded over-the-counter with Société Générale or with any other counterparty.

In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for FFI) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the Benchmark Indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,

iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,

v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,

vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Exchange risk linked to the C-EUR and D-EUR equity classes

The value of the aforesaid equity classes is calculated in euro (EUR) and the Benchmark Indicator is an index denominated in US dollars (USD). Consequently, the value of the C-EUR and D-EUR equities may vary from one day to the next as a result of exchange rate fluctuations (EUR/USD). At the time of subscriptions/redemptions, the bearer's yield/capital would thus increase or decrease due to the fact that it is converted back into euro given its exposure to the risk linked to the increase as well as decrease of the euro against the US Dollar.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

- Exchange risk linked to the Benchmark Indicator

The Compartment is exposed to the exchange risk insofar as the underlying securities comprising the Benchmark Indicator may be listed in a currency other than the currency of the Benchmark Indicator or be derived from securities listed in a currency other than the currency of the Benchmark Indicator. The fluctuations of exchange rates could therefore negatively affect the Benchmark Indicator followed by the Compartment.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing for this Compartment wishes to be exposed to the markets of developed and emerging countries.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 1 September 2011.*
- *Compartment creation date: 5 September 2011.*

## Activity report

The net asset value of the unit C-EUR of the LYXOR MSCI ALL COUNTRY WORLD UCITS ETF Compartment shows an evolution of 15.77% over the fiscal year and stands at EUR 229.3042 on 31/10/2017, resulting in the fund's performance being equal to 129.30% since inception.

The net asset value of the unit C-USD of the LYXOR MSCI ALL COUNTRY WORLD UCITS ETF Compartment shows an evolution of 23.03% over the fiscal year and stands at USD 189.2915 on 31/10/2017, resulting in the fund's performance being equal to 89.29% since inception.

The fund replicates the performance of the MSCI AC WORLD NR index, listed in US dollars (USD), representative of performance of the market of large and mid-capitalisations, listed in 45 industrialised and emerging countries.

This index has shown an evolution of 23.20% over the fiscal year. As the C-EUR class is not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 6.27% compared to the USD.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MSCI AC WORLD NR index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the MSCI AC WORLD NR index.

The equities held as assets by the Compartment will notably be equities that make up the MSCI AC WORLD NR index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The compartment's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0118% for the Compartment. The level of the tracking error for the period was of 0.07%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** (not audited by the auditor)

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.



## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.8	5.5	4.5	4.8

Portfolio rated 100%  
Nb Securities rated 2 484

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>5.5</b>	<b>25.6%</b>
	Climate Change	6.5	7.8%
	Environmental Opportunities	5.2	7.1%
	Natural Capital	4.8	5.8%
	Pollution & Waste	5.1	4.9%
<b>Social</b>		<b>4.5</b>	<b>44.2%</b>
	Human Capital	4.4	20.2%
	Product Liability	4.2	18.0%
	Social Opportunities	5.1	4.9%
	Stakeholder Opposition	7.3	1.1%
<b>Governance</b>		<b>4.8</b>	<b>30.2%</b>
	Corporate Behavior	4.3	11.0%
	Corporate Governance	5.1	19.2%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	22%
Average (A, BBB,BB)	64%
Laggards (B,CCC)	14%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	0.7%	1.2%	1.5%	2.7%	3.4%	1.9%	0.6%	
Consumer Staples	0.6%	1.8%	2.5%	1.3%	1.3%	0.9%	0.1%	
Energy	0.2%	0.3%	0.9%	2.7%	0.8%	1.2%	0.2%	
Financials	0.9%	2.7%	3.7%	3.8%	5.7%	1.0%	0.7%	
Health Care	0.4%	0.8%	3.0%	2.9%	1.1%	1.8%	0.8%	
Industrials	1.4%	2.3%	2.8%	1.9%	1.4%	0.7%	0.3%	
Information Technology	2.0%	2.9%	5.4%	5.0%	1.2%	1.9%	0.0%	
Materials	0.4%	0.7%	0.7%	2.0%	0.8%	0.5%	0.2%	
Real Estate	0.2%	0.5%	0.6%	0.6%	0.6%	0.6%	0.1%	
Telecommunication Services	0.5%	0.4%	0.3%	0.6%	0.5%	0.7%	0.1%	
Utilities	0.5%	0.6%	0.6%	0.9%	0.3%	0.1%	0.1%	

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	3%
Orange Flag	26%
Yellow Flag	33%
Green Flag	38%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
141	241	217

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	73%
Scope2 reported (vs estimated)	72%
Scope 1& 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

**LYXOR MSCI ALL COUNTRY WORLD UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	9%
Thermal Coal	3%
Natural Gaz	7%
Oil	7%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	26%
20-49.9%	4%
50-100%	1%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	81,785,381
% of assets under management	-	-	-	-	43.61

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	SEVERN TRENT
	Amount	5,286,295
2	Name	BP
	Amount	4,592,527
3	Name	COVESTRO
	Amount	1,605,032
4	Name	DEUTSCHE TELEKOM
	Amount	1,003,728
5	Name	CREDIT AGRICOLE
	Amount	150,579
6	Name	DANONE
	Amount	53,306
7	Name	RUBIS
	Amount	51,725
8	Name	KLEPIERRE
	Amount	51,627
9	Name	LVMH MOET HENNESSY LOUIS VUITTON
	Amount	50,196
10	Name	CNP ASSURANCES
	Amount	50,017

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	81,785,381

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	12,895,033
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	12,895,033

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	-	GBP
	Amount	-	-	-	-	9,878,822
2	Currency	-	-	-	-	EUR
	Amount	-	-	-	-	3,016,211

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	81,785,381
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	81,785,381

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	81,785,381

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	12,895,033

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

# **ANNUAL ACCOUNTS**



## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>200,499,195.45</b>	<b>116,592,922.50</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	194,269,330.56	116,592,922.50
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	6,229,864.89	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>0.46</b>	<b>0.41</b>
Liquidity	0.46	0.41
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>200,499,195.91</b>	<b>116,592,922.91</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	178,217,273.36	111,368,699.62
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	9,753,859.37	4,246,986.31
• Earnings of the fiscal year	-433,774.36	-494,756.60
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>187,537,358.37</b>	<b>115,120,929.33</b>
<b>Financial instruments</b>	<b>12,895,032.68</b>	<b>1,426,580.65</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	12,895,032.68	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	1,426,580.65
<b>Debts</b>	<b>66,804.86</b>	<b>45,412.93</b>
Future foreign exchange operations	-	-
Other	66,804.86	45,412.93
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>200,499,195.91</b>	<b>116,592,922.91</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	81,785,380.66	58,119,307.03
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	371,343.49	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>371,343.49</b>	<b>-</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>371,343.49</b>	<b>-</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-730,133.56	-473,033.00
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-358,790.07</b>	<b>-473,033.00</b>
Adjustment of the fiscal year's earnings (V)	-74,984.29	-21,723.60
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-433,774.36</b>	<b>-494,756.60</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.45% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**Equities classes C-EUR and C-USD:** Capitalisation of all the amounts available for distribution.

**Equities classes D-EUR and D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>115,120,929.33</b>	<b>155,237,103.32</b>
Subscriptions (including subscription commission acquired by the Compartment)	201,459,533.53	344,567,923.26
Redemptions (less the redemption commission acquired by the Compartment)	-148,370,302.50	-385,434,557.41
Capital gains generated on deposits and financial instruments	35,058,697.09	22,122,998.76
Capital losses generated on deposits and financial instruments	-14,351,330.87	-33,125,947.41
Capital gains generated on financial contracts	511,626,246.51	937,287,082.14
Capital losses generated on financial contracts	-523,115,151.12	-929,569,650.53
Negotiation fees	-	-
Exchange differentials	-2,272,203.04	5,608,942.89
Changes to the estimate difference of the deposits and financial instruments:	5,083,283.97	-1,396,295.15
- <i>Estimate difference fiscal year N</i>	9,050,965.43	3,967,681.46
- <i>Estimate difference fiscal year N-1</i>	3,967,681.46	5,363,976.61
Changes to the estimate difference of financial contracts:	7,656,445.54	296,362.46
- <i>Estimate difference fiscal year N</i>	6,229,864.89	-1,426,580.65
- <i>Estimate difference fiscal year N-1</i>	-1,426,580.65	-1,722,943.11
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-358,790.07	-473,033.00
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>187,537,358.37</b>	<b>115,120,929.33</b>



### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	81,785,380.66	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.46
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.46	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	81,785,380.66	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	JPY	CHF	GBP	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	36,546,130.85	12,910,831.28	9,878,822.32	1,634,442.86
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	9,878,822.32	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	66,804.86
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	66,804.86
-	-
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year:				
EQUITY C-EUR / FR0011079466	795,932	176,188,009.78	627,589	137,779,266.67
EQUITY C-USD / FR0011093418	164,610	25,271,523.75	68,200	10,591,035.83
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-EUR / FR0011079466		-		-
EQUITY C-USD / FR0011093418		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-EUR / FR0011079466		-		-
EQUITY C-USD / FR0011093418		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY C-EUR / FR0011079466		-		-
EQUITY C-USD / FR0011093418		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-EUR / FR0011079466	0.45
EQUITY C-USD / FR0011093418	0.45
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY C-EUR / FR0011079466	-
EQUITY C-USD / FR0011093418	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	<b>6,229,864.89</b>

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

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	31.10.2017	31.10.2016
Allocation of the earnings	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-433,774.36	-494,756.60
<b>Total</b>	<b>-433,774.36</b>	<b>-494,756.60</b>

EQUITY C-EUR / FR0011079466	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-384,408.14	-473,679.76
<b>Total</b>	<b>-384,408.14</b>	<b>-473,679.76</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

EQUITY C-USD / FR0011093418	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-49,366.22	-21,076.84
<b>Total</b>	<b>-49,366.22</b>	<b>-21,076.84</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-



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(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	9,753,859.37	4,246,986.31
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>9,753,859.37</b>	<b>4,246,986.31</b>

EQUITY C-EUR / FR0011079466	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	22,452,767.70	8,611,299.70
<b>Total</b>	<b>22,452,767.70</b>	<b>8,611,299.70</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY C-USD / FR0011093418	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-12,698,908.33	-4,364,313.39
<b>Total</b>	<b>-12,698,908.33</b>	<b>-4,364,313.39</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 5 September 2011.

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>187,537,358.37</b>	115,120,929.33	155,237,103.32	232,408,674.30	46,620,583.08

EQUITY C-EUR / FR0011079466	Currency of the equity and of the NAV: EUR				
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>724,777</b>	556,434	767,596	1,360,600	287,500
<b>Net asset value</b>	<b>229.3042</b>	198.0769	193.0015	170.5469	145.9685
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>30.44</b>	14.62	7.04	12.42	-26.27

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY C-USD / FR0011093418	Currency of the equity and of the NAV: USD				
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>131,350</b>	34,940	51,840	3,000	45,000
<b>Net asset value</b>	<b>189.2915</b>	153.8634	151.0765	151.4159	140.6209
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-97.05</b>	-125.51	-249.71	849.11	244.67

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0011540547	ABN AMRO GROUP N.V.	PROPRE	76,303.00	2,023,174.05	EUR	1.08
DE000A1EWWW0	ADIDAS NOM	PROPRE	94,893.00	18,129,307.65	EUR	9.67
NL0000303709	AEGON NV	PROPRE	423,689.00	2,147,255.85	EUR	1.14
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	82,729.00	7,259,469.75	EUR	3.87
DE0008404005	ALLIANZ SE-NOM	PROPRE	25,731.00	5,129,474.85	EUR	2.74
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	57,832.00	6,075,251.60	EUR	3.24
JP3711200000	AOZORA BANK	PROPRE	161,329.00	5,392,938.72	JPY	2.88
NL0010273215	ASML HOLDING N.V.	PROPRE	27,223.00	4,214,120.40	EUR	2.25
FR0000120628	AXA	PROPRE	79,140.00	2,052,100.20	EUR	1.09
DE000BASF111	BASF SE	PROPRE	73,900.00	6,918,518.00	EUR	3.69
DE000BAY0017	BAYER AG	PROPRE	43,909.00	4,904,635.30	EUR	2.62
DE0005190003	BAYERISCHE MOTORENWERKE	PROPRE	51,661.00	4,520,337.50	EUR	2.41
GB0007980591	BP PLC	PGARAN	789,650.00	4,592,526.99	GBP	2.45
FR0000120222	CNP ASSURANCES	PGARAN	2,504.00	50,017.40	EUR	0.03
DE0006062144	COVESTRO AG	PGARAN	19,488.00	1,605,031.68	EUR	0.86
DE0006062144	COVESTRO AG	PROPRE	55,462.00	4,567,850.32	EUR	2.44
FR0000045072	CREDIT AGRICOLE SA	PGARAN	10,052.00	150,578.96	EUR	0.08
FR0000120644	DANONE	PGARAN	760.00	53,306.40	EUR	0.03
DE0005552004	DEUTSCHE POST AG-NOM	PROPRE	26,841.00	1,055,388.12	EUR	0.56
DE0005557508	DEUTSCHE TELEKOM AG-NOM	PGARAN	64,177.00	1,003,728.28	EUR	0.54
DE0005557508	DEUTSCHE TELEKOM AG-NOM	PROPRE	864,144.00	13,515,212.16	EUR	7.21
ES0130960018	ENAGAS	PROPRE	476,422.00	11,781,916.06	EUR	6.28
DE000ENAG999	E.ON SE	PROPRE	50,987.00	516,498.31	EUR	0.28
CH0030170408	GEBERIT AG-NOM	PROPRE	783.00	304,514.98	CHF	0.16
LU0775917882	GRAND CITY PROPERTIES S.A.	PROPRE	11,500.00	211,600.00	EUR	0.11

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
NL0000009165	HEINEKEN NV	PROPRE	2,974.00	248,804.84	EUR	0.13
JP3787000003	HITACHI CONSTRUCTION MACHINERY	PROPRE	216,624.00	6,324,931.66	JPY	3.37
CH001221405E	HOLCIM LTD-NOM EUR	PROPRE	20,405.00	987,602.00	EUR	0.53
NL0011821202	ING GROUP NV	PROPRE	421,837.00	6,690,334.82	EUR	3.57
ES0139140174	INMOBILIARIA COLONIAL SA	PROPRE	202,744.00	1,656,215.74	EUR	0.88
BE0003565737	KBC GROUPE	PROPRE	28,012.00	1,997,535.72	EUR	1.07
FR0000121964	KLEPIERRE	PGARAN	1,512.00	51,627.24	EUR	0.03
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	69,015.00	1,114,937.33	EUR	0.59
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	165,889.00	5,798,650.00	EUR	3.09
JP3266400005	KUBOTA CORPORATION	PROPRE	502,738.00	8,057,206.93	JPY	4.30
JP3256000005	KYOWA HAKKO KIRIN	PROPRE	17,507.00	276,148.06	JPY	0.15
FR0000121014	SELMVH MOET HENNESSY LOUIS VUITTON	PGARAN	196.00	50,195.60	EUR	0.03
JP3897700005	MITSUBISHI CHEMICAL HOLDINGS	PROPRE	644,395.00	5,732,087.96	JPY	3.06
CH0012005267	NOVARTIS AG-NOM	PROPRE	34,125.00	2,415,669.14	CHF	1.29
FR0013269123	RUBIS SCA	PGARAN	960.00	51,724.80	EUR	0.03
DE0007037129	RWE AG	PROPRE	198,026.00	4,249,637.96	EUR	2.27
SE0000148884	SEB A	PROPRE	104,530.00	1,106,097.87	SEK	0.59
JP3414750004	SEIKO EPSON CORP	PROPRE	311,088.00	6,335,821.23	JPY	3.38
GB00B1FH8J72	SEVERN TRENT PLC	PGARAN	219,678.00	5,286,295.33	GBP	2.82
DE0007236101	SIEMENS AG-NOM	PROPRE	54,414.00	6,665,715.00	EUR	3.55
CH0000587979	SIKA	PROPRE	70.00	445,186.01	CHF	0.24
BE0003470755	SOLVAY	PROPRE	2,774.00	353,823.70	EUR	0.19
NL0000226223	STMICROELECTRONICS NV	PROPRE	121,763.00	2,459,612.60	EUR	1.31
CH0038388911	SULZER AG-NOM	PROPRE	1,251.00	137,683.26	CHF	0.07
JP3404600003	SUMITOMO CORP	PROPRE	121,099.00	1,494,374.56	JPY	0.80
SE0000242455	SWEDBANK A SHS A	PROPRE	24,797.00	528,344.99	SEK	0.28
DE0007500001	THYSSENKRUPP AG	PROPRE	132,631.00	3,037,913.06	EUR	1.62
CH0244767585	UBS GROUP INC NAMEN AKT	PROPRE	202,891.00	2,966,835.33	CHF	1.58
JP3955800002	YOKOHAMA RUBBER	PROPRE	153,439.00	2,932,621.73	JPY	1.56

LYXOR MSCI ALL COUNTRY WORLD UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CH0011075394	ZURICH INSURANCE GROUP AG	PROPRE	25,325.00	6,640,942.56	CHF	3.54
<b>Total Equity</b>				<b>194,269,330.56</b>		<b>103.59</b>
<b>Total Investment Securities</b>				<b>194,269,330.56</b>		<b>103.59</b>
<b>Interest rate swap</b>						
SWAP03547791	FEES LEG C EUR LYX E	PROPRE	1.00	58,509.59	EUR	0.03
SWAP03547664	FEES LEG C USD LYX E	PROPRE	1.00	8,295.44	EUR	0.00
SWAP03547836	INDEX LEG C EUR LYX	PROPRE	72,477,700.00	166,194,425.62	EUR	88.62
SWAP03547735	INDEX LEG C USD LYX	PROPRE	9,307,681.40	21,342,932.09	EUR	11.38
SWAP03547697	VRAC LEG LYX ETF MSC	PROPRE	81,785,380.66	-181,374,297.85	EUR	-96.71
<b>Total Interest rate swap</b>				<b>6,229,864.89</b>		<b>3.32</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	0.46	EUR	0.00
<b>Total AT BANK OR PENDING</b>				<b>0.46</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-66,804.86	EUR	-0.04
<b>Total MANAGEMENT FEES</b>				<b>-66,804.86</b>		<b>-0.04</b>
<b>Total Cash</b>				<b>-66,804.40</b>		<b>-0.04</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02061269	PDC LYXODE0005557508	PGAR1	-1,003,728.28	-1,003,728.28	EUR	-0.54
PDC-02061254	PDC LYXODE0006062144	PGAR1	-1,605,031.68	-1,605,031.68	EUR	-0.86
PDC-02061259	PDC LYXOFR0000045072	PGAR1	-150,578.96	-150,578.96	EUR	-0.08
PDC-02061249	PDC LYXOFR0000120222	PGAR1	-50,017.40	-50,017.40	EUR	-0.03
PDC-02061264	PDC LYXOFR0000120644	PGAR1	-53,306.40	-53,306.40	EUR	-0.03
PDC-02061278	PDC LYXOFR0000121014	PGAR1	-50,195.60	-50,195.60	EUR	-0.03
PDC-02061273	PDC LYXOFR0000121964	PGAR1	-51,627.24	-51,627.24	EUR	-0.03
PDC-02061283	PDC LYXOFR0013269123	PGAR1	-51,724.80	-51,724.80	EUR	-0.03
PDC-02061288	PDC LYXOGB00B1FH8J72	PGAR1	-4,637,402.58	-5,286,295.33	GBP	-2.82

LYXOR MSCI ALL COUNTRY WORLD UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
PDC-02061244	PDC LYXOGB0007980591	PGAR1	-4,028,794.30	-4,592,526.99	GBP	-2.45
<i>Total AD1 REME: Deposit of Collateral (File)</i>				-12,895,032.68		-6.88
<i>Total Files</i>				-12,895,032.68		-6.88
<b>Total LYXOR MSCI ALL COUNTRY WORLD UCITS ETF</b>				<b>187,537,358.37</b>		<b>100.00</b>

# LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF

**rapport**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

<b>Compartments / feeder</b>	LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt securities listed in euros.

The LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF Compartment (see hereafter the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

Capitalisation of all the amounts available for distribution.

### Management objective:

The Compartment’s management objective is to be exposed, upwards and downwards, to the performance of the eurozone government bonds, while reproducing the evolution of the FTSE MTS Highest Rated Macro Weighted Government Bond 1-3Y (Mid Price) Index (the “Benchmark Indicator”) listed in euros (EUR), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is a “Total Return” type index, (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator).

The Benchmark Indicator measures the performance of eurozone Government bonds segment, weighted by country having at least two rating equal to “AAA” or similar by the three rating agencies S&P, Moody’s and Fitch.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components are available at the following Internet site: [www.ftse.com](http://www.ftse.com).

The Benchmark Indicator is calculated by FTSE MTS.

### Methodology

The Benchmark Indicator is composed of bonds issued by the eurozone countries with the highest credit ratings. These bonds are weighted in the index on the basis of macroeconomic indicators. The Benchmark Indicator is provided with a history of index values dating back to 31 December 1998. As explained below, the initial index components were selected using the same criteria as those used for “FTSE MTS Eurozone Government Broad” indices (except for the credit-rating criterion):

The Benchmark Indicator comprises at least 5 issuers. If an issuer is downgraded, it will be replaced with another eligible issuer country, such that at least 5 issuers are maintained in the Benchmark Indicator.



The Benchmark Indicator securities are therefore among the highest rated Eurozone sovereign bonds.

The following bonds qualify:

- Nominal value and coupon are denominated in euros with no option or convertibility;
- Listed on the FTSE MTS platform;
- Issued by a sovereign eurozone government having at least two out of three AAA ratings from S&P, Moody's and Fitch, and selected by FTSE MTS from among the following countries as: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain;
- Maturity exceeds one year;
- With issuance of at least two billion euros.

The Benchmark Indicator must comprise at least five issuing countries. If an issuer is downgraded it will be replaced in the index, provided that there is another country that is eligible, such that the required minimum number of five issuers is maintained.

The Benchmark Indicator composition is revised monthly.

The complete methodology is available at [www.ftse.com](http://www.ftse.com)

The performance tracked is the closing index price at 5:30 pm (CET).

#### **Benchmark Indicator publication**

The Benchmark Indicator price is fixed daily and available through Reuters and Bloomberg.

Reuters code: FMMPHRA5=

Bloomberg code: FMMPHRA5

The Benchmark Indicator's closing price is available on the Internet: [www.ftse.com](http://www.ftse.com).

#### **Benchmark Indicator revision**

The Benchmark Indicator's composition is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a pure replication method, which means that the Compartment will invest mainly in bonds making up the Benchmark Indicator.

Information relative to the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio are available on the page dedicated to the Compartment on the site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The abovementioned securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the compartment is managed:	Between 1 and 4
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets

Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets
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In the present case, the financial manager by delegation intends to use primarily the following assets:

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, international debt securities.

The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

**3. Off-balance sheet assets (derivative instruments)**

The Compartment will not have recourse to futures financial instruments, except, on an ancillary basis, and within limits set by regulations, to future contracts on indices or bonds that are listed on regulated markets.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

**4. Securities with integrated derivatives**

None.

**5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

**6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

**7. Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary acquisition and sale operations involving securities.

**8. Financial guarantees**

None. No financial guarantee will be granted / received by the Compartment within the framework of the implementation of its management objective.

**Risk profile:**

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected. This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**- Liquidity risk (primary market)**

Should the Compartment adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected.

Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's bonds on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment, the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the Benchmark Indicator is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment, the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure, downwards and upwards, to the performance of the eurozone government bonds segment, weighted by country having at least two rating equal to “AAA” or similar by the three rating agencies S&P, Moody’s and Fitch.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is 3 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment’s complete prospectus and the latest annual and periodic documents are sent within one week of the bearer’s written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 8 November 2011.*
- *Compartment creation date: 25 November 2011.*

## Activity report

The net asset value of the EUR unit of the LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF Compartment shows an evolution of -0.52% over the fiscal year and stands at EUR 102.8282 on 31/10/2017, meaning a compartment performance of 2.83% since inception.

The fund replicates the performance of the MTS Mid Price Highest Rated Ma 1-3Y index, listed in euros (EUR), representative of the most noted bonds issued by eurozone governments whose maturity date is between 1 and 3 years and whose calculated weighting by country is based on macroeconomic indicators.

This index has shown an evolution of -0.37% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the Compartment and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price Highest Rated Ma 1-3Y index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price Highest Rated Ma 1-3Y index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The compartment's risk and yield profile has been classed as category 1 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0071% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

## Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website Lyxor.com and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on Lyxor website, Lyxor.com.

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
7.0	4.4	8.1	7.7

Portfolio rated 100%  
Nb Securities rated 36

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.4</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>8.1</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>7.7</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	71%
Average (A, BBB,BB)	29%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials		19.6%	28.8%					
Industrials		51.6%						

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:

1-19.9%	0%
20-49.9%	0%
50-100%	0%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaitre/mentions-reglementaires/>.

### Transparency of securities financing operations and reuse of financial instruments SFTR regulation

(Accounting currency of the Compartment)

In the course of the fiscal year, the CIU did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).



## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>45,143,263.52</b>	<b>37,939,322.79</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	45,143,263.52	37,939,322.79
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>5,412.94</b>	<b>2,576.16</b>
Liquidity	5,412.94	2,576.16
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>45,148,676.46</b>	<b>37,941,898.95</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	45,067,063.23	38,147,189.19
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-689,165.37	-891,976.52
• Earnings of the fiscal year	763,703.65	681,378.93
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>45,141,601.51</b>	<b>37,936,591.60</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>7,074.95</b>	<b>5,307.35</b>
Future foreign exchange operations	-	-
Other	7,074.95	5,307.35
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>45,148,676.46</b>	<b>37,941,898.95</b>

## Off-balance sheet commitments

Currency	31.10.2017	31.10.2016
	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	794,211.37	541,610.70
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>794,211.37</b>	<b>541,610.70</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-70.10	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-70.10</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>794,141.27</b>	<b>541,610.70</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-70,482.16	-43,102.23
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>723,659.11</b>	<b>498,508.47</b>
Adjustment of the fiscal year's earnings (V)	40,044.54	182,870.46
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>763,703.65</b>	<b>681,378.93</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of holding an EMTN, it will be assessed on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this assessment.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

# appendix

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

## Posting method for the trading fees

The chosen method is that of included fees.

## Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

## Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

## Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

## Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial management delegatee when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.165% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

## Accounting currency

The Compartment's accounting is carried out in euro.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

Capitalisation of all the amounts available for distribution.

# appendix

The Compartment in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE TMX Global Debt Capital Markets (collectively referred to as the “Holders”).  
FTSE TMX Global Debt Capital Markets cannot be held liable for the promotion or marketing of the Compartment.  
FTSE MTS and the names of the FTSE MTS index (FTSE MTS Index™) and of the FTSE MTS indices (FTSE MTS Indices™) are registered trademarks of FTSE TMX Global Debt Capital Markets. The FTSE MTS indices are calculated by FTSE TMX Global Debt Capital Markets, and marketed and distributed by MTSNext, a company owned by FTSE TMX Global Debt Capital Markets.  
Neither FTSE TMX Global Debt Capital Markets nor MTSNext can be held liable for any losses or damages of any nature whatsoever (including, notably, investment losses) linked to all or part of the Compartment or to the supply of the FTSE MTS Highest Rated Macro-Weighted Government Bond 1-3Y (Mid Price) Index or of sub-indices or of registered trademarks.



## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>37,936,591.60</b>	<b>14,988,565.12</b>
Subscriptions (including subscription commission acquired by the Compartment)	10,831,353.00	29,511,158.00
Redemptions (less the redemption commission acquired by the Compartment)	-3,394,021.80	-6,517,408.50
Capital gains generated on deposits and financial instruments	410,288.51	330,714.19
Capital losses generated on deposits and financial instruments	-1,062,456.49	-855,584.87
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	-303,812.42	-19,360.81
- <i>Estimate difference fiscal year N-1</i>	-368,732.04	-64,919.62
	-64,919.62	-45,558.81
Changes to the estimate difference of financial contracts:		
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	723,659.11	498,508.47
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>45,141,601.51</b>	<b>37,936,591.60</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	45,143,263.52	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	45,143,263.52	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	5,412.94
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	45,143,263.52	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	5,412.94	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	7,074.95
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	6,453.82
Miscellaneous debtors and creditors	621.13
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	105,000	10,831,353.00	33,000	3,394,021.80
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.17</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	-

**3.10 Allocation of the earnings table** (in the Compartment's currency of account)

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	763,703.65	681,378.93
<b>Total</b>	<b>763,703.65</b>	<b>681,378.93</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	763,703.65	681,378.93
<b>Total</b>	<b>763,703.65</b>	<b>681,378.93</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-689,165.37	-891,976.52
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-689,165.37</b>	<b>-891,976.52</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-689,165.37	-891,976.52
<b>Total</b>	<b>-689,165.37</b>	<b>-891,976.52</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	31.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>45,141,601.51</b>	37,936,591.60	14,988,565.12	37,125,436.53	109,843,526.93
<b>Number of outstanding equities</b>	<b>439,000</b>	367,000	145,000	360,000	1,071,000
<b>Net asset value</b>	<b>102.8282</b>	103.3694	103.3694	103.1262	102.5616
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>0.16</b>	-0.57	0.41	0.66	0.41

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Compartment creation date: 25 November 2011.



## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
AT0000A19XC3	AUSTRIA 0.25% 18/10/2019	PROPRE	385,000.00	391,969.55	EUR	0.87
AT0000A0VRF9	AUSTRIA 1.95% 18/06/19	PROPRE	391,000.00	410,753.00	EUR	0.91
AT0000386115	BUND (AUT) 3.90% 15/07/20	PROPRE	758,000.00	859,271.39	EUR	1.90
DE0001141711	BUNDESBLIGLIGATION 0% 17/04/2020	PROPRE	1,847,840.00	1,879,761.44	EUR	4.16
DE0001141729	BUNDESBLIGATION 0.25% 16/10/2020	PROPRE	1,755,470.00	1,803,247.64	EUR	3.99
DE0001141687	BUNDESBLIGATION 1% 22/02/2019	PROPRE	1,478,000.00	1,523,716.77	EUR	3.38
DE0001135374	BUNDESREPUB DEUTSCHLAND 3.75% 04/01/2019	PROPRE	2,217,310.00	2,405,897.54	EUR	5.33
DE0001104693	BUNDESSCHATZANWEISUNGEN 0% 13/09/2019	PROPRE	461,890.00	468,437.29	EUR	1.04
DE0001104685	BUNDESSCHATZANWEISUNGEN 0% 14/06/2019	PROPRE	1,201,030.00	1,216,583.34	EUR	2.70
DE0001104669	BUNDESSCHATZANWEISUNGEN 0% 14/12/2018	PROPRE	1,200,990.00	1,211,468.64	EUR	2.68
DE0001104677	BUNDESSCHATZANWEISUNGEN 0% 15/03/2019	PROPRE	1,200,810.00	1,214,138.99	EUR	2.69
FI0001006306	FINLAND 4.375% 04/07/2019	PROPRE	386,000.00	424,746.07	EUR	0.94
FI4000106117	FINNISH GOVERNMENT 0.375% 15/09/2020	PROPRE	463,000.00	475,787.20	EUR	1.05
FI4000010848	FINNISH GVT 3.375% 15/04/20	PROPRE	501,000.00	559,722.52	EUR	1.24
FR0013101466	FRANCE OAT 0% 25/02/2019	PROPRE	770,030.00	776,802.41	EUR	1.72
FR0012557957	FRANCE O.A.T. 0% 25/05/2020	PROPRE	970,160.00	984,663.89	EUR	2.18
FR0011708080	FRANCE OAT 1% 25/05/2019	PROPRE	888,730.00	916,090.41	EUR	2.03
FR0011523257	FRANCE OAT 1% 25/11/2018	PROPRE	918,950.00	943,678.82	EUR	2.09
FR0010949651	FRANCE OAT 2.50% 25/10/2020	PROPRE	1,544,510.00	1,685,983.95	EUR	3.73
FR0010854182	FRANCE OAT 3.50% 25/04/2020	PROPRE	1,602,130.00	1,795,931.77	EUR	3.98
FR0010776161	FRANCE OAT 3.75% 25/10/2019	PROPRE	1,487,950.00	1,620,968.15	EUR	3.59
FR0000189151	FRANCE OAT 4.25% 25/04/2019	PROPRE	1,310,550.00	1,435,884.10	EUR	3.18
FR0013232485	FRANCE 0% 25/02/2020	PROPRE	1,135,260.00	1,151,323.93	EUR	2.55
FR0011993179	FRANCE 0.5% 25/11/2019	PROPRE	1,214,100.00	1,248,804.96	EUR	2.77
DE0001135416	GERMANY BUND 2.25% 04/09/2020	PROPRE	1,478,060.00	1,608,183.95	EUR	3.56

LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE0001135408	GERMANY BUND 3.00% 04/07/2020	PROPRE	2,032,600.00	2,256,227.08	EUR	5.00
DE0001135390	GERMANY BUND 3.25% 04/01/2020	PROPRE	2,032,410.00	2,266,016.04	EUR	5.02
DE0001135382	GERMANY BUND 3.50% 04/07/2019	PROPRE	2,217,430.00	2,403,256.71	EUR	5.32
DE0001141703	GERMANY 0.25% 11/10/19	PROPRE	1,478,370.00	1,507,642.73	EUR	3.34
DE0001141695	GERMANY 0.5 12/04/2019	PROPRE	1,478,160.00	1,510,154.06	EUR	3.35
NL0010881827	NETHERLANDS GOVERNMENT 0.25% 15/01/2020	PROPRE	1,205,550.00	1,233,637.08	EUR	2.73
NL0010514246	NETHERLANDS GVT 1.25% 15/01/2019	PROPRE	1,205,640.00	1,247,163.15	EUR	2.76
NL0009348242	NETHERLANDS 3.50% 15/07/2020	PROPRE	1,185,960.00	1,333,206.36	EUR	2.95
NL0009086115	NETHERLANDS 4.00% 15/07/2019	PROPRE	1,154,620.00	1,262,709.51	EUR	2.80
FR0000570921	OAT 8.50% 25/10/19	PROPRE	373,480.00	442,597.33	EUR	0.98
AT0000A08968	REPUBLIC OF AUSTRIA 4.35% 15/03/2019	PROPRE	608,000.00	666,835.75	EUR	1.48
<b>Total Bond</b>				<b>45,143,263.52</b>		<b>100.00</b>
<b>Total Investment Securities</b>				<b>45,143,263.52</b>		<b>100.00</b>
<b>Cash</b>						
<b>OTHER</b>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-621.13	EUR	-0.00
<b>Total OTHER</b>				<b>-621.13</b>		<b>-0.00</b>
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	5,412.94	EUR	0.01
<b>Total AT BANK OR PENDING</b>				<b>5,412.94</b>		<b>0.01</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-6,453.82	EUR	-0.01
<b>Total MANAGEMENT FEES</b>				<b>-6,453.82</b>		<b>-0.01</b>
<b>Total Cash</b>				<b>-1,662.01</b>		<b>-0.00</b>
<b>Total LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF</b>				<b>45,141,601.51</b>		<b>100.00</b>

APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment:

31-Oct.

Average fortune of the fund for the period from 01/11/16 to 31/10/17:

42,703,059.57

Management commission of the fund:

0.165

% tax included

Extract from the profit and loss account

Expenses in euros	Annual report	Half-yearly report	Annual report
	31/10/2016	28/04/2017	31/10/2017
Management commission of the fund	43,102.23	33,801.96	70,482.16
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	43,102.23	33,801.96	70,482.16

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(70,482.16 / 42,703,059.57) * 100$$

**0.165** %

Performance fee as a share in percentage of the net average assets:

- %

**LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF**  
 (compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b><i>LYXOR EUROMTS HIGHEST RATED MACRO- WEIGHTED GOVT BOND 1-3Y (DR) UCITS ETF</i></b>	-0.52%	+0.00%	+0.24%
<b><i>MTS MID PRICE HIGHEST RATED MACRO WEIGHTED GOV BOND 1-3Y</i></b>	-0.37%	+0.16%	+0.37%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

<b>Compartments / feeder</b>	LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE compartment
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt securities listed in euros.

The LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF Compartment (see hereafter the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

Capitalisation of all the amounts available for distribution.

### Management objective:

The Compartment’s management objective is to be exposed, upwards and downwards, to the performance of the eurozone government bonds, while reproducing the evolution of the FTSE MTS Highest Rated Macro-Weighted Government Bond 3-5Y (Mid Price) Index (the “Benchmark Indicator”) listed in euros (EUR), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is a “Total Return” type index (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the index).

The Benchmark Indicator measures the performance of eurozone Government bonds segment, weighted by country having at least two rating equal to “AAA” or similar by the three rating agencies Standard & Poor’s, Moody’s and Fitch. It is listed in EUR.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components are available at the following Internet site: [www.ftse.com](http://www.ftse.com).

The Benchmark Indicator is calculated by FTSE MTS.

FTSE MTS is a private company based in London and regulated by the FCA. It manages the FTSE MTS European electronic trading platform for benchmark bonds from the Euro zone. FTSE MTS is also responsible for calculating and publishing the value of the FTSE MTS indices.

### Methodology

The Benchmark Indicator is composed of bonds issued by the eurozone countries with the highest credit ratings. These bonds are weighted in the index on the basis of macroeconomic indicators. The Benchmark Indicator is provided with a history of index values dating back to 31 December 1998. As explained below, the initial index components were selected using the same criteria as those used for “FTSE MTS Eurozone Government Broad” indices (except for the credit-rating criterion):

The Benchmark Indicator comprises at least 5 issuers. If an issuer is downgraded, it will be replaced with another eligible issuer country, such that 5 issuers are maintained in the Benchmark Indicator.

The Benchmark Indicator securities are therefore among the highest rated Eurozone sovereign bonds.

The following bonds qualify:

- Nominal value and coupon are denominated in euros with no option or convertibility;
- Listed on the FTSE MTS platform;
- Issued by a sovereign eurozone government having at least two out of three AAA ratings from S&P, Moody's and Fitch, and selected by FTSE MTS from among the following countries as: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain;
- Maturity exceeds one year;
- With issuance of at least two billion euros.

The Benchmark Indicator must comprise at least five issuing countries. If an issuer is downgraded it will be replaced in the index, provided that there is another country that is eligible, such that the required minimum number of five issuers is maintained.

These indices composition is revised monthly.

The complete methodology is available at [www.ftse.com](http://www.ftse.com)

The performance tracked is the closing index price at 5:30 pm (CET).

#### **Benchmark Indicator publication**

The Benchmark Indicator price is fixed daily and available through Reuters and Bloomberg.

Reuters code: FMMPHRB5=

Bloomberg code: FMMPHRB5

The Benchmark Indicator's closing price is available on the Internet: [www.ftse.com](http://www.ftse.com).

#### **Benchmark Indicator revision and composition**

The Benchmark Indicator's composition is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a pure replication method, which means that the Compartment will invest mainly in bonds making up the Benchmark Indicator.

Information relative to the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio are available on the page dedicated to the Compartment on the site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The abovementioned securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the compartment is managed:	Between 2 and 6
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 100% of net assets

Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets

In the present case, the financial manager by delegation intends to use primarily the following assets:

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, international debt securities.

The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

**3. Off-balance sheet assets (derivative instruments)**

The Compartment will not have recourse to futures financial instruments, except, on an ancillary basis, and within limits set by regulations, to future contracts on indices or bonds that are listed on regulated markets.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

**4. Securities with integrated derivatives**

None.

**5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

**6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

**7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and sale operations involving securities.

**8. Financial guarantees**

No financial guarantee will be granted / received by the Compartment within the framework of the implementation of its management objective.

**Risk profile:**

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.



**- Liquidity risk (primary market)**

Should the Compartment adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment, the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment bonds. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the Benchmark Indicator is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the Benchmark Indicator makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment, the Compartment’s net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST’s treatment in the methodology used by the Benchmark Indicator.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure, downwards and upwards, to the performance of the eurozone government bonds segment, weighted by country having at least two rating equal to “AAA” or similar by the three rating agencies S&P, Moody’s and Fitch.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is 3 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment’s complete prospectus and the latest annual and periodic documents are sent within one week of the bearer’s written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 8 November 2011.*
- *Compartment creation date: 25 November 2011.*

## Activity report

The net asset value of the EUR unit of the LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF Compartment shows an evolution of -0.05% over the fiscal year and stands at EUR 112.7359 on 31/10/2017, meaning a compartment performance of 12.74% since inception.

The fund replicates the performance of the MTS Mid Price Highest Rated Ma 3-5Y index, listed in euros (EUR), representative of the most noted bonds issued by eurozone governments whose maturity date is between 3 and 5 years and whose calculated weighting by country is based on macroeconomic indicators.

This index has shown an evolution of 0.11% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the compartment and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price Highest Rated Ma 3-5Y index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price Highest Rated Ma 3-5Y index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The compartment's risk and yield profile has been classed as category 2 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0128% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission (not audited by the auditor)

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website Lyxor.com and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on Lyxor website, Lyxor.com.

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
7.0	4.4	8.1	7.7

Portfolio rated 100%  
Nb Securities rated 25

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.4</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>8.1</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>7.7</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	71%
Average (A, BBB,BB)	29%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials		19.6%	28.8%					
Industrials		51.5%						

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1 & 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions(combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:

1-19.9%	0%
20-49.9%	0%
50-100%	0%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

### Transparency of securities financing operations and reuse of financial instruments SFTR regulation

(Accounting currency of the Compartment)

In the course of the fiscal year, the CIU did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>58,953,349.11</b>	<b>31,920,523.11</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	58,953,349.11	31,920,523.11
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>129,274.93</b>	<b>2,816.39</b>
Liquidities	129,274.93	2,816.39
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>59,082,624.04</b>	<b>31,923,339.50</b>



## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	59,040,051.59	31,473,192.49
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-843,777.96	-134,452.03
• Earnings of the fiscal year	877,358.38	580,123.95
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>59,073,632.01</b>	<b>31,918,864.41</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>8,992.03</b>	<b>4,475.09</b>
Future foreign exchange operations	-	-
Other	8,992.03	4,475.09
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>59,082,624.04</b>	<b>31,923,339.50</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	3.18	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	801,840.55	673,907.33
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>801,843.73</b>	<b>673,907.33</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-143.78	-2.34
• Other financial charges	-	-
<b>Total (II)</b>	<b>-143.78</b>	<b>-2.34</b>
<b>Earnings on financial operations (I - II)</b>	<b>801,699.95</b>	<b>673,904.99</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-73,257.52	-55,319.94
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>728,442.43</b>	<b>618,585.05</b>
Adjustment of the fiscal year's earnings (V)	148,915.95	-38,461.10
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>877,358.38</b>	<b>580,123.95</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of holding an EMTN, it will be assessed on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this assessment.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

# appendix

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

## Posting method for the trading fees

The chosen method is that of included fees.

## Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

## Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

## Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

## Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial management delegatee when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.165% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

## Accounting currency

The Compartment's accounting is carried out in euro.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** (*Not certified by the auditor*)

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

Capitalisation of all the amounts available for distribution.

# appendix

The Compartment in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE TMX Global Debt Capital Markets (collectively referred to as the “Holders”).  
FTSE TMX Global Debt Capital Markets cannot be held liable for the promotion or marketing of the Compartment.  
FTSE MTS and the names of the FTSE MTS index (FTSE MTS Index<sup>TM</sup>) and of the FTSE MTS indices (FTSE MTS Indices<sup>TM</sup>) are registered trademarks of FTSE TMX Global Debt Capital Markets. The FTSE MTS indices are calculated by FTSE TMX Global Debt Capital Markets, and marketed and distributed by MTSNext, a company owned by FTSE TMX Global Debt Capital Markets.  
Neither FTSE TMX Global Debt Capital Markets nor MTSNext can be held liable for any losses or damages of any nature whatsoever (including, notably, investment losses) linked to all or part of the Compartment or to the supply of the FTSE MTS Highest Rated Macro-Weighted Government Bond 3-5Y (Mid Price) Index or of sub-indices or of registered trademarks.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>31,918,864.41</b>	<b>38,540,544.96</b>
Subscriptions (including subscription commission acquired by the Compartment)	38,859,363.50	35,905,255.00
Redemptions (less the redemption commission acquired by the Compartment)	-11,732,098.40	-42,948,176.60
Capital gains generated on deposits and financial instruments	497,290.14	965,650.20
Capital losses generated on deposits and financial instruments	-1,078,898.38	-938,277.97
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	-119,331.69	-224,716.23
- <i>Estimate difference fiscal year N</i>	-86,666.78	32,664.91
- <i>Estimate difference fiscal year N-1</i>	32,664.91	257,381.14
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	728,442.43	618,585.05
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>59,073,632.01</b>	<b>31,918,864.41</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	58,953,349.11	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-



LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	58,953,349.11	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	129,274.93
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	58,953,349.11	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	129,274.93	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	8,992.03
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	8,531.33
Miscellaneous debtors and creditors	460.70
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	345,000	38,859,363.50	104,000	11,732,098.40
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.17</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	-

**3.10 Allocation of the earnings table** (in the Compartment's currency of account)

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	877,358.38	580,123.95
<b>Total</b>	<b>877,358.38</b>	<b>580,123.95</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	877,358.38	580,123.95
<b>Total</b>	<b>877,358.38</b>	<b>580,123.95</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-843,777.96	-134,452.03
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-843,777.96</b>	<b>-134,452.03</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-843,777.96	-134,452.03
<b>Total</b>	<b>-843,777.96</b>	<b>-134,452.03</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>59,073,632.01</b>	31,918,864.41	38,540,544.96	43,967,860.05	46,723,327.59
<b>Number of outstanding equities</b>	<b>524,000</b>	283,000	345,000	398,000	435,000
<b>Net asset value</b>	<b>112.7359</b>	112.7875	111.7117	110.472	107.4099
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>0.06</b>	1.57	2.51	1.68	0.60

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Compartment creation date: 25 November 2011.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
AT0000A001X2	BUND (AUT) 3.5% 15/09/21	PROPRE	1,674,000.00	1,940,170.59	EUR	3.28
AT0000A0N9A0	BUND (AUT) 3.65% 20/04/2022	PROPRE	920,000.00	1,102,988.00	EUR	1.87
DE0001141760	BUNDES Obligation 0% 07/10/2022	PROPRE	1,670,270.00	1,699,165.67	EUR	2.88
DE0001141737	BUNDES Obligation 0% 09/04/2021	PROPRE	3,188,690.00	3,253,739.28	EUR	5.51
DE0001135457	BUNDESREPUB DEUTSCHLAND 2.25% 04/09/21	PROPRE	2,429,140.00	2,701,779.36	EUR	4.57
DE0001135424	BUNDESREPUB DEUTSCHLAND 2.5% 04/01/21	PROPRE	2,884,660.00	3,235,102.72	EUR	5.48
DE0001135473	DEUTSCHLAND REP 1.75% 04/07/2022	PROPRE	3,643,630.00	4,037,875.76	EUR	6.84
DE0001135465	DEUTSCHLAND 2% 04/01/2022	PROPRE	3,036,620.00	3,406,170.43	EUR	5.77
DE0001141752	FEDERAL REPUBLIC OF GERMANY 0% 08/04/2022	PROPRE	2,732,840.00	2,786,540.31	EUR	4.72
FI4000242862	FINNISH GOVERNMENT 0% 15/04/2022	PROPRE	463,000.00	469,482.00	EUR	0.79
FI4000047089	FINNISH GOVERNMENT 1.625% 15/09/22	PROPRE	579,000.00	633,505.32	EUR	1.07
FI4000020961	FINNISH GVT 3.5% 15/04/2021	PROPRE	694,000.00	803,564.54	EUR	1.36
FR0012968337	FRANCE GOVT OF 0.25% 25/11/2020	PROPRE	1,665,720.00	1,708,349.89	EUR	2.89
FR0011337880	FRANCE OAT 2.25 10/25/22	PROPRE	2,180,800.00	2,450,440.98	EUR	4.15
FR0011059088	FRANCE OAT 3.25 10/25/21	PROPRE	2,681,110.00	3,075,132.17	EUR	5.21
FR0010192997	FRANCE OAT 3.75 04/25/21	PROPRE	2,644,700.00	3,088,674.49	EUR	5.23
FR0013157096	FRANCE 0% 25/05/2021	PROPRE	1,468,890.00	1,491,217.13	EUR	2.52
FR0013219177	FRANCE 0% 25/05/2022	PROPRE	1,687,480.00	1,707,898.51	EUR	2.89
DE0001135499	GERMANY BUND 1.50% 04/09/2022	PROPRE	2,732,810.00	2,991,811.14	EUR	5.06
DE0001135440	GERMANY BUND 3.25% 04/07/2021	PROPRE	2,884,570.00	3,325,545.67	EUR	5.63
DE0001141745	GERMANY 0% 08/10/2021	PROPRE	2,884,750.00	2,943,598.90	EUR	4.98
NL0011896857	NETHERLANDS 0% 15/01/2022	PROPRE	1,965,410.00	1,999,097.13	EUR	3.38
NL0010060257	NETHERLANDS 2.25% 15/07/2022	PROPRE	1,948,770.00	2,201,458.86	EUR	3.73
NL0009712470	NETHERLANDS 3.25% 15/07/2021	PROPRE	2,107,770.00	2,425,683.94	EUR	4.11

LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
FR0011196856	OAT 3% 25/04/2022	PROPRE	2,981,260.00	3,474,356.32	EUR	5.88
<b>Total Bond</b>				<b>58,953,349.11</b>		<b>99.80</b>
<b>Total Investment Securities</b>				<b>58,953,349.11</b>		<b>99.80</b>
<b>Cash</b>						
<b>OTHER</b>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-460.70	EUR	-0.00
<b>Total OTHER</b>				<b>-460.70</b>		<b>-0.00</b>
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	129,274.93	EUR	0.22
<b>Total AT BANK OR PENDING</b>				<b>129,274.93</b>		<b>0.22</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-8,531.33	EUR	-0.01
<b>Total MANAGEMENT FEES</b>				<b>-8,531.33</b>		<b>-0.01</b>
<b>Total Cash</b>				<b>120,282.90</b>		<b>0.20</b>
<b>Total LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF</b>				<b>59,073,632.01</b>		<b>100.00</b>



APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment: 31-Oct.

Average fortune of the fund for the period from 01/11/16 to 31/10/17: 44,294,138.99

Management commission of the fund: 0.165 % tax included

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	55,319.94	27,830.55	73,257.52
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	55,319.94	27,830.55	73,257.52

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(73,257.52 / 44,294,138.99) * 100$$

0.165 %

Performance fee as a share in percentage of the net average assets:

- %

**LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 3-5Y (DR) UCITS ETF**  
 (compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b><i>LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOV BOND 3-5Y (DR) UCITS ETF</i></b>	-0.05%	+0.96%	+1.12%
<b><i>MTS MID PRICE HIGHEST RATED MACRO WEIGHTED GOV BOND 3-5Y</i></b>	+0.11%	+1.13%	+1.12%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

<b>Compartments / feeder</b>	LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE compartment
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt securities listed in euros.

The LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF Compartment (see hereafter the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

Capitalisation of all the amounts available for distribution.

### Management objective:

The Compartment’s management objective is to be exposed, upwards and downwards, to the performance of the eurozone government bonds, while reproducing the evolution of the FTSE MTS Highest Rated Macro Weighted Government Bond 5-7Y (Mid Price) Index (the “Benchmark Indicator”) listed in euros (EUR), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is a “Total Return” type index (i.e. all coupons detached by the components of the index are reinvested in the Benchmark Indicator).

The Benchmark Indicator measures the performance of eurozone Government bonds segment, weighted by country having at least two rating equal to “AAA” or similar by the three rating agencies S&P, Moody’s and Fitch. It is listed in EUR.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components are available at the following Internet site: [www.ftse.com](http://www.ftse.com).

The Benchmark Indicator is calculated by FTSE MTS.

FTSE MTS is a private company based in London and regulated by the FCA. It manages the FTSE MTS European electronic trading platform for benchmark bonds from the Euro zone. FTSE MTS is also responsible for calculating and publishing the value of the FTSE MTS indices.

### Methodology

The Benchmark Indicator is composed of bonds issued by the eurozone countries with the highest credit ratings. These bonds are weighted in the index on the basis of macroeconomic indicators. The Benchmark Indicator is provided with a history of index values dating back to 31 December 1998.

As explained below, the initial index components were selected using the same criteria as those used for “FTSE MTS Eurozone Government Broad” indices (except for the credit-rating criterion):

The Benchmark Indicator securities are therefore among the highest rated Eurozone sovereign bonds. The following bonds qualify:

- Nominal value and coupon are denominated in euros with no option or convertibility;
- Listed on the FTSE MTS platform;
- Issued by a sovereign eurozone government having at least two out of three AAA ratings from S&P, Moody's and Fitch, and selected by FTSE MTS from among the following countries as: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain;
- Maturity exceeds one year;
- With issuance of at least two billion euros.

The Benchmark Indicator must comprise at least five issuing countries. If an issuer is downgraded it will be replaced in the index, provided that there is another country that is eligible, such that the required minimum number of five issuers is maintained.

These indices composition is revised monthly.

The complete methodology is available at [www.ftse.com](http://www.ftse.com)

The performance tracked is the Benchmark Indicator's closing price at 5:30 pm (CET).

#### **Benchmark Indicator publication**

The Benchmark Indicator price is fixed daily and available through Reuters and Bloomberg.

Reuters code: FMMPHRC5=

Bloomberg code: FMMPHRC5

#### **Benchmark Indicator revision**

The Benchmark Indicator's composition is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a pure replication method, which means that the Compartment will invest mainly in bonds making up the Benchmark Indicator.

Information relative to the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio are available on the page dedicated to the Compartment on the site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The abovementioned securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the compartment is managed:	Between 4 and 8
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets

Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets
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## **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, international debt securities. The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

## **3. Off-balance sheet assets (derivative instruments)**

The Compartment will not have recourse to futures financial instruments, except, on an ancillary basis, and within limits set by regulations, to future contracts on indices or bonds that are listed on regulated markets.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

## **4. Securities with integrated derivatives**

None.

## **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

## **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

## **7. Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary acquisition and sale operations involving securities.

## **8. Financial guarantees**

None. No financial guarantee will be granted / received by the Compartment within the framework of the implementation of its management objective.

## **Risk profile:**

Through the Compartment, the bearer is primarily exposed to the following risks:

### **- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

### **- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected. This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

### **- Liquidity risk (primary market)**

Should the Compartment adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected.

Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment, the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the Benchmark Indicator is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the Benchmark Indicator makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment, the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure, downwards and upwards, to the performance of the eurozone government bonds segment, weighted by country having at least two rating equal to “AAA” or similar by the three rating agencies S&P, Moody’s and Fitch.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is 3 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment’s complete prospectus and the latest annual and periodic documents are sent within one week of the bearer’s written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 8 November 2011.*
- *Compartment creation date: 25 November 2011.*



## Activity report

The net asset value of the LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF Compartment shows an evolution of -0.13% over the fiscal year and stands at EUR 122.9672 on 31/10/2017, meaning a compartment performance of 22.97% since inception.

The fund replicates the performance of the MTS Mid Price Highest Rated Ma 5-7Y index, listed in euros (EUR), representative of the most noted bonds issued by eurozone governments whose maturity date is between 5 and 7 years and whose calculated weighting by country is based on macroeconomic indicators.

This index has shown an evolution of 0.01% over the fiscal year. As the C-EUR and C-USD classes are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the compartment and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price Highest Rated Ma 5-7Y index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price Highest Rated Ma 5-7Y index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The compartment's risk and yield profile has been classed as category 3 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0165% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on [Lyxor website](http://Lyxor.com), [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
7.0	4.4	8.1	7.7

Portfolio rated 100%  
Nb Securities rated 21

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.4</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>8.1</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>7.7</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	71%
Average (A, BBB,BB)	29%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials		19.6%	28.8%					
Industrials		51.6%						

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions(combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity,generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.	Issuer with a revenue dedicated to environmental solutions between:	
	1-19.9%	0%
The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)	20-49.9%	0%
	50-100%	0%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

### Transparency of securities financing operations and reuse of financial instruments SFTR regulation

*(Accounting currency of the Compartment)*

In the course of the fiscal year, the Compartment did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>8,576,691.21</b>	<b>9,847,012.26</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	8,576,691.21	9,847,012.26
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>32,379.77</b>	<b>4,613.67</b>
Liquidity	32,379.77	4,613.67
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>8,609,070.98</b>	<b>9,851,625.93</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	8,635,571.23	9,521,139.04
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-186,019.85	112,372.10
• Earnings of the fiscal year	158,155.98	216,729.90
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>8,607,707.36</b>	<b>9,850,241.04</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>1,363.62</b>	<b>1,384.89</b>
Future foreign exchange operations	-	-
Other	1,363.62	1,384.89
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>8,609,070.98</b>	<b>9,851,625.93</b>

## Off-balance sheet commitments

Currency	31.10.2017	31.10.2016
	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-



## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	182,861.63	252,191.70
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>182,861.63</b>	<b>252,191.70</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-210.41	-2.69
• Other financial charges	-	-
<b>Total (II)</b>	<b>-210.41</b>	<b>-2.69</b>
<b>Earnings on financial operations (I - II)</b>	<b>182,651.22</b>	<b>252,189.01</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-15,403.34	-20,389.14
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>167,247.88</b>	<b>231,799.87</b>
Adjustment of the fiscal year's earnings (V)	-9,091.90	-15,069.97
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>158,155.98</b>	<b>216,729.90</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

Transferable securities traded on a French or foreign regulated market are valued at the market price. The valuation at the reference market price is carried out according to the provisions decided upon by the board of the directors. The application provisions are stipulated in the notes to the annual financial statements.

However:

- Transferable securities for which the price is not determined on the valuation date or for which the price was corrected are valued at their probable trading value under the responsibility of the board of directors. These valuations and their justification are provided to the statutory auditor at the time of the latter's verifications.
- Marketable debt securities and similar securities that are not the subject of significant transactions are valued by application of an actuarial method, with the adopted rate being that of the issues of equivalent securities affected, as relevant, by a difference that is representative of the intrinsic characteristics of the security's issuer. However, marketable debt securities having a residual life span less than or equal to 3 months, and that are not particularly sensitive, can be valued using the straight line method. The application provisions for these rules are set by the board of directors. They are mentioned in the notes to the annual financial statements.
- Units or equities of UCITS will be valued at the last known net asset value.
- Securities that are not traded on a regulated market are valued at their probable trading value, under the responsibility of the board of directors.
- Securities that are the subject of temporary disposal or acquisition contracts are valued in compliance with the applicable regulations, with the application provisions being determined by the board of directors and stipulated in the notes to the annual financial statements.
- Operations relating to firm or conditional future financial instruments traded on French or foreign organised markets are valued at the market value according to the provisions determined by the board of directors. They are stipulated in the notes to the annual financial statements.
- Firm or conditional futures transactions or forex operations completed on over-the-counter markets authorised by the regulations applicable to UCITS are valued at their market value or a value estimated according to the provisions determined by the board of directors and stipulated in the notes to the annual financial statements.

Moreover, an instantaneous net asset value for information purposes will be calculated by NYSE Euronext if the compartments are accepted for listing.

### **Posting method for the trading fees**

The chosen method is that of included fees.

### **Posting method of incomes from fixed income securities**

The chosen method is that of the collected coupon.

# appendix

## Financial instruments received as collateral

These financial instruments are listed under the “Financial instruments” item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the “Other temporary operations” item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

## Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract’s nominal amount (in the currency of the Compartment).

## Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial management delegatee when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document “KIID”.

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.165% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

## Accounting currency

The Compartment’s accounting is carried out in euro.

## Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

## Indication of other changes declared to each of the bearers individually *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

Capitalisation of all the amounts available for distribution.

# appendix

The Compartment in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE TMX Global Debt Capital Markets (collectively referred to as the “Holders”). FTSE TMX Global Debt Capital Markets cannot be held liable for the promotion or marketing of the Compartment.

FTSE MTS and the names of the FTSE MTS index (FTSE MTS Index™) and of the FTSE MTS indices (FTSE MTS Indices™) are registered trademarks of FTSE TMX Global Debt Capital Markets. The FTSE MTS indices are calculated by FTSE TMX Global Debt Capital Markets, and marketed and distributed by MTSNext, a company owned by FTSE TMX Global Debt Capital Markets.

Neither FTSE TMX Global Debt Capital Markets nor MTSNext can be held liable for any losses or damages of any nature whatsoever (including, notably, investment losses) linked to all or part of the Compartment or to the supply of the FTSE MTS Highest Rated Macro-Weighted Government Bond 5-7Y (Mid Price) Index or of sub-indices or of registered trademarks.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>9,850,241.04</b>	<b>17,483,884.24</b>
Subscriptions (including subscription commission acquired by the Compartment)	7,564,280.40	17,751,532.00
Redemptions (less the redemption commission acquired by the Compartment)	-8,781,868.00	-25,650,208.00
Capital gains generated on deposits and financial instruments	172,193.36	613,744.72
Capital losses generated on deposits and financial instruments	-373,087.45	-370,586.29
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	8,700.13	-209,925.50
- <i>Estimate difference fiscal year N</i>	24,996.89	16,296.76
- <i>Estimate difference fiscal year N-1</i>	16,296.76	226,222.26
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	167,247.88	231,799.87
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>8,607,707.36</b>	<b>9,850,241.04</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	8,576,691.21	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	8,576,691.21	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	32,379.77
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	8,576,691.21
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	32,379.77	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	1,363.62
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	1,241.52
Miscellaneous debtors and creditors	122.10
-	-
-	-
-	-
Other operations	-



### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	62,000	7,564,280.40	72,000	8,781,868.00
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.17</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	-

**3.10 Allocation of the earnings table** (in the Compartment's currency of account)

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
Allocation of the earnings	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	158,155.98	216,729.90
<b>Total</b>	<b>158,155.98</b>	<b>216,729.90</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	158,155.98	216,729.90
<b>Total</b>	<b>158,155.98</b>	<b>216,729.90</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-186,019.85	112,372.10
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-186,019.85</b>	<b>112,372.10</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-186,019.85	112,372.10
<b>Total</b>	<b>-186,019.85</b>	<b>112,372.10</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

Currency EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>8,607,707.36</b>	9,850,241.04	17,483,884.24	20,617,637.40	117,937,250.66
<b>Number of outstanding equities</b>	<b>70,000</b>	80,000	145,000	175,000	1,057,000
<b>Net asset value</b>	<b>122.9672</b>	123.128	120.5785	117.815	111.5773
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>-0.39</b>	4.11	6.93	6.55	1.86

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Compartment creation date: 25 November 2011.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
DE0001102309	ALLEMAGNE 1.5% 15/02/23	PROPRE	663,570.00	734,628.35	EUR	8.53
DE0001102317	ALLEMAGNE 1.5% 15/05/2023	PROPRE	663,560.00	733,749.65	EUR	8.52
AT0000A185T1	AUTRICHE 1.65% 21/10/2024	PROPRE	106,000.00	117,484.30	EUR	1.36
DE0001102333	DEUTSCHLAND REPUBL 1.75% 15/02/24	PROPRE	663,500.00	752,054.53	EUR	8.74
DE0001102366	DEUTSCHLAND 1% 15/08/2024	PROPRE	663,550.00	714,287.94	EUR	8.30
FI4000062625	FINNISH GOV 1.5% 15/04/23	PROPRE	86,000.00	94,415.98	EUR	1.10
FI4000219787	FINNISH GOVERNMENT 0% 15/9/2023	PROPRE	86,000.00	86,219.30	EUR	1.00
FI4000079041	FINNISH GOVERNMENT 2% 15/04/2024	PROPRE	86,000.00	97,907.88	EUR	1.14
FR0011486067	FRANCE OAT 1.75% 25/05/2023	PROPRE	578,520.00	643,122.85	EUR	7.47
FR0011619436	FRANCE OAT 2.25 05/25/24	PROPRE	544,040.00	627,944.38	EUR	7.30
FR0010466938	FRANCE OAT 4.25 10/25/23	PROPRE	737,500.00	929,457.61	EUR	10.80
DE0001102358	GERMANY BUND 1.50% 15/05/2024	PROPRE	663,550.00	739,212.88	EUR	8.59
DE0001102325	GERMANY 2% 15/08/2023	PROPRE	663,560.00	752,728.38	EUR	8.74
NL0000102077	NEDERLAND 7.50% 15/01/23	PROPRE	151,610.00	222,327.65	EUR	2.58
NL0010418810	NETHERLANDS 1.75 07/15/23	PROPRE	291,100.00	324,528.17	EUR	3.77
NL0010733424	NETHERLANDS 2 07/15/24	PROPRE	281,720.00	321,302.34	EUR	3.73
NL0000102275	NETHERLANDS 3.75% 15/01/2023	PROPRE	78,390.00	97,227.29	EUR	1.13
FR0000571085	OAT 8.50% 25/04/23	PROPRE	174,120.00	264,893.88	EUR	3.08
AT0000A1PE50	REPUBLIC OF AUSTRIA 0% 15/07/2023	PROPRE	56,000.00	56,235.20	EUR	0.65
AT0000A105W3	REPUBLIC OF AUSTRIA 1.75% 20/10/23	PROPRE	121,000.00	134,240.22	EUR	1.56
AT0000A0U3T4	REPUBLIC OF AUSTRIA 3.4% 22/11/2022	PROPRE	109,000.00	132,722.43	EUR	1.54
<i>Total Bond</i>				<b>8,576,691.21</b>		<b>99.64</b>
<i>Total Investment Securities</i>				<b>8,576,691.21</b>		<b>99.64</b>
<i>Cash</i>						
<i>OTHER</i>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-122.10	EUR	-0.00
<i>Total OTHER</i>				<b>-122.10</b>		<b>-0.00</b>

LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	32,379.77	EUR	0.38
<b>Total AT BANK OR PENDING</b>				<b>32,379.77</b>		<b>0.38</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-1,241.52	EUR	-0.01
<b>Total MANAGEMENT FEES</b>				<b>-1,241.52</b>		<b>-0.01</b>
<b>Total Cash</b>				<b>31,016.15</b>		<b>0.36</b>
<b>Total LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF</b>				<b>8,607,707.36</b>		<b>100.00</b>

APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment: 31-Oct.

Average fortune of the fund for the period from 01/11/16 to 31/10/17: 9,368,120.73

Management commission of the fund: 0.165 % tax included

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	20,389.14	7,554.55	15,403.34
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	20,389.14	7,554.55	15,403.34

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(15,403.34 / 9,368,120.73) * 100$$

0.164 %

Performance fee as a share in percentage of the net average assets:

- %

**LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOVT BOND 5-7Y (DR) UCITS ETF**  
 (compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b><i>LYXOR EUROMTS HIGHEST RATED MACRO-WEIGHTED GOV BOND 5-7Y (DR) UCITS ETF</i></b>	-0.13%	+2.11%	+2.35%
<b><i>MTS MID PRICE HIGHEST RATED MACRO WEIGHTED GOV BOND 5-7Y</i></b>	+0.01%	+2.28%	+2.30%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.



# LYXOR BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF

**rapport**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

<b>Compartments / feeder</b>	LYXOR BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt instruments listed in euros.

The LYXOR BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF Compartment (hereafter the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**C-EUR equities classes:** Capitalisation of the amounts available for distribution.

**D-EUR equities classes:** The Board of directors reserves the right to capitalise and/or distribute all or part of the incomes. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to replicate, upwards and downwards, the evolution of the FTSE MTS Target Maturity Government Bond Spain (Mid Price) Index (the “Benchmark Indicator”), listed in EUR, and representative of Spanish sovereign bonds having a target residual maturity of 10 years, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator FTSE MTS Target Maturity Government Bond Spain (Mid Price) Index is a “Total Return” type index (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator).

The Benchmark Indicator measures the performance of Spanish Government bonds with residual maturities targeting 10 years. It is listed in EUR.

The Benchmark Indicator is calculated by FTSE MTS.

### Benchmark indicator methodology

The Benchmark Indicator is composed of bonds issued by the Spanish government with an average residual maturity of 10 years. The index components were initially selected using the same criteria as for the “FTSE FTSE MTS”, which are shown below.

The following bonds qualify:

- Nominal, fixed-coupon bonds, redeemable upon maturity, denominated in the local currency, with no embedded option and non-convertible;
- Traded on the FTSE MTS platform;
- Issued by the Spanish government;
- Have a minimum outstanding issuance of one billion euros.

### Benchmark Indicator revision and composition

The Benchmark Indicator’s composition is revised monthly.

The performance tracked is that of the Benchmark Indicator's closing price at 5:30 p.m. (CET).

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition of the Benchmark Indicator's components is available on the Internet site: <http://www.ftse.com>.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

### **Benchmark Indicator publication**

The Benchmark Indicator is available through Reuters and Bloomberg.

Reuters code: FMMPEX5=

Bloomberg code: FMMPEX5

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its delegated asset manager, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of 'balance sheet' assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's website at [www.lyxoretf.com](http://www.lyxoretf.com). The frequency of any updates and/or the date on which the aforementioned information is updated is also indicated on the same page of the aforementioned website.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the Compartment is managed:	Between 7 and 12
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 10% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : from 0 to 100% of net assets Emerging countries: 0% of net assets

#### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, financial instruments of any kind.

The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

The investment in undertakings for collective investment in transferable securities (“UCITS”) that comply with Directive 2009/65/EC is limited to 10% of the net asset of the Compartment. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

As part of a future optimisation of the Compartment’s management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities.

Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.

Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

For this purpose the management company may appoint an intermediary (hereinafter the “Agent”) to provide the following services in connection with the Compartment’s temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment’s behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment’s behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.

The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.

These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment’s management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment’s gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment’s annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment’s overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment’s annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment’s counterparty risk, and;
- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

### **8. Financial guarantees**

When the Compartment lends or otherwise temporarily disposes of securities it must receive guarantees in the form of securities and/or cash to reduce the counterparty risk associated with these transactions.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets. In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

#### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment in the event of temporary securities transactions. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

An additional discount may be applied to collateral received in another currency than the euro.

#### **Reinvestment of received guarantees:**

Non-cash collateral will not be sold, reinvested or pledged.

At the manager's discretion, cash collateral may either be:

- Deposited in an authorised institution
- Invested in high-quality government bonds
- Used for reverse repurchase transactions, provided that these are entered into with credit institutions that are subject to prudential supervision and that the Compartment is able to withdraw the total amount of its cash collateral and the accrued interest at any time.
- Invested in short-term money market funds that meet the guidelines for a common EU definition of money market funds.

The reinvestment of cash collateral must meet the diversification requirements that apply to non-cash collateral.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected. This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**- Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and derivatives. The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

**- Liquidity risk (primary market)**

Should the Compartment (or, if relevant, one of its counterparties for FFI) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the equities of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- A market maker's violation of the rules applicable to this marketplace, and/or
- A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment may use Future Financial Instrument (FFI) on an ancillary basis. In such a case, the Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter. In compliance with the UCITS regulations, the counterparty risk cannot exceed 10% of the total value of the Compartment's assets by counterparty. When Société Générale is involved as a counterparty of the FFIs and/or a temporary securities transaction, conflicts of interest can arise between the Compartment's management company and the counterparty. The management company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk arising from temporary securities transactions**

If a borrower of securities defaults on its obligation there could be a risk that the value of the guarantee received by the Compartment is less than the value of the securities lent.

This risk could arise, for example, in the event of (i) an inaccurate valuation of the securities lent and/or (ii) unfavourable market movements and/or (iii) the lowering of the credit rating(s) of the issuer(s) of securities taken as guarantee and/or (iv) the illiquidity of the market in which the guarantees received are listed. If cash guarantees are reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Compartment to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of guarantees the Compartment must repay.

The Compartment could also fail to receive the securities lent by the date specified, which would diminish its capacity to accommodate investor redemptions.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or its FFI's counterparty), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment bonds. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Risk related to the use of derivative instruments**

In order to achieve its investment objective, the Compartment can enter into transactions involving over-the-counter Future Financial Instrument (FFI), such as swaps, in order to secure the performance of the Benchmark Indicator. These FFI involve various risks, such as counterparty risk, hedging disruption, Benchmark Indicator disruption, taxation risk, regulatory risk, operational risk and liquidity risk. These risks can materially affect an FFI and may require an adjustment of the FFI transaction or even its premature termination, which could adversely affect the Compartment's net asset value.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure, downwards and upwards, to the performance of the Spanish government bonds segment.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers.

The minimum recommended investment period is greater than 3 years.

*For more details, the prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 31 January 2013.*
- *Compartment creation date: 11 February 2013.*



## Activity report

The net asset value of the C-EUR unit of the LYXOR BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF Compartment shows an evolution of 0.92% over the fiscal year and stands at EUR 154.6861 on 31/10/2017, meaning a compartment performance of 54.69% since inception.

The fund replicates the performance of the MTS Mid Price Spain 10y Target index, listed in euros (EUR), representative of Spanish government bonds with a maturity of close to 10 years.

This index has shown an evolution of 1.09 % over the fiscal year.

This gap between the annual performance of the Compartment and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price Spain 10y Target index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price Spain 10y Target index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The compartment's risk and yield profile has been classed as category 4 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0178% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission *(not audited by the auditor)*

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on [Lyxor website](http://Lyxor.com), [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
5.6	4.3	6.4	5.9

Portfolio rated  
Nb Securities rated

100%  
6

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.3</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>6.4</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>5.9</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	0%
Average (A, BBB,BB)	100%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials								100.0%

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energy or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:

1-19.9%	0%
20-49.9%	0%
50-100%	0%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

### Transparency of securities financing operations and reuse of financial instruments SFTR regulation

*(Accounting currency of the Compartment)*

In the course of the fiscal year, the Compartment did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>56,164,616.64</b>	<b>96,796,805.57</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	56,164,616.64	96,796,805.57
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>150,016.22</b>	<b>698,979.94</b>
Liquidity	150,016.22	698,979.94
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>56,314,632.86</b>	<b>97,495,785.51</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	55,050,058.03	96,392,409.25
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	57,056.06	-1,473,013.82
• Earnings of the fiscal year	1,198,652.38	2,562,649.16
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>56,305,766.47</b>	<b>97,482,044.59</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>8,866.39</b>	<b>13,740.92</b>
Future foreign exchange operations	-	-
Other	8,866.39	13,740.92
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>56,314,632.86</b>	<b>97,495,785.51</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-



## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	0.96	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	1,242,341.50	1,105,517.70
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>1,242,342.46</b>	<b>1,105,517.70</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-7.29	-3.81
• Other financial charges	-	-
<b>Total (II)</b>	<b>-7.29</b>	<b>-3.81</b>
<b>Earnings on financial operations (I - II)</b>	<b>1,242,335.17</b>	<b>1,105,513.89</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-91,207.02	-96,840.20
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>1,151,128.15</b>	<b>1,008,673.69</b>
Adjustment of the fiscal year's earnings (V)	47,524.23	1,553,975.47
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>1,198,652.38</b>	<b>2,562,649.16</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of holding an EMTN, it will be assessed on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this assessment.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.
- Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the Board of Directors when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	Maximum 0.165% per year
Transactions commissions	Collection on each transaction	None
Outperformance commissions	Net assets	None
Cost of temporary purchases and disposals of securities	The amount of the transaction	Maximum 35% of the income obtained from these transactions

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

# appendix

# appendix

## Accounting currency

The Compartment's accounting is carried out in euros.

## Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

## Indication of other changes declared to each of the bearers individually *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

## Indication and justification of the changes to estimates and application provisions

None.

## Indication of the nature of the errors corrected during the fiscal year

None.

## Indication of the rights and conditions attached to each category of equities

**C-EUR equities classes:** Capitalisation of the amounts available for distribution.

**D-EUR equities classes:** The Board of directors reserves the right to capitalise and/or distribute all or part of the result. The realised net capital gain will be capitalised.

The Compartment in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE TMX Global Debt Capital Markets (collectively referred to as the "Holders"). FTSE TMX Global Debt Capital Markets cannot be held liable for the promotion or marketing of the Compartment.

FTSE MTS and the names of the FTSE MTS (FTSE MTS Index<sup>TM</sup>) indices and of the FTSE MTS (FTSE MTS Indices<sup>TM</sup>) indices are registered trademarks of FTSE TMX Global Debt Capital Markets. The FTSE MTS indices are calculated by FTSE TMX Global Debt Capital Markets, and marketed and distributed by MTSNext, a company owned by FTSE TMX Global Debt Capital Markets.

Neither FTSE TMX Global Debt Capital Markets nor MTSNext can be held liable for any losses or damages of any nature whatsoever (including, notably, investment losses) linked to all or part of the Compartment or to the supply of the FTSE MTS Target Maturity Eurozone Government Bond Spain (Mid Price) IG 25Y+ Index, or of sub-indices or of registered trademarks.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>97,482,044.59</b>	<b>25,648,390.35</b>
Subscriptions (including subscription commission acquired by the Compartment)	10,747,324.00	104,008,292.00
Redemptions (less the redemption commission acquired by the Compartment)	-51,237,930.60	-36,432,722.40
Capital gains generated on deposits and financial instruments	1,344,275.26	1,745,289.84
Capital losses generated on deposits and financial instruments	-1,040,223.33	-1,200,383.09
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	2,140,851.60	2,704,504.20
- <i>Estimate difference fiscal year N</i>	1,047,029.72	3,187,881.32
- <i>Estimate difference fiscal year N-1</i>	3,187,881.32	483,377.12
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	1,151,128.15	1,008,673.69
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>56,305,766.47</b>	<b>97,482,044.59</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	56,164,616.64	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	56,164,616.64	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	150,016.22
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	56,164,616.64
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	150,016.22	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	8,866.39
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	8,032.97
Miscellaneous debtors and creditors	833.42
-	-
-	-
-	-
Other operations	-



### 3.6 Shareholders' equity

Equity category issued/redeemed during the fiscal year:	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
EQUITY C-EUR / FR0011384148	70,000	10,747,324.00	342,000	51,237,930.60
EQUITY D-EUR / FR0011384155	-	-	-	-
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-EUR / FR0011384148		-		-
EQUITY D-EUR / FR0011384155		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-EUR / FR0011384148		-		-
EQUITY D-EUR / FR0011384155		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY C-EUR / FR0011384148		-		-
EQUITY D-EUR / FR0011384155		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-EUR / FR0011384148	0.16
EQUITY D-EUR / FR0011384155	-
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY C-EUR / FR0011384148	-
EQUITY D-EUR / FR0011384155	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt instruments	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt instruments	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
	- CIU securities	-
	- Swaps	-

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>	-	-	-	-	-

LYXOR BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	1,198,652.38	2,562,649.16
<b>Total</b>	<b>1,198,652.38</b>	<b>2,562,649.16</b>

EQUITY C-EUR / FR0011384148	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	1,198,652.38	2,562,649.16
<b>Total</b>	<b>1,198,652.38</b>	<b>2,562,649.16</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

EQUITY D-EUR / FR0011384155	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

LYXOR BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	57,056.06	-1,473,013.82
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>57,056.06</b>	<b>-1,473,013.82</b>

EQUITY C-EUR / FR0011384148	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	57,056.06	-1,473,013.82
<b>Total</b>	<b>57,056.06</b>	<b>-1,473,013.82</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY D-EUR / FR0011384155	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 11 February 2013.

Compartment currency

EUR	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>56,305,766.47</b>	97,482,044.59	25,648,390.35	22,305,819.80	47,248,420.63

EQUITY C-EUR / FR0011384148

Currency of the UNIT and of the NAV: EUR

	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>364,000</b>	636,000	178,000	165,000,	423,000,
<b>Net asset value</b>	<b>154.6861</b>	153.2736	144.092	135.1867	111.6983
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>3.44</b>	1,71	-1.40	27.40	12.00

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY D-EUR / FR0011384155

Currency of the UNIT and of the NAV: EUR

	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	-	-	-	-	-
<b>Net asset value</b>	-	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	-	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
ES00000128H5	BONOS Y OBLIG DEL ESTADO 1.3% 31/10/2026	PROPRE	9,326,000.00	9,373,061.14	EUR	16.65
ES0000012A89	BONOS Y OBLIG DEL ESTADO 1.45% 31/10/2027	PROPRE	5,570,000.00	5,566,822.04	EUR	9.89
ES00000128P8	BONOS Y OBLIG DEL ESTADO 1.5% 30/04/2027	PROPRE	7,747,000.00	7,903,248.00	EUR	14.04
ES00000126Z1	SPAIN 1.60% 30/04/2025	PROPRE	8,507,000.00	8,991,928.09	EUR	15.97
ES0000012411	SPAIN 5.75% 30/07/32	PROPRE	7,536,000.00	11,322,581.89	EUR	20.11
ES0000011868	SPAIN 6% 31/01/29	PROPRE	8,677,070.00	13,006,975.48	EUR	23.10
<i>Total Bond</i>				<b>56,164,616.64</b>		<b>99.75</b>
<i>Total Investment Securities</i>				<b>56,164,616.64</b>		<b>99.75</b>
<i>Cash</i>						
<i>OTHER</i>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-833.42	EUR	-0.00
<i>Total OTHER</i>				<b>-833.42</b>		<b>-0.00</b>
<i>AT BANK OR PENDING</i>						
	EUR SGP BANK	PROPRE	0.00	150,016.22	EUR	0.27
<i>Total AT BANK OR PENDING</i>				<b>150,016.22</b>		<b>0.27</b>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-8,032.97	EUR	-0.01
<i>Total MANAGEMENT FEES</i>				<b>-8,032.97</b>		<b>-0.01</b>
<i>Total Cash</i>				<b>141,149.83</b>		<b>0.25</b>
<b>Total LYXOR BONO 10Y - MTS SPAIN GOVERNMENT BOND (DR) UCITS ETF</b>				<b>56,305,766.47</b>		<b>100.00</b>



# LYXOR MTS 1-3Y SPAIN GOVERNMENT BOND (DR) UCITS ETF

**rapport**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR MTS 1-3Y SPAIN GOVERNMENT BOND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR UCITS ETF MTS 1-3Y SPAIN GOVERNMENT BOND (DR) is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt instruments listed in euros.

The LYXOR UCITS ETF MTS 1-3Y SPAIN GOVERNMENT BOND (DR) Compartment (hereafter the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index compartment.

### Terms of determination and allocation of amounts available for distribution:

**C-EUR equities classes:** Capitalisation of all the amounts available for distribution.

**D-EUR equities classes:** The Board of directors reserves the right to capitalise and/or distribute all or part of the incomes, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to replicate, upwards and downwards, the evolution of the “FTSE MTS Spain Government 1-3Y (Mid Price) Index” (the “**Benchmark Indicator**”), listed in EUR and representative of the Spanish sovereign bonds with maturities of 1 to 3 years, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is a “Total Return” type index (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator).

The Benchmark Indicator measures the performance of Spanish Government bonds with maturities between 1 and 3 years. The Benchmark Indicator is calculated by FTSE MTS.

The Benchmark Indicator is composed of bonds issued by the Spanish government with an average maturity between 1 and 3 years. The index components were initially selected using the same criteria as for the “FTSE MTS Government Indices”, which are shown below.

The following bonds qualify:

- Nominal, fixed-coupon bonds, redeemable upon maturity, denominated in the local currency, with no embedded option and non-convertible;
- Traded on the FTSE MTS platform;
- Issued by the Spanish government;
- Have a minimum outstanding issuance of one billion euros.

The Benchmark Indicator’s composition is revised monthly. The complete methodology is available on Internet site: [www.ftse.com](http://www.ftse.com)

The performance tracked is that of the Benchmark Indicator’s closing price at 5:30 p.m. (CET).

### **Benchmark Indicator publication**

The Benchmark Indicator price is fixed daily and available through Reuters and Bloomberg.

Reuters code: FMMPEG5=

Bloomberg code: FMMPEG5

The Benchmark Indicator’s closing price is available on the Internet site: [www.ftse.com](http://www.ftse.com).

### **Benchmark Indicator revision and composition**

The Benchmark Indicator's composition is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition of the Benchmark Indicator's components is available on the Internet site: <http://www.ftse.com>.

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its delegated asset manager, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of 'balance sheet' assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's website at [www.lyxoretf.com](http://www.lyxoretf.com). The frequency of any updates and/or the date on which the aforementioned information is updated is also indicated on the same page of the aforementioned website.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD non-member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the Compartment is managed:	Between 1 and 4
Currencies in which securities held by the Compartment are listed:	Euro: 100% of net assets Others: from 0 to 10% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : 100% of net assets Emerging countries: 0% of net assets

#### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, financial instruments of any kind. The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities.

Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.

Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

For this purpose the management company may appoint an intermediary (hereinafter the "Agent") to provide the following services in connection with the Compartment's temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment's behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment's behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.

The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.

These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment's management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment's gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment's annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment's overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment's annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment's counterparty risk, and;
- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

### **8. Financial guarantees**

When the Compartment lends or otherwise temporarily disposes of securities it must receive guarantees in the form of securities and/or cash to reduce the counterparty risk associated with these transactions.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) any received non-cash guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at least on a daily basis and assets showing strong price volatility must not be accepted as guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Compartment's may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets. In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including liquidities, short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

#### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment in the event of temporary securities transactions. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

An additional discount may be applied to collateral received in another currency than the euro.

#### **Reinvestment of received guarantees:**

Non-cash collateral will not be sold, reinvested or pledged.

At the manager's discretion, cash collateral may either be:

- Deposited in an authorised institution
- Invested in high-quality government bonds
- Used for reverse repurchase transactions, provided that these are entered into with credit institutions that are subject to prudential supervision and that the compartment is able to withdraw the total amount of its cash collateral and the accrued interest at any time.
- Invested in short-term money market funds that meet the guidelines for a common EU definition of money market funds.

The reinvestment of cash collateral must meet the diversification requirements that apply to non-cash collateral.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected. This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**- Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and derivatives. The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

**- Liquidity risk (primary market)**

Should the Compartment (or, if relevant, one of its counterparties for FFI) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the equities of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment may use Future Financial Instrument (FFI) on an ancillary basis. In such a case, the Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter. In compliance with the UCITS regulations, the counterparty risk cannot exceed 10% of the total value of the Compartment's assets by counterparty.

When Société Générale is involved as a counterparty of the FFIs and/or a temporary securities transaction, conflicts of interest can arise between the Compartment's management company and the counterparty. The management company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk arising from temporary securities transactions**

If a borrower of securities defaults on its obligation there could be a risk that the value of the guarantee received by the Compartment is less than the value of the securities lent.

This risk could arise, for example, in the event of (i) an inaccurate valuation of the securities lent and/or (ii) unfavourable market movements and/or (iii) the lowering of the credit rating(s) of the issuer(s) of securities taken as guarantee and/or (iv) the illiquidity of the market in which the guarantees received are listed.

If cash guarantees are reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Compartment to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of guarantees the Compartment must repay. The Compartment could also fail to receive the securities lent by the date specified, which would diminish its capacity to accommodate investor redemptions.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment has recourse to FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or its FFI's counterparty), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Operational risk**

In case of an operational failure of the Board of Directors or of one of its representatives, investors may incur delays in the processing of subscriptions, conversions and redemptions of the equities, or other disturbances.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Risk related to the use of derivative instruments**

In order to achieve its investment objective, the Compartment can enter into transactions involving over-the-counter Future Financial Instrument (FFI), such as swaps, in order to secure the performance of the Benchmark Indicator. These FFI involve various risks, such as counterparty risk, hedging disruption, Benchmark Indicator disruption, taxation risk, regulatory risk, operational risk and liquidity risk. These risks can materially affect an FFI and may require an adjustment of the FFI transaction or even its premature termination, which could adversely affect the Compartment's net asset value.

**- Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure, downwards and upwards, to the performance of the Spanish government bonds segment.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers. The minimum recommended investment period is greater than 3 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 4 June 2013.*
- *Mutual fund creation date: 18 June 2013.*



## Activity report

The net asset value of the C-EUR unit of the LYXOR MTS 1-3Y SPAIN GOVERNMENT BOND (DR) UCITS ETF Compartment shows an evolution of 0.21% over the fiscal year and stands at EUR 108.1865 on 31/10/2017, meaning a fund performance of 8.19% since inception.

The fund replicates the performance of the MTS Mid Price Spain Govt 1-3y Target index, listed in euros (EUR), representative of Spanish government bonds with a maturity of close to 1-3 years.

This index has shown an evolution of 0.38% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MTS Mid Price Spain 1-3y Target index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MTS Mid Price Spain 1-3y Target index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 4 given its exposure to the Benchmark Index.

The basket of investment securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0071% for the Compartment. The level of the tracking error for the period was of 0.02%.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the CIU

The management company's method for measuring the overall risk of the CIU: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on [Lyxor website](http://Lyxor.com), [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
5.6	4.3	6.4	5.9

Portfolio rated 100%  
Nb Securities rated 8

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.3</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>6.4</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>5.9</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	0%
Average (A, BBB,BB)	100%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials								100.0%

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions(combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity,generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:

1-19.9%	0%
20-49.9%	0%
50-100%	0%

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaitre/mentions-reglementaires/>.

## Transparency of securities financing operations and reuse of financial instruments SFTR regulation

(Accounting currency of the CIU)

In the course of the fiscal year, the CIU did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>21,969,460.60</b>	<b>23,522,287.29</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	21,969,460.60	23,522,287.29
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>212,302.76</b>	<b>231,461.15</b>
Liquidities	212,302.76	231,461.15
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>22,181,763.36</b>	<b>23,753,748.44</b>

## BALANCE SHEET liabilities

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Shareholders' equity</b>		
• Capital	22,002,031.28	23,354,343.25
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-369,235.86	-321,186.35
• Earnings of the fiscal year	545,438.61	717,267.72
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>22,178,234.03</b>	<b>23,750,424.62</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>3,529.33</b>	<b>3,323.82</b>
Future foreign exchange operations	-	-
Other	3,529.33	3,323.82
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>22,181,763.36</b>	<b>23,753,748.44</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-



## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	585,257.63	1,047,691.40
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>585,257.63</b>	<b>1,047,691.40</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-2.07
• Other financial charges	-	-
<b>Total (II)</b>	<b>-</b>	<b>-2.07</b>
<b>Earnings on financial operations (I - II)</b>	<b>585,257.63</b>	<b>1,047,689.33</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-37,649.57	-62,199.42
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>547,608.06</b>	<b>985,489.91</b>
Adjustment of the fiscal year's earnings (V)	-2,169.45	-268,222.19
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>545,438.61</b>	<b>717,267.72</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

# appendix

## Posting method for the trading fees

The chosen method is that of included fees.

## Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

## Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

## Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	Maximum 0.165% per year
Transactions commissions	Collection on each transaction	None
Outperformance commissions	Net assets	None
Cost of temporary purchases and disposals of securities	The amount of the transaction	Maximum 35% of the income obtained from these transactions

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

## Accounting currency

The Compartment's accounting is carried out in euros.

## Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**C-EUR equities classes**: Capitalisation of all the amounts available for distribution.

**D-EUR equities classes**: The Board of directors reserves the right to capitalise and/or distribute all or part of the incomes, one or more times each year. The realised net capital gain will be capitalised.

# appendix

The Compartment in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE TMX Global Debt Capital Markets (collectively referred to as the “Holders”).  
FTSE TMX Global Debt Capital Markets cannot be held liable for the promotion or marketing of the Compartment.  
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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>23,750,424.62</b>	<b>33,341,947.29</b>
Subscriptions (including subscription commission acquired by the CIU)	-	24,851,086.80
Redemptions (less the redemption commission acquired by the CIU)	-1,622,307.00	-34,640,143.10
Capital gains generated on deposits and financial instruments	360,660.22	1,270,699.17
Capital losses generated on deposits and financial instruments	-735,874.09	-1,628,048.94
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	-125,277.78	-430,606.51
- <i>Estimate difference fiscal year N</i>	-258,218.90	-132,941.12
- <i>Estimate difference fiscal year N-1</i>	-132,941.12	297,665.39
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	547,608.06	985,489.91
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>22,178,234.03</b>	<b>23,750,424.62</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	21,696,460.60	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR MTS 1-3Y SPAIN GOVERNMENT BOND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	21,696,460.60	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	212,302.76
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	21,696,460.60	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	212,302.76	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	3,529.33
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	3,204.66
Miscellaneous debtors and creditors	324.67
-	-
-	-
-	-
Other operations	-



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(compartment of the Multi Units France mutual fund)

### 3.6 Shareholders' equity

Equity category issued/redeemed during the fiscal year:	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
EQUITY C-EUR / FR0011501618	-	-	15,000	1,622,307.00
EQUITY D-EUR / FR0011501634	-	-	-	-
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-EUR / FR0011501618		-		-
EQUITY D-EUR / FR0011501634		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-EUR / FR0011501618		-		-
EQUITY D-EUR / FR0011501634		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY C-EUR / FR0011501618		-		-
EQUITY D-EUR / FR0011501634		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-EUR / FR0011501618	<b>0.17</b>
EQUITY D-EUR / FR0011501634	-
Performance commissions (variable fees): amount of costs for the fiscal year	<b>Amount</b>
Equity category:	
EQUITY C-EUR / FR0011501618	-
EQUITY D-EUR / FR0011501634	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt instruments	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt instruments	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
	- CIU	-
	- other financial instruments	-

**3.10 Allocation of the earnings table** *(in the CIU's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

LYXOR MTS 1-3Y SPAIN GOVERNMENT BOND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
Allocation of the earnings	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	545,438.61	717,267.72
<b>Total</b>	<b>545,438.61</b>	<b>717,267.72</b>

EQUITY C-EUR / FR0011501618	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	545,438.61	717,267.72
<b>Total</b>	<b>545,438.61</b>	<b>717,267.72</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

EQUITY D-EUR / FR0011501634	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-	-
<b>Total</b>	-	-
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the CIU's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

LYXOR MTS 1-3Y SPAIN GOVERNMENT BOND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-369,235.86	-321,186.35
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-369,235.86</b>	<b>-321,186.35</b>

EQUITY C-EUR / FR0011501618	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-369,235.86	-321,186.35
<b>Total</b>	<b>-369,235.86</b>	<b>-321,186.35</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY D-EUR / FR0011501634	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

LYXOR MTS 1-3Y SPAIN GOVERNMENT BOND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

**3.12 Table of the earnings and other characteristic elements of the Mutual fund during the last 5 fiscal years**

*Mutual fund creation date: 18 June 2013.*

Compartment currency

EUR	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>22,178,234.03</b>	23,750,424.62	33,341,947.29	15,033,997.66	4,825,404.58

EQUITY C-EUR / FR0011501618

Currency of the UNIT and of the NAV: EUR

	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>205,000</b>	220,000	310,000	142,000,	47,000
<b>Net asset value</b>	<b>108.1865</b>	107.9564	107.5546	105.8732	102.6681
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>0.85</b>	1.80	-2.11	9.93	0.53

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the CIU. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY D-EUR / FR0011501634

Currency of the UNIT and of the NAV: EUR

	31.10.2017	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	-	-	-	-	-
<b>Net asset value</b>	-	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	-	-	-2.11	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the CIU. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
ES00000127H7	BONOS Y OBLIG DEL ESTADO 1.15% 30/07/2020	PROPRE	2,410,000.00	2,502,406.99	EUR	11.28
ES00000128A0	KINGDOM OF SPAIN 0.25% 31/01/2019	PROPRE	2,292,000.00	2,313,392.52	EUR	10.43
ES00000126C0	SPAIN 1.40% 31/01/2020	PROPRE	2,907,000.00	3,043,913.74	EUR	13.72
ES00000124V5	SPAIN 2.75% 30/04/2019	PROPRE	2,825,000.00	2,996,586.83	EUR	13.51
ES00000122D7	SPAIN 4% 30/04/20	PROPRE	2,826,000.00	3,178,850.29	EUR	14.33
ES00000121L2	SPAIN 4.6% 30/07/2019	PROPRE	2,537,000.00	2,786,127.31	EUR	12.56
ES00000122T3	SPAIN 4.85% 31/10/2020	PROPRE	2,064,000.00	2,370,691.31	EUR	10.69
ES00000121O6	SPANISH 4.3% 31/10/19	PROPRE	2,543,000.00	2,777,491.61	EUR	12.52
<i>Total Bond</i>				<b>21,969,460.60</b>		<b>99.06</b>
<i>Total Investment Securities</i>				<b>21,969,460.60</b>		<b>99.06</b>
<i>Cash</i>						
<i>OTHER</i>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-324.67	EUR	-0.00
<i>Total OTHER</i>				<b>-324.67</b>		<b>-0.00</b>
<i>AT BANK OR PENDING</i>						
	EUR SGP BANK	PROPRE	0.00	212,302.76	EUR	0.96
<i>Total AT BANK OR PENDING</i>				<b>212,302.76</b>		<b>0.96</b>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-3,204.66	EUR	-0.01
<i>Total MANAGEMENT FEES</i>				<b>-3,204.66</b>		<b>-0.01</b>
<i>Total Cash</i>				<b>208,773.43</b>		<b>0.94</b>
<b>Total LYXOR UCITS ETF MTS 1-3Y SPAIN GOVERNMENT BOND</b>				<b>22,178,234.03</b>		<b>100.00</b>



# LYXOR CSI 300 A-SHARE UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR CSI 300 A-SHARE UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR CSI 300 A-SHARE UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

International equities.

At least 60% of the LYXOR CSI 300 A-SHARE UCITS ETF Compartment (the “Compartment”) is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index Compartment.

### **Terms of determination and allocation of incomes:**

**Class of C-EUR equities:** Income capitalisation.

**Class of D-EUR equities:** The Board of directors reserves the right to capitalise and/or distribute all or part of the incomes.

**Class of C-USD equities:** Income capitalisation.

**Class of D-USD equities:** The Board of directors reserves the right to capitalise and/or distribute all or part of the incomes.

### **Management objective:**

The management objective is to replicate the evolution, upwards or downwards, of the CSI 300 Net Total Return Index (“Benchmark Indicator”) listed in Chinese Yuan (“CNY”) and representative of the performance of the large capitalisations on the “A Shares” market, namely securities issued by companies founded in the people’s Republic of China, excluding Hong Kong, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.30%.

### **Benchmark indicator:**

The Benchmark Indicator is a Total Return type index (i.e. all dividends detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator).

The Benchmark Indicator measures the performance of the “A Shares” market, i.e. securities issued by companies founded in People’s Republic of China, excluding Hong Kong, traded on the Shanghai and Shenzhen stock exchanges and listed in Chinese Yuan (“CNY”), by targeting, in general, the 300 largest capitalisations and the most important liquid equities among all A Shares.

The Benchmark Indicator is a weighted index by free-float market capitalisation.

The Benchmark Indicator is calculated by China Securities Index Co., Ltd. (“CSI”), a joint venture incorporated on 25 August 2005 between the Shanghai and Shenzhen stock exchange, specialising in the management of financial indices and in the delivery of services allocated with these indices.

### **Benchmark Indicator revision and composition**

The Benchmark Indicator is revised every six months, according to the methodology described in the Benchmark Indicator’s Rulebook, available on the website of China Securities Index Co. Ltd. at: [www.csindex.com.cn](http://www.csindex.com.cn).

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the Internet site: [www.csindex.com.cn](http://www.csindex.com.cn).

#### **Benchmark Indicator publication**

The Benchmark Indicator fixing price is provide daily by Reuters and Bloomberg.

Reuters code: CSIN00300

Bloomberg code: CSIN00300

The Benchmark Indicator's closing price is available at the Internet site: [www.csindex.com.cn](http://www.csindex.com.cn).

#### **Investment strategy:**

##### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

##### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets).

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,
  - o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
  - o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
  - o Geographical area,
  - o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the financial manager by delegation, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

Any counterparty chosen by the Compartment as counterparty to a contract on future financial instruments should be a first class financial institution authorised for matched principal trading.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None. The Compartment will not invest in securities comprising derivatives.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The Compartment will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;

(e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (“FFI”) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment’s equity price can deviate from its indicative net asset value. The liquidity of the Compartment’s equities on a place of listing can be affected by any suspension that could notably be due to:

- Suspension or stoppage of the calculation of the Benchmark Indicator, and/or;
- Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or;
- The impossibility for a given place of listing to obtain or calculate the Compartment’s indicative net asset value, and/or;
- A market maker’s violation of the rules applicable to this marketplace, and/or;
- A failure of this marketplace’s IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment’s assets by counterparty.

In case of a Counterparty’s default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment’s ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment’s management company and the FFI’s counterparty. The management company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the Benchmark Indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment’s net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment’s manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment’s underlyings can affect the Compartment’s tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment’s net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment’s underlyings, the Compartment’s net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment bonds. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution;
- ii) The Benchmark Indicator is definitively discontinued by the Benchmark Indicator;
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator;
- iv) The supplier of the Benchmark Indicator makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost;
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid;
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Exchange risk linked to the C-EUR and D-EUR (EUR/CNY) equity classes

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark Indicator. Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark Indicator, as a result of exchange rate fluctuations.

- Exchange risk linked to the C-USD and D-USD (USD/CNY) equity classes

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark Indicator. Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark Indicator, as a result of exchange rate fluctuations.

- Risk related to the exposure to Emerging markets

The Compartment's exposure to emerging markets results in a greater risk of loss than would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the Benchmark Indicator.

- Specific risks linked to investment in People's Republic of China:

Persons buying Compartment shares must be aware of the following risks inherent to any investment in People's Republic of China ("PRC"):

- Economic, political and social risks

Any political change, social instability or insecurity and unfavourable diplomatic evolution which may occur in or in connection with the PRC could result in the introduction by the Chinese State of additional restrictions and limits, notably expropriation, excessive taxes or nationalisation of certain companies included in the Benchmark Indicator. Investor's attention is also drawn to the fact that any change in the politics of the PRC could have an adverse impact on PRC stock exchange and on the performances of the compartment and could result in the winding up of the Compartment by decision of the Board of Directors.

- Economic risks in the PRC

The economy of the PRC has recently grown very rapidly. It is, however, not certain that this growth will continue and it is possible that the growth will be uneven between the different sectors of the PRC economy. Moreover, the PRC government has from time to time put in place various measures to prevent the economy from overheating.

Moreover, the transformation of the PRC's economy from a socialist economy to a more market-oriented economy has resulted in economic and social tensions in this country such that no guarantee can be given that this transformation will continue or will remain a success. All these considerations could negatively affect the performances of the Compartment.

**- Capital repatriation risks**

The system for repatriating capital is subject to the approval by the Chinese SAFE ("State Administration of Foreign Exchange") and there are restrictions required regarding the sums and frequency of such repatriation. The Compartment has recourse to swap contracts that are traded OTC outside the People's Republic of China so the restrictions or suspension regarding the ability of entities having the capacity of qualified foreign institutional investor – "QFII" to repatriate amounts in foreign currencies should not affect the operation of the Compartment.

However, when the swap counterparty is also a QFII or if this swap counterparty enters into a hedge with an affiliated company with QFII status, any impossibility for such QFII to repatriate currencies could possibly result in liquidity problems for the swap counterparty, which could certainly have a negative impact on the Compartment.

Furthermore, the regulations or certain economic standards in PRC regarding the legal status of the repatriation to or convertibility of amounts in foreign currencies originating in the local Chinese market on other markets could be modified in a way that is detrimental, irrespective of the will of the mutual fund and the Management Company.

Where applicable, the regulatory developments and unfavourable situations described above, which disrupt or restrict the convertibility or transferability of foreign currencies could potentially, not only:

- Negatively affect the ability of the Compartment to properly achieve its investment objective, and/or;
- Adversely affect the performances of the Compartment, but could also
- Ultimately result in the winding up of the Compartment by decision of the Board of Directors.

**- Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Legal system in the PRC**

The legal system in the PRC is based on statutory law. Nevertheless a major part of the legislation and regulations have not yet been tested and it is certain that they will be effectively applied. In particular, the PRC's regulations regarding the exchange rate controls are relatively recent and their application is still very uncertain. Moreover these regulations allow the China Securities Regulatory Commission – "CSRC" and the State Administration of Foreign Exchange – "SAFE" considerable discretion as to how they interpret the regulations, which is a source of uncertainty regarding how they are applied and used. All these considerations could have negatively repercussions of the Compartment's performances.

The Compartment's shareholders have no rights to the underlying "A shares".

An investment in "A shares" (which include the securities made up to the Benchmark Indicator) and their trading by foreign companies, means that the latter must have received QFII status from the CSRC and a QFII quota from SAFE. Given that this Compartment does not have the QFII status, it will obtain its economic exposure to these securities through an OTC swap. OTC swaps do not confer any rights or interest, neither beneficial ownership nor equity rights, to the relevant A shares to which the OTC swaps relate. As a result, investors must be aware that an investment in the Compartment is not the equivalent of owning the A shares making up the benchmark Indicator. Investors will thus have no right to such A shares, neither as beneficial owners nor as owners. As an OTC swap represents an obligation of the swap Counterparty rather than a direct investment in A shares, the Compartment may suffer losses equal to the total value of the swap if the swap Counterparty fails to meet its obligations incumbent to it by virtue of the swap contract.

**Investment quota allocated to investors with QFII status**

The PRC's regulations governing QFII status can be modified at any time by the CSRC and/or SAFE which could have a prejudicial and negative impact on the Compartment's ability to achieve its investment objective and could result in the winding-up of the Compartment. In particular, the QFII status means that any increase in the investment quota is subject to authorisation from SAFE. If an investor with QFII status wishes to increase its own quota at any given time, it may take quite a long time for SAFE approval to be obtained. Any restriction placed on the amount of the quota made available to the swap Counterparty by the CSRC and SAFE could, over a certain period, prevent the latter from increasing the size of the transactions relating to OTC traded swaps, in which case the Board of Directors could decide to close the Compartment to all new subscriptions if it proves impossible to designate another swap counterparty for the Compartment. As a result, this restriction could affect the shares, which could trade at a price above their net asset value. Finally, if the swap Counterparty loses its QFII status or the related quota, it is lawful for the Board of Directors to wind up the Compartment, especially if it is impossible to find another swap counterparty.



### **State control of exchange rates and of future exchange rate variations**

Since 1994, the conversion of CNY into USD has been at the rates fixed by the People's Bank of China; the rates are fixed daily based on the exchange rates observed the previous day on the interbank market in the PRC. On 21 July 2005, the government of the PRC introduced a floating exchange rate regime managed such that the value of the CNY fluctuates in line with supply and demand within a range fixed by the authorities as well as with reference to a basket of currencies. No guarantee can be given that in the future the CNY exchange rate will not fluctuate significantly against the USD or other currencies. Any appreciation of the CNY against the USD or the EUR will increase the performances of the Benchmark Indicator expressed in USD or in EUR which replicates the Compartment by means of an OTC swap, and therefore its net asset value, which will be expressed in USD or in EUR, and vice versa.

### **Dependence on the A shares market**

The existence of a liquid market for the A shares can depend on the supply of and demand for A shares. It should be noted that the Shanghai and Shenzhen stock exchanges, on which the A shares are listed, are undergoing huge changes and that their market capitalisation and the volume of trades carried out on these exchanges is lower than on the stock exchanges of the developed countries. The volatility of the markets in A shares and the difficulties in settling trades in the same could result in not-insignificant fluctuations in the price of the securities traded on these markets, and ultimately in the net asset value of the Compartment.

### **Taxation in the PRC**

Several tax reforms have been introduced by the government of the PRC in recent years, and it is possible that the current tax rules will be revised or modified in the future. Any change in tax policy could lead to a reduction in after-tax profits for companies in the PRC on which the Compartment's performance depend.

Moreover, even if the PRC's State Administration of Taxation has confirmed a withholding tax on income in the form of dividends, premiums and interest paid to investors with QFII status, it should be noted that it is impossible to know with certainty what obligations of these investors are in respect of tax deducted by the PRC on capital gains and profits (apart from dividend, premium and interest income). The OTC swap contracts concluded between the Compartment and the swap Counterparty will accordingly contain a specific clause in the section on contractual obligation under which the Compartment undertake to indemnify the swap Counterparty with any future or respective tax charge which could arise from the transactions carried out by the swap Counterparty on the A shares and the holding of such shares by the same for the purposes of hedging these OTC shares.

If the Valuation Agent for the swaps and the Compartment believes that the risk of a similar withholding tax being levied on the gains realised by QFII investors is becoming significant, they can at any moment adjust the valuation in order to take account of the expected amount of the tax liability. Any adjustment to the valuation of the OTC swaps thus made will remain in force until the position of the swap Counterparty in respect of the PRC taxes is known and the Valuation Agent for the swaps should then:

- Decide either that any amount thus deducted from the value of these OTC swaps is sufficient to cover the corresponding tax liability of the swap Counterparty in which case the Valuation Agent for the swaps can decide to adjust the value of these OTC swaps upwards, in order to correct any over-adjustment that has been made, or
- Decide that any amount thus deducted from the value of these OTC swaps is not sufficient to cover the corresponding tax liability of the swap Counterparty, on which case the Valuation Agent for the swaps can decide to further adjust the value of these OTC swaps.

Consequently, we would draw investors' attention to the fact that:

- The net asset value of the Compartment may be diminished by any such adjustment made to the value of the OTC swaps;
- The diminution in the performances of the Compartment which shareholders may experience following such adjustment will depend on the date on which they bought and/or sold the shares in the Compartment; and
- The scale of this diminution on the performances of the Compartment may not be proportional to the number of equities that an investor holds in the Compartment due to a potential retrospective amendment to the tax due in the PRC and, in certain circumstances, this could amount to 100% of the net asset value of a share class.

According to the provisions of the PRC Corporate Income Tax law (effective from 1 January 2008), dividends, premiums, interest and capital gains originating in the PRC and paid to a company that is not resident in the PRC for tax purposes, are subject to a withholding tax of 10%. This withholding tax may be reduced by virtue of a double taxation treaty with China, provided that certain conditions are met and that the PRC's tax administration is in agreement. Although PRC's tax administration may apply a withholding tax to the dividends, premiums and interest paid by companies resident in China for tax purposes to investors with QFII status, it has not yet decided to tax the recovery of the withholding tax on the capital gains by the latter.

Although currently in the PRC, withholding tax is not yet charged on capital gains realised by QFII on the disposal of A shares, there is still a risk that the PRC's tax administration will try to impose a withholding tax on capital gains without any prior notice.

Moreover, there is a potential risk of this tax measure being applied retrospectively. Any withholding tax on capital gains charged to a QFII investor and owned by the latter can be passed onto the Compartment as set out above. The Management Company has decided that no provision will be set aside at this moment by the Compartment for such potential withholding tax. Consequently, any retrospective application of this tax could lead to a considerable, or even significant, fall in the Compartment's net asset value per share. As a result, it is possible that an investor will suffer losses due to the introduction of withholding tax on the capital gains payable to a QFII for periods before the investor's acquisition of his holdings in the Compartment and that these losses are inconsistent with the gain or loss resulting from the participation of this shareholder in the Compartment.

It should be noted further that where applicable dividends paid to shareholders by the Compartment derive from the receipt of corresponding amounts under the OTC swaps and that all amounts of this kind will be net of the withholding tax on dividends, premiums and interest prevailing in the PRC.

On top of the withholding tax on dividends, premiums, interests and capital gains referred to above, the PRC has, since 19 September 2008, deducted from the seller a stock exchange tax on the transfer of A shares equal to 0.1% of the value of the transferred shares.

**Standards for accounting and communication of information:**

The standards for accounting, audits and communication of financial data, as well as the practices applying to PRC companies in these areas may be different from those applying in countries where the financial markets are more developed. These disparities can affect areas such as the methods for valuing assets and the rules for communicating information to investors.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing for this Compartment wishes to be exposed upwards or downwards to performance of the large capitalisations on the "A shares" market, namely, securities issued by companies incorporated in People's Republic of China, excluding Hong Kong.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 23 August 2013.*
- *Compartment creation date: 10 September 2003.*

## Activity report

The net asset value of the unit C-EUR of the LYXOR CSI 300 A-SHARE UCITS ETF Compartment shows an evolution of 15.43% over the fiscal year and stands at EUR 168.5983 on 31/10/2017, resulting in the fund's performance being equal to 68.60% since inception.

The net asset value of the unit C-USD of the LYXOR CSI 300 A-SHARE UCITS ETF Compartment shows an evolution of 22.67% over the fiscal year and stands at USD 148.0485 on 31/10/2017 resulting in the fund's performance being equal to 48.05% since inception.

The fund replicates the performance of the CSI 300 Net Return Index, listed in Chinese Yuan (CNY), representative of the performance on the A shares market, namely securities issued by companies incorporated in People's Republic of China, excluding Hong Kong, that are traded on Shanghai and Shenzhen stock exchange and listed in Chinese Yuan, and that target, in general the 300 more capitalised and more liquidated equities among all A shares.

This index has shown an evolution of 22.29% over the fiscal year. As the classes C-EUR, C-USD, is not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 4.02% compared to the CNY, the USD decreased by 2.12% compared to the CNY.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the CSI 300 Net Return Index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the CSI 300 Net Return Index.

The equities held as assets by the Compartment will notably be equities that make up the CSI 300 Net Return Index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 6 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0951% for the Compartment. The level of the tracking error for the period was of 0.3%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission (not audited by the auditor)

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

## Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

## Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
2.5	3.8	3.8	4.2

Portfolio rated 52%  
Nb Securities rated 108

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>3.8</b>	<b>10.4%</b>
	Climate Change	4.0	4.5%
	Environmental Opportunities	5.0	3.0%
	Natural Capital	2.3	1.0%
	Pollution & Waste	2.4	1.9%
<b>Social</b>		<b>3.8</b>	<b>31.0%</b>
	Human Capital	3.3	11.9%
	Product Liability	3.7	13.9%
	Social Opportunities	5.6	5.0%
	Stakeholder Opposition	2.8	0.1%
<b>Governance</b>		<b>4.2</b>	<b>20.5%</b>
	Corporate Behavior	2.5	9.1%
	Corporate Governance	5.6	11.4%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	0%
Average (A, BBB,BB)	43%
Laggards (B,CCC)	18%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary			0.6%		0.4%	0.6%	0.2%	
Energy					0.7%	0.1%	1.7%	
Financials			9.5%	25.0%	5.2%	2.0%		
Health Care			1.2%					
Industrials			0.3%	2.4%	1.8%	2.2%		
Information Technology						1.3%		
Materials						0.2%	2.8%	
Real Estate				3.3%	0.3%			

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	1%
Orange Flag	2%
Yellow Flag	31%
Green Flag	31%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	32%
256	287	264	Scope 1 reported (vs estimated)	4%
			Scope2 reported (vs estimated)	0%
			Scope 1& 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

Weight of the portfolio	
Fossil Fuel Reserves	7%
Thermal Coal	4%
Natural Gas	3%
Oil	3%

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	4%
20-49.9%	14%
50-100%	0%

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;

- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.



**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	2,838,224
% of assets under management	-	-	-	-	59.31

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	BNP PARIBAS
	Amount	41,498
2	Name	IMERYS
	Amount	31,198
3	Name	RHEINMETALL
	Amount	11,441
4	Name	BANCA GENERALI
	Amount	9,559
5	Name	INTERPUMP GROUP
	Amount	8,181
6	Name	VICAT
	Amount	5,711
7	Name	ARRIS INTERNATIONAL
	Amount	5,382
8	Name	SEB
	Amount	5,280
9	Name	BOUYGUES
	Amount	4,905
10	Name	RUBIS
	Amount	4,634



**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	2,838,224

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	132,418
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	132,418

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	127,036
2	Currency		-	-	-	USD
	Amount		-	-	-	5,382

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	2,838,224
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	2,838,224

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	2,838,224

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	132,418

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>4,919,248.96</b>	<b>5,304,967.79</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	4,834,869.40	5,304,967.79
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	84,379.56	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>1.02</b>	<b>1.03</b>
Liquidity	1.02	1.03
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>4,919,249.98</b>	<b>5,304,968.82</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	4,616,029.95	7,795,138.81
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	186,470.79	-2,682,250.97
• Earnings of the fiscal year	-17,301.39	-20,448.05
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>4,785,199.35</b>	<b>5,092,439.79</b>
<b>Financial instruments</b>	<b>132,417.97</b>	<b>210,812.88</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	132,417.97	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	210,812.88
<b>Debts</b>	<b>1,632.66</b>	<b>1,716.15</b>
Future foreign exchange operations	-	-
Other	1,632.66	1,716.15
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>4,919,249.98</b>	<b>5,304,968.82</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	2,838,224.10	3,486,473.45
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-20,127.47	-73,023.64
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-20,127.47</b>	<b>-73,023.64</b>
Adjustment of the fiscal year's earnings (V)	2,826.08	52,575.59
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-17,301.39</b>	<b>-20,448.05</b>



## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value.

Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.
- Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.40% per year
Transactions commissions	Collection on each transaction	None
Outperformance commissions	Net assets	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**Class of C-EUR equities:** Income capitalisation.

**Class of D-EUR equities:** The Board of directors reserves the right to capitalise and/or distribute all or part of the incomes.

**Class of C-USD equities:** Income capitalisation.

**Class of D-USD equities:** The Board of directors reserves the right to capitalise and/or distribute all or part of the incomes.

# appendix

The CSI 300 Net Total Return Index is calculated by China Securities Index Company ("CSI"). CSI gives no guarantee, express or implicit, to any of its clients or to any other party as to the accuracy or completeness of any data relating to the Benchmark Indicator. All information is purely indicative. CSI is not liable for any errors or for any losses resulting from the use of such data.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>5,092,439.79</b>	<b>48,716,908.67</b>
Subscriptions (including subscription commission acquired by the Compartment)	114,601.55	2,047,386.14
Redemptions (less the redemption commission acquired by the Compartment)	-1,107,703.90	-36,412,358.54
Capital gains generated on deposits and financial instruments	1,176,468.57	7,043,281.08
Capital losses generated on deposits and financial instruments	-167,790.50	-9,133,606.35
Capital gains generated on financial contracts	9,713,456.73	111,963,931.86
Capital losses generated on financial contracts	-10,478,558.35	-120,265,360.54
Negotiation fees	-	-
Exchange differentials	-62,652.76	1,555,589.14
Changes to the estimate difference of the deposits and financial instruments:	229,873.25	-2,386,611.63
- <i>Estimate difference fiscal year N</i>	255,020.07	25,146.82
- <i>Estimate difference fiscal year N-1</i>	25,146.82	2,411,758.45
Changes to the estimate difference of financial contracts:	295,192.44	2,036,303.60
- <i>Estimate difference fiscal year N</i>	84,379.56	-210,812.88
- <i>Estimate difference fiscal year N-1</i>	-210,812.88	-2,247,116.48
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-20,127.47	-73,023.64
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>4,785,199.35</b>	<b>5,092,439.79</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	2,838,224.10	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	1.02
<b>Liabilities</b>				
Temporary financial securities operations	132,417.97	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	132,417.97	-	-	-	-
Financial accounts	1.02	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	2,838,224.10	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	USD	SEK	CHF	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	100,238.94	87,038.32	38,471.60	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>1,632.66</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	1,632.66
-	-
-	-
-	-
-	-
Other operations	-

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### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year:				
EQUITIES C-EUR / FR0011526870	-	-	-	-
EQUITIES C-USD / FR0011526904	1,000	114,601.55	9,600	1,107,703.90
Subscription / redemption commission by equity category:		Amount		Amount
EQUITIES C-EUR / FR0011526870		-		-
EQUITIES C-USD / FR0011526904		-		-
Remittances by equity category:		Amount		Amount
EQUITIES C-EUR / FR0011526870		-		-
EQUITIES C-USD / FR0011526904		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITIES C-EUR / FR0011526870		-		-
EQUITIES C-USD / FR0011526904		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITIES C-EUR / FR0011526870	<b>0.40</b>
EQUITIES C-USD / FR0011526904	<b>0.40</b>
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITIES C-EUR / FR0011526870	-
EQUITIES C-USD / FR0011526904	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-



### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	<b>84,379.56</b>

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

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	31.10.2017	31.10.2016
Allocation of the earnings	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-17,301.39	-20,448.05
<b>Total</b>	<b>-17,301.39</b>	<b>-20,448.05</b>

EQUITIES C-EUR / FR0011526870	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-1,219.14	-1,172.99
<b>Total</b>	<b>-1,219.14</b>	<b>-1,172.99</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

EQUITIES C-USD / FR0011526904	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-16,082.25	-19,275.06
<b>Total</b>	<b>-16,082.25</b>	<b>-19,275.06</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the *Compartment's* currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	186,470.79	2,682,250.97
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>186,470.79</b>	<b>2,682,250.97</b>

EQUITIES C-EUR / FR0011526870	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-58,603.52	-2,037,368.37
<b>Total</b>	<b>-58,603.52</b>	<b>-2,037,368.37</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITIES C-USD / FR0011526904	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	245,074.31	-644,882.60
<b>Total</b>	<b>245,074.31</b>	<b>-644,882.60</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 10 September 2013.

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>4,785,199.35</b>	5,092,439.79	48,716,908.67	57,797,373.41	48,304,252.05

EQUITIES C-EUR / FR0011526870		Currency of the equity and of the NAV: EUR			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>2,000</b>	2,000	2,000	2,000	10,000
<b>Net asset value</b>	<b>168.5983</b>	146.0627	164.9349	107.4427	93.7889
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-29.91</b>	-1,019.27	-63.96	366.77	920.05

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITIES C-USD / FR0011526904		Currency of the equity and of the NAV: USD			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Number of circulating equities</b>	<b>35,000</b>	43,600	389,200	711,000	670,000
<b>Net asset value</b>	<b>148.0485</b>	120.6904	137.3348	101.4699	96.1112
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>6.54</b>	-15.23	40.43	10.08	-86.43

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0011540547	ABN AMRO GROUP N.V.	PROPRE	1,739.00	46,109.59	EUR	0.96
DE000A1EWWW0	ADIDAS NOM	PROPRE	644.00	123,036.20	EUR	2.57
ES0105046009	AENA SME SA	PROPRE	403.00	63,472.50	EUR	1.33
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	3,140.00	275,535.00	EUR	5.76
DE0008404005	ALLIANZ SE-NOM	PROPRE	1,099.00	219,085.65	EUR	4.58
NL0011333760	ALTICE NV	PROPRE	84.00	1,359.96	EUR	0.03
US0231351067	AMAZON.COM	PROPRE	82.00	77,799.87	USD	1.63
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	842.00	88,452.10	EUR	1.85
GB00BZ04Y379	ARRIS INTERNATIONAL LIMITED	PGARAN	220.00	5,382.21	USD	0.11
NL0000334118	ASM INTERNATIONAL NV	PROPRE	1,404.00	80,758.08	EUR	1.69
IT0001031084	BANCA GENERALI	PGARAN	338.00	9,558.64	EUR	0.20
DE000BASF111	BASF SE	PROPRE	2,272.00	212,704.64	EUR	4.45
DE000BAY0017	BAYER AG	PROPRE	1,290.00	144,093.00	EUR	3.01
DE0005190003	BAYERISCHE MOTORENWERKE	PROPRE	1,052.00	92,050.00	EUR	1.92
FR0000131104	BNP PARIBAS	PGARAN	619.00	41,497.76	EUR	0.87
FR0000120503	BOUYGUES	PGARAN	119.00	4,904.59	EUR	0.10
FR0000031775	CIMENTS VICAT SA	PGARAN	86.00	5,711.26	EUR	0.12
DE0006062144	COVESTRO AG	PROPRE	2,538.00	209,029.68	EUR	4.37
DE0007100000	DAIMLER	PROPRE	2,319.00	165,321.51	EUR	3.45
FR0000120644	DANONE	PGARAN	66.00	4,629.24	EUR	0.10
DE0008232125	DEUTSCHE LUFTHANSA NOM	PROPRE	2,980.00	81,652.00	EUR	1.71
DE0005557508	DEUTSCHE TELEKOM AG-NOM	PROPRE	7,885.00	123,321.40	EUR	2.58
DE000ENAG999	E.ON SE	PROPRE	15,648.00	158,514.24	EUR	3.31
US30303M1027	FACEBOOK A	PROPRE	34.00	5,255.20	USD	0.11
DE0005785802	FRESENIUS MEDICAL CARE AG & CO	PROPRE	864.00	71,729.28	EUR	1.50

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	3,067.00	219,934.57	EUR	4.60
CH0030170408	GEBERIT AG-NOM	PROPRE	67.00	26,056.84	CHF	0.54
CH001221405E	HOLCIM LTD-NOM EUR	PROPRE	357.00	17,278.80	EUR	0.36
FR0000120859	IMERYS SA	PGARAN	399.00	31,197.81	EUR	0.65
NL0011821202	ING GROUP NV	PROPRE	9,353.00	148,338.58	EUR	3.10
IT0001078911	INTERPUMP GROUP	PGARAN	283.00	8,181.53	EUR	0.17
BE0003565737	KBC GROUPE	PROPRE	285.00	20,323.35	EUR	0.42
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	12,076.00	195,087.78	EUR	4.08
NL0000009827	KONINKLIJKE DSM NV	PROPRE	726.00	53,172.24	EUR	1.11
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	8,739.00	305,471.75	EUR	6.38
DE000LEG1110	LEG IMMOBILIEN	PROPRE	4,941.00	430,855.20	EUR	9.00
DE0005937007	MAN AG	PROPRE	136.00	12,903.68	EUR	0.27
DE000A0D9PT0	MTU AERO ENGINES HLDG AG	PROPRE	421.00	60,939.75	EUR	1.27
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	PROPRE	90.00	17,284.50	EUR	0.36
US62944T1051	NVR	PROPRE	2.00	5,633.50	USD	0.12
DE0007030009	RHEINMETALL AG	PGARAN	113.00	11,441.25	EUR	0.24
DE0007030009	RHEINMETALL AG	PROPRE	700.00	70,875.00	EUR	1.48
FR0013269123	RUBIS SCA	PGARAN	86.00	4,633.68	EUR	0.10
FI0009003305	SAMPO A	PROPRE	257.00	11,559.86	EUR	0.24
DE0007164600	SAP SE	PROPRE	1,740.00	169,928.40	EUR	3.55
FR0000121709	SEB	PGARAN	33.00	5,280.00	EUR	0.11
DE0007236101	SIEMENS AG-NOM	PROPRE	1,230.00	150,675.00	EUR	3.15
SE0000242455	SWEDBANK A SHS A	PROPRE	4,085.00	87,038.32	SEK	1.82
DE000TLX1005	TALANX AG	PROPRE	1,541.00	51,954.82	EUR	1.09
ES0178430E18	TELEFONICA SA	PROPRE	7,319.00	65,914.91	EUR	1.38
CH0244767585	UBS GROUP INC NAMEN AKT	PROPRE	849.00	12,414.76	CHF	0.26
US9130171096	UNITED TECHNOLOGIES CORP	PROPRE	60.00	6,168.16	USD	0.13
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	1,512.00	235,720.80	EUR	4.93



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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE000A1ML7J1	VONOVIA SE NAMEN AKT	PROPRE	2,321.00	87,640.96	EUR	1.83
<b>Total Equity</b>				<b>4,834,869.40</b>		<b>101.04</b>
<b>Total Investment Securities</b>				<b>4,834,869.40</b>		<b>101.04</b>
<b>Interest rate swap</b>						
SWAP03547728	FEES LEG C EUR LYX E	PROPRE	1.00	115.03	EUR	0.00
SWAP03547750	FEES LEG C USD LYX E	PROPRE	1.00	1,517.64	EUR	0.03
SWAP03547786	INDEX LEG C EUR LYX	PROPRE	200,000.00	337,196.73	EUR	7.05
SWAP03547817	INDEX LEG C USD LYX	PROPRE	2,638,224.10	4,448,001.57	EUR	92.95
SWAP03547737	VRAC LEG LYX ETF CSI	PROPRE	2,838,224.10	-4,702,451.41	EUR	-98.27
<b>Total Interest rate swap</b>				<b>84,379.56</b>		<b>1.76</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	1.02	EUR	0.00
<b>Total AT BANK OR PENDING</b>				<b>1.02</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-1,632.66	EUR	-0.03
<b>Total MANAGEMENT FEES</b>				<b>-1,632.66</b>		<b>-0.03</b>
<b>Total Cash</b>				<b>-1,631.64</b>		<b>-0.03</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02060630	PDC LYXODE0007030009	PGAR1	-11,441.25	-11,441.25	EUR	-0.24
PDC-02060646	PDC LYXOFR0000031775	PGAR1	-5,711.26	-5,711.26	EUR	-0.12
PDC-02060606	PDC LYXOFR0000120503	PGAR1	-4,904.59	-4,904.59	EUR	-0.10
PDC-02060612	PDC LYXOFR0000120644	PGAR1	-4,629.24	-4,629.24	EUR	-0.10
PDC-02060618	PDC LYXOFR0000120859	PGAR1	-31,197.81	-31,197.81	EUR	-0.65
PDC-02060641	PDC LYXOFR0000121709	PGAR1	-5,280.00	-5,280.00	EUR	-0.11
PDC-02060600	PDC LYXOFR0000131104	PGAR1	-41,497.76	-41,497.76	EUR	-0.87
PDC-02060634	PDC LYXOFR0013269123	PGAR1	-4,633.68	-4,633.68	EUR	-0.10
PDC-02060588	PDC LYXOGB00BZ04Y379	PGAR1	-6,270.00	-5,382.21	USD	-0.11
PDC-02060594	PDC LYXOIT0001031084	PGAR1	-9,558.64	-9,558.64	EUR	-0.20

LYXOR CSI 300 A-SHARE UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
PDC-02060624	PDC LYXOIT0001078911	PGAR1	-8,181.53	-8,181.53	EUR	-0.17
<i>Total AD1 REME: Deposit of Collateral (File)</i>				<i>-132,417.97</i>		<i>-2.77</i>
<i>Total Files</i>				<i>-132,417.97</i>		<i>-2.77</i>
<b>Total LYXOR CSI 300 A-SHARE UCITS ETF</b>				<b>4,785,199.35</b>		<b>100.00</b>

# LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

**Classification:**

International equities.

At least 60% of the LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF Compartment (the “Compartment”) is continuously exposed in one or several markets of equities issued in one or several Euro zone countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

**Terms of determination and allocation of amounts available for distribution:**

**Class of C-EUR equities:** Capitalisation of all the amounts available for distribution.

**Management objective:**

The Compartment’s investment objective is to replicate, upwards or downwards, the evolution of the MSCI Emerging Markets Latin America Net Total Return (the “Benchmark Indicator”), listed in US dollars (USD), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator. It is representative of performances of large and mid-capitalisations of the 5 following countries: Brazil, Chili, Colombia, Mexico and Peru.

The anticipated level of the ex-post tracking error under normal market conditions is 0.1%.

**Benchmark indicator:**

The Benchmark Indicator is the MSCI Emerging Markets Latin America Net Total Return index (net dividends reinvested).

The Benchmark Indicator measures the performance of the equities market of South America emerging markets.

The Benchmark Indicator is calculated and published by international index supplier MSCI.

MSCI Inc. is one of the leading providers of financial indices. MSCI’s products and services include not only financial indices, but also performance and risk portfolio analysis tools for investors. MSCI is based in New York, and has commercial and research offices across the entire world.

The Benchmark Indicator is an equity index calculated and published by international index supplier MSCI. The Benchmark Indicator comprises only Latin American emerging market stocks and boasts fundamental characteristics of MSCI indices, namely: adjustment of the market capitalisation of stocks in the Benchmark Indicator based on their free float and level of representation on the markets of each country such that it represents 85% of the free float-adjusted market capitalisation.

The emerging markets are those of Brazil, Chili, Colombia, Mexico and Peru.

The Benchmark Indicator is based on the methodology of MSCI Global Investable Market Indices (GIMI), a global and consistent Benchmark construction approach, whether on a world or regional scale, covering all sizes of market capitalisation, activity sectors or even investment styles. This methodology aims to provide comprehensive coverage of the investment universe with an emphasis on liquidity, investibility and replicability. The Benchmark Indicator is revised every quarter (February, May, August and November) to ensure it properly reflects the changes on the emerging market stock markets while limiting the portfolio turnover rate. During the reviews of May and November, the Benchmark Indicator is reweighted and the mid and large capitalisation limits are revised.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the following Internet site: [www.msci.com](http://www.msci.com)

#### **Benchmark Indicator revision and composition**

The Benchmark Indicator is reviewed quarterly.

The exact composition and the revision rules of the Benchmark Indicator are published by MSCI and available on the Internet site: [www.ms cibarra.com](http://www.ms cibarra.com)

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

#### **Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day. The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: .dMILA00000NUS

Bloomberg code: NDUEEGFL

The Benchmark Indicator's closing price is available on the MSCI Internet site: [www.ms cibarra.com](http://www.ms cibarra.com)

#### **Investment strategy:**

##### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

At all times, the Compartment will invest at least 75% of its assets in companies that have their head office in a Member State of the European Union or in another State that is a party to the agreement on the European Economic Area and that has signed, with France, a tax convention that includes an administrative assistance clause for the purpose of combating fraud or tax evasion. This minimum holding level provides for eligibility for a Stock Savings Plan.

As part of the management of its exposure, the Compartment may be exposed up to 20% of its assets in equities from a single issuing entity. This 20% limit will be checked on each rebalancing date of the Benchmark Indicator, in application of the Benchmark Indicator's calculation method that limits the exposure to each equities of a single issuing entity to 20%, and for which the calculation is carried out by the sponsor or the calculation agent of the Benchmark Indicator.

This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument or of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

In the present case, the manager intends to primarily use the following assets:

##### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation of the international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria: of eligibility, in particular:

- Subordination to the main market indices or to the Benchmark Indicator,

- Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation), rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent), of diversification, notably:

- Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- Geographical area,
- Sector.

For more information on the abovementioned eligibility and diversification criteria investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and

such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's units or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the index, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk related to the exposure to Emerging markets**

The Compartment's exposure to emerging markets results in a greater risk of loss than would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the Benchmark Indicator.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:



- Risk related to the use of derivative instruments

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the index, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

- Risk related to a change of the tax regime

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

- Risk related to a change of the tax regime affecting the underlyings

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

- Risk related to regulations

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Exchange risk linked to the Benchmark Indicator

The Compartment is exposed to the exchange risk insofar as the underlying securities comprising the Benchmark Indicator may be listed in a currency other than the currency of the Benchmark Indicator or be derived from securities listed in a currency other than the currency of the Benchmark Indicator. The fluctuations of exchange rates could therefore negatively affect the reference Benchmark Indicator followed by the Compartment.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the equities market of Latin America.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 8 August 2013.*
- *Compartment creation date: 2 September 2013.*

## Activity report

The net asset value of the C-EUR unit of the LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF Compartment shows an evolution of 2.98% over the fiscal year and stands at EUR 26.5577 on 31/10/2017, meaning a fund performance of 10.81% since inception.

The fund replicates the performance of the MSCI Daily TR Net Emerging Mar index, listed in American dollars (USD), representative of the performance of Latin American emerging countries equity market.

This index has shown an evolution of 10.14% over the fiscal year. As the C-EUR class is not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 6.27% compared to the USD.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MSCI Daily TR Net Emerging Mar index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the MSCI Daily TR Net Emerging Mar index.

The equities held as assets by the Compartment will notably be equities that make up the MSCI Daily TR Net Emerging Mar index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund complies at all times with the eligibility requirements of the PEA, details are available on request to the management company.

The fund's risk and yield profile has been classed as category 6 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0235% for the Compartment. The level of the tracking error for the period was of 0.1%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** (not audited by the auditor)

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533 22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website Lyxor.com and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainability to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainability ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.4	5.0	4.6	3.5

Portfolio rated 100%  
Nb Securities rated 114

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>5.0</b>	<b>30.4%</b>
	Climate Change	5.9	10.6%
	Environmental Opportunities	3.9	2.5%
	Natural Capital	4.6	10.7%
	Pollution & Waste	4.8	6.7%
<b>Social</b>		<b>4.6</b>	<b>41.5%</b>
	Human Capital	4.0	19.3%
	Product Liability	4.8	15.8%
	Social Opportunities	5.7	6.4%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>3.5</b>	<b>28.1%</b>
	Corporate Behavior	3.6	10.6%
	Corporate Governance	3.5	17.5%

LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	5%
Average (A, BBB,BB)	71%
Laggards (B,CCC)	24%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary				2.3%		2.1%	1.7%	
Consumer Staples	0.3%	1.1%	6.1%	5.7%	1.0%	1.0%	1.0%	
Energy		0.3%	2.5%		5.7%	0.4%		
Financials		2.5%	22.1%	2.9%	3.0%			
Health Care					0.2%	1.0%		
Industrials			1.0%	1.2%	2.6%	1.0%	0.2%	
Information Technology			1.3%					
Materials		0.3%	0.4%	2.1%	3.4%	6.4%	2.8%	
Real Estate					0.8%	0.7%		
Telecommunication Services			1.1%		0.8%		4.5%	
Utilities		1.0%	1.0%	2.1%	1.5%	0.7%		

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	16%
Orange Flag	8%
Yellow Flag	33%
Green Flag	43%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
389	404	362

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	91%
Scope2 reported (vs estimated)	82%
Scope 1& 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	15%
Thermal Coal	8%
Natural Gaz	7%
Oil	7%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	7%
20-49.9%	1%
50-100%	0%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	860,448
% of assets under management	-	-	-	-	90.25

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	RANDGOLD RESOURCES
	Amount	32,033
2	Name	UNIPOLSAI ASSICURAZIONI
	Amount	12,702
3	Name	SAFRAN
	Amount	7,415
4	Name	VALEO
	Amount	5,229
5	Name	DAIMLER
	Amount	1,212
6	Name	BEIERSDORF
	Amount	1,156
7	Name	EURAZEO PARTNERS
	Amount	1,117
8	Name	BOUYGUES
	Amount	1,072
9	Name	DANONE
	Amount	1,052
10	Name	CNP ASSURANCES
	Amount	959

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	860,448

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	63,947
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	63,947

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	32,033
2	Currency		-	-	-	CHF
	Amount		-	-	-	31,914



### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	860,448
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	860,448

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	860,448

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	63,947

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>1,017,930.82</b>	<b>1,119,750.23</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	991,862.49	1,119,750.23
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	26,068.33	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>52,533.96</b>	-
Future foreign exchange operations	-	-
Other	52,533.96	-
<b>Financial accounts</b>	-	-
Liquidity	-	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>1,070,464.78</b>	<b>1,119,750.23</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	942,395.24	848,469.83
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	17,040.40	237,761.31
• Earnings of the fiscal year	-6,011.38	-5,632.29
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>953,424.26</b>	<b>1,080,598.85</b>
<b>Financial instruments</b>	<b>63,946.94</b>	<b>38,578.20</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	63,946.94	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	38,578.20
<b>Debts</b>	<b>53,093.58</b>	<b>573.16</b>
Future foreign exchange operations	-	-
Other	53,093.58	573.16
<b>Financial accounts</b>		
Current bank accommodations	-	<b>0.02</b>
Loans	-	0.02
<b>Total liabilities</b>	<b>1,070,464.78</b>	<b>1,119,750.23</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	860,447.61	1,004,255.01
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-8,028.51	-6,143.47
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-8,028.51</b>	<b>-6,143.47</b>
Adjustment of the fiscal year's earnings (V)	2,017.13	511.18
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-6,011.38</b>	<b>-5,632.29</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.



The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.65% per year including tax
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**C-EUR equities:** Capitalisation of all the amounts available for distribution.

# appendix

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>1,080,598.85</b>	<b>1,838,176.95</b>
Subscriptions (including subscription commission acquired by the Compartment)	1,007,775.60	-
Redemptions (less the redemption commission acquired by the Compartment)	-1,190,956.50	-1,079,921.25
Capital gains generated on deposits and financial instruments	273,567.53	162,661.37
Capital losses generated on deposits and financial instruments	-46,933.33	-221,053.43
Capital gains generated on financial contracts	3,800,140.91	2,890,227.31
Capital losses generated on financial contracts	-4,012,871.37	-2,582,355.12
Negotiation fees	-	-
Exchange differentials	-13,498.10	23,024.43
Changes to the estimate difference of the deposits and financial instruments:	-1,017.35	35,671.59
- <i>Estimate difference fiscal year N</i>	33,811.76	34,829.11
- <i>Estimate difference fiscal year N-1</i>	34,829.11	-842.48
Changes to the estimate difference of financial contracts:	64,646.53	20,310.47
- <i>Estimate difference fiscal year N</i>	26,068.33	-38,578.20
- <i>Estimate difference fiscal year N-1</i>	-38,578.20	-58,888.67
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-8,028.51	-6,143.47
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>953,424.26</b>	<b>1,080,598.85</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	860,447.61	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	860,447.61	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	DKK	NOK	GBP	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	54,044.21	51,137.66	32,033.06	53,197.89
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	32,033.06	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	<b>52,533.96</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	49,563.80
Account receivable	2,970.16
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>53,093.58</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	52,533.96
Accrued expenses	559.62
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	39,000	1,007,775.60	45,000	1,190,956.50
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.65</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
- CIU	-
- Swaps	<b>26,068.33</b>

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-6,011.38	-5,632.29
<b>Total</b>	<b>-6,011.38</b>	<b>-5,632.29</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-6,011.38	-5,632.29
<b>Total</b>	<b>-6,011.38</b>	<b>-5,632.29</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-



**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	17,040.40	237,761.31
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>17,040.40</b>	<b>237,761.31</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	17,040.40	237,761.31
<b>Total</b>	<b>17,040.40</b>	<b>237,761.31</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	31.10.2013
<b>Net assets</b>	<b>953,424.26</b>	1,080,598.85	1,838,176.95	1,716,784.73	1,562,524.40
<b>Number of outstanding equities</b>	<b>35,900</b>	41,900	95,000	65,000	60,000
<b>Net asset value</b>	<b>26.5577</b>	25.7899	19.3492	26.412	26.042
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>0.30</b>	5.54	-7.20	-0.81	1.67

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Compartment creation date: 2 September 2013.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0011540547	ABN AMRO GROUP N.V.	PROPRE	812.00	21,530.18	EUR	2.26
ES0167050915	ACS	PROPRE	1,670.00	56,537.85	EUR	5.93
ES0105046009	AENA SME SA	PROPRE	245.00	38,587.50	EUR	4.05
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	931.00	81,695.25	EUR	8.57
DE0008404005	ALLIANZ SE-NOM	PROPRE	16.00	3,189.60	EUR	0.33
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	253.00	26,577.65	EUR	2.79
LU1598757687	ARCELORMITTAL SA	PROPRE	133.00	3,273.80	EUR	0.34
CH0012410517	BALOISE-HOLDING NOM.	PROPRE	60.00	8,127.80	CHF	0.85
ES0113211835	BANCO BILBAO VIZCAYA ARGENTA	PROPRE	580.00	4,357.54	EUR	0.46
ES0113860A34	BANCO DE SABADELL	PROPRE	15,565.00	26,756.24	EUR	2.81
DE000BASF111	BASF SE	PROPRE	67.00	6,272.54	EUR	0.66
DE000BAY0017	BAYER AG	PROPRE	167.00	18,653.90	EUR	1.96
DE0005200000	BEIERSDORF	PGARAN	12.00	1,155.60	EUR	0.12
SE0000862997	BILLERUDKORSNAS	PROPRE	77.00	1,137.70	SEK	0.12
FR0000120503	BOUYGUES	PGARAN	26.00	1,071.59	EUR	0.11
FR0000120222	CNP ASSURANCES	PGARAN	48.00	958.80	EUR	0.10
DK0060448595	COLOPLAST B	PROPRE	39.00	2,945.49	DKK	0.31
DE000CBK1001	COMMERZBANK	PROPRE	1,171.00	13,776.82	EUR	1.44
DE0006062144	COVESTRO AG	PROPRE	214.00	17,625.04	EUR	1.85
DE0007100000	DAIMLER	PGARAN	17.00	1,211.93	EUR	0.13
DE0007100000	DAIMLER	PROPRE	279.00	19,889.91	EUR	2.09
FR0000120644	DANONE	PGARAN	15.00	1,052.10	EUR	0.11
DE0005552004	DEUTSCHE POST AG-NOM	PROPRE	318.00	12,503.76	EUR	1.31
FR0000121121	EURAZEO SE	PGARAN	14.00	1,117.34	EUR	0.12
FI0009007132	FORTUM OYJ	PROPRE	1,237.00	22,550.51	EUR	2.37

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE0005785802	FRESENIUS MEDICAL CARE AG & CO	PROPRE	181.00	15,026.62	EUR	1.58
ES0116870314	GAS NATURAL SDG	PROPRE	329.00	6,043.73	EUR	0.63
NO0010582521	GJENSIDIGE FORSIKRING ASA	PROPRE	1,976.00	31,863.95	NOK	3.34
DK0010287234	H. LUNDBECK	PROPRE	102.00	5,203.35	DKK	0.55
DE0008402215	HANNOVER RUECK SE	PROPRE	151.00	16,255.15	EUR	1.70
DE0006070006	HOCHTIEF	PROPRE	100.00	15,150.00	EUR	1.59
ES0144580Y14	IBERDROLA SA	PROPRE	2,481.00	17,213.18	EUR	1.81
NL0011821202	ING GROUP NV	PROPRE	264.00	4,187.04	EUR	0.44
DK0060542181	ISS	PROPRE	200.00	7,267.65	DKK	0.76
SE0000806994	JM AB	PROPRE	165.00	3,737.25	SEK	0.39
BE0003565737	KBC GROUPE	PROPRE	217.00	15,474.27	EUR	1.62
JP3236200006	KEYENCE CORP	PROPRE	18.00	8,543.57	JPY	0.90
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	4,187.00	67,640.99	EUR	7.09
DE000LEG1110	LEG IMMOBILIEN	PROPRE	631.00	55,023.20	EUR	5.77
ES0152503035	MEDIASET ESPANA COMUNICACION SA	PROPRE	541.00	5,048.61	EUR	0.53
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	PROPRE	82.00	15,748.10	EUR	1.65
FI0009000681	NOKIA OYJ	PROPRE	648.00	2,731.97	EUR	0.29
SE0000427361	NORDEA BANK AB	PROPRE	1,222.00	12,680.16	SEK	1.33
CH0012005267	NOVARTIS AG-NOM	PROPRE	268.00	18,971.41	CHF	1.99
DK0060534915	NOVO NORDISK	PROPRE	54.00	2,306.24	DKK	0.24
DK0060336014	NOVOZYMES AS-B	PROPRE	200.00	9,482.34	DKK	0.99
GB00B01C3S32	RANDGOLD RESOURCES	PGARAN	380.00	32,033.06	GBP	3.36
ES0173516115	REPSOL	PROPRE	435.00	6,996.98	EUR	0.73
DK0060634707	ROYAL UNIBREW SHS	PROPRE	543.00	26,839.14	DKK	2.82
DE0007037129	RWE AG	PROPRE	597.00	12,811.62	EUR	1.34
FR0000073272	SAFRAN	PGARAN	82.00	7,415.26	EUR	0.78
FI0009003305	SAMPO A	PROPRE	219.00	9,850.62	EUR	1.03
DE0007164600	SAP SE	PROPRE	10.00	976.60	EUR	0.10
DE0007236101	SIEMENS AG-NOM	PROPRE	66.00	8,085.00	EUR	0.85
LU0075646355	SUBSEA 7 SA	PROPRE	1,338.00	19,273.71	NOK	2.02

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
ES0178430E18	TELEFONICA SA	PROPRE	10,236.00	92,185.42	EUR	9.67
IT0004827447	UNIPOLSAI AZ	PGARAN	6,494.00	12,702.26	EUR	1.33
FI0009005987	UPM KYMMENE OYJ	PROPRE	145.00	3,741.00	EUR	0.39
FR0013176526	VALEO SA	PGARAN	90.00	5,229.00	EUR	0.55
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	164.00	25,567.60	EUR	2.68
<b>Total Equity</b>				<b>991,862.49</b>		<b>104.03</b>
<b>Total Investment Securities</b>				<b>991,862.49</b>		<b>104.03</b>
<b>Interest rate swap</b>						
SWAP03598523	FEES LEG C EUR LYX E	PROPRE	1.00	559.57	EUR	0.06
SWAP03598551	INDEX LEG C EUR LYX	PROPRE	860,447.61	953,424.28	EUR	100.00
SWAP03598499	VRAC LEG LYX ETF MSC	PROPRE	860,447.61	-927,915.52	EUR	-97.32
<b>Total Interest rate swap</b>				<b>26,068.33</b>		<b>2.73</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	RECEIVABLE ON SWAP	PROPRE	0.00	2,970.16	EUR	0.31
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-52,533.96	EUR	-5.51
	DEF. SALES EUR SECURITIES	PROPRE	0.00	49,563.80	EUR	5.20
<b>Total AT BANK OR PENDING</b>				<b>0.00</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-559.62	EUR	-0.06
<b>Total MANAGEMENT FEES</b>				<b>-559.62</b>		<b>-0.06</b>
<b>Total Cash</b>				<b>-559.62</b>		<b>-0.06</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02061293	PDC LYXODE0005200000	PGAR1	-1,155.60	-1,155.60	EUR	-0.12
PDC-02061304	PDC LYXODE0007100000	PGAR1	-1,211.93	-1,211.93	EUR	-0.13
PDC-02061324	PDC LYXOFR0000073272	PGAR1	-7,415.26	-7,415.26	EUR	-0.78
PDC-02061301	PDC LYXOFR0000120222	PGAR1	-958.80	-958.80	EUR	-0.10
PDC-02061298	PDC LYXOFR0000120503	PGAR1	-1,071.59	-1,071.59	EUR	-0.11
PDC-02061309	PDC LYXOFR0000120644	PGAR1	-1,052.10	-1,052.10	EUR	-0.11
PDC-02061314	PDC LYXOFR0000121121	PGAR1	-1,117.34	-1,117.34	EUR	-0.12
PDC-02061335	PDC LYXOFR0013176526	PGAR1	-5,229.00	-5,229.00	EUR	-0.55

LYXOR MSCI EM LATIN AMERICA PEA UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
PDC-02061319	PDC LYXOGB00B01C3S32	PGAR1	-28,101.00	-32,033.06	GBP	-3.36
PDC-02061329	PDC LYXOIT0004827447	PGAR1	-12,702.26	-12,702.26	EUR	-1.33
<b>Total ADI REME: Deposit of Collateral (File)</b>				<b>-63,946.94</b>		<b>-6.71</b>
<b>Total Files</b>				<b>-63,946.94</b>		<b>-6.71</b>
<b>Total LYXOR UCITS ETF MSCI EM LATIN AMERICA PEA</b>				<b>953,424.26</b>		<b>100.00</b>

# LYXOR MSCI SELECT OECD EMERGING MARKETS GDP UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

<b>Compartments / feeder</b>	LYXOR MSCI SELECT OECD EMERGING MARKETS GDP UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International equities.

At least 60% of the LYXOR UCITS ETF MSCI SELECT OECD EMERGING Compartment (the “Compartment”) is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**Class of C-USD, C-EUR and C-GBP equities:** Capitalisation of all the amounts available for distribution.

**Class of D-USD, D-EUR and D-GBP equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to reproduce, upwards and downwards, the evolution of the MSCI Select OECD Emerging Markets GDP Weighted Index (Bloomberg code: M1EFOEGD) (the “Benchmark Indicator”) listed in US dollars (USD), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator. It is representative of the performances of the equities of mid-cap and large-cap equities of the emerging OECD countries.

The anticipated level of the ex-post tracking error under normal market conditions is 0.15%.

### Benchmark indicator:

The Benchmark indicator is the MSCI Select OECD Emerging Markets GDP Weighed Index.

The Benchmark Indicator is derived from the MSCI Select OECD Index parent index (the “Parent Index”) and measures the performance of large-cap and mid-cap companies in the emerging OECD countries. These countries include: Chile, the Czech Republic, Hungary, Korea, Mexico, Poland and Turkey. Each country is weighted in proportion to the size of its economy (as measured by GDP) rather than by the size of its equity market.

The Benchmark Indicator is calculated and published by international index supplier MSCI.

MSCI Inc. is one of the leading providers of financial indices. MSCI’s products and services include not only financial indices, but also performance and risk portfolio analysis tools for investors. MSCI is based in New York, and has commercial and research offices across the entire world.



The Benchmark Indicator is a custom index calculated by MSCI which includes a group of OECD countries that are selected using an RSI approach. The Benchmark Indicator uses the same methodology used by the MSCI GDP Weighted Indices.

The Benchmark Indicator is composed of a static list of the countries that compose the Parent Index, which currently includes: Chile, the Czech Republic, Hungary, Korea, Mexico, Poland and Turkey. The index scope is fully reviewed by the licensee and notified to MSCI at least five business days before the effective rebalancing date.

Any change in the scope of the Parent Index will be replicated in the Benchmark Indicator.

MSCI GDP Weighted Indices are rebalanced annually, generally on the last business day of May, which is the annual rebalancing date of the Parent Index. A country added to the Parent Index will be added to the Benchmark Indicator upon the next annual rebalancing. In contrast, a country removed from the Parent Index will be simultaneously removed from the Benchmark Indicator.

The Benchmark Indicator is a Net Total Return index. A Net Total Return index includes dividends and all other types of income distribution in the calculation of the performance of the index's components.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the following Internet site: [www.msci.com](http://www.msci.com)

#### **Benchmark Indicator revision and composition**

The Benchmark Indicator is rebalanced annually.

The exact composition and the revision rules of the Benchmark Indicator are published by MSCI and available on the Internet site: [www.mscibarra.com](http://www.mscibarra.com). The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

#### **Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day. The Benchmark Indicator is available through Reuters and Bloomberg.

Reuters code: .dMGEF0000WNUS

Bloomberg code: M1EFOEGD

The Benchmark Indicator's closing price is available on the MSCI Internet site: [www.mscibarra.com](http://www.mscibarra.com)

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities and debt securities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

In the present case, the manager intends to use primarily the following assets:

#### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets) including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria: Of eligibility, in particular:

- Subordination to the main market indices or to the Benchmark Indicator,
- Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation), rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent), of diversification, notably:
- Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- Geographical area,
- Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretcf.com](http://www.lyxoretcf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties. As a result, the Management Company will not commit to a formal, traceable and verifiable procedure for open competition between the counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and

such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's units or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the index, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk related to the exposure to Emerging markets**

The Compartment's exposure to emerging markets results in a greater risk of loss than would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the Benchmark Indicator.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

- Risk related to the use of derivative instruments

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the index, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

- Risk related to a change of the tax regime

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

- Risk related to a change of the tax regime affecting the underlyings

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

- Risk related to regulations

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Exchange risk linked to the C-EUR/D-EUR (EUR/USD) and C-GBP/D-GBP (GBP/USD) units classes

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark Indicator. Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark Indicator, as a result of exchange rate fluctuations.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing for this Compartment wishes to be exposed to the equities market of mid-cap and large-cap equities of the emerging OECD countries.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 29 November 2013.*
- *Compartment creation date: 12 December 2013.*

## Activity report

The net asset value of the C-EUR unit of the LYXOR MSCI SELECT OECD EMERGING MARKETS GDP UCITS ETF Compartment shows an evolution of 17.32% over the fiscal year and stands at EUR 120.3631 on 31/10/2017, resulting in the fund's performance being equal to 20.36% since inception.

The fund replicates the performance of the MSCI EM OECD GDP USD NTR index, listed in US dollars (USD), representing an investment strategy in emerging OECD countries weighted by GDP.

This index has shown an evolution of 25.72% over the fiscal year. As the class C-EUR is not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the EUR increased by 6.27% compared to the USD.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MSCI EM OECD GDP USD NTR index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the MSCI EM OECD GDP USD NTR index.

The equities held as assets by the Compartment will notably be equities that make up the MSCI EM OECD GDP USD NTR index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 7 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0228% for the Compartment. The level of the tracking error for the period was of 0.15%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.



## Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.4	4.8	4.4	4.1

Portfolio rated 100%  
Nb Securities rated 209

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.8</b>	<b>28.7%</b>
	Climate Change	4.9	8.8%
	Environmental Opportunities	4.4	5.8%
	Natural Capital	4.9	7.3%
	Pollution & Waste	4.8	6.8%
<b>Social</b>		<b>4.4</b>	<b>42.3%</b>
	Human Capital	4.3	19.1%
	Product Liability	4.0	15.8%
	Social Opportunities	4.8	6.1%
	Stakeholder Opposition	7.2	1.4%
<b>Governance</b>		<b>4.1</b>	<b>29.0%</b>
	Corporate Behavior	3.7	11.5%
	Corporate Governance	4.3	17.5%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	6%
Average (A, BBB,BB)	72%
Laggards (B,CCC)	23%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	0.5%	0.5%	0.2%	1.6%	0.9%	2.7%	1.8%	
Consumer Staples		0.7%	2.9%	3.9%	1.6%	2.0%	0.4%	
Energy		0.9%	2.6%	1.8%	1.0%			
Financials		2.7%	4.8%	7.6%	7.0%	3.2%	0.2%	
Health Care				0.1%	0.7%	0.9%		
Industrials			1.5%	2.8%	2.4%	0.9%	0.2%	
Information Technology		0.3%		13.6%	1.9%	0.3%		
Materials			0.8%	2.8%	2.3%	2.8%	1.7%	
Real Estate					0.5%	0.6%		
Telecommunication Services			0.6%	1.5%	0.2%	0.3%	3.9%	
Utilities			2.3%	1.0%	0.8%	0.6%		

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	4%
Orange Flag	15%
Yellow Flag	27%
Green Flag	54%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	100%
420	487	436	Scope 1 reported (vs estimated)	58%
			Scope2 reported (vs estimated)	71%
			Scope 1 & 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

Weight of the portfolio	
Fossil Fuel Reserves	12%
Thermal Coal	7%
Natural Gas	5%
Oil	5%

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	26%
20-49.9%	1%
50-100%	1%

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;

- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	9,156,400
% of assets under management	-	-	-	-	83.08

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	TECHNIPFMC
	Amount	297,282
2	Name	RHEINMETALL
	Amount	174,251
3	Name	EXPERIAN
	Amount	95,928
4	Name	HERA
	Amount	64,520
5	Name	CNP ASSURANCES
	Amount	49,997
6	Name	VESUVIUS
	Amount	16,509
7	Name	KERING
	Amount	12,199
8	Name	VEOLIA ENVIRONNEMENT
	Amount	11,431
9	Name	PEUGEOT
	Amount	11,099
10	Name	SHIMANO
	Amount	10,401

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	9,156,400

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	743,617
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	743,617

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	323,497
2	Currency		-	-	-	USD
	Amount		-	-	-	297,282
3	Currency		-	-	-	GBP
	Amount		-	-	-	112,437
4	Currency		-	-	-	JPY
	Amount		-	-	-	10,401

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	9,156,400
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	9,156,400

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	9,156,400

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	743,617

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**



## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>11,769,772.00</b>	<b>7,772,353.44</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	11,497,307.16	7,772,353.44
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	272,464.84	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>284,611.60</b>	-
Future foreign exchange operations	-	-
Other	284,611.60	-
<b>Financial accounts</b>	-	-
Liquidity	-	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>12,054,383.60</b>	<b>7,772,353.44</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	9,710,837.49	7,616,176.62
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	1,365,316.37	104,752.56
• Earnings of the fiscal year	-55,219.28	-40,506.49
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>11,020,934.58</b>	<b>7,680,422.69</b>
<b>Financial instruments</b>	<b>743,617.49</b>	<b>88,375.24</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	743,617.49	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	88,375.24
<b>Debts</b>	<b>289,831.48</b>	<b>3,555.51</b>
Future foreign exchange operations	-	-
Other	289,831.48	3,555.51
<b>Financial accounts</b>	<b>0.05</b>	-
Current bank accommodations	0.05	-
Loans	-	-
<b>Total liabilities</b>	<b>12,054,383.60</b>	<b>7,772,353.44</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	9,156,400.00	7,486,400.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	715.93	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>715.93</b>	<b>-</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>715.93</b>	<b>-</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-48,713.06	-57,567.34
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-47,997.13</b>	<b>-57,567.34</b>
Adjustment of the fiscal year's earnings (V)	-7,222.15	17,060.85
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-55,219.28</b>	<b>-40,506.49</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.55% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**Class of C-USD, C-EUR and C-GBP equities:** Capitalisation of all the amounts available for distribution.

**Class of D-USD, D-EUR and D-GBP equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>7,680,422.69</b>	<b>30,460,809.98</b>
Subscriptions (including subscription commission acquired by the Compartment)	15,610,553.28	2,480,506.54
Redemptions (less the redemption commission acquired by the Compartment)	-13,562,346.29	-23,773,262.76
Capital gains generated on deposits and financial instruments	2,269,734.55	4,260,524.23
Capital losses generated on deposits and financial instruments	-666,491.89	-3,582,833.13
Capital gains generated on financial contracts	38,644,332.91	59,373,892.80
Capital losses generated on financial contracts	-39,483,953.26	-61,137,556.55
Negotiation fees	-	-
Exchange differentials	-143,728.77	662,370.88
Changes to the estimate difference of the deposits and financial instruments:	359,568.41	-917,252.72
- <i>Estimate difference fiscal year N</i>	504,339.47	144,771.06
- <i>Estimate difference fiscal year N-1</i>	144,771.06	1,062,023.78
Changes to the estimate difference of financial contracts:	360,840.08	-89,209.24
- <i>Estimate difference fiscal year N</i>	272,464.84	-88,375.24
- <i>Estimate difference fiscal year N-1</i>	-88,375.24	834.00
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-47,997.13	-57,567.34
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>11,020,934.58</b>	<b>7,680,422.69</b>



### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	9,156,400.00	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.05
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.05	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	9,156,400.00	-	-	-

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### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	JPY	NOK	AUD	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	1,710,380.85	608,240.25	377,003.62	870,199.93
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	10,401.12	-	-	409,718.86
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>284,611.60</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Account receivable	284,611.60
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>289,831.48</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	284,611.60
Accrued expenses	5,219.88
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of	Amount	Number of	Amount
Number of equities issued/redeemed during the fiscal year:	equities		equities	
EQUITIES C-EUR / FR0011645605	130,900	15,610,553.28	114,200	13,562,346.29
Subscription / redemption commission by equity category:		Amount		Amount
EQUITIES C-EUR / FR0011645605		-		-
Remittances by equity category:		Amount		Amount
EQUITIES C-EUR / FR0011645605		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITIES C-EUR / FR0011645605		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITIES C-EUR / FR0011645605	<b>0.55</b>
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITIES C-EUR / FR0011645605	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	<b>272,464.84</b>

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

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	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-55,219.28	-40,506.49
<b>Total</b>	<b>-55,219.28</b>	<b>-40,506.49</b>

EQUITIES C-EUR / FR0011645605	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-55,219.28	-40,506.49
<b>Total</b>	<b>-55,219.28</b>	<b>-40,506.49</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-



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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	1,365,316.37	104,752.56
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>1,365,316.37</b>	<b>104,752.56</b>

EQUITIES C-EUR / FR0011645605	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	1,365,316.37	104,752.56
<b>Total</b>	<b>1,365,316.37</b>	<b>104,752.56</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 12 December 2013.

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Net assets</b>	<b>11,020,934.58</b>	7,680,422.69	30,460,809.98	103,156,980.54	-

EQUITIES C-EUR / FR0011645605		Currency of the equity and of the NAV: EUR			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Number of circulating equities</b>	<b>91,564</b>	74,864	296,164	952,000	-
<b>Net asset value</b>	<b>120.3631</b>	102.5916	102.8511	108.3581	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>14.30</b>	0.85	-4.64	13.80	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
ES0167050915	ACS	PROPRE	6,062.00	205,229.01	EUR	1.86
DE000A1EWWW0	ADIDAS NOM	PROPRE	589.00	112,528.45	EUR	1.02
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	1,541.00	135,222.75	EUR	1.23
ES0109067019	AMADEUS IT GROUP SA	PROPRE	7,766.00	452,369.50	EUR	4.10
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	3,932.00	413,056.60	EUR	3.75
NL0000334118	ASM INTERNATIONAL NV	PROPRE	10,217.00	587,681.84	EUR	5.33
DE000BASF111	BASF SE	PROPRE	1,268.00	118,710.16	EUR	1.08
DE000BAY0017	BAYER AG	PROPRE	2,671.00	298,350.70	EUR	2.71
DE0005200000	BEIERSDORF	PROPRE	3,219.00	309,989.70	EUR	2.81
DK0060227585	CHR. HANSEN HOLDING A/S	PROPRE	542.00	40,716.28	DKK	0.37
FR0000120222	CNP ASSURANCES	PGARAN	2,503.00	49,997.43	EUR	0.45
DE0006062144	COVESTRO AG	PROPRE	896.00	73,794.56	EUR	0.67
DE0007100000	DAIMLER	PROPRE	3,998.00	285,017.42	EUR	2.59
ES0130960018	ENAGAS	PROPRE	35,398.00	875,392.54	EUR	7.94
DE000ENAG999	E.ON SE	PROPRE	5,527.00	55,988.51	EUR	0.51
GB00B19NLV48	EXPERIAN PLC	PGARAN	5,306.00	95,928.37	GBP	0.87
NL0011585146	FERRARI NV	PROPRE	1,468.00	151,057.20	EUR	1.37
NO0010582521	GJENSIDIGE FORSIKRING ASA	PROPRE	192.00	3,096.09	NOK	0.03
BE0003797140	GROUPE BRUXELLES LAMBERT	PROPRE	226.00	20,832.68	EUR	0.19
DE0006048432	HENKEL KGAA VZ PFD	PROPRE	2,172.00	261,726.00	EUR	2.37
IT0001250932	HERA SPA	PGARAN	23,360.00	64,520.32	EUR	0.59
CH001221405E	HOLCIM LTD-NOM EUR	PROPRE	476.00	23,038.40	EUR	0.21
FR0000121485	KERING	PGARAN	31.00	12,198.50	EUR	0.11
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	27,768.00	970,630.44	EUR	8.81
DE000LEG1110	LEG IMMOBILIEN	PROPRE	5,510.00	480,472.00	EUR	4.36

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
ES0152503035	MEDIASET ESPANA COMUNICACION SA	PROPRE	7,423.00	69,271.44	EUR	0.63
JP3890310000	MS AD ASSURANCE	PROPRE	7,868.00	227,944.69	JPY	2.07
FI0009000681	NOKIA OYJ	PROPRE	22,080.00	93,089.28	EUR	0.84
NO0005052605	NORSK HYDRO ASA	PROPRE	91,337.00	605,144.16	NOK	5.49
FR0000121501	PEUGEOT SA	PGARAN	545.00	11,098.93	EUR	0.10
DE0007030009	RHEINMETALL AG	PGARAN	1,721.00	174,251.25	EUR	1.58
DE0007030009	RHEINMETALL AG	PROPRE	2,395.00	242,493.75	EUR	2.20
DE0007164600	SAP SE	PROPRE	1,077.00	105,179.82	EUR	0.95
JP3358000002	SHIMANO	PGARAN	89.00	10,401.12	JPY	0.09
AU000000SYD9	SIDNEY AIRPORT	PROPRE	80,560.00	377,003.62	AUD	3.42
JP3436100006	SOFTBANK GROUP CORP	PROPRE	13,290.00	998,658.19	JPY	9.06
CH0267291224	SUNRISE COMMUNICATIONS GROUP LTD	PROPRE	3,341.00	238,807.27	CHF	2.17
SE0000242455	SWEDBANK A SHS A	PROPRE	4,704.00	100,227.24	SEK	0.91
CH0008742519	SWISSCOM N	PROPRE	186.00	80,730.28	CHF	0.73
DE0008303504	TAG IMMOBILIEN AG	PROPRE	32,937.00	486,314.81	EUR	4.41
GB00BDSFG982	TECHNIPFMC PLC	PGARAN	12,737.00	297,281.58	USD	2.70
ES0178430E18	TELEFONICA SA	PROPRE	31,254.00	281,473.52	EUR	2.55
JP3629000005	TOPPAN PRINTING	PROPRE	54,584.00	473,376.85	JPY	4.30
FR0000124141	VEOLIA ENVIRONNEMENT	PGARAN	562.00	11,431.08	EUR	0.10
GB00B82YXW83	VESUVIUS PLC	PGARAN	2,463.00	16,508.91	GBP	0.15
DE000A1ML7J1	VONOVIA SE NAMEN AKT	PROPRE	13,217.00	499,073.92	EUR	4.53
<b>Total Equity</b>				<b>11,497,307.16</b>		<b>104.32</b>
<b>Total Investment Securities</b>				<b>11,497,307.16</b>		<b>104.32</b>
<b>Interest rate swap</b>						
SWAP03553023	FEES LEG C EUR LYX E	PROPRE	1.00	5,219.85	EUR	0.05
SWAP03553005	INDEX LEG C EUR LYX	PROPRE	9,156,400.00	11,020,934.66	EUR	100.00
SWAP03553027	VRAC LEG LYX ETF MSC	PROPRE	9,156,400.00	-10,753,689.67	EUR	-97.58
<b>Total Interest rate swap</b>				<b>272,464.84</b>		<b>2.47</b>

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Cash</i>						
<i>AT BANK OR PENDING</i>						
	RECEIVABLE ON SWAP	PROPRE	0.00	284,611.60	EUR	2.58
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-284,611.60	EUR	-2.58
	EUR SGP BANK	PROPRE	0.00	-0.05	EUR	-0.00
<b>Total AT BANK OR PENDING</b>				<b>-0.05</b>		<b>-0.00</b>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-5,219.85	EUR	-0.05
	PRN-1COMGESTADM	PROPRE	0.00	-0.03	EUR	-0.00
<b>Total MANAGEMENT FEES</b>				<b>-5,219.88</b>		<b>-0.05</b>
<b>Total Cash</b>				<b>-5,219.93</b>		<b>-0.05</b>
<i>Files</i>						
<i>AD1 REME: Deposit of Collateral (File)</i>						
PDC-02059741	PDC LYXODE0007030009	PGAR1	-174,251.25	-174,251.25	EUR	-1.58
PDC-02059713	PDC LYXOFR0000120222	PGAR1	-49,997.43	-49,997.43	EUR	-0.45
PDC-02059731	PDC LYXOFR0000121485	PGAR1	-12,198.50	-12,198.50	EUR	-0.11
PDC-02059736	PDC LYXOFR0000121501	PGAR1	-11,098.93	-11,098.93	EUR	-0.10
PDC-02059760	PDC LYXOFR0000124141	PGAR1	-11,431.08	-11,431.08	EUR	-0.10
PDC-02059754	PDC LYXOGB00BDSFG982	PGAR1	-297,281.58	-297,281.58	EUR	-2.70
PDC-02059719	PDC LYXOGB00B19NLV48	PGAR1	-84,153.16	-95,928.37	GBP	-0.87
PDC-02059766	PDC LYXOGB00B82YXW83	PGAR1	-14,482.44	-16,508.91	GBP	-0.15
PDC-02059725	PDC LYXOIT0001250932	PGAR1	-64,520.32	-64,520.32	EUR	-0.59
PDC-02059747	PDC LYXOJP3358000002	PGAR1	-1,376,830.00	-10,401.12	JPY	-0.09
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-743,617.49</b>		<b>-6.75</b>
<b>Total Files</b>				<b>-743,617.49</b>		<b>-6.75</b>
<b>Total LYXOR MSCI SELECT OECD EMERGING MARKETS GDP UCITS ETF</b>				<b>11,020,934.58</b>		<b>100.00</b>

# LYXOR EURO STOXX BANKS (DR) UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR EURO STOXX BANKS (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR EURO STOXX BANKS (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Equities from Euro zone countries.

At least 60% of the LYXOR EURO STOXX BANKS (DR) UCITS ETF Compartment, (the “Compartment”) is continuously exposed in one or several markets of equities issued in one or several Euro zone countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

### **Terms of determination and allocation of amounts available for distribution:**

**Class of C-EUR equities:** Capitalisation of all the amounts available for distribution.

**Class of D-EUR equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### **Management objective:**

The management objective of this Compartment is to replicate the upwards or downwards evolution of the “EURO STOXX® Banks Index” (Bloomberg code: SX7T) (the “Benchmark Indicator”) listed in euros (EUR), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator. It is representative of the performance of the largest banks in the Euro zone.

The anticipated level of the ex-post tracking error under normal market conditions is 0.40%.

### **Benchmark indicator:**

The Benchmark Indicator is the EURO STOXX® Banks Index.

The Benchmark Indicator measures the performance of Euro zone banks, as defined by the Industry Classification Benchmark (ICB), and offers exposure to the following Euro zone countries: Austria, Finland, Germany, Greece, Ireland, Italy, Luxemburg, Netherlands, Portugal and Spain. The index is a sub-index of the EURO STOXX® Index (the “Parent Index”), which measures the performance of the large-cap, mid-cap and small-cap equities of the Euro zone’s developed economies.

The Benchmark Indicator is weighted by float-adjusted market capitalisation and measures the performance of Euro zone banks, as defined by the Industry Classification Benchmark (ICB). The ICB categorizes companies on the basis of their main source of income. 4 categories exist, from the largest to the most detailed: into 10 different industries, which are in turn broken down into 19 super-sectors, 41 sectors and 114 sub-sectors.

The Benchmark Indicator is rebalanced quarterly, in March, June, September and December.

The Benchmark Indicator is a “Net Total Return” index. A Net Total Return index includes dividends and all other types of income distribution in the calculation of index performance.

### **Benchmark Indicator revision and composition**

The Benchmark Indicator is reviewed quarterly.

The exact composition and the revision rules of the Benchmark Indicator are published by STOXX and are available on the Internet site: [www.stoxx.com](http://www.stoxx.com). The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

**Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day. The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: .SX7T

Bloomberg code: SX7T.

The Benchmark Indicator's closing price is available on the Internet site: [www.stoxx.com](http://www.stoxx.com)

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its delegated asset manager, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of 'balance sheet' assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's website at [www.lyxoretf.com](http://www.lyxoretf.com). The frequency of any updates and/or the date on which the aforementioned information is updated is also indicated on the same page of the aforementioned website.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

The Compartment will invest permanently at least of 75% of its assets in companies that have their head office in a Member State of the European Union or in another State that is a party to the treaty on the European Economic Area and that has signed with France a tax agreement containing an administrative assistance clause for the purposes of combating fraud or tax evasion. This minimum holding level provides for eligibility for a Stock Savings Plan.

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009. The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

Investment in the assets of undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.



### **3. Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may use FFIs traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities.

Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment. Expected proportion of assets under management which may be subject to securities financing transactions: 10% of the assets of the Compartment.

For this purpose the management company may appoint an intermediary (hereinafter the “Agent”) to provide the following services in connection with the Compartment’s temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment’s behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment’s behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.

The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.

These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment’s management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment’s gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment’s annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment’s overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment’s annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment’s counterparty risk, and;
- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment’s use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment’s account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment’s assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and

such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's units or equities or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and derivatives. The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

**- Counterparty risk**

The Compartment may use FFI on an ancillary basis.

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Counterparty risk**

The Compartment may use FFI on an ancillary basis.

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

- Risk related to the use of derivative instruments

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the index, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

- Risk related to a change of the tax regime affecting the underlyings

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

- Risk related to regulations

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Risk arising from temporary securities transactions

If a borrower of securities defaults on its obligation there could be a risk that the value of the guarantee received by the Compartment is less than the value of the securities lent. This risk could arise, for example, in the event of (i) an inaccurate valuation of the securities lent and/or (ii) unfavourable market movements and/or (iii) the lowering of the credit rating(s) of the issuer(s) of securities taken as guarantee and/or (iv) the illiquidity of the market in which the guarantees received are listed. If cash guarantees are reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Compartment to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of guarantees the Compartment must repay. The Compartment could also fail to receive the securities lent by the date specified, which would diminish its capacity to accommodate investor redemptions.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a FFI), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

- Currency risk linked to the Compartment listing

The Compartment may be listed on certain markets of multilateral trading facilities in a currency other than that of the Benchmark Indicator. Investors buying the Compartment in a currency other than that of the Benchmark Indicator are exposed to currency risk. Therefore, the value of the investment made in a currency other than that of the Benchmark Indicator may be reduced in spite of an increase of the value of the benchmark Indicator, due to exchange rate fluctuations.

- Risk of concentration

The Fund reproduces the performance of the Benchmark Indicator concentrated on a limited number of underlying securities. The exposure to such a low-diversified Benchmark Indicator may lead to a volatility higher than that of a more diversified index as well as a higher liquidity risk in the case of deterioration of the liquidity or a suspension of listing of one or more components of the Benchmark Indicator.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the eurozone equity market.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 29 November 2013.*
- *Compartment creation date: 12 December 2013.*

## Activity report

The net asset value of the C-EUR unit of the Lyxor EURO STOXX Banks (DR) UCITS ETF Compartment shows an evolution of 33.89% over the fiscal year and stands at EUR 115.7804 on 31/10/2017, meaning a fund performance of 15.78% since inception.

The fund replicates the performance of the ESTX Bnk EUR NRt index, listed in euro (EUR), representing an investment strategy in the banking sector in Euro, weighted by market capitalization.

This index has shown an evolution of 33.58% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the ESTX Bnk EUR NRt index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the ESTX Bnk EUR NRt index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or hedging swaps entered into in particular to minimise the MF's tracking error.

The fund complies at all times with the eligibility requirements of the PEA, details are available on request to the management company.

The fund's risk and yield profile has been classed as category 7 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily so that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.3130% for the Compartment. The level of the tracking error for the period was of 0.4%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance	Portfolio rated	100%
5.2	7.1	5.3	4.7	Nb Securities rated	26

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>7.1</b>	<b>8.1%</b>
	Climate Change	7.1	8.1%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>5.3</b>	<b>57.2%</b>
	Human Capital	6.0	16.3%
	Product Liability	4.9	28.9%
	Social Opportunities	5.1	12.1%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>4.7</b>	<b>34.0%</b>
	Corporate Behavior	3.0	16.3%
	Corporate Governance	6.3	17.7%



Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	21%
Average (A, BBB,BB)	79%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials	20.5%		46.0%	29.2%	3.6%			

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	25%
Yellow Flag	52%
Green Flag	23%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
3	4	4

Portfolio rated by weight	99%
Scope 1 reported (vs estimated)	99%
Scope2 reported (vs estimated)	87%

Scope 1 & 2 estimations are based on MSCI methodology

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions(combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity,generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.



### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenu dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

Securities lending	
% of assets that can be loaned	3.87

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	40,714,703	-	-	-	-
% of assets under management	3.87	-	-	-	-

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	ING GROUP
	Amount	7,311,037
2	Name	CAP GEMINI
	Amount	5,670,500
3	Name	BOUYGUES
	Amount	4,110,777
4	Name	LUXOTTICA GROUP
	Amount	4,110,752
5	Name	VEOLIA ENVIRONNEMENT
	Amount	1,708,700
6	Name	APPLE
	Amount	888,346
7	Name	VINCI
	Amount	870,726
8	Name	E.ON
	Amount	531,466

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	SOCIETE GENERALE	-	-	-	-
	Amount	40,714,703	-	-	-	-

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	25,202,304	-	-	-	-
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	25,202,304	-	-	-	-

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	EUR	-	-	-	-
	Amount	24,313,958	-	-	-	-
2	Currency	USD	-	-	-	-
	Amount	888,346	-	-	-	-

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	334,993	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	36,211,789	-	-	-	-
Open	4,167,921	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	FRANCE	-	-	-	-
Amount	40,714,703	-	-	-	-

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	40,714,703	-	-	-	-

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	25,202,304

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

## 7. Data on the earnings and costs for each type of securities financing operation and total return swap.

The Compartment may use techniques for efficient management of portfolios, in compliance with the provisions of article R214-18 of the [French] Monetary and Financial Code, and in particular, temporary sales of securities.

- Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.

- Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

The revenues generated by the securities lending transactions (from which direct and indirect operational costs borne by the Agent and, as the case may be, by the management company, must be deducted) must be paid to the Compartment in question. Insofar as these indirect or direct costs do not increase the operating costs of the Compartment, they were excluded from current expenses.

### 7.1. Income

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
CIU (absolute value)	15,845	-	-	-	-
Manager (absolute value)	4,875	-	-	-	-
Third party (absolute value)	3,657	-	-	-	-

### 7.2. Expenses

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
CIU (absolute value)	-	-	-	-	-
Manager (absolute value)	-	-	-	-	-
Third party (absolute value)	-	-	-	-	-

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>1,078,243,155.04</b>	<b>215,489,171.50</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	1,037,529,936.43	215,489,171.50
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	40,714,703.07	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>26,789,348.45</b>	-
Future foreign exchange operations	-	-
Other	26,789,348.45	-
<b>Financial accounts</b>	<b>6,472,626.00</b>	<b>0.14</b>
Liquidity	6,472,626.00	0.14
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>1,111,506,613.95</b>	<b>215,489,171.64</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	898,341,511.57	276,207,912.60
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	147,541,588.84	-62,952,479.06
• Earnings of the fiscal year	7,193,641.55	746,729.52
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>1,053,076,741.96</b>	<b>214,002,163.06</b>
<b>Financial instruments</b>	<b>25,202,329.10</b>	<b>1,439,014.38</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	25,202,304.10	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	25.00	-
Other operations	-	1,439,014.38
<b>Debts</b>	<b>4,274,294.95</b>	<b>47,994.20</b>
Future foreign exchange operations	-	-
Other	4,274,294.95	47,994.20
<b>Financial accounts</b>	<b>28,953,247.94</b>	-
Current bank accommodations	28,953,247.94	-
Loans	-	-
<b>Total liabilities</b>	<b>1,111,506,613.95</b>	<b>215,489,171.64</b>



## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	33,875	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	247,466,500.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	2.11	-
• Earnings on equities and similar securities	7,308,845.49	1,081,079.79
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	15,845.18	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>7,324,692.78</b>	<b>1,081,079.79</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-14,054.22	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-14,054.22</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>7,310,638.56</b>	<b>1,081,079.79</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-1,622,990.40	-545,913.02
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>5,687,648.16</b>	<b>535,166.77</b>
Adjustment of the fiscal year's earnings (V)	1,505,993.39	211,562.75
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>7,193,641.55</b>	<b>746,729.52</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.30% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None
Cost of temporary purchases and disposals of securities	The amount of the transaction	Maximum 35% of the income obtained from these transactions

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

# appendix

**Accounting currency**

The Compartment's accounting is carried out in euros (EUR).

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**Class of C-EUR equities:** Capitalisation of all the amounts available for distribution.

**Class of D-EUR equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

STOXX and its Licensors have no other relationship with the license-holder than through the license granted in respect of EURO STOXX® Banks Index and the associated trade marks for the purpose of using them with the LYXOR EURO STOXX BANKS (DR) UCITS ETF.

STOXX and its licensors:

- Make no representation or warranty concerning the merits of trading in the shares or units of LYXOR EURO STOXX BANKS (DR) UCITS ETF, which they shall also refrain from selling or promoting.
- Make no investment recommendation to anyone whomsoever with respect to LYXOR EURO STOXX BANKS (DR) UCITS ETF or other recommendation of any type whatsoever.
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- Shall not be held responsible or liable nor have any obligation in respect of the administration, management or marketing of LYXOR EURO STOXX BANKS (DR) UCITS ETF.
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STOXX and its Licensors decline any responsibility in relation to LYXOR EURO STOXX BANKS (DR) UCITS ETF. More specifically, STOXX and its Licensors do not make or ensure any guarantee whatsoever, either expressed or implied, concerning:

- The results that may be obtained by LYXOR EURO STOXX BANKS (DR) UCITS ETF, by the share-holders or unit-holders of LYXOR EURO STOXX BANKS (DR) UCITS ETF or by anyone who directly or indirectly uses the EURO STOXX® Banks Index or its data.
- The accuracy or completeness of the EURO STOXX® Banks Index and of the data it contains.
- The negotiability of the EURO STOXX® Banks Index and its date and their appropriateness for a specific use or purpose.

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Under no circumstance shall STOXX or its licensors be liable for any economic loss whatsoever, including consequential loss, even if STOXX and its licensors are informed of such risk.

The license agreement between Lyxor International Asset Management and STOXX was agreed in their sole interests, and not in the interest of share-holders or unit-holders of LYXOR EURO STOXX BANKS (DR) UCITS ETF or of third parties.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>214,002,163.06</b>	<b>279,123,951.14</b>
Subscriptions (including subscription commission acquired by the Compartment)	858,533,220.09	182,814,428.94
Redemptions (less the redemption commission acquired by the Compartment)	-118,366,907.28	-201,333,993.67
Capital gains generated on deposits and financial instruments	56,192,039.78	22,347,969.10
Capital losses generated on deposits and financial instruments	-24,816,085.40	-46,692,652.94
Capital gains generated on financial contracts	679,810,077.80	551,684,949.13
Capital losses generated on financial contracts	-665,698,678.76	-579,094,015.44
Negotiation fees	-56,422.70	-
Exchange differentials	-333,742.06	2,646,263.67
Changes to the estimate difference of the deposits and financial instruments:	46,684,439.89	4,669,745.88
- <i>Estimate difference fiscal year N</i>	49,581,094.15	2,896,654.26
- <i>Estimate difference fiscal year N-1</i>	2,896,654.26	-1,773,091.62
Changes to the estimate difference of financial contracts:	1,438,989.38	-2,699,649.52
- <i>Estimate difference fiscal year N</i>	-25.00	-1,439,014.38
- <i>Estimate difference fiscal year N-1</i>	-1,439,014.38	1,260,635.14
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	5,687,648.16	535,166.77
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>1,053,076,741.96</b>	<b>214,002,163.06</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	6,472,626.00
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	28,953,247.94
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	6,472,626.00	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	28,953,247.94	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-



### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	USD	JPY	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	2.06	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	0.01	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>25,896,259.55</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	21,798,077.13
Deferred settlement purchases	3,093,168.84
Coupon receivable	377,872.16
Account payable	325,554.33
Other receivables	301,587.09
Other operations	-
<b>Debts</b>	<b>4,274,294.95</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Account receivable	3,986,257.74
Accrued expenses	284,456.31
Miscellaneous debtors and creditors	3,580.90
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year:				
EQUITIES C-EUR / FR0011645647	7,764,251	858,533,220.09	1,143,457	118,366,907.28
Subscription / redemption commission by equity category:		Amount		Amount
EQUITIES C-EUR / FR0011645647		640,696.84		11,355.92
Remittances by equity category:		Amount		Amount
EQUITIES C-EUR / FR0011645647		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITIES C-EUR / FR0011645647		640,696.84		11,355.92

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITIES C-EUR / FR0011645647	<b>0.30</b>
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITIES C-EUR / FR0011645647	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....None
- 3.8.2 Description of the other commitments received and/or given.....None

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	-

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

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	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	7,193,641.55	746,729.52
<b>Total</b>	<b>7,193,641.55</b>	<b>746,729.52</b>

EQUITIES C-EUR / FR0011645647	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	7,193,641.55	746,729.52
<b>Total</b>	<b>7,193,641.55</b>	<b>746,729.52</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

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(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	147,541,588.84	-62,952,479.06
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>147,541,588.84</b>	<b>-62,952,479.06</b>

EQUITIES C-EUR / FR0011645647	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	147,541,588.84	-62,952,479.06
<b>Total</b>	<b>147,541,588.84</b>	<b>-62,952,479.06</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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(compartment of the Multi Units France mutual fund)

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 12 December 2013.

Compartment currency

EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Net assets</b>	<b>1,053,076,741.96</b>	214,002,163.06	279,123,951.14	132,822,411.67	-

EQUITIES C-EUR / FR0011645647

Currency of the UNIT and of the NAV: EUR

	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Number of circulating equities</b>	<b>9,095,459</b>	2,474,665	2,542,978	1,209,500	-
<b>Net asset value</b>	<b>115.7804</b>	86.4772	109.7626	109.8159	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>17.01</b>	-25.13	-4.14	8.35	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.



## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0011540547	ABN AMRO GROUP N.V.	PRETER	7,200.00	190,908.00	EUR	0.02
NL0011540547	ABN AMRO GROUP N.V.	PRETER	90,000.00	2,386,350.00	EUR	0.23
NL0011540547	ABN AMRO GROUP N.V.	PRETER	1,975.00	52,367.13	EUR	0.00
NL0011540547	ABN AMRO GROUP N.V.	PRETER	6,079.00	161,184.69	EUR	0.02
NL0011540547	ABN AMRO GROUP N.V.	PRETER	5,962.00	158,082.43	EUR	0.02
NL0011540547	ABN AMRO GROUP N.V.	PRETER	20,000.00	530,300.00	EUR	0.05
NL0011540547	ABN AMRO GROUP N.V.	PROPRE	632,370.00	16,767,290.55	EUR	1.59
IE00BYSZ9G33	ALLIED IRISH BANKS	PROPRE	1,455,704.00	7,386,242.10	EUR	0.70
US0378331005	APPLE INC	PGARAN	6,347.00	888,345.72	USD	0.08
ES0113211835	BANCO BILBAO VIZCAYA ARGENTA	PROPRE	12,382,069.00	93,026,484.40	EUR	8.83
IT0005218380	BANCO BPM SPA	PROPRE	2,813,649.00	8,424,065.11	EUR	0.80
ES0113860A34	BANCO DE SABADELL	PROPRE	10,429,027.00	17,927,497.41	EUR	1.70
ES0113900J37	BANCO SANTANDER SA	PROPRE	29,786,872.00	173,448,955.66	EUR	16.47
IE00BD1RP616	BANK OF IRELAND GROUP PLC	PROPRE	1,723,876.00	11,598,237.73	EUR	1.10
ES0113307062	BANKIA	PROPRE	1,760,713.00	7,217,162.59	EUR	0.69
ES0113679I37	BANKINTER	PROPRE	1,198,796.00	9,713,843.99	EUR	0.92
FR0000131104	BNP PARIBAS	PROPRE	2,138,867.00	143,389,643.68	EUR	13.62
FR0000120503	BOUYGUES	PGARAN	100,508.00	4,110,777.20	EUR	0.39
IT0000066123	BPER BANCA SPA	PRETER	50,000.00	209,200.00	EUR	0.02
IT0000066123	BPER BANCA SPA	PRETER	10,517.00	44,003.13	EUR	0.00
IT0000066123	BPER BANCA SPA	PRETER	185,000.00	774,040.00	EUR	0.07
IT0000066123	BPER BANCA SPA	PROPRE	552,535.00	2,311,806.44	EUR	0.22
ES0140609019	CAIXABANK	PROPRE	6,664,412.00	26,777,607.42	EUR	2.54
FR0000125338	CAP GEMINI SE	PGARAN	55,000.00	5,670,500.00	EUR	0.54
DE000CBK1001	COMMERZBANK	PROPRE	1,846,287.00	21,721,566.56	EUR	2.06

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
FR0000045072	CREDIT AGRICOLE SA	PROPRE	2,301,147.00	34,471,182,06	EUR	3,27
DE0005140008	DEUTSCHE BANK AG-NOM	PROPRE	3,457,981.00	48,238,834,95	EUR	4,58
DE000ENAG999	E.ON SE	PGARAN	52,751.00	531,466,33	EUR	0,05
AT0000652011	ERSTE GROUP BANK	PROPRE	563,477.00	20,786,666,53	EUR	1,97
IT0000072170	FINECOBANK	PROPRE	728,676.00	5,851,268,28	EUR	0,56
NL0011821202	ING GROUP NV	PGARAN	460,103.00	7,311,036,67	EUR	0,69
NL0011821202	ING GROUP NV	PROPRE	7,215,056.00	114,430,788,16	EUR	10,87
IT0000072618	INTESA SANPAOLO SPA	PRETER	334,659.00	965,825,87	EUR	0,09
IT0000072618	INTESA SANPAOLO SPA	PRETER	1,374.00	3,965,36	EUR	0,00
IT0000072618	INTESA SANPAOLO SPA	PROPRE	26,405,616.00	76,206,607,78	EUR	7,24
BE0003565737	KBC GROUPE	PRETER	480,000.00	34,228,800,00	EUR	3,25
BE0003565737	KBC GROUPE	PROPRE	4,924.00	351,130,44	EUR	0,03
IT0001479374	LUXOTTICA GROUP	PGARAN	84,968.00	4,110,751,84	EUR	0,39
IT0000062957	MEDIOBANCA SPA	PROPRE	1,134,208.00	10,672,897,28	EUR	1,01
FR0000120685	NATIXIS	PRETER	100,000.00	673,200,00	EUR	0,06
FR0000120685	NATIXIS	PROPRE	1,577,884.00	10,622,315,09	EUR	1,01
AT0000606306	RAIFFEISEN INTL BANK HOLDING	PRETER	11,200.00	334,992,00	EUR	0,03
AT0000606306	RAIFFEISEN INTL BANK HOLDING	PROPRE	240,462.00	7,192,218,42	EUR	0,68
FR0000130809	SOCIETE GENERALE A	PROPRE	1,499,900.00	71,695,220,00	EUR	6,81
IT0003487029	UBI BANCA SPA	PROPRE	1,888,547.00	7,614,621,50	EUR	0,72
IT0005239360	UNICREDIT SPA	PROPRE	3,924,740.00	64,483,478,20	EUR	6,12
FR0000124141	VEOLIA ENVIRONNEMENT	PGARAN	84,297.00	1,708,700,19	EUR	0,16
FR0000125486	VINCI SA	PGARAN	10,497.00	870,726,15	EUR	0,08
<b>Total Equity</b>				<b>1,078,243,155,04</b>		<b>102.39</b>
<b>Total Investment Securities</b>				<b>1,078,243,155,04</b>		<b>102.39</b>
<b>Cash</b>						
<b>OTHER</b>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-3,580.90	EUR	-0.00
	PROV INTCREDCPTDEPCE	PROPRE	0.00	301,587.09	EUR	0.03
<b>Total OTHER</b>				<b>298,006.19</b>		<b>0.03</b>

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>AT BANK OR PENDING</b>						
	RECEIVABLE ON SWAP	PROPRE	0.00	-3,986,257.74	EUR	-0.38
	PAYABLE ON SWAP	PROPRE	0.00	325,554.33	EUR	0.03
	DEF. PURCHASES CAP. OP.	PROPRE	0.00	893,088.90	EUR	0.08
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	3,093,168.84	EUR	0.29
	EUR NEWEDG BANK	PROPRE	0.00	6,472,623.94	EUR	0.61
	EUR SGP BANK	PROPRE	0.00	-28,953,247.93	EUR	-2.75
	JPY SGP BANK	PROPRE	0.00	-0.01	JPY	-0.00
	USD NEWEDG BANK	PROPRE	0.00	2.06	USD	0.00
	CES TMP REG DIFF EUR	PROPRE	0.00	4,138.10	EUR	0.00
	DEF. SALES EUR SECURITIES	PROPRE	0.00	21,793,939.03	EUR	2.07
<b>Total AT BANK OR PENDING</b>				<b>-356,990.48</b>		<b>-0.03</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-284,456.31	EUR	-0.03
<b>Total MANAGEMENT FEES</b>				<b>-284,456.31</b>		<b>-0.03</b>
<b>Total Cash</b>				<b>-343,440.60</b>		<b>-0.03</b>
<b>Futures</b>						
<b>Indices (Delivery of the underlying instrument)</b>						
CA151217	EURO STOXX 1217	PROPRE	-5.00	-25.00	EUR	-0.00
<b>Total Indices (Delivery of the underlying instrument)</b>				<b>-25.00</b>		<b>-0.00</b>
<b>Total Futures</b>				<b>-25.00</b>		<b>-0.00</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02056665	PDC/DE000ENAG999/31/	PGAR1	-531,466.33	-531,466.33	EUR	-0.05
PDC-02056569	PDC/FR0000120503/31/	PGAR1	-4,110,777.20	-4,110,777.20	EUR	-0.39
PDC-02056553	PDC/FR0000124141/31/	PGAR1	-1,708,700.19	-1,708,700.19	EUR	-0.16
PDC-02056602	PDC/FR0000125338/31/	PGAR1	-5,670,500.00	-5,670,500.00	EUR	-0.54
PDC-02056584	PDC/FR0000125486/31/	PGAR1	-870,726.15	-870,726.15	EUR	-0.08
PDC-02056616	PDC/IT0001479374/31/	PGAR1	-4,110,751.84	-4,110,751.84	EUR	-0.39
PDC-02056608	PDC/NL0011821202/31/	PGAR1	-7,311,036.67	-7,311,036.67	EUR	-0.69
PDC-02056600	PDC/US0378331005/31/	PGAR1	-1,034,878.35	-888,345.72	USD	-0.08
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-25,202,304.10</b>		<b>-2.39</b>

LYXOR EURO STOXX BANKS (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Securities lending file</i>						
PT—00184796	PT/AT0000606306/27/1	PRET	348,684.00	0.97	EUR	0.00
PT—00184847	PT/BE0003565737/30/1	PRET	36,187,200.00	1,477.64	EUR	0.00
PT—00184748	PT/FR0000120685/26/1	PRET	727,860.00	2.02	EUR	0.00
PT—00184509	PT/IT0000066123/20/1	PRET	823,620.00	2.29	EUR	0.00
PT—00183125	PT/IT0000066123/31/1	PRET	264,600.00	0.00	EUR	0.00
PT—00183331	PT/IT0000066123/31/1	PRET	55,876.82	0.00	EUR	0.00
PT—00184011	PT/IT0000072618/10/1	PRET	4,201.14	0.01	EUR	0.00
PT—00183509	PT/IT0000072618/31/1	PRET	1,048,553.58	0.00	EUR	0.00
PT—00183993	PT/NL0011540547/10/1	PRET	549,570.00	1.53	EUR	0.00
PT—00180547	PT/NL0011540547/31/1	PRET	2,270,362.50	0.00	EUR	0.00
PT—00182210	PT/NL0011540547/31/1	PRET	49,977.38	0.00	EUR	0.00
PT—00182700	PT/NL0011540547/31/1	PRET	184,199.40	0.00	EUR	0.00
PT—00183280	PT/NL0011540547/31/1	PRET	161,743.95	0.00	EUR	0.00
PT—00183292	PT/NL0011540547/31/1	PRET	158,630.93	0.00	EUR	0.00
<i>Total Securities lending file</i>				<b>1,484.46</b>		<b>0.00</b>
<i>Total Files</i>				<b>-25,200,819.64</b>		<b>-2.39</b>
<i>Coupons</i>						
<i>Equity</i>						
ES0140609019	CAIXABANK	ACHLIG	6,664,412.00	377,872.16	EUR	0.04
<i>Total Equity</i>				<b>377,872.16</b>		<b>0.04</b>
<i>Total Coupons</i>				<b>377,872.16</b>		<b>0.04</b>
<b>Total LYXOR EURO STOXX BANKS (DR) UCITS ETF</b>				<b>1,053,076,741.96</b>		<b>100.00</b>

# LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF

**rapport**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF is a compartment of the MULTI UNITS FRANCE compartment
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Diversified.

The LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF Compartment (hereafter the “Compartment”) is an UCITS ETF strategy type index fund.

### **Terms of determination and allocation of amounts available for distribution:**

**Classes of C-EUR and C-USD equities:** Capitalisation of all the amounts available for distribution.

**Classes of D-EUR and D-USD equities:** The Board of directors reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### **Management objective:**

The management objective of the Compartment is to be inversely exposed with a daily x2 leverage, upwards or downwards, to the daily performance of the US Treasury bonds market while reproducing the evolution of the “SGI Double Short 10y US Treasury” (Bloomberg Code: SGIXDSTY) index (the “Benchmark Indicator”) listed in US Dollar (USD), while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the “SGI Double Short 10y US Treasury” index.

The anticipated level of the ex-post tracking error under normal market conditions is 0.07%.

### **Benchmark indicator:**

The Benchmark Indicator is the SGI Double Short 10y US Treasury strategy index.

The Benchmark Indicator is a strategy index prepared by the Société Générale research teams, using a proprietary methodology. The Benchmark Indicator is calculated and maintained by Standard & Poor’s.

The Benchmark Indicator is a total return strategy index that reflects the overall return over a period of time relative to the composite performance of a notional investment in the following: a series of “CBOT 10y US Treasury” futures and a US Federal Reserve’s effective money-market rate.

The Benchmark Indicator offers inverse exposure, with daily 200% inverse leverage, to increases and decreases on futures contracts on 10 years US Treasury bonds. The Benchmark Indicator is therefore correlated with the performance of:

A notional short position in CBOT 10y US Treasury futures that are closest to their expiry date, to which 200% leverage is applied,

And:

A long position in a daily investment that is representative of the interest earned on an overnight deposit that is indexed at the US Federal Reserve’s effective funds rate.

Therefore if the value of CBOT 10y US Treasury futures declines on a Calculation Date (as this term is defined below), the Compartment's net asset value will increase by twice this amount on this Calculation Date and, inversely will decrease by twice as much if the price of CBOT 10y US Treasury futures rises, in which case shareholders will not benefit from the increase in the Benchmark Indicator.

The notional amount of the two investments in the CBOT 10y US Treasury futures and in the overnight deposit is revised daily in accordance with the Benchmark Indicator's most recent performance.

The Benchmark Indicator's daily performance is therefore equivalent to the inverse of twice the daily performance of CBOT 10y US Treasury futures plus the interest at the Fed Fund rate received daily on the value of the CBOT 10y US Treasury futures at the previous day's fixing price at 5:30 pm.

The leveraged position in a series of suitable futures contracts is rolled over to the next series of futures contracts at each revision date (as this term is defined below). The series of futures contracts is not modified between Revision Dates.

A "Revision Date" is the first business day immediately before the expiry date of a given series of futures contracts.

The Benchmark Indicator is calculated and published by Standard & Poor's Financial services LLC ("S&P") in accordance with the Benchmark Indicator methodology.

The composition of the Benchmark Indicator is revised quarterly.

The complete methodology is available at [www.sgindex.fr](http://www.sgindex.fr)

The monitored performance is that of the Benchmark Indicator's closing price at 5:30 p.m.

As the Benchmark Indicator's calculation methodology is not based on a direct exposure to the 10 years US Treasury bonds, but is rather based on an indirect exposure via futures contracts, the Compartment's performance will be impacted by the cost related to the roll of the aforesaid futures on a quarterly basis.

This phenomenon could negatively and progressively impact, potentially in a significant manner, the gap between the Compartment's performance and the gross performance of the short positions on the underlyings of the aforesaid futures, notably in case of long-term investment in the Compartment's equities.

#### **Benchmark Indicator revision and composition**

The Benchmark Indicator is revised quarterly, in accordance with the methodology described in the Benchmark Indicator Rulebook, which is available on the SGIndex website at: [www.sgindex.fr](http://www.sgindex.fr).

The Benchmark Indicator's leverage may also be adjusted intraday during trading hours if it falls by more than 40% on a Benchmark Indicator Calculation Day (i.e. if the absolute value of CBOT 10y US Treasury futures rises by more than 20%).

This frequency of the index rebalancing described above and the rolling over of the futures contracts at the Revision Dates could increase the Compartment's costs and therefore adversely affect the Compartment's performance.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator are available at the following Internet site: [www.sgindex.fr](http://www.sgindex.fr)

#### **Benchmark Indicator publication**

The Benchmark Indicator is calculated daily at the 5:30 pm fixing price for CBOT 10y US Treasury futures.

The Benchmark Indicator is also calculated in real time every business day in France provided that the stock markets on which the Benchmark Indicator underlying components are listed are open, hereinafter a "Benchmark Indicator Calculation Day".

The Benchmark Indicator is available via Reuters and Bloomberg.

Reuters code: .SGIXDSTY

Bloomberg code: SGIXDSTY

#### **Investment strategy:**

##### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

**LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF**  
(compartment of the Multi Units France mutual fund)

An investor subscribing to this Compartment is inversely exposed with a daily amplifying x2 leverage, upward or downward, to the daily performance of the US Treasury bond market for which the Benchmark Indicator is a representative indicator.

The securities held as assets by the Compartment will mainly be bonds issued by a Member State of the OECD or issued by non-government issuers residing in one of the Member States of the OECD.

Interest rate sensitivity range within which the Compartment is managed:	Between 7 and 12
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: from 0 to 100% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets <sup>(1)</sup>
Geographical area of issuers of securities to which the Compartment is exposed:	US: from 0 to 100% of net assets

<sup>(1)</sup> The equity classes that are not denominated in USD may however be exposed to currency risk.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

## **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the regulatory ratios, bonds issued by an OECD member country or by a non-governmental issuer resident in an OECD country.

The aforementioned securities will be bonds chosen on the basis of criteria:

- Of eligibility, in particular:

- o Senior debt,
- o Fixed maturity,
- o Maximum residual maturity,
- o Minimum issuing amount,
- o Requirement of a minimal threshold in S&P rating or equivalent.

- Of diversification, in particular:

- o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- o Geographical area,
- o Sector.

For more information on the abovementioned eligibility and diversification criteria, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives guarantee in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

## **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).



- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be traded with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the “Counterparty”) will have no discretionary power regarding the composition of the Compartment’s investment portfolio, nor regarding the underlying assets of the future financial instruments.

#### **4. Securities with integrated derivatives**

None.

#### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

#### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

#### **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

#### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment’s use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment’s account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment’s assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty’s performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment’s net asset value;
- (e) The Compartment’s Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State’s local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and

such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment’s assets. In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;

- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of Future Financial Instruments ("FFI") traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator. When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**- Risk of daily readjustment of the leverage**

Investors are doubly inversely exposed to the fluctuations affecting the price or level of the underlying CBOT 10y US Treasury futures at the Benchmark Indicator on a daily basis. In particular, any appreciation of the underlying market will be inversely amplified and will entail an even higher depreciation of the Compartment's net asset value.

The daily readjustment of the exposure shown in the formula of the underlying "double short" Benchmark Indicator implies that, over a period of more than one banking day, the Compartment's performance will not be equal to the double of the opposite of the performance of the underlying CBOT 10y US Treasury futures at the Benchmark Indicator. For example, if the underlying CBOT 10y US Treasury futures of the Benchmark Indicator appreciate by 10% on one banking day and then depreciate by 5% on the next banking day, the Compartment will have depreciated in all, after these two days (and before deduction of the applicable fees), by 12%, while the underlying CBOT 10y US Treasury futures of the Benchmark Indicator will have appreciated by 4.5% over the same period.

If the underlying CBOT 10y US Treasury futures of the Benchmark Indicator depreciate by 10% a given banking day then is appreciate by 6% the next banking day, they will have depreciated by a total of 4.6%, while the Compartment will be appreciated (before deduction of the applicable fees) by 5.6% over the same period.

**Negative scenario 1:** Case in which the resulting negative leverage is greater than 2 within the scenario of an increase of the Benchmark Indicator's underlying

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	10%	100	-20%	100	x-2
day 2	-5%	110	10%	80	x-2
		104.5		88	
Whole period	4.50%		-12.00%		x-2.67

**Negative scenario 2:** Case in which the resulting negative leverage is less than 2 within the scenario of a decrease of the Benchmark Indicator's underlying

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	-10%	100	20%	100	x-2
day 2	6%	90	-12%	120	x-2
		95.4		105.6	
Whole period	-4.60%		5.60%		x-1.22

Moreover, it is possible that over an observation period of more than one day, and in case of strong volatility of the Benchmark Indicator's underlyings over this period, the Compartment's net asset value will decline even if the Benchmark Indicator's underlyings also show a decrease over this same period.

**Inverted leverage scenario 3:** Case in which the resulting leverage is positive over the period

	Underlying of the Benchmark Indicator		Strategy index		induced leverage
	performance day i	Day value i	performance day i	Day value i	
day 1	5%	100	-10%	100	x-2
day 2	-5%	105	10%	90	x-2
		99.75		99	
Whole period	-0.25%		-1.00%		x4

**Risk that the Compartment's management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the Benchmark Indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this index or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Liquidity risk (primary market)

Should the Compartment (or one of its counterparties for FFI) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

- Liquidity risk on a place of listing

The ETF's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

- Risk related to low diversification

The Benchmark Indicator to which the investors are exposed only covers the market for bonds issued by the US government and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment's underlyings.

Credit risk

It represents the potential risk of improvement of the issuer credit quality that could notably lead to an improvement of the rating assigned by rating agencies to the issuer, which would have a positive impact on the price of the issuer's bonds and thus have a negative impact on the net asset value of the Compartment. The Compartment is exposed to the credit risk of the US government.

Exchange risk linked to the C-EUR and D-EUR equity classes

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark Indicator.

Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark Indicator, as a result of exchange rate fluctuations.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:** The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure with a daily amplifying x2 leverage, upward or downward, to the US government bonds market while reproducing the evolution of the Benchmark Indicator.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

As this product is an arbitration product, this Compartment could not be suitable for investors that wish to make a medium or long-term investment.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 10 December 2013.*
- *Compartment creation date: 8 January 2014.*

## Activity report

The net asset value of the C-USD unit of the LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF Compartment shows an evolution of 4.44% over the fiscal year and stands at USD 81.7775 on 31/10/2017, meaning a fund performance of -18.22% since inception.

The fund replicates the performance of the SGI DoublShrt- 10yUSTrea index, listed in US Dollar (USD), representing a bearish strategy with a leverage effect of 2 on American government bonds with a maturity of close to 10 years.

This index has shown an evolution of 4.80% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the SGI DoublShrt- 10yUSTrea index, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the SGI DoublShrt- 10yUSTrea index.

The equities held as assets by the Compartment will notably be equities that make up the SGI DoublShrt- 10yUSTrea index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 4 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0041% for the Compartment. The level of the tracking error for the period was of 0.07%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### **Transfer commission** *(not audited by the auditor)*

None.

#### **Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### **Overall risk of the Compartment**

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533 22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;

- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.



**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	134,900,000
% of assets under management	-	-	-	-	122.28

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	UNITED STATES OF AMERICA
	Amount	4,210,008

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	134,900,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	4,210,008
Rating or literary	Not applicable				

### 3.2. Guarantee maturity.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	4,210,008
Open	-	-	-	-	-

### 3.3. Guarantee currency.

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	USD
	Amount		-	-	-	4,210,008

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	134,900,000
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Country	-	-	-	-	FRANCE
	Amount	-	-	-	-	134,900,000

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	134,900,000

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians		1
1	Name	SOCIETE GENERALE
	Amount	4,210,008

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>114,543,950.94</b>	<b>100,030,058.48</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	110,443,388.38	100,030,058.48
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	4,100,562.56	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>32,954,788.17</b>	<b>7,028,324.98</b>
Future foreign exchange operations	-	-
Other	32,954,788.17	7,028,324.98
<b>Financial accounts</b>	-	<b>0.01</b>
Liquidity	-	0.01
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>147,498,739.11</b>	<b>107,058,383.47</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 USD	31.10.2016 USD
<b>Shareholders' equity</b>		
• Capital	112,662,953.12	105,257,998.58
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-2,191,796.91	-5,563,538.24
• Earnings of the fiscal year	-153,209.60	-169,235.87
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>110,317,946.61</b>	<b>99,525,224.47</b>
<b>Financial instruments</b>	<b>4,210,007.80</b>	<b>490,194.72</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	4,210,007.80	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	490,194.72
<b>Debts</b>	<b>32,970,784.70</b>	<b>7,042,964.28</b>
Future foreign exchange operations	-	-
Other	32,970,784.70	7,042,964.28
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>147,498,739.11</b>	<b>107,058,383.47</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	134,900,000.00	127,100,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	45,250.76	15,610.51
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>45,250.76</b>	<b>15,610.51</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>45,250.76</b>	<b>15,610.51</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-173,541.94	-123,981.32
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-128,291.18</b>	<b>-108,370.81</b>
Adjustment of the fiscal year's earnings (V)	-24,918.42	-60,865.06
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-153,209.60</b>	<b>-169,235.87</b>



## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of holding an EMTN, it will be assessed on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this assessment.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.
- Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	Maximum 0.20% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in USD.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**Classes C-EUR and C-USD:** Capitalisation of all the amounts available for distribution.

**Classes D-EUR and D-USD:** The Board of directors reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

LYXOR Daily Double Short 10Y US Treasury UCITS ETF in no way benefits from any sponsorship, support or promotion, and is not sold by Société Générale Index (SGI), a registered trademark of the Société Générale Group (designated as the “Holder”). The Holder grants no guarantee and undertakes no commitment, whether explicitly or implicitly, relative to the results to be obtained through the use of the SGI Double Short 10y US Treasury strategy index listed in US Dollar (USD) and/or relative to the level at which the said strategy index may be at any given moment or day, or of any other type. The Holder will not be liable for any error affecting the strategy index with regard to any party, and it will have no obligation to inform anyone of any possible error affecting the strategy index. The SGI Double Short 10y US Treasury strategy index listed in US Dollar (USD) is the exclusive property of the Société Générale. Société Générale has signed a contract with Standard & Poor’s whereby S&P undertakes to calculate and maintain the strategy index. However, S&P cannot be held liable in the event of any error or omission involving the strategy index calculation.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net assets at the start of the fiscal year</b>	<b>99,525,224.47</b>	<b>75,359,285.88</b>
Subscriptions (including subscription commission acquired by the Compartment)	160,935,051.10	81,636,075.00
Redemptions (less the redemption commission acquired by the Compartment)	-154,906,416.10	-53,907,206.10
Capital gains generated on deposits and financial instruments	5,987,040.33	8,371,838.35
Capital losses generated on deposits and financial instruments	-8,807,505.66	-3,878,725.52
Capital gains generated on financial contracts	554,544,800.68	294,143,161.05
Capital losses generated on financial contracts	-552,983,196.84	-300,501,315.88
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	1,560,482.53	-1,507,822.62
- <i>Estimate difference fiscal year N</i>	349,097.93	-1,211,384.60
- <i>Estimate difference fiscal year N-1</i>	-1,211,384.60	296,438.02
Changes to the estimate difference of financial contracts:	4,590,757.28	-81,694.88
- <i>Estimate difference fiscal year N</i>	-490,194.72	-490,194.72
- <i>Estimate difference fiscal year N-1</i>	-	-408,499.84
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-128,291.18	-108,370.81
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>110,317,946.61</b>	<b>99,525,224.47</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	77,832,857.40	-
Variable-rate bonds	32,610,530.98	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	134,900,000.00	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	77,832,854.40	-	32,610,530.98	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	4,210,007.80	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	134,900,000.00

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	297,420.50	4,781,495.79	43,527,357.39	48,144,460.43	13,692,654.27
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	4,210,007.80	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	134,900,000.00	-	-	-	-

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### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>32,954,788.17</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Account receivable	21,636,965.19
Deferred settlements sales	11,317,822.98
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>32,970,784.70</b>
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlements purchases	32,103,783.90
Account payable	851,004.27
Accrued expenses	15,996.53
-	-
-	-
Other operations	-

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### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
Number of equities issued/redeemed during the fiscal year:	Number of equities	Amount	Number of equities	Amount
EQUITIES C-USD / FR0011607084	1,958,000	160,935,051.10	1,880,000	154,906,416.10
Subscription / redemption commission by equity category:		Amount		Amount
EQUITIES C-USD / FR0011607084		-		-
Remittances by equity category:		Amount		Amount
EQUITIES C-USD / FR0011607084		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITIES C-USD / FR0011607084		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITIES C-USD / FR0011607084	<b>0.20</b>
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITIES C-USD / FR0011607084	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-



### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	<b>4,100,562.56</b>

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

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	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	USD	USD
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-153,209.60	-169,235.87
<b>Total</b>	<b>-153,209.60</b>	<b>-169,235.87</b>

EQUITIES C-USD / FR0011607084	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-153,209.60	-169,235.87
<b>Total</b>	<b>-153,209.60</b>	<b>-169,235.87</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	USD	USD
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-2,191,796.91	-5,563,538.24
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-2,191,796.91</b>	<b>-5,563,538.24</b>

EQUITIES C-USD / FR0011607084	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-2,191,796.91	-5,563,538.24
<b>Total</b>	<b>-2,191,796.91</b>	<b>-5,563,538.24</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 8 January 2014.

Currency					
USD	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Net assets</b>	<b>110,317,946.61</b>	99,525,224.47	75,359,285.88	273,523,530.30	-

EQUITIES C-USD / FR0011607084		Currency of the equity and of the NAV: USD			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Number of circulating equities</b>	<b>1,349,000</b>	1,271,000	899,000	3,045,000	-
<b>Net asset value</b>	<b>81.7775</b>	78.3046	83.8256	89.8271	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-1.73</b>	-4.51	15.65	-13.19	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
US0258M0EJ41	AMERICAN EXPRESS CREDIT FRN 03/05/2019	PROPRE	155,000.00	155,412.30	USD	0.14
US0258M0DQ92	AMERICAN EXPRESS CREDIT FRN 15/08/2019	PROPRE	284,000.00	286,523.62	USD	0.26
US02665WBL46	AMERICAN HONDA FINANCE FRN 19/11/2018	PROPRE	250,000.00	251,400.53	USD	0.23
US045167DR18	ASIAN DEVELOPMENT BANK 1.75% 14/08/2026	PROPRE	2,000.00	1,892.58	USD	0.00
US06051GGH65	BANK OF AMERICA CORP FRN 20/01/2023	PROPRE	218,000.00	222,467.03	USD	0.20
US06051GGJ22	BANK OF AMERICA CORP FRN 24/04/2023	PROPRE	595,000.00	603,672.83	USD	0.55
US06051GEY17	BANK OF AMERICA CORP.FRN 15/01/2019	PROPRE	120,000.00	121,298.95	USD	0.11
US06367XD243	BANK OF MONTREAL 2.5% 11/01/2022	PROPRE	1,613,000.00	1,635,442.21	USD	1.48
US06416CAC29	BANK OF NOVA SCOTIA 1.875% 26/04/2021	PROPRE	2,017,000.00	1,993,083.42	USD	1.81
US06738EAR62	BARCLAYS PLC FRN 10/08/2021	PROPRE	317,000.00	334,494.82	USD	0.30
US05531FAW32	BB&T CORPORATION FRN 15/06/2020	PROPRE	74,000.00	75,200.28	USD	0.07
US05565QCF37	BP CAPITAL MARKETS PLC FRN 10/05/2018	PROPRE	57,000.00	57,374.23	USD	0.05
US05565QCX43	BP CAPITAL MARKETS PLC 2.315% 13/02/2020	PROPRE	1,000.00	1,013.80	USD	0.00
US05583JAB89	BPCE SA FRN 22/05/2022	PROPRE	675,000.00	688,580.62	USD	0.62
US05584KAB44	BPCE SA FRN 22/05/2022	PROPRE	379,000.00	386,606.32	USD	0.35
US14040HBM60	CAPITAL ONE FINANCIAL CO FRN 09/03/2022	PROPRE	12,000.00	12,075.36	USD	0.01
US14040HBQ74	CAPITAL ONE FINANCIAL CO FRN 12/05/2020	PROPRE	405,000.00	409,683.02	USD	0.37
US15135UAD19	CENOVUS ENERGY INC 5.7% 15/10/2019	PROPRE	51,000.00	54,231.70	USD	0.05
US161175AY09	CHARTER COMM OPT LLC/CAP 4.908% 23/7/2025	PROPRE	784,000.00	847,909.33	USD	0.77
US172967KX80	CITIGROUP INC FRN 01/09/2023	PROPRE	1,229,000.00	1,269,126.13	USD	1.15
US172967KT78	CITIGROUP INC FRN 07/06/2019	PROPRE	487,000.00	493,153.57	USD	0.45
US172967LL34	CITIGROUP INC FRN 17/05/2024	PROPRE	1,145,000.00	1,164,217.27	USD	1.06
US172967LF65	CITIGROUP INC 2.45% 10/01/2020	PROPRE	70,000.00	70,958.46	USD	0.06
US12592BAB09	CNH INDUSTRIAL CAPITAL L 3.375% 15/07/2019	PROPRE	76,000.00	78,141.78	USD	0.07
US222213AK66	COE 1.75% 14/11/2019	PROPRE	1,453,000.00	1,464,335.82	USD	1.33

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US25152R7D94	DEUTSCHE BANK AG FRN 18/01/2019	PROPRE	855,000.00	866,498.29	USD	0.79
US25152R2V48	DEUTSCHE BANK AG FRN 20/08/2020	PROPRE	115,000.00	117,131.61	USD	0.11
US251541AQ13	DEUTSCHE BANK AG 4.25% 14/10/2021	PROPRE	101,000.00	106,029.30	USD	0.10
US251525AV32	DEUTSCHE BANK NY FRN 13/07/2020	PROPRE	1,786,000.00	1,796,436.80	USD	1.63
XS1351942633	DEXIA CREDIT LOCAL DE FRANCE 1.875% 28/03/2019	PROPRE	664,000.00	664,342.51	USD	0.60
XS1587060085	DNB BOLIGKREDITT AS 2.5% 28/03/2022	PROPRE	927,000.00	934,157.47	USD	0.85
XS1511645449	ERSTE ABWICKLUNGSANSTALT 1.375% 30/10/2019	PROPRE	400,000.00	395,686.56	USD	0.36
XS0821238226	EUROPEAN INVESTMENT BANK 1.875% 15/10/2019	PROPRE	1,000.00	1,003.90	USD	0.00
US30216BEJ70	EXP DEVELOPMNT CANADA 1.5% 03/10/2018	PROPRE	200,000.00	200,099.67	USD	0.18
US30216BGH96	EXPORT DEVELOPMENT CANADA 0.875% 27/8/2018	PROPRE	440,000.00	438,215.74	USD	0.40
US30216BFX55	EXPORT DEVELOPMNT CANADA 1.00% 01/11/2018	PROPRE	1,000,000.00	994,067.78	USD	0.90
US30254WAM10	FMS WERTMANAGEMENT 2% 01/08/2022	PROPRE	3,166,000.00	3,160,002.19	USD	2.86
US345397YP29	FORD MOTOR CREDIT CO LLC FRN 03/08/2022	PROPRE	1,032,000.00	1,037,108.40	USD	0.94
US345397XS76	FORD MOTOR CREDIT CO LLC FRN 08/01/2019	PROPRE	1,511,000.00	1,533,849.53	USD	1.39
US345397WQ20	FORD MOTOR CREDIT CO LLC FRN 12/03/2019	PROPRE	1,905,000.00	1,920,767.94	USD	1.74
US345397YJ68	FORD MOTOR CREDIT CO LLC FRN 28/03/2022	PROPRE	1,134,000.00	1,151,802.20	USD	1.04
US37045XBU90	GENERAL MOTORS FINL CO FRN 13/04/2020	PROPRE	2,085,000.00	2,105,436.02	USD	1.91
US37045XBX30	GENERAL MOTORS FINL CO FRN 30/06/2022	PROPRE	522,000.00	529,334.60	USD	0.48
US361841AB55	GLP CAP/FIN II 4.375% 01/11/18	PROPRE	100,000.00	101,482.15	USD	0.09
US361841AG43	GLP CAPITAL LP / FIN II 4.375% 15/04/2021	PROPRE	50,000.00	52,330.30	USD	0.05
US361841AH26	GLP CAPITAL LP / FIN II 5.375% 15/04/2026	PROPRE	100,000.00	108,800.82	USD	0.10
US38143U8G98	GOLDMAN SACHS GROUP INC FRN 25/2/2021	PROPRE	1,487,000.00	1,553,144.99	USD	1.41
US38141EB735	GOLDMAN SACHS LIBOR3 + 1.10% 15/11/2018	PROPRE	1,766,000.00	1,791,014.65	USD	1.62
US404119BM05	HCA INC 3.75% 15/03/2019	PROPRE	142,000.00	145,173.11	USD	0.13
US404119BQ19	HCA INC 5.25% 15/04/2025	PROPRE	39,000.00	41,750.25	USD	0.04
US437076BR27	HOME DEPOT INC FRN 05/06/2020	PROPRE	1,357,000.00	1,362,695.42	USD	1.24
US4581X0CW69	INTER AMERICAN DEVEL BK 2.125% 18/1/2022	PROPRE	5,994,000.00	6,045,421.86	USD	5.48
US45818WAZ95	INTER-AMERICAN DEVEL BANK FRN 26/11/2018	PROPRE	700,000.00	700,051.66	USD	0.63
US459058FH13	INTL BK RECON DEVELOP 1.375% 24/05/2021	PROPRE	1,000.00	986.59	USD	0.00
US45950KCG31	INTL FINANCE CORP 1.625% 16/07/2020	PROPRE	2,597,000.00	2,596,960.32	USD	2.35



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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US471048AF59	JAPAN BANK COOP 1.75% 31/07/18	PROPRE	233,000.00	234,010.57	USD	0.21
US471048AM01	JAPAN BANK FOR INTERNATIONAL COOP 2.125% 10/02/2025	PROPRE	3,591,000.00	3,484,743.31	USD	3.16
US471048AN83	JAPAN BANK FOR INTL COOP 1.75% 28/5/2020	PROPRE	1,500,000.00	1,498,194.17	USD	1.36
US471048BJ62	JAPAN BANK FOR INTL COOP 2.125% 21/07/2020	PROPRE	1,372,000.00	1,381,599.62	USD	1.25
US48128BAC54	JPMORGAN CHASE & CO FRN 15/01/2023	PROPRE	2,000.00	2,031.49	USD	0.00
US46625HRU67	JPMORGAN CHASE CO 07/06/2021	PROPRE	123,000.00	126,012.90	USD	0.11
US46647PAD87	JPMORGAN CHASE&CO FRN 25/04/2023	PROPRE	233,000.00	235,738.65	USD	0.21
US500769GT50	KFW 1.12% 16/11/2018	PROPRE	6,611,000.00	6,612,603.17	USD	5.99
US500769HM98	KFW 1.75% 15/09/2021	PROPRE	318,000.00	316,089.88	USD	0.29
US500769GR94	KFW 1.875% 30/06/2020	PROPRE	2,451,000.00	2,468,632.90	USD	2.24
US500769HF48	KFW 2.125% 07/03/2022	PROPRE	2,210,000.00	2,219,252.23	USD	2.01
US500769DP65	KFW 4% 27/01/20	PROPRE	2,158,000.00	2,285,280.04	USD	2.07
XS1062906794	KOMMUNALBANKEN AS FRN 02/05/2019	PROPRE	236,000.00	236,398.84	USD	0.21
XS0891864398	KOMMUNALBANKEN AS FRN 20/02/2018	PROPRE	842,000.00	845,043.28	USD	0.77
XS1422951993	KOMMUNEKREDIT 1.625% 01/06/2021	PROPRE	27,000.00	26,822.77	USD	0.02
XS1627551457	KOMMUNEKREDIT 1.625% 12/06/2020	PROPRE	10,000.00	9,996.34	USD	0.01
US50077LAP13	KRAFT HEINZ FOODS CO FRN 10/02/2021	PROPRE	1,200,000.00	1,207,104.43	USD	1.09
US50077LAQ95	KRAFT HEINZ FOODS CO FRN 10/08/2022	PROPRE	11,000.00	11,160.42	USD	0.01
XS1453477181	L BANK BW FOERDERBANK 1.375% 21/07/2021	PROPRE	1,000.00	978.75	USD	0.00
DE000NRW0J55	LAND NORDRHEIN WESTFALEN FRN 23/11/2018*	PROPRE	300,000.00	301,358.29	USD	0.27
US563469UH65	MANITOBA 2.05% 30/11/2020	PROPRE	258,000.00	260,128.64	USD	0.24
US563469UQ64	MANITOBA 2.125% 04/05/2022	PROPRE	511,000.00	512,229.95	USD	0.46
US59565AAB61	MIDCONTINENT EXPRESS PIP 6.7% 15/09/2019*	PROPRE	120,000.00	129,303.27	USD	0.12
US61746BEH50	MORGAN STANLEY FRN 14/02/2020	PROPRE	2,044,000.00	2,063,687.63	USD	1.87
US61746BEC63	MORGAN STANLEY FRN 24/10/2023	PROPRE	276,000.00	283,519.95	USD	0.26
DE000MHB2622	MUENCHENER HYPOTHEKENBNK 1.375% 19/07/2019	PROPRE	200,000.00	198,772.81	USD	0.18
XS1479554567	NRW BANK 1.5% 23/08/2021	PROPRE	19,766,000.00	19,361,488.81	USD	17.55
US62947QAS75	NXP BV/NXP FUNDING LLC 4.125% 15/06/2020	PROPRE	200,000.00	211,767.58	USD	0.19
US676167BQ13	OEKB OEST KONTROLLBANK 1.875% 20/01/2021	PROPRE	1,000.00	1,002.12	USD	0.00
US676167BK43	OESTER KONTROLBK 1.625% 12/03/2019	PROPRE	1,000.00	1,001.06	USD	0.00

LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US676167BH14	OESTER 1.125% 29/05/2018	PROPRE	2,156,000.00	2,161,716.10	USD	1.96
US68323TAB98	ONTARIO PROVINCE FRN 23/11/2017	PROPRE	35,000.00	35,115.34	USD	0.03
US683234C556	ONTARIO PROVINCE 1.2% 14/02/2018	PROPRE	150,000.00	150,283.50	USD	0.14
US68323AAC80	ONTARIO PROVINCE 3.15% 15/12/17	PROPRE	77,000.00	78,085.12	USD	0.07
US68323ADY73	ONTARIO 1.25% 17/06/2019	PROPRE	574,000.00	571,340.95	USD	0.52
US68323AAU88	ONTARIO 3% 16/07/2018	PROPRE	45,000.00	45,831.98	USD	0.04
US716473AC70	PETROFAC LTD 3.4% 10/10/2018	PROPRE	64,000.00	63,773.62	USD	0.06
US747262AK96	QVC 4.375% 15/03/2023	PROPRE	28,000.00	29,260.61	USD	0.03
US780097BF78	ROYAL BANK OF SCOTLAND GRP PLC FRN 15/05/2023	PROPRE	603,000.00	612,923.29	USD	0.56
US801056AA02	SANMINA CORP 4.375% 01/06/2019*	PROPRE	45,000.00	47,060.13	USD	0.04
FR0013264819	SFIL SA 2% 30/06/2020	PROPRE	2,800,000.00	2,816,359.78	USD	2.55
XS0937333044	SKANDINAV ENSKILDA 1.375% 29/05/2018	PROPRE	400,000.00	401,759.50	USD	0.36
US86562MAG50	SUMITOMO MITSUI FINL GRP FRN 14/07/2021	PROPRE	209,000.00	212,534.40	USD	0.19
US86562MAJ99	SUMITOMO MITSUI FINL GRP FRN 19/10/2021	PROPRE	58,000.00	59,046.68	USD	0.05
US87165BAK98	SYNCHRONY FINANCIAL FRN 09/11/2017	PROPRE	183,000.00	184,220.04	USD	0.17
US912828QY99	T-BOND 2.25% 31/07/2018	PROPRE	181,200.00	183,387.60	USD	0.17
US912810QH41	TREASURY BOND 4.375% 15/05/40	PROPRE	892,500.00	1,151,931.36	USD	1.04
US912828K338	TSY INFL IX N/B 0.125% I 15/04/2020	PROPRE	1,609,100.00	1,693,443.20	USD	1.54
US90331HNE98	US BANK NA CINCINNATI FRN 24/05/2019	PROPRE	445,000.00	446,605.53	USD	0.40
US912810RT79	US TREASURY N/B 2.25% 15/08/2046	PROPRE	2,000.00	1,762.98	USD	0.00
US912810RQ31	US TREASURY N/B 2.5% 15/02/2046	PROPRE	1,000.00	932.33	USD	0.00
US912810QD37	US TREASURY 4.375% 15/11/39	PROPRE	273,300.00	352,272.93	USD	0.32
US912810QS06	USA T-BOND 3.75% 15/08/2041	PROPRE	448,400.00	526,230.30	USD	0.48
US949746SL69	WELLS FARGO & COMPANY FRN 24/01/2023	PROPRE	2,698,000.00	2,751,470.83	USD	2.49
US912828V723	WI TREASURY SEC 1.875% 31/01/2022	PGARAN	4,200,000.00	4,210,007.80	USD	3.82
<b>Total Bond</b>				<b>110,443,388.38</b>		<b>100.11</b>
<b>Total Investment Securities</b>				<b>110,443,388.38</b>		<b>100.11</b>
<b>Interest rate swap</b>						
SWAP03598528	FEES LEG C USD LYX E	PROPRE	1.00	15,996.61	USD	0.01
SWAP03598511	INDEX LEG C USD LYX	PROPRE	134,900,000.00	110,317,946.53	USD	100.00

LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
SWAP03598513	VRAC LEG LYX ETF DAI	PROPRE	134,900,000.00	-106,233,380.58	USD	-96.30
<i>Total Interest rate swap</i>				<b>4,100,562.56</b>		<b>3.72</b>
<i>Cash</i>						
<i>AT BANK OR PENDING</i>						
	RECEIVABLE ON SWAP	PROPRE	0.00	21,636,965.19	USD	19.61
	PAYABLE ON SWAP	PROPRE	0.00	-851,004.27	USD	-0.77
	DEF. PURCHASES USD SECURITIES	PROPRE	0.00	-32,103,783.90	USD	-29.10
	DEF. SALES USD SECURITIES	PROPRE	0.00	11,317,822.98	USD	10.26
<i>Total AT BANK OR PENDING</i>				<b>0.00</b>		<b>0.00</b>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-15,996.53	USD	-0.01
<i>Total MANAGEMENT FEES</i>				<b>-15,996.53</b>		<b>-0.01</b>
<i>Total Cash</i>				<b>-15,996.53</b>		<b>-0.01</b>
<i>Files</i>						
<i>Deposit of Collateral (File)</i>						
PDC-02060739	PDC LYXOUS912828V723	PGAR1	-4,210,007.80	-4,210,007.80	USD	-3.82
<i>Total Deposit of Collateral (File)</i>				<b>-4,210,007.80</b>		<b>-3.82</b>
<i>Total Files</i>				<b>-4,210,007.80</b>		<b>-3.82</b>
<b>Total LYXOR DAILY DOUBLE SHORT 10Y US TREASURY UCITS ETF</b>				<b>110,317,946.61</b>		<b>100.00</b>

# LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Equities of eurozone countries.

At least 60% of the LYXOR FTSE Italia Mid Cap (DR) PIR UCITS ETF Compartment (the “Compartment”) is continuously exposed in one or several markets of equities issued in one or several eurozone countries including the French market.

The Compartment is an UCITS ETF type index fund.

### **Terms of determination and allocation of amounts available for distribution:**

Capitalisation of all the amounts available for distribution.

### **Management objective:**

The management objective of this Compartment is to replicate the upwards or downwards evolution of the “FTSE Italia Mid cap Index” (Bloomberg code: ITMCN index) (the “Benchmark Indicator”) listed in euros (EUR) while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator.

It is representative of the performance of the equities of medium-capitalisation listed on Borsa Italiana.

The anticipated level of the ex-post tracking error under normal market conditions is 1%.

### **Benchmark indicator:**

The Benchmark Indicator is the FTSE Italia Mid cap Index.

The Benchmark Indicator is representative of the performance of the equities mid-cap listed on the Borsa Italiana and is composed of the 60 stocks with the highest ratings in terms of market capitalisation and liquidity.

The Benchmark Indicator is a free float-adjusted capitalisation-weighted index designed to measure the stock-market performance of the mid-cap equities listed on the Borsa Italiana exchange, excluding foreign securities and secondary trading lines. The universe of eligible securities is determined on the basis of their free float-adjusted market capitalisation and a liquidity criterion defined by the median value of the monthly trading value.

Each Benchmark Indicator component is capped at 10% at each quarterly rebalancing. The weight of any component that exceeds 10% will be reduced to 10%.

The Benchmark Indicator is rebalanced quarterly, in March, June, September and December.

The Benchmark Indicator is a Net Dividends Reinvested Index, which includes the returns of index components, including dividends and other distributions, in the calculation of the index’s performance.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components will be available on the Internet site: [www.ftse.com](http://www.ftse.com).

### **Benchmark indicator revision and composition**

The Benchmark Indicator is rebalanced quarterly.

The exact composition and the revision rules of the Benchmark Indicator are published by FTSE and available on the Internet site: [www.ftse.com](http://www.ftse.com). The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

#### **Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities. The Benchmark Indicator is also calculated in real-time on each trading day.

The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: .TRIITMCN

Bloomberg code: ITMCN index.

The Benchmark Indicator's closing price is available on the Internet site: [www.ftse.com](http://www.ftse.com).

#### **Investment strategy:**

##### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

The Compartment's equities are included in the list of investments eligible for the "Piano Individuale di Risparmio a lungo termine" (PIR) scheme under the 2017 Italian Finance Law. (Law No. 232 of 11 December 2016).

The Compartment must invest at least 70% of its assets in financial instruments, whether or not they are traded on a regulated market or on a multilateral trading system, issued by or entered into with companies not engaged in the real estate sector, domiciled in Italy or in a Member State of the European Union or the EEA, with a permanent establishment in Italy.

At least 30% of these financial instruments, representing 21% of the total value of the Compartment's assets, must be issued by companies not included in the FTSE MIB Index or any other equivalent index.

The Compartment may not invest more than 10% of the total value of its assets in financial instruments issued by or entered into with a single company, or companies belonging to the same group, or in cash deposits.

The Compartment may not invest in companies domiciled in countries that do not have an adequate information exchange agreement with Italy. These investment restrictions will be respected for at least two thirds of each calendar year from 03/03/2017.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its delegated asset manager, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of 'balance sheet' assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's website at [www.lyxoretf.com](http://www.lyxoretf.com). The frequency of any updates and/or the date on which the aforementioned information is updated is also indicated on the same page of the aforementioned website.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

##### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

The Compartment will be mainly invested in bonds making up the Benchmark Indicator.

The investment in undertakings for collective investment in transferable securities (“UCITS”) that comply with Directive 2009/65/EC is limited to 10% of the net assets. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment’s management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities.

Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment. Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

For this purpose the management company may appoint an intermediary (hereinafter the “Agent”) to provide the following services in connection with the Compartment’s temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment’s behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment’s behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.

The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.

These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment’s management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment’s gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment’s annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment’s overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment’s annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment’s counterparty risk, and;
- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

## **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (f) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (g) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (h) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (i) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (j) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and

such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (vii) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (viii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (ix) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (x) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (xi) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (xii) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

### **Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;



(iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the UCITS may recall at any time the global amount of liquidities taking into account the accrued interests;

(iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

### **Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

#### **- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

#### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

#### **- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

#### **- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's units or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

#### **- Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and derivatives. The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

#### **- Counterparty risk**

The Compartment may use FFI on an ancillary basis.

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk of investing in mid-cap companies**

Le Compartiment is exposed to medium-capitalisation companies and more specifically to the equity securities of medium and intermediate sized enterprises (ISC), which may increase market and liquidity risks. The prices of these securities therefore increase and decrease more sharply and rapidly than those of large-cap stocks. The Compartiment's net asset value could behave similarly and therefore fall more sharply and strongly than that of a similar investment in large-cap stocks.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartiment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the index, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartiment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartiment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartiment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartiment's underlyings can affect the Compartiment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartiment (and/or to its counterparty in the FFI), the Compartiment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartiment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartiment's underlyings, the Compartiment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartiment's equities. The calculation of the Compartiment's net asset value can also be affected.

If the event persists, the Compartiment's manager will decide on measures having to be adopted, which can have an impact on the Compartiment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartiment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Risk arising from temporary securities transactions**

If a borrower of securities defaults on its obligation there could be a risk that the value of the guarantee received by the Compartiment is less than the value of the securities lent. This risk could arise, for example, in the event of (i) an inaccurate valuation of the securities lent and/or (ii) unfavourable market movements and/or (iii) the lowering of the credit rating(s) of the issuer(s) of securities taken as guarantee and/or (iv) the illiquidity of the market in which the guarantees received are listed.

If cash guarantees are reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Compartment to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of guarantees the Compartment must repay. The Compartment could also fail to receive the securities lent by the date specified, which would diminish its capacity to accommodate investor redemptions.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment’s counterparty in a future financial instrument), the Compartment’s net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST’s treatment in the methodology used by the Benchmark Indicator.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the equities market of medium-capitalisation listed on Borsa Italiana.

The amount that it is reasonable to invest in this Compartment depends on each investor’s personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one’s investments so as to avoid an exposure only to this Compartment’s risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment’s complete prospectus and the latest annual and periodic documents are sent within one week of the bearer’s written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 7 March 2014.*
- *Compartment creation date: 28 March 2014.*

## Activity report

The net asset value of the Lyxor FTSE Italia Mid Cap PIR (DR) UCITS ETF - C-EUR unit of LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF Compartment shows an evolution of 45.15% over the fiscal year and stands at EUR 142.4941 on 31/10/2017, meaning a fund performance of 52.85% since inception.

The fund replicates the performance of the FTSE ITMCN INDEX, listed in euros (EUR), representative of an investment strategy in Italian mid-caps.

This index has shown an evolution of 45.98% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the FTSE ITMCN INDEX, the MF will use a direct replication method, which means that the MF will invest in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the FTSE ITMCN INDEX, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or hedging swaps entered into in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 6 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily so that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0955% for the Compartment. The level of the tracking error for the period was of 1%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website Lyxor.com and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainability to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainability ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.5	4.8	4.0	4.8

Portfolio rated 95%  
Nb Securities rated 53

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.8</b>	<b>25.9%</b>
	Climate Change	6.1	6.6%
	Environmental Opportunities	3.8	8.5%
	Natural Capital	3.8	4.6%
	Pollution & Waste	5.6	6.1%
<b>Social</b>		<b>4.0</b>	<b>39.4%</b>
	Human Capital	3.8	21.8%
	Product Liability	4.6	12.5%
	Social Opportunities	3.3	3.8%
	Stakeholder Opposition	4.8	1.3%
<b>Governance</b>		<b>4.8</b>	<b>34.0%</b>
	Corporate Behavior	3.6	11.9%
	Corporate Governance	5.4	22.1%

**LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	9%
Average (A, BBB,BB)	66%
Laggards (B,CCC)	24%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	4.3%			1.7%	8.0%	4.9%		
Consumer Staples				1.6%				
Energy					2.4%			
Financials				6.7%	3.3%	9.8%		
Health Care	3.5%			4.0%		0.6%		
Industrials		0.6%		7.6%	8.5%	8.4%		
Information Technology				1.8%	1.6%			
Materials					0.8%	0.5%		
Real Estate				2.6%				
Telecommunication Services					5.0%			
Utilities	1.4%	9.3%			0.6%			

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	1%
Orange Flag	0%
Yellow Flag	4%
Green Flag	94%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
235	269	176

Portfolio rated by weight	92%
Scope 1 reported (vs estimated)	95%
Scope2 reported (vs estimated)	84%
Scope 1 & 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.



Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	16%
20-49.9%	7%
50-100%	5%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

Securities lending	
% of assets that can be loaned	6.04

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	38,814,619	-	-	-	-
% of assets under management	6.07	-	-	-	-

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	ANHEUSER-BUSCH INBEV
	Amount	5,853,323
2	Name	SAFRAN
	Amount	5,820,580
3	Name	UNICREDIT
	Amount	4,915,547
4	Name	AXA
	Amount	4,504,292
5	Name	AIRBUS
	Amount	4,161,379
6	Name	CHEVRON CORPORATION
	Amount	3,793,001
7	Name	DAIMLER
	Amount	3,314,985
8	Name	DEUTSCHE POST
	Amount	2,319,880
9	Name	ENI
	Amount	2,221,611
10	Name	TOTAL
	Amount	1,775,754



**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	SOCIETE GENERALE	-	-	-	-
	Amount	38,814,619	-	-	-	-

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	42,355,402	-	-	-	-
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	42,355,402	-	-	-	-

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	EUR	-	-	-	-
	Amount	38,562,401	-	-	-	-
2	Currency	USD	-	-	-	-
	Amount	3,793,001	-	-	-	-

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	762,960	-	-	-	-
1 week to 1 month	51,065	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	7,332,140	-	-	-	-
Open	30,668,454	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	FRANCE	-	-	-	-
Amount	38,814,619	-	-	-	-

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	38,814,619	-	-	-	-

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	42,355,402

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

## 7. Data on the earnings and costs for each type of securities financing operation and total return swap.

The Compartment may use techniques for efficient management of portfolios, in compliance with the provisions of article R214-18 of the [French] Monetary and Financial Code, and in particular, temporary sales of securities.

- Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.

- Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

The revenues generated by the securities lending transactions (from which direct and indirect operational costs borne by the Agent and, as the case may be, by the management company, must be deducted) must be paid to the Compartment in question. Insofar as these indirect or direct costs do not increase the operating costs of the Compartment, they were excluded from current expenses.

### 7.1. Income

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
CIU (absolute value)	168,723	-	-	-	-
Manager (absolute value)	51,915	-	-	-	-
Third party (absolute value)	38,936	-	-	-	-

### 7.2. Expenses

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
CIU (absolute value)	-	-	-	-	-
Manager (absolute value)	-	-	-	-	-
Third party (absolute value)	-	-	-	-	-

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>684,691,178.45</b>	<b>40,699,107.95</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	645,876,558.97	40,699,107.95
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	38,814,619.48	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>17,299.06</b>	-
Future foreign exchange operations	-	-
Other	17,299.06	-
<b>Financial accounts</b>	<b>3,280,508.49</b>	<b>0.05</b>
Liquidity	3,280,508.49	0.05
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>687,988,986.00</b>	<b>40,699,108.00</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	472,122,005.34	47,804,093.89
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	159,827,422.47	-7,340,456.38
• Earnings of the fiscal year	7,530,211.65	217,374.32
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>639,479,639.46</b>	<b>40,681,011.83</b>
<b>Financial instruments</b>	<b>42,355,402.36</b>	<b>2,227.70</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	42,355,402.36	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	2,227.70
<b>Debts</b>	<b>6,153,944.18</b>	<b>15,868.47</b>
Future foreign exchange operations	-	-
Other	6,153,944.18	15,868.47
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>687,988,986.00</b>	<b>40,699,108.00</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	41,439,100.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	10,625,427.06	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	1,397,259.91
• Earnings on temporary financial securities acquisitions and sales	168,180.67	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>10,793,607.73</b>	<b>1,397,259.91</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-6,889.18	-2.72
• Other financial charges	-	-
<b>Total (II)</b>	<b>-6,889.18</b>	<b>-2.72</b>
<b>Earnings on financial operations (I - II)</b>	<b>10,786,718.55</b>	<b>1,397,257.19</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-1,843,759.94	-217,217.08
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>8,942,958.61</b>	<b>1,180,040.11</b>
Adjustment of the fiscal year's earnings (V)	-1,412,746.96	56,014.21
Advances on result paid for the fiscal year (VI)	-	-1,018,680.00
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>7,530,211.65</b>	<b>217,374.32</b>



## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.50% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None
Cost of temporary purchases and disposals of securities	The amount of the transaction	Maximum 35% of the income obtained from these transactions

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

# appendix

**Accounting currency**

The Compartment's accounting is carried out in euros.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

Capitalisation of all the amounts available for distribution.

# appendix

The Lyxor FTSE Italia Mid Cap PIR (DR) UCITS ETF Compartment is in no way sponsored, endorsed, sold or promoted by FTSE International Limited (hereinafter "FTSE"), or the London Stock Exchange Group companies ("LSEG") (hereinafter collectively referred to as the "Licensors").

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>40,681,011.83</b>	<b>48,091,556.69</b>
Subscriptions (including subscription commission acquired by the Compartment)	583,414,458.88	17,196,074.50
Redemptions (less the redemption commission acquired by the Compartment)	-108,055,602.93	-18,742,878.46
Capital gains generated on deposits and financial instruments	20,521,774.41	5,864,161.02
Capital losses generated on deposits and financial instruments	-7,417,703.73	-12,420,863.89
Capital gains generated on financial contracts	438,289,756.85	130,224,766.02
Capital losses generated on financial contracts	-415,891,812.05	-133,231,576.83
Negotiation fees	-528.78	-1,800.00
Exchange differentials	-67,891.12	2,472,084.78
Changes to the estimate difference of the deposits and financial instruments:	79,060,989.76	259,280.22
- <i>Estimate difference fiscal year N</i>	79,758,938.26	697,948.47
- <i>Estimate difference fiscal year N-1</i>	697,948.47	438,668.25
Changes to the estimate difference of financial contracts:	2,227.70	808,847.67
- <i>Estimate difference fiscal year N</i>	-	-2,227.70
- <i>Estimate difference fiscal year N-1</i>	-2,227.70	-811,075.37
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	8,942,958.61	1,180,040.11
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-1,018,680.00
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>639,479,639.46</b>	<b>40,681,011.83</b>

\* Allowance for subscriptions redemption charges.

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	666.25	-	-	-
Financial accounts	-	-	-	3,280,508.49
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	492.03	-	174.22
Financial accounts	3,280,508.49	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	<b>17,299.06</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	17,299.06
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>6,153,944.18</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	5,937,116.56
Accrued expenses	213,865.73
Miscellaneous debtors and creditors	2,861.89
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	4,922,413	583,414,458.88	849,042	108,055,602.93
Subscription / redemption commission		420,182.33		-
Remittances		-		-
Commissions acquired by the Compartment		420,182.33		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.48</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	None
3.8.2 Description of the other commitments received and/or given.....	None

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
- CIU securities	-
- Swaps	-



**3.10 Allocation of the earnings table** (in the Compartment's currency of account)

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	7,530,211.65	217,374.32
<b>Total</b>	<b>7,530,211.65</b>	<b>217,374.32</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	7,530,211.65	217,374.32
<b>Total</b>	<b>7,530,211.65</b>	<b>217,374.32</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	159,827,422.47	-7,340,456.38
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>159,827,422.47</b>	<b>-7,340,456.38</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	159,827,422.47	-7,340,456.38
<b>Total</b>	<b>159,827,422.47</b>	<b>-7,340,456.38</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Net assets</b>	<b>639,479,639.46</b>	40,681,011.83	48,091,556.69	42,514,266.27	-
<b>Number of outstanding equities</b>	<b>4,487,762</b>	414,391	437,000	521,500	-
<b>Net asset value</b>	<b>142.4941</b>	98.1705	110.0493	81.523	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	2.50	2.30	1.85	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>37.29</b>	-17.18	23.34	-16.95	-

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Compartment creation date: 28 March 2014.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
IT0001207098	ACEA SPA	PROPRE	600,659.00	8,397,212.82	EUR	1.31
IT0001006128	AEROPORTO GUGLIELMO MARCONI DI BOLOGNA SPA	PRETER	200.00	3,040.00	EUR	0.00
IT0001006128	AEROPORTO GUGLIELMO MARCONI DI BOLOGNA SPA	PRETER	5,000.00	76,000.00	EUR	0.01
IT0001006128	AEROPORTO GUGLIELMO MARCONI DI BOLOGNA SPA	PROPRE	117,677.00	1,788,690.40	EUR	0.28
NL0000235190	AIRBUS BR BEARER SHS	PGARAN	49,125.00	4,161,378.75	EUR	0.65
IT0004056880	AMPLIFON	PRETER	6,000.00	78,240.00	EUR	0.01
IT0004056880	AMPLIFON	PRETER	10,000.00	130,400.00	EUR	0.02
IT0004056880	AMPLIFON	PROPRE	1,598,343.00	20,842,392.72	EUR	3.26
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PGARAN	56,472.00	5,853,322.80	EUR	0.92
IT0004998065	ANIMA HOLDING	PROPRE	3,185,180.00	20,799,225.40	EUR	3.25
IT0003977540	ANSALDO STS SPA	PROPRE	1,217,893.00	14,432,032.05	EUR	2.26
IT0001469383	ARNOLDO MONDADORI EDITORE SPA	PROPRE	1,691,378.00	3,758,241.92	EUR	0.59
IT0004093263	ASCOPIAVE	PROPRE	1,014,506.00	3,658,308.64	EUR	0.57
IT0003261069	ASTALDI SPA	PRETER	300,000.00	1,785,000.00	EUR	0.28
IT0003261069	ASTALDI SPA	PRETER	26,493.00	157,633.35	EUR	0.02
IT0003261069	ASTALDI SPA	PROPRE	307,373.00	1,828,869.35	EUR	0.29
IT0001137345	AUTOGRILL SPA	PROPRE	1,744,486.00	19,590,577.78	EUR	3.06
IT0000084027	AUTOSTRADA TORINO MILANO	PRETER	3,000.00	71,400.00	EUR	0.01
IT0000084027	AUTOSTRADA TORINO MILANO	PRETER	1,500.00	35,700.00	EUR	0.01
IT0000084027	AUTOSTRADA TORINO MILANO	PROPRE	462,321.00	11,003,239.80	EUR	1.72
FR0000120628	AXA	PGARAN	175,128.00	4,504,292.16	EUR	0.70
IT0005244402	BANCA FARMAFACTORING SPA	PRETER	13,500.00	84,375.00	EUR	0.01
IT0005244402	BANCA FARMAFACTORING SPA	PROPRE	1,022,504.00	6,390,650.00	EUR	1.00
IT0003188064	BANCA IFIS SPA	PROPRE	258,192.00	12,085,967.52	EUR	1.89
IT0000784196	BANCA POPOLARE DI SONDRIO	PRETER	12,000.00	40,776.00	EUR	0.01

**LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
IT0000784196	BANCA POPOLARE DI SONDRIO	PRETER	10,000.00	33,980.00	EUR	0.01
IT0000784196	BANCA POPOLARE DI SONDRIO	PRETER	4,200.00	14,271.60	EUR	0.00
IT0000784196	BANCA POPOLARE DI SONDRIO	PRETER	22,000.00	74,756.00	EUR	0.01
IT0000784196	BANCA POPOLARE DI SONDRIO	PRETER	20,000.00	67,960.00	EUR	0.01
IT0000784196	BANCA POPOLARE DI SONDRIO	PROPRE	6,129,944.00	20,829,549.71	EUR	3.26
IT0001389631	BENI STABILI	PROPRE	14,027,462.00	10,660,871.12	EUR	1.67
IT0003097257	BIESSE	PROPRE	184,847.00	7,075,943.16	EUR	1.11
IT0004764699	BRUNELLO CUCINELLI	PROPRE	402,978.00	11,613,825.96	EUR	1.82
IT0004329733	CAIRO COMMUNICATIONS SPA	PROPRE	924,366.00	4,020,992.10	EUR	0.63
IT0003126783	CEMENTIR CEMENTERIE DEL TIRREN	PRETER	13,926.00	101,590.17	EUR	0.02
IT0003126783	CEMENTIR CEMENTERIE DEL TIRREN	PRETER	10,000.00	72,950.00	EUR	0.01
IT0003126783	CEMENTIR CEMENTERIE DEL TIRREN	PRETER	5,000.00	36,475.00	EUR	0.01
IT0003126783	CEMENTIR CEMENTERIE DEL TIRREN	PRETER	64,731.00	472,212.65	EUR	0.07
IT0003126783	CEMENTIR CEMENTERIE DEL TIRREN	PRETER	7,000.00	51,065.00	EUR	0.01
IT0003126783	CEMENTIR CEMENTERIE DEL TIRREN	PRETER	12,000.00	87,540.00	EUR	0.01
IT0003126783	CEMENTIR CEMENTERIE DEL TIRREN	PROPRE	525,229.00	3,831,545.56	EUR	0.60
IT0005010423	CERVED INFORMATION SOLUTIONS	PROPRE	2,687,440.00	29,696,212.00	EUR	4.64
US1667641005	CHEVRON CORP	PGARAN	38,628.00	3,793,001.35	USD	0.59
IT0000080447	CIR-CIE INDUSTRIALI RIUNITE SPA	PROPRE	4,102,707.00	5,292,492.03	EUR	0.83
IT0003121677	CREDITO EMILIANO SPA	PRETER	20,000.00	150,500.00	EUR	0.02
IT0003121677	CREDITO EMILIANO SPA	PRETER	11,000.00	82,775.00	EUR	0.01
IT0003121677	CREDITO EMILIANO SPA	PRETER	5,000.00	37,625.00	EUR	0.01
IT0003121677	CREDITO EMILIANO SPA	PROPRE	999,887.00	7,524,149.68	EUR	1.18
DE0007100000	DAIMLER	PGARAN	46,500.00	3,314,985.00	EUR	0.52
IT0000076502	DANIELI C OFFICINE MECCANICHE	PROPRE	159,530.00	3,278,341.50	EUR	0.51
IT0004053440	DATALOGIC	PROPRE	284,719.00	9,711,765.09	EUR	1.52
IT0003115950	DE LONGHI	PROPRE	782,817.00	22,036,298.55	EUR	3.45
DE0005552004	DEUTSCHE POST AG-NOM	PGARAN	59,000.00	2,319,880.00	EUR	0.36
IT0003492391	DIASORIN SPA	PRETER	1,000.00	78,100.00	EUR	0.01
IT0003492391	DIASORIN SPA	PROPRE	313,288.00	24,467,792.80	EUR	3.83

**LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF**  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
IT0001044996	DOBANK SPA	PROPRE	550,167.00	7,509,779.55	EUR	1.17
FR0000130452	EIFFAGE	PGARAN	12,000.00	1,079,640.00	EUR	0.17
IT0003043418	EL TOWERS AZ	PROPRE	220,740.00	11,081,148.00	EUR	1.73
IT0005188336	EL.EN.SPA	PROPRE	144,278.00	3,505,955.40	EUR	0.55
IT0005176406	ENA V SPA	PROPRE	3,481,257.00	14,238,341.13	EUR	2.23
IT0003132476	ENI SPA	PGARAN	160,521.00	2,221,610.64	EUR	0.35
IT0001157020	ERG SPA	PRETER	2,200.00	31,570.00	EUR	0.00
IT0001157020	ERG SPA	PROPRE	662,289.00	9,503,847.15	EUR	1.49
IT0004967292	FABBRICA ITALIANA LAPIS ED AFFINI SPA	PROPRE	206,710.00	3,851,007.30	EUR	0.60
NL0010877643	FIAT CHRYSLER AUTOMOBILES NV	PGARAN	94,000.00	1,394,960.00	EUR	0.22
IT0001415246	FINCANTIERI	PROPRE	6,411,465.00	6,847,444.62	EUR	1.07
IT0003697080	GEOX	PRETER	200,000.00	750,000.00	EUR	0.12
IT0003697080	GEOX	PRETER	282,198.00	1,058,242.50	EUR	0.17
IT0003697080	GEOX	PRETER	150,000.00	562,500.00	EUR	0.09
IT0003697080	GEOX	PRETER	30,000.00	112,500.00	EUR	0.02
IT0003697080	GEOX	PRETER	200,000.00	750,000.00	EUR	0.12
IT0003697080	GEOX	PROPRE	174,171.00	653,141.25	EUR	0.10
IT0004195308	GRUPPO MUTUIONLINE	PROPRE	339,556.00	4,478,743.64	EUR	0.70
IT0001250932	HERA SPA	PROPRE	11,022,958.00	30,445,410.00	EUR	4.76
IT0001049623	IMA	PRETER	2,458.00	189,266.00	EUR	0.03
IT0001049623	IMA	PROPRE	221,455.00	17,052,035.00	EUR	2.67
IT0003745889	IMMOBILIARE GRANDE DISTRIBUZION	PROPRE	4,946,642.00	4,909,542.19	EUR	0.77
IT0005090300	INFRASTRUTTURE WIRELESS ITALIANE SPA	PROPRE	3,304,890.00	19,383,179.85	EUR	3.03
IT0001078911	INTERPUMP GROUP	PROPRE	1,142,337.00	33,024,962.67	EUR	5.16
IT0003027817	IREN SPA	PRETER	1,300,000.00	3,070,600.00	EUR	0.48
IT0003027817	IREN SPA	PRETER	250,000.00	590,500.00	EUR	0.09
IT0003027817	IREN SPA	PRETER	1,000,000.00	2,362,000.00	EUR	0.37
IT0003027817	IREN SPA	PRETER	672,100.00	1,587,500.20	EUR	0.25
IT0003027817	IREN SPA	PRETER	267,528.00	631,901.14	EUR	0.10
IT0003027817	IREN SPA	PRETER	440,000.00	1,039,280.00	EUR	0.16

**LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
IT0003027817	IREN SPA	PRETER	934,972.00	2,208,403.86	EUR	0.35
IT0003027817	IREN SPA	PRETER	750,000.00	1,771,500.00	EUR	0.28
IT0003027817	IREN SPA	PROPRE	1,385,137.00	3,271,693.59	EUR	0.51
IT0005253205	ITALMOBILIARE SPA	PROPRE	151,160.00	3,491,796.00	EUR	0.55
IT0000336518	JUVENTUS FC	PRETER	300,000.00	224,100.00	EUR	0.04
IT0000336518	JUVENTUS FC	PRETER	538,000.00	401,886.00	EUR	0.06
IT0000336518	JUVENTUS FC	PRETER	647,392.00	483,601.82	EUR	0.08
IT0000336518	JUVENTUS FC	PRETER	900,000.00	672,300.00	EUR	0.11
IT0000336518	JUVENTUS FC	PRETER	54,000.00	40,338.00	EUR	0.01
IT0000336518	JUVENTUS FC	PROPRE	2,593,070.00	1,937,023.29	EUR	0.30
IT0004931058	MAIRE TECNIMONT SPA	PRETER	575,400.00	2,771,126.40	EUR	0.43
IT0004931058	MAIRE TECNIMONT SPA	PRETER	600,000.00	2,889,600.00	EUR	0.45
IT0004931058	MAIRE TECNIMONT SPA	PROPRE	297,504.00	1,432,779.26	EUR	0.22
IT0003428445	MARR	PRETER	5,000.00	109,650.00	EUR	0.02
IT0003428445	MARR	PRETER	8,000.00	175,440.00	EUR	0.03
IT0003428445	MARR	PROPRE	440,190.00	9,653,366.70	EUR	1.51
FR0000133308	ORANGE	PGARAN	35,187.00	498,599.79	EUR	0.08
IT0005043507	OVS SPA AZ	PROPRE	2,029,054.00	13,026,526.68	EUR	2.04
IT0003826473	PARMALAT SPA	PRETER	40,000.00	130,000.00	EUR	0.02
IT0003826473	PARMALAT SPA	PROPRE	2,582,632.00	8,393,554.00	EUR	1.31
IT0003073266	PIAGGIO & C	PROPRE	2,247,555.00	6,311,134.44	EUR	0.99
IT0005054967	RAI WAY SPA	PROPRE	1,309,286.00	6,814,833.63	EUR	1.07
IT0004931496	RCS MEDIAGROUP	PROPRE	1,094,545.00	1,410,868.51	EUR	0.22
IT0005282865	REPLY SPA	PROPRE	238,927.00	10,904,628.28	EUR	1.71
FR0000073272	SAFRAN	PGARAN	65,584.00	5,820,580.00	EUR	0.91
IT0003865570	SALINI IMPREGILO SPA	PRETER	41,138.00	149,330.94	EUR	0.02
IT0003865570	SALINI IMPREGILO SPA	PRETER	20,000.00	72,600.00	EUR	0.01
IT0003865570	SALINI IMPREGILO SPA	PRETER	40,000.00	145,200.00	EUR	0.02
IT0003865570	SALINI IMPREGILO SPA	PROPRE	2,034,031.00	7,383,532.53	EUR	1.15
FR0000120578	SANOFI	PGARAN	8,599.00	701,850.38	EUR	0.11

LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
IT0000433307	SARAS SPA	PRETER	15,000.00	34,380.00	EUR	0.01
IT0000433307	SARAS SPA	PRETER	1,500.00	3,438.00	EUR	0.00
IT0000433307	SARAS SPA	PROPRE	6,268,596.00	14,367,622.03	EUR	2.25
IT0003201198	SIAS	PRETER	5,000.00	73,050.00	EUR	0.01
IT0003201198	SIAS	PROPRE	946,008.00	13,821,176.88	EUR	2.16
IT0000784154	SOCIETA CATTOLICA DI ASSICURAZ	PROPRE	2,159,940.00	20,098,241.70	EUR	3.14
IT0000076536	SOGEFI	PRETER	347,200.00	1,458,240.00	EUR	0.23
IT0000076536	SOGEFI	PRETER	61,000.00	256,200.00	EUR	0.04
IT0000076536	SOGEFI	PROPRE	211,041.00	886,372.20	EUR	0.14
IT0003153621	TAMBURI INVESTMENT PARTNERS	PROPRE	1,451,885.00	8,849,239.08	EUR	1.38
IT0005162406	TECHNOGYM S.P.A	PROPRE	1,323,048.00	11,040,835.56	EUR	1.73
IT0003007728	TOD'S SPA	PRETER	100,000.00	5,710,000.00	EUR	0.89
IT0003007728	TOD'S SPA	PRETER	3,000.00	171,300.00	EUR	0.03
IT0003007728	TOD'S SPA	PRETER	37,116.00	2,119,323.60	EUR	0.33
IT0003007728	TOD'S SPA	PRETER	3,200.00	182,720.00	EUR	0.03
IT0003007728	TOD'S SPA	PROPRE	36,095.00	2,061,024.50	EUR	0.32
FR0000120271	TOTAL	PGARAN	37,173.00	1,775,754.21	EUR	0.28
IT0005239360	UNICREDIT SPA	PGARAN	294,168.00	4,915,547.28	EUR	0.77
IT0000062882	VITTORIA ASSICURAZIONI	PROPRE	333,878.00	4,009,874.78	EUR	0.63
IT0004171440	ZIGNAGO VETRO SPA	PROPRE	404,889.00	3,255,307.56	EUR	0.51
<b>Total Equity</b>				<b>684,690,512.20</b>		<b>107.07</b>
<b>Total Investment Securities</b>				<b>684,690,512.20</b>		<b>107.07</b>
<b>Cash</b>						
<b>OTHER</b>						
		PROPRE	0.00	-2,961.89	EUR	-0.00
<b>Total OTHER</b>				<b>-2,961.89</b>		<b>-0.00</b>
<b>AT BANK OR PENDING</b>						
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-5,937,116.56	EUR	-0.93
	EUR NEWEDG BANK	PROPRE	0.00	851,060.57	EUR	0.13
	EUR SGP BANK	PROPRE	0.00	2,429,447.92	EUR	0.38



LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
	CES TMP REG DIFF EUR	PROPRE	0.00	17,299.06	EUR	0.00
<b>Total AT BANK OR PENDING</b>				<b>-2,639,309.01</b>		<b>-0.41</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-213,865.73	EUR	-0.03
<b>Total MANAGEMENT FEES</b>				<b>-213,865.73</b>		<b>-0.03</b>
<b>Total Cash</b>				<b>-2,856,136.63</b>		<b>-0.45</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02059246	PDC/BE0974293251/31/	PGAR1	-5,853,322.80	-5,853,322.80	EUR	-0.92
PDC-02059309	PDC/DE0005552004/31/	PGAR1	-2,319,880.00	-2,319,880.00	EUR	-0.36
PDC-02059154	PDC/DE0007100000/31/	PGAR1	-3,314,985.00	-3,314,985.00	EUR	-0.52
PDC-02059272	PDC/FR0000073272/31/	PGAR1	-5,820,580.00	-5,820,580.00	EUR	-0.91
PDC-02059229	PDC/FR0000120271/31/	PGAR1	-1,775,754.21	-1,775,754.21	EUR	-0.28
PDC-02059274	PDC/FR0000120578/31/	PGAR1	-701,850.38	-701,850.38	EUR	-0.11
PDC-02059161	PDC/FR0000120628/31/	PGAR1	-4,504,292.16	-4,504,292.16	EUR	-0.70
PDC-02059157	PDC/FR0000130452/31/	PGAR1	-1,079,640.00	-1,079,640.00	EUR	-0.17
PDC-02059286	PDC/FR0000133308/31/	PGAR1	-498,599.79	-498,599.79	EUR	-0.08
PDC-02059177	PDC/IT0003132476/31/	PGAR1	-2,221,610.64	-2,221,610.64	EUR	-0.35
PDC-02059198	PDC/IT0005239360/31/	PGAR1	-4,915,547.28	-4,915,547.28	EUR	-0.77
PDC-02059178	PDC/NL0000235190/31/	PGAR1	-4,161,378.75	-4,161,378.75	EUR	-0.65
PDC-02059151	PDC/NL0010877643/31/	PGAR1	-1,394,960.00	-1,394,960.00	EUR	-0.22
PDC-02059195	PDC/US1667641005/31/	PGAR1	-4,418,656.92	-3,793,001.35	USD	-0.59
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-42,355,402.36</b>		<b>-6.62</b>
<b>Securities lending file</b>						
PT—00175808	FIX CEMENTIR CEME	PRET	36,400.00	0.10	EUR	0.00
PT—00175721	FIX GEOX	PRET	568,000.00	51.28	EUR	0.00
PT—00177054	FIX GEOX	PRET	801,442.32	43.41	EUR	0.00
PT—00181253	FIX GEOX	PRET	99,600.00	12.59	EUR	0.00
PT—00184461	FIX GEOX	PRET	712,000.00	64.28	EUR	0.00
PT—00184302	FIX JUVENTUS FC	PRET	40,500.00	2.56	EUR	0.00
PT—00184574	PT/IT0000076536/23/1	PRET	296,679.60	10.71	EUR	0.00

LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
PT—00176656	PT/IT0000076536/31/1	PRET	1,798,739.04	0.00	EUR	0.00
PT—00180368	PT/IT0000084027/31/1	PRET	31,106.25	0.00	EUR	0.00
PT—00180454	PT/IT0000084027/31/1	PRET	62,086.50	0.00	EUR	0.00
PT—00183985	PT/IT0000336518/10/1	PRET	511,180.72	27.69	EUR	0.00
PT—00184139	PT/IT0000336518/12/1	PRET	679,455.00	36.80	EUR	0.00
PT—00176798	PT/IT0000336518/31/1	PRET	164,902.50	0.00	EUR	0.00
PT—00178293	PT/IT0000336518/31/1	PRET	313,801.94	0.00	EUR	0.00
PT—00179937	PT/IT0000433307/31/1	PRET	29,295.00	0.00	EUR	0.00
PT—00180503	PT/IT0000433307/31/1	PRET	2,949.98	0.00	EUR	0.00
PT—00178332	PT/IT0000784196/31/1	PRET	16,387.56	0.00	EUR	0.00
PT—00178791	PT/IT0000784196/31/1	PRET	46,569.60	0.00	EUR	0.00
PT—00181523	PT/IT0000784196/31/1	PRET	80,480.40	0.00	EUR	0.00
PT—00181575	PT/IT0000784196/31/1	PRET	36,582.00	0.00	EUR	0.00
PT—00183223	PT/IT0000784196/31/1	PRET	76,440.00	0.00	EUR	0.00
PT—00184749	PT/IT0001006128/26/1	PRET	79,170.00	7.15	EUR	0.00
PT—00177370	PT/IT0001006128/31/1	PRET	2,883.30	0.00	EUR	0.00
PT—00181875	PT/IT0001049623/31/1	PRET	209,698.12	0.00	EUR	0.00
PT—00178792	PT/IT0001157020/31/1	PRET	27,627.60	0.00	EUR	0.00
PT—00183569	PT/IT0003007728/05/1	PRET	6,153,000.00	389.69	EUR	0.00
PT—00184642	PT/IT0003007728/24/1	PRET	185,640.00	13.41	EUR	0.00
PT—00180137	PT/IT0003007728/31/1	PRET	2,252,570.04	0.00	EUR	0.00
PT—00181076	PT/IT0003007728/31/1	PRET	189,630.00	0.00	EUR	0.00
PT—00177373	PT/IT0003027817/31/1	PRET	2,000,746.58	0.00	EUR	0.00
PT—00177486	PT/IT0003027817/31/1	PRET	1,644,300.00	0.00	EUR	0.00
PT—00178977	PT/IT0003027817/31/1	PRET	993,300.00	0.00	EUR	0.00
PT—00179533	PT/IT0003027817/31/1	PRET	612,933.40	0.00	EUR	0.00
PT—00180538	PT/IT0003027817/31/1	PRET	1,616,064.45	0.00	EUR	0.00
PT—00181141	PT/IT0003027817/31/1	PRET	2,417,100.00	0.00	EUR	0.00
PT—00182284	PT/IT0003027817/31/1	PRET	3,068,520.00	0.00	EUR	0.00
PT—00182286	PT/IT0003027817/31/1	PRET	590,100.00	0.00	EUR	0.00

LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
PT—00181082	PT/IT0003121677/31/1	PRET	82,755.75	0.00	EUR	0.00
PT—00181505	PT/IT0003121677/31/1	PRET	37,773.75	0.00	EUR	0.00
PT—00181858	PT/IT0003121677/31/1	PRET	158,130.00	0.00	EUR	0.00
PT—00184701	PT/IT0003126783/25/1	PRET	106,889.01	0.30	EUR	0.00
PT—00180182	PT/IT0003126783/31/1	PRET	410,524.00	0.00	EUR	0.00
PT—00181426	PT/IT0003126783/31/1	PRET	32,628.75	0.00	EUR	0.00
PT—00181432	PT/IT0003126783/31/1	PRET	65,257.50	0.00	EUR	0.00
PT—00183224	PT/IT0003126783/31/1	PRET	89,838.00	0.00	EUR	0.00
PT—00184641	PT/IT0003201198/24/1	PRET	74,182.50	0.21	EUR	0.00
PT—00181179	PT/IT0003261069/31/1	PRET	1,697,850.00	0.00	EUR	0.00
PT—00182062	PT/IT0003261069/31/1	PRET	164,680.49	0.00	EUR	0.00
PT—00184085	PT/IT0003428445/11/1	PRET	192,528.00	0.86	EUR	0.00
PT—00180183	PT/IT0003428445/31/1	PRET	112,402.50	0.00	EUR	0.00
PT—00181527	PT/IT0003492391/31/1	PRET	77,385.00	0.00	EUR	0.00
PT—00177871	PT/IT0003697080/31/1	PRET	491,715.00	0.00	EUR	0.00
PT—00180334	PT/IT0003826473/31/1	PRET	126,840.00	0.00	EUR	0.00
PT—00180372	PT/IT0003865570/31/1	PRET	60,690.00	0.00	EUR	0.00
PT—00181163	PT/IT0003865570/31/1	PRET	128,893.58	0.00	EUR	0.00
PT—00182893	PT/IT0003865570/31/1	PRET	137,928.00	0.00	EUR	0.00
PT—00182077	PT/IT0004056880/31/1	PRET	134,295.00	0.00	EUR	0.00
PT—00182964	PT/IT0004056880/31/1	PRET	81,333.00	0.00	EUR	0.00
PT—00179738	PT/IT0004931058/31/1	PRET	2,802,140.46	0.00	EUR	0.00
PT—00181556	PT/IT0004931058/31/1	PRET	3,326,400.00	0.00	EUR	0.00
PT—00184084	PT/IT0005244402/11/1	PRET	82,215.00	5.21	EUR	0.00
<b>Total Securities lending file</b>				<b>666.25</b>		<b>0.00</b>
<b>Total Files</b>				<b>-42,354,736.11</b>		<b>-6.62</b>
<b>Total LYXOR FTSE ITALIA MID CAP (DR) PIR UCITS ETF</b>				<b>639,479,639.46</b>		<b>100.00</b>

# LYXOR MCSI EUROPE SMALL CAP UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR MSCI EUROPE SMALL CAP UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR MSCI EUROPE SMALL CAP UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Equities of European Union Countries.

At least 60% of the LYXOR MSCI EUROPE SMALL CAP UCITS ETF Compartment (the “Compartment”) is continuously exposed in one or several markets of equities issued in one or several European Union countries including any eurozone markets.

The Compartment is an UCITS ETF type index fund.

### **Terms of determination and allocation of amounts available for distribution:**

**Equities D-EUR:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### **Management objective:**

The management objective of this Compartment is to replicate the upwards or downwards evolution of the “MSCI Europe Small Cap Index” (Bloomberg code: M7EUSC Index) (the “Benchmark Indicator”) listed in EUR while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator. It is representative of the equities of European small-cap companies in 15 developed markets: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

The anticipated level of the ex-post tracking error under normal market conditions is 0.1%.

### **Benchmark indicator:**

The Benchmark Indicator is the MSCI Europe Small Cap Index.

The Benchmark Indicator represents the performance of equities of European small-cap companies in 15 developed markets: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

The Benchmark Indicator is calculated by MSCI Inc.

The Benchmark Indicator is a free float-adjusted capitalisation-weighted index, designed to measure the performance of Equities of European small-cap companies in 15 developed markets: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

The investment universe is limited to relatively small companies with market capitalisation ranging from 266 million to 4.973 million USD.

The Benchmark Indicator employs the MSCI Global Investable Market Indices (GIMI) methodology, which provides a consistent approach to index construction with both a global and a regional perspective, among all market capitalisation, economic sectors and investment styles.

This methodology aims to encompass all investment opportunities, while bringing to the fore the Benchmark Indicator's liquidity, investability and replicability. These criteria are assessed using two relevant indicators: the annual traded value ratio (ATVR) of the securities, which is their monthly median trading volume divided by their free float, and the 3-month trading frequency.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components will be available on the MSCI Internet site: [www.msci.com](http://www.msci.com)

#### **Benchmark indicator revision and composition**

The Benchmark Indicator is rebalanced quarterly, in February, May, August and November.

The Benchmark Indicator is a Net Dividends Reinvested Index, which includes the returns of index components, including dividends and other distributions, in the calculation of the index's performance.

The exact composition and the revision rules of the Benchmark Indicator are published by MSCI and available on the Internet site: [www.msci.com](http://www.msci.com). The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

#### **Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day. The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: .MIEU000S0NEU

Bloomberg code: M7EUSC Index

The Benchmark Indicator's closing price is available on the MSCI Internet site: [www.msci.com](http://www.msci.com).

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

The Compartment will invest permanently at least of 75% of its assets in companies that have their head office in a Member State of the European Union or in another State that is a party to the treaty on the European Economic Area and that has signed with France a tax agreement containing an administrative assistance clause for the purposes of combating fraud or tax evasion. This minimum holding level provides for eligibility for a Stock Savings Plan.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

In the present case, the manager intends to use primarily the following assets:

#### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation of the international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,
  - o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
  - o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
  - o Geographical area,
  - o Sector.

For more information on the abovementioned eligibility and diversification criteria investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager by delegation reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and

such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the UCITS may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.



**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's units or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty.

In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the Benchmark Indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses future financial instrument ("FFI") negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

- Risk related to a change of the tax regime

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

- Risk related to a change of the tax regime affecting the underlyings

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

- Risk related to regulations

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Risk of investing in small and mid-cap companies

Le Compartment is exposed to small-capitalisation companies and more specifically to the equity securities of small and medium enterprise (SME), which may increase market and liquidity risks. The prices of these securities therefore increase and decrease more sharply and rapidly than those of large-cap stocks. The Compartment's net asset value could behave similarly and therefore fall more sharply and strongly than that of a similar investment in large-cap stocks.

- Exchange risk linked to the index

The Compartment is exposed to an exchange risk to the extent that the underlying securities comprising the Benchmark Indicator could be listed in a currency other than that of the index, or be derivatives of securities listed in a currency other than that of the index. Fluctuating exchange rates are then likely to negatively affect the Benchmark Indicator monitored by the Compartment.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the equities market of European small-cap companies.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 6 March 2014.*
- *Compartment creation date: 25 March 2014.*

## Activity report

The net asset value of the D-EUR unit of the LYXOR MSCI EUROPE SMALL CAP UCITS ETF Compartment shows an evolution of 25.62% over the fiscal year (dividends reinvested) and stands at EUR 140.8501 on 31/10/2017, meaning a fund performance of 51.33% since inception (dividends reinvested).

The fund replicates the performance of the MSCI EUROPE SM CAP NR index, listed in euros (EUR), representative of an investment strategy in pan-Europeans small-cap.

This index has shown an evolution of 25.62% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MSCI EUROPE SM CAP NR index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the MSCI EUROPE SM CAP NR index.

The equities held as assets by the Compartment will notably be equities that make up the MSCI EUROPE SM CAP NR index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund complies at all times with the eligibility requirements of the PEA, details are available on request to the management company.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0003% for the Compartment. The level of the tracking error for the period was of 0.1%.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website Lyxor.com and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
5.1	4.2	7.4	6.8

Portfolio rated 100%  
Nb Securities rated 979

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.2</b>	<b>2 787.7%</b>
	Climate Change	5.5	729.1%
	Environmental Opportunities	4.3	1 053.6%
	Natural Capital	5.0	514.1%
	Pollution & Waste	4.7	490.8%
<b>Social</b>		<b>7.4</b>	<b>4 168.9%</b>
	Human Capital	4.5	2 296.8%
	Product Liability	4.4	1 509.1%
	Social Opportunities	3.4	292.1%
	Stakeholder Opposition	4.5	68.8%
<b>Governance</b>		<b>6.8</b>	<b>3 018.0%</b>
	Corporate Behavior	4.5	837.2%
	Corporate Governance	6.9	2 180.8%

LYXOR MSCI EUROPE SMALL CAP UCITS ETF  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	25%
Average (A, BBB,BB)	67%
Laggards (B,CCC)	9%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	0.6%	4.8%	3.6%	3.5%	1.9%	0.6%		
Consumer Staples	0.2%	0.9%	1.0%	1.3%	1.2%	0.2%		
Energy		0.5%	0.8%	0.4%	0.7%	0.2%		
Financials	0.4%	0.9%	2.8%	3.7%	3.8%	2.1%		
Health Care		1.1%	2.8%	2.0%	1.3%	0.2%		
Industrials	0.8%	7.4%	6.8%	4.5%	1.8%	1.2%	0.1%	
Information Technology		1.3%	2.3%	4.2%	2.7%	1.1%		
Materials	1.0%	0.9%	1.0%	3.3%	1.4%	0.5%	0.2%	
Real Estate		2.9%	2.0%	2.1%	0.9%	1.2%		
Telecommunication Services		0.1%	0.0%	0.3%	0.6%	0.5%	0.2%	
Utilities		0.7%	1.4%	0.2%	0.0%	0.4%		

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	1%
Yellow Flag	6%
Green Flag	93%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
175	229	154

Portfolio rated by weight	99%
Scope 1 reported (vs estimated)	76%
Scope2 reported (vs estimated)	69%
Scope 1& 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.



**LYXOR MSCI EUROPE SMALL CAP UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	2%
Thermal Coal	0%
Natural Gaz	1%
Oil	1%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	18%
20-49.9%	4%
50-100%	3%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaitre/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	3,850,000
% of assets under management	-	-	-	-	71.00

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	DANONE
	Amount	71,122
2	Name	RHEINMETALL
	Amount	31,084
3	Name	LOUIS VUITTON
	Amount	5,634
4	Name	CNP ASSURANCES
	Amount	5,433
5	Name	SEB
	Amount	4,160
6	Name	BNP PARIBAS
	Amount	4,089
7	Name	DEUTSCHE BORSE
	Amount	3,991
8	Name	BOUYGUES
	Amount	3,957
9	Name	IMPERIAL TOBACCO GROUP
	Amount	3,955
10	Name	RUBIS
	Amount	3,772



**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	-	3,850,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	137,197
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	137,197

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	-	EUR
	Amount	-	-	-	-	133,242
2	Currency	-	-	-	-	GBP
	Amount	-	-	-	-	3,955

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	3,850,000
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	3,850,000

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite		-	-	-	-
Central counterparty		-	-	-	-
Bilateral		-	-	-	3,850,000

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	137,197

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

# **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>5,561,416.41</b>	<b>2,773,640.17</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	5,466,100.67	2,773,640.17
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	95,315.74	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>10,606.98</b>	-
Future foreign exchange operations	-	-
Other	10,606.98	-
<b>Financial accounts</b>	-	<b>0.12</b>
Liquidity	-	0.12
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>5,572,023.39</b>	<b>2,773,640.29</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	4,693,341.70	3,207,637.79
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	707,025.29	-469,732.24
• Earnings of the fiscal year	22,362.80	16,088.95
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>5,422,729.79</b>	<b>2,753,994.50</b>
<b>Financial instruments</b>	<b>137,196.56</b>	<b>18,769.86</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	137,196.56	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	18,769.86
<b>Debts</b>	<b>1,489.97</b>	<b>875.93</b>
Future foreign exchange operations	-	-
Other	1,489.97	875.93
<b>Financial accounts</b>	<b>10,607.07</b>	-
Current bank accommodations	10,607.07	-
Loans	-	-
<b>Total liabilities</b>	<b>5,572,023.39</b>	<b>2,773,640.29</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	3,850,000.00	2,408,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	93,247.67	206,535.80
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>93,247.67</b>	<b>206,535.80</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-0.18	-0.40
• Other financial charges	-	-
<b>Total (II)</b>	<b>-0.18</b>	<b>-0.40</b>
<b>Earnings on financial operations (I - II)</b>	<b>93,247.49</b>	<b>206,535.40</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-13,223.34	-21,635.80
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>80,024.15</b>	<b>184,899.60</b>
Adjustment of the fiscal year's earnings (V)	10,205.15	-19,389.95
Advances on result paid for the fiscal year (VI)	-67,866.50	-149,420.70
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>22,362.80</b>	<b>16,088.95</b>



## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.40% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**Equities D-EUR:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>2,753,994.50</b>	<b>8,304,929.07</b>
Subscriptions (including subscription commission acquired by the Compartment)	1,974,955.38	963,868.56
Redemptions (less the redemption commission acquired by the Compartment)	-	-5,956,570.39
Capital gains generated on deposits and financial instruments	742,966.84	711,182.02
Capital losses generated on deposits and financial instruments	-179,631.53	-1,819,780.19
Capital gains generated on financial contracts	15,799,931.49	13,680,902.06
Capital losses generated on financial contracts	-15,868,013.03	-13,547,463.01
Negotiation fees	-	-
Exchange differentials	-23,874.14	89,566.31
Changes to the estimate difference of the deposits and financial instruments:	96,157.03	142,983.06
- <i>Estimate difference fiscal year N</i>	184,268.86	88,111.83
- <i>Estimate difference fiscal year N-1</i>	88,111.83	-54,871.23
Changes to the estimate difference of financial contracts:	114,085.60	148,898.11
- <i>Estimate difference fiscal year N</i>	95,315.74	-18,769.86
- <i>Estimate difference fiscal year N-1</i>	-18,769.86	-167,667.97
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	80,024.15	184,899.60
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-67,866.50	-149,420.70
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>5,422,729.79</b>	<b>2,753,994.50</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	3,850,000.00	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	137,196.56	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	10,607.07
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	137,196.56	-	-	-	-
Financial accounts	10,607.07	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	3,850,000.00	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	CHF	SEK	JPY	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	407,456.68	161,126.97	72,724.36	27,061.26
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>10,606.98</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement purchases	10,606.98
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>1,489.97</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	1,489.97
-	-
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	14,420	1,974,955.38	-	-
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0,40</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU securities	-
- Swaps	<b>95,315.74</b>



**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
12/07/17	67,866.50	2.65	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>67,866.50</b>	<b>2.65</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	22,362.80	16,088.95
<b>Total</b>	<b>22,362.80</b>	<b>16,088.95</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	22,362.80	16,088.95
<b>Total</b>	<b>22,362.80</b>	<b>16,088.95</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	707,025.29	-469,732.24
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>707,025.29</b>	<b>-469,732.24</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	707,025.29	-469,732.24
<b>Total</b>	<b>707,025.29</b>	<b>-469,732.24</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Net assets</b>	<b>5,422,729.79</b>	2,753,994.50	8,304,929.07	10,009,521.43	-
<b>Number of outstanding equities</b>	<b>38,500</b>	24,080	68,300	102,000	-
<b>Net asset value</b>	<b>140.8501</b>	114.3685	121.5948	98.1325	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	<b>2.65</b>	2.97	2.80	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>18.94</b>	-18.83	23.13	2.35	-

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Compartment creation date: 25 March 2014.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0011540547	ABN AMRO GROUP N.V.	PROPRE	719.00	19,064.29	EUR	0.35
DE000A1EWWW0	ADIDAS NOM	PROPRE	53.00	10,125.65	EUR	0.19
DE0008404005	ALLIANZ SE-NOM	PROPRE	1,142.00	227,657.70	EUR	4.20
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	2,721.00	285,841.05	EUR	5.27
LU1598757687	ARCELORMITTAL SA	PROPRE	431.00	10,609.07	EUR	0.20
NL0010273215	ASML HOLDING N.V.	PROPRE	573.00	88,700.40	EUR	1.64
SE0007100581	ASSA ABLOY AB*	PROPRE	4,243.00	76,874.53	SEK	1.42
ES0113211835	BANCO BILBAO VIZCAYA ARGENTA	PROPRE	62,597.00	470,291.26	EUR	8.67
ES0113860A34	BANCO DE SABADELL	PROPRE	86,712.00	149,057.93	EUR	2.75
ES0113900J37	BANCO SANTANDER SA	PROPRE	22,239.00	129,497.70	EUR	2.39
DE000BASF111	BASF SE	PROPRE	1,215.00	113,748.30	EUR	2.10
DE000BAY0017	BAYER AG	PROPRE	1,328.00	148,337.60	EUR	2.74
FR0000131104	BNP PARIBAS	PGARAN	61.00	4,089.44	EUR	0.08
FR0000120503	BOUYGUES	PGARAN	96.00	3,956.64	EUR	0.07
JP3566800003	CENTRAL JAPAN RAILWAY	PROPRE	468.00	72,724.36	JPY	1.34
FR0000120222	CNP ASSURANCES	PGARAN	272.00	5,433.20	EUR	0.10
DK0060448595	COLOPLAST B	PROPRE	145.00	10,951.19	DKK	0.20
DE0006062144	COVESTRO AG	PROPRE	1,082.00	89,113.52	EUR	1.64
DE0007100000	DAIMLER	PROPRE	1,261.00	89,896.69	EUR	1.66
FR0000120644	DANONE	PGARAN	1,014.00	71,121.96	EUR	1.31
DE0005140008	DEUTSCHE BANK AG-NOM	PROPRE	69.00	962.55	EUR	0.02
DE0005810055	DEUTSCHE BOERSE AG	PGARAN	45.00	3,990.60	EUR	0.07
DE0005810055	DEUTSCHE BOERSE AG	PROPRE	589.00	52,232.52	EUR	0.96
DE0008232125	DEUTSCHE LUFTHANSA NOM	PROPRE	4,683.00	128,314.20	EUR	2.37
DE000ENAG999	E.ON SE	PROPRE	13,595.00	137,717.35	EUR	2.54

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE0005785802	FRESENIUS MEDICAL CARE AG & CO	PROPRE	1,033.00	85,759.66	EUR	1.58
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	795.00	57,009.45	EUR	1.05
CH0030170408	GEBERIT AG-NOM	PROPRE	927.00	360,517.74	CHF	6.65
DK0010287234	H. LUNDBECK	PROPRE	108.00	5,509.43	DKK	0.10
DE0006047004	HEIDELBERGCEMENT AG	PROPRE	476.00	41,635.72	EUR	0.77
NL0000009165	HEINEKEN NV	PROPRE	493.00	41,244.38	EUR	0.76
DE0006070006	HOCHTIEF	PROPRE	520.00	78,780.00	EUR	1.45
ES0144580Y14	IBERDROLA SA	PROPRE	67,329.00	467,128.60	EUR	8.61
GB0004544929	IMPERIAL BRAND SHS PLC	PGARAN	113.00	3,955.17	GBP	0.07
BE0003565737	KBC GROUPE	PROPRE	129.00	9,198.99	EUR	0.17
FI0009000202	KESKO OYJ B	PROPRE	447.00	19,600.95	EUR	0.36
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	20,753.00	335,264.72	EUR	6.18
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	2,892.00	101,089.86	EUR	1.86
DE000LEG1110	LEG IMMOBILIEN	PROPRE	695.00	60,604.00	EUR	1.12
FR0000121014	SELMVH MOET HENNESSY LOUIS VUITTON	PGARAN	22.00	5,634.20	EUR	0.10
ES0124244E34	MAFPRE SA	PROPRE	48,937.00	137,464.03	EUR	2.53
DE0005937007	MAN AG	PROPRE	557.00	52,848.16	EUR	0.97
ES0152503035	MEDIASET ESPANA COMUNICACION SA	PROPRE	10,564.00	98,583.25	EUR	1.82
FI0009005318	NOKIAN RENKAAT OYJ	PROPRE	3,482.00	137,086.34	EUR	2.53
NO0005052605	NORSK HYDRO ASA	PROPRE	1,600.00	10,600.64	NOK	0.20
DE0007030009	RHEINMETALL AG	PGARAN	307.00	31,083.75	EUR	0.57
DE0007030009	RHEINMETALL AG	PROPRE	491.00	49,713.75	EUR	0.92
FR0013269123	RUBIS SCA	PGARAN	70.00	3,771.60	EUR	0.07
DE0007037129	RWE AG	PROPRE	7,540.00	161,808.40	EUR	2.98
FI0009003305	SAMPO A	PROPRE	1,601.00	72,012.98	EUR	1.33
DE0007164600	SAP SE	PROPRE	1,384.00	135,161.44	EUR	2.49
FR0000121709	SEB	PGARAN	26.00	4,160.00	EUR	0.08
SE0000148884	SEB A	PROPRE	4,082.00	43,194.22	SEK	0.80
DE0007236101	SIEMENS AG-NOM	PROPRE	1,079.00	132,177.50	EUR	2.44
SE0000242455	SWEDBANK A SHS A	PROPRE	1,927.00	41,058.22	SEK	0.76

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
ES0178430E18	TELEFONICA SA	PROPRE	7,064.00	63,618.38	EUR	1.17
FI0009005987	UPM KYMMENE OYJ	PROPRE	662.00	17,079.60	EUR	0.31
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	991.00	154,496.90	EUR	2.85
CH0011075394	ZURICH INSURANCE GROUP AG	PROPRE	179.00	46,938.94	CHF	0.87
<b>Total Equity</b>				<b>5,466,100.67</b>		<b>100.80</b>
<b>Total Investment Securities</b>				<b>5,466,100.67</b>		<b>100.80</b>
<b>Interest rate swap</b>						
SWAP03552978	FEES LEG D EUR LYX E	PROPRE	1.00	1,489.91	EUR	0.03
SWAP03553029	INDEX LEG D EUR LYX	PROPRE	3,850,000.00	5,422,729.94	EUR	100.00
SWAP03553004	VRAC LEG LYX ETF MSC	PROPRE	3,850,000.00	-5,328,904.11	EUR	-98.27
<b>Total Interest rate swap</b>				<b>95,315.74</b>		<b>1.76</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	DEF. PURCHASES USD SECURITIES	PROPRE	0.00	10,606.98	EUR	0.20
	EUR SGP BANK	PROPRE	0.00	-10,607.07	EUR	-0.20
<b>Total AT BANK OR PENDING</b>				<b>-0.09</b>		<b>-0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-1,489.97	EUR	-0.03
<b>Total MANAGEMENT FEES</b>				<b>-1,489.97</b>		<b>-0.03</b>
<b>Total Cash</b>				<b>-1,490.06</b>		<b>-0.03</b>
<b>Files</b>						
<b>Deposit of Collateral (File)</b>						
PDC-02061518	PDC LYXODE0005810055	PGAR1	-3,990.60	-3,990.60	EUR	-0.07
PDC-02061531	PDC LYXODE0007030009	PGAR1	-31,083.75	-31,083.75	EUR	-0.57
PDC-02061509	PDC LYXOFR0000120222	PGAR1	-5,433.20	-5,433.20	EUR	-0.10
PDC-02061504	PDC LYXOFR0000120503	PGAR1	-3,956.64	-3,956.64	EUR	-0.07
PDC-02061513	PDC LYXOFR0000120644	PGAR1	-71,121.96	-71,121.96	EUR	-1.31
PDC-02061528	PDC LYXOFR0000121014	PGAR1	-5,634.20	-5,634.20	EUR	-0.10
PDC-02061541	PDC LYXOFR0000121709	PGAR1	-4,160.00	-4,160.00	EUR	-0.08
PDC-02061499	PDC LYXOFR0000131104	PGAR1	-4,089.44	-4,089.44	EUR	-0.08
PDC-02061536	PDC LYXOFR0013269123	PGAR1	-3,771.60	-3,771.60	EUR	-0.07

LYXOR MSCI EUROPE SMALL CAP UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
PDC-02061522	PDC LYXOGB0004544929	PGAR1	-3,469.67	-3,955.17	GBP	-0.07
<i>Total Deposit of Collateral (File)</i>				<b>-137,196.56</b>		<b>-2.53</b>
<i>Total Files</i>				<b>-137,196.56</b>		<b>-2.53</b>
<b>Total LYXOR MSCI EUROPE SMALL CAP UCITS ETF</b>				<b>5,422,729.79</b>		<b>100.00</b>

# LYXOR IBEX MID UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE



LYXOR IBEX MID UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR IBEX MID UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Equities of eurozone countries.

At least 60% of the LYXOR IBEX MID UCITS ETF Compartment (the “Compartment”) is continuously exposed in one or several markets of equities issued in one or several eurozone countries including the French market.

The Compartment is an UCITS ETF type index fund.

### **Terms of determination and allocation of amounts available for distribution:**

The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### **Management objective:**

The management objective of this Compartment is to replicate the upward or downward evolution of the “IBEX Medium Cap Net return” index (Bloomberg code: IBEXCN) (the “Benchmark Indicator”) listed in euros (EUR) while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator. It is representative of performance of the 20 mid-cap stocks listed on the “prime” segment of the Madrid stock exchange. The anticipated level of the ex-post tracking error under normal market conditions is 0.08%.

### **Benchmark indicator:**

The Benchmark Indicator is the IBEX Medium Cap Net return index.

The Benchmark Indicator represents the performance of the 20 mid-cap stocks listed on the “prime” segment of the Madrid stock exchange that come immediately after the 35 stocks that comprise the IBEX 35<sup>®</sup> index in terms of market capitalisation and liquidity.

The index is calculated by Bolsa de Madrid.

The Benchmark Indicator is weighted by float-adjusted market capitalisation. It represents the performance of the 20 mid-cap stocks listed on the “Trading Market” segment of the Madrid stock exchange (the Spanish Stock Exchange Interconnection System) which have the largest float-adjusted market capitalisation, after the 35 stocks that comprise the IBEX 35<sup>®</sup> index.

The eligibility of each index component is determined by its float-adjusted market capitalisation, using with the following criteria:

- An annual trading turnover ratio above 15%,
- More than 15% free float.

The Benchmark Indicator is a Net Dividends Reinvested Index, which includes the returns of index components, including dividends and other distributions, in the calculation of the index's performance.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components will be available on the Internet site: [www.bolsamadrid.es](http://www.bolsamadrid.es).

#### **Benchmark indicator revision and composition**

The Benchmark Indicator is reviewed quarterly.

The exact composition and the revision rules of the Benchmark Indicator are published by the "Bolsa de Madrid" available on the Internet site: [www.bolsamadrid.es](http://www.bolsamadrid.es). The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

#### **Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day. The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: .IBEXCN

Bloomberg code: IBEXCN

The Benchmark Indicator's closing price is available on the Internet site: [www.bolsamadrid.es](http://www.bolsamadrid.es).

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed up to 20% of its assets in equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument or of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

#### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation of the international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria of eligibility, in particular:

- Subordination to the main market indices or to the Benchmark Indicator,
- Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
- Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- Of diversification, notably:
- Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),

- Geographical area,
- Sector.

For more information on the abovementioned eligibility and diversification criteria investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities (“UCITS”) that comply with Directive 2009/65/EC is limited to 10% of the net assets. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment’s management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the equities held as assets by the Compartment (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager by delegation reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the “Counterparty”) will have no discretionary power regarding the composition of the Compartment’s investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment’s use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment’s account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment’s assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;

- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

#### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

#### **Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

#### **Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**Risk related to low diversification of the Benchmark Indicator**

The Benchmark Indicator to which the investors are exposed covers a given region, sector or strategy and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment's underlyings.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected.

Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's units or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of future financial instrument ("FFI") traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk of investing in mid-cap companies**

Le Compartment is exposed to medium-capitalisation companies and more specifically to the equity securities of medium and intermediate sized enterprises (ISC), which may increase market and liquidity risks. The prices of these securities therefore increase and decrease more sharply and rapidly than those of large-cap stocks. The Compartment's net asset value could behave similarly and therefore fall more sharply and strongly than that of a similar investment in large-cap stocks.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

- Risk related to the use of derivative instruments

In order to reach its investment objective, the Compartment uses future financial instrument (“FFI”) negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the index, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment’s net asset value.

- Risk related to a change of the tax regime

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment’s manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

- Risk related to a change of the tax regime affecting the underlyings

Any change of the tax legislation applicable to the Compartment’s underlyings can affect the Compartment’s tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment’s net asset value may be affected.

- Risk related to regulations

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the Compartment’s underlyings, the Compartment’s net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment’s net asset value can also be affected.

If the event persists, the Compartment’s manager will decide on measures having to be adopted, which can have an impact on the Compartment’s net asset value.

“Events affecting the Benchmark Indicator” are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market’s actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator’s components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator’s performance.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment’s counterparty in a future financial instrument), the Compartment’s net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST’s treatment in the methodology used by the Benchmark Indicator.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the equities of mid-cap companies listed on the “Prime” segment of the Madrid stock exchange.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of Lyxor International Asset Management. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to Lyxor International Asset Management, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 23 April 2014.*
- *Compartment creation date: 15 May 2014.*

## Activity report

The net asset value of the D-EUR unit of the LYXOR IBEX MID UCITS ETF Compartment shows an evolution of 10.42% over the fiscal year (dividends reinvested) and stands at EUR 104.0566 on 31/10/2017, meaning a fund performance of 12.61% since inception (dividends reinvested).

The fund replicates the performance of the IBXMEDIUM NR index, listed in euros (EUR), representative of an investment strategy in Spanish mid-caps.

This index has shown an evolution of 10.63% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the IBXMEDIUM NR index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the IBXMEDIUM NR index.

The equities held as assets by the Compartment will notably be equities that make up the IBXMEDIUM NR index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 6 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0134% for the Compartment. The level of the tracking error for the period was of 0.08%.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission (not audited by the auditor)

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.



## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.5	0.0	0.0	0.0

Portfolio rated 96%  
Nb Securities rated 19

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>0.0</b>	<b>2 078.5%</b>
	Climate Change	6.7	648.6%
	Environmental Opportunities	4.0	732.4%
	Natural Capital	4.5	388.2%
	Pollution & Waste	5.2	309.3%
<b>Social</b>		<b>0.0</b>	<b>4 231.1%</b>
	Human Capital	2.8	2 583.9%
	Product Liability	5.5	1 225.2%
	Social Opportunities	2.8	442.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>0.0</b>	<b>3 323.1%</b>
	Corporate Behavior	3.9	1 178.2%
	Corporate Governance	6.0	2 144.9%

**LYXOR IBEX MID UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	5%
Average (A, BBB,BB)	71%
Laggards (B,CCC)	23%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary		5.2%	6.8%		4.1%			
Consumer Staples				8.7%				
Financials			12.4%			8.9%		
Health Care				2.9%	5.1%			
Industrials			13.5%		12.3%		11.2%	
Real Estate					5.5%			
Telecommunication Services						3.4%		

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	11%
Orange Flag	0%
Yellow Flag	3%
Green Flag	86%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
49	65	56

Portfolio rated by weight	94%
Scope 1 reported (vs estimated)	98%
Scope2 reported (vs estimated)	93%

Scope 1 & 2 estimations are based on MSCI methodology

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

**LYXOR IBEX MID UCITS ETF**  
(compartment of the Multi Units France mutual fund)

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Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

#### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gas	0%
Oil	0%

#### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	11%
20-49.9%	0%
50-100%	3%

#### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaitre/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	1,537,700
% of assets under management	-	-	-	-	96.10

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	THYSSENKRUPP
	Amount	15,071
2	Name	AMUNDI
	Amount	8,370
3	Name	RWE
	Amount	3,927
4	Name	DANONE
	Amount	3,507
5	Name	ICADE
	Amount	2,775
6	Name	SIEMENS
	Amount	2,328
7	Name	BOUYGUES
	Amount	1,814
8	Name	CNP ASSURANCES
	Amount	1,778
9	Name	INTERNATIONAL CONSOLIDATED AIRLINES GROUP
	Amount	1,769
10	Name	RUBIS
	Amount	1,670

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	1,537,700

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	44,528
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	44,528

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	43,009
2	Currency		-	-	-	JPY
	Amount		-	-	-	1,519

**3.4. Maturity of the securities financing operations and total return swaps.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	1,537,700
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

**3.5. Countries where the counterparties are established.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	1,537,700

**3.6. Settlement and clearing.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	1,537,700

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	44,528

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

# **ANNUAL ACCOUNTS**



## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>1,645,293.23</b>	<b>3,565,849.96</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	1,608,837.49	3,565,849.96
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	36,545,574	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	<b>3,528.56</b>
Future foreign exchange operations	-	-
Other	-	3,528.56
<b>Financial accounts</b>	-	<b>0.15</b>
Liquidities	-	0.15
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>1,645,293.23</b>	<b>3,569,378.67</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	1,453,089.90	4,228,971.57
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	138,064.17	-742,438.13
• Earnings of the fiscal year	8,924.81	18,804.98
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>1,600,078.88</b>	<b>3,505,338.42</b>
<b>Financial instruments</b>	<b>44,527.63</b>	<b>59,028.14</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	44,527.63	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	59,028.14
<b>Debts</b>	<b>686.24</b>	<b>5,012.11</b>
Future foreign exchange operations	-	-
Other	686.24	5,012.11
<b>Financial accounts</b>	<b>0.48</b>	-
Current bank accommodations	0.48	-
Loans	-	-
<b>Total liabilities</b>	<b>1,645,293.23</b>	<b>3,569,378.67</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	1,537,700.00	3,627,700.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	57,120.38	324,387.68
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>57,120.38</b>	<b>324,387.68</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-0.11	-0.63
• Other financial charges	-	-
<b>Total (II)</b>	<b>-0.11</b>	<b>-0.63</b>
<b>Earnings on financial operations (I - II)</b>	<b>57,120.27</b>	<b>324,387.05</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-10,464.53	-48,393.54
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>46,655.74</b>	<b>275,993.51</b>
Adjustment of the fiscal year's earnings (V)	2,556.81	-122,191.11
Advances on result paid for the fiscal year (VI)	-40,287.74	-134,997.42
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>8,924.81</b>	<b>18,804.98</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value.

Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.
- Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.50% per year including tax
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

Sociedad de Bolsa provides no guarantee of any kind, neither explicit nor implicit, regarding the results that could be obtained via the usage of the Sociedad de Bolsa index. Sociedad de Bolsa will not be liable (whether on the basis of negligence or any other basis) for any error affecting the index with regard to any party, and it will have no obligation to inform anyone of any possible error affecting the index.  
The LYXOR IBEX MID UCITS ETF is in no way sponsored or promoted by Sociedad de Bolsa, that does not market it.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>3,505,338.42</b>	<b>28,840,147.39</b>
Subscriptions (including subscription commission acquired by the Compartment)	-	-
Redemptions (less the redemption commission acquired by the Compartment)	-2,086,385.99	-23,656,051.94
Capital gains generated on deposits and financial instruments	605,802.42	3,057,343.83
Capital losses generated on deposits and financial instruments	-144,690.49	-2,844,992.82
Capital gains generated on financial contracts	3,672,897.10	34,925,185.81
Capital losses generated on financial contracts	-4,001,431.75	-37,192,355.99
Negotiation fees	-	-
Exchange differentials	8,904.81	263,037.83
Changes to the estimate difference of the deposits and financial instruments:	-62,207.52	-1,309,003.28
- <i>Estimate difference fiscal year N</i>	76,035.00	138,242.52
- <i>Estimate difference fiscal year N-1</i>	138,242.52	1,447,245.80
Changes to the estimate difference of financial contracts:	95,483.88	1,281,031.50
- <i>Estimate difference fiscal year N</i>	36,455.74	-59,028.14
- <i>Estimate difference fiscal year N-1</i>	-59,028.14	-1,340,059.64
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	46,655.74	275,993.51
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-40,287.74	-134,997.42
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>1,600,078.88</b>	<b>3,505,338.42</b>



### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR IBEX MID UCITS ETF  
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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	1,537,700.00	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.48
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.48	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	1,537,700.00	-	-	-

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### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	CHF	JPY	DKK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	14,000.69	4,189.84	1,785.46	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	1,519.26	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>686.24</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	686.24
-	-
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	-	-	20,900	2,086,385.99
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.50</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
- CIU securities	-
- Swaps	<b>36,455.74</b>

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**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
12/07/17	40,287.74	2.46	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>40,287.74</b>	<b>2.46</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	8,924.81	18,804.98
<b>Total</b>	<b>8,924.81</b>	<b>18,804.98</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	8,924.81	18,804.98
<b>Total</b>	<b>8,924.81</b>	<b>18,804.98</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	138,064.17	-742,438.13
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>138,064.17</b>	<b>-742,438.13</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	138,064.17	-742,438.13
<b>Total</b>	<b>138,064.17</b>	<b>-742,438.13</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Net assets</b>	<b>1,600,078.88</b>	3,505,338.42	28,840,147.39	13,070,691.27	-
<b>Number of outstanding equities</b>	<b>15,377</b>	36,277	267,277	140,000	-
<b>Net asset value</b>	<b>104.0566</b>	96.627	107.9035	93.362	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	<b>2.62</b>	2.46	2.70	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>9.55</b>	-19.94	4.41	3.90	-

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Compartment creation date: 15 May 2014.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
DE000A1EWWW0	ADIDAS NOM	PROPRE	382.00	72,981.10	EUR	4.56
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	1,064.00	93,366.00	EUR	5.84
DE0008404005	ALLIANZ SE-NOM	PROPRE	342.00	68,177.70	EUR	4.26
NL0011333760	ALTICE NV	PROPRE	3,383.00	54,770.77	EUR	3.42
FR0004125920	AMUNDI SA	PGARAN	115.00	8,369.70	EUR	0.52
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	109.00	11,450.45	EUR	0.72
NL0010273215	ASML HOLDING N.V.	PROPRE	150.00	23,220.00	EUR	1.45
DE000BASF111	BASF SE	PROPRE	778.00	72,836.36	EUR	4.55
DE000BAY0017	BAYER AG	PROPRE	659.00	73,610.30	EUR	4.60
DE0005190003	BAYERISCHE MOTORENWERKE	PROPRE	810.00	70,875.00	EUR	4.43
FR0000120503	BOUYGUES	PGARAN	44.00	1,813.46	EUR	0.11
FR0000120222	CNP ASSURANCES	PGARAN	89.00	1,777.78	EUR	0.11
DE0006062144	COVESTRO AG	PROPRE	868.00	71,488.48	EUR	4.47
JP3476480003	DAI-ICHI LIFE HLDGS SHS	PROPRE	165.00	2,670.58	JPY	0.17
DE0007100000	DAIMLER	PROPRE	1,047.00	74,640.63	EUR	4.66
FR0000120644	DANONE	PGARAN	50.00	3,507.00	EUR	0.22
DE0005140008	DEUTSCHE BANK AG-NOM	PROPRE	2,010.00	28,039.50	EUR	1.75
DE000ENAG999	E.ON SE	PROPRE	6,934.00	70,241.42	EUR	4.39
NL0010877643	FIAT CHRYSLER AUTOMOBILES NV	PROPRE	1,874.00	27,810.16	EUR	1.74
DE0005785802	FRESENIUS MEDICAL CARE AG & CO	PROPRE	307.00	25,487.14	EUR	1.59
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	1,020.00	73,144.20	EUR	4.57
CH0030170408	GEBERIT AG-NOM	PROPRE	36.00	14,000.69	CHF	0.87
DK0010287234	H. LUNDBECK	PROPRE	35.00	1,785.46	DKK	0.11
DE0008402215	HANNOVER RUECK SE	PROPRE	222.00	23,898.30	EUR	1.49
FR0000035081	ICADE ACT	PGARAN	37.00	2,775.00	EUR	0.17



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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
NL0011821202	ING GROUP NV	PROPRE	191.00	3,029.26	EUR	0.19
ES0177542018	INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA	PGARAN	244.00	1,768.98	EUR	0.11
BE0003565737	KBC GROUPE	PROPRE	1,171.00	83,504.01	EUR	5.22
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	4,684.00	75,670.02	EUR	4.73
DE0005470405	LANXESS	PROPRE	1,086.00	72,848.88	EUR	4.55
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	PROPRE	226.00	43,403.30	EUR	2.71
NL0010773842	NN GROUP NV	PROPRE	677.00	24,344.92	EUR	1.52
DE0007030009	RHEINMETALL AG	PROPRE	709.00	71,786.25	EUR	4.49
FR0013269123	RUBIS SCA	PGARAN	31.00	1,670.28	EUR	0.10
DE0007037129	RWE AG	PGARAN	183.00	3,927.18	EUR	0.25
FI0009003305	SAMPO A	PROPRE	1,815.00	81,638.70	EUR	5.10
DE0007164600	SAP SE	PROPRE	115.00	11,230.90	EUR	0.70
JP3358000002	SHIMANO	PGARAN	13.00	1,519.26	JPY	0.09
DE0007236101	SIEMENS AG-NOM	PGARAN	19.00	2,327.50	EUR	0.15
DE0007236101	SIEMENS AG-NOM	PROPRE	845.00	103,512.50	EUR	6.47
DE0007500001	THYSSENKRUPP AG	PGARAN	658.00	15,071.49	EUR	0.94
DE0007500001	THYSSENKRUPP AG	PROPRE	1,696.00	38,846.88	EUR	2.43
<b>Total Equity</b>				<b>1,608,837.49</b>		<b>100.55</b>
<b>Total Investment Securities</b>				<b>1,608,837.49</b>		<b>100.55</b>
<b>Interest rate swap</b>						
SWAP03547729	FEES LEG D EUR LYX E	PROPRE	1.00	686.15	EUR	0.04
SWAP03547816	INDEX LEG D EUR LYX	PROPRE	1,537,700.00	1,600,079.45	EUR	100.00
SWAP03547775	VRAC LEG LYX ETF IBE	PROPRE	1,537,700.00	-1,564,309.86	EUR	-97.76
<b>Total Interest rate swap</b>				<b>36,455.74</b>		<b>2.28</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	-0.48	EUR	-0.00
<b>Total AT BANK OR PENDING</b>				<b>-0.48</b>		<b>-0.00</b>

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-686,24	EUR	-0.04
<b>Total MANAGEMENT FEES</b>				<b>-686,24</b>		<b>-0.04</b>
<b>Total Cash</b>				<b>-686,72</b>		<b>-0.04</b>
<b>Files</b>						
<b>Deposit of Collateral (File)</b>						
PDC-02060985	PDC LYXODE0007037129	PGAR1	-3,927.18	-3,927.18	EUR	-0.25
PDC-02060995	PDC LYXODE0007236101	PGAR1	-2,327.50	-2,327.50	EUR	-0.15
PDC-02060999	PDC LYXODE0007500001	PGAR1	-15,071.49	-15,071.49	EUR	-0.94
PDC-02060975	PDC LYXOES0177542018	PGAR1	-1,551.84	-1,768.98	GBP	-0.11
PDC-02060971	PDC LYXOFR0000035081	PGAR1	-2,775.00	-2,775.00	EUR	-0.17
PDC-02060961	PDC LYXOFR0000120222	PGAR1	-1,777.78	-1,777.78	EUR	-0.11
PDC-02060956	PDC LYXOFR0000120503	PGAR1	-1,813.46	-1,813.46	EUR	-0.11
PDC-02060966	PDC LYXOFR0000120644	PGAR1	-3,507.00	-3,507.00	EUR	-0.22
PDC-02060951	PDC LYXOFR0004125920	PGAR1	-8,369.70	-8,369.70	EUR	-0.52
PDC-02060980	PDC LYXOFR0013269123	PGAR1	-1,670.28	-1,670.28	EUR	-0.10
PDC-02060989	PDC LYXOJP3358000002	PGAR1	-201,110.00	-1,519.26	JPY	-0.09
<b>Total Deposit of Collateral (File)</b>				<b>-44,527.63</b>		<b>-2.78</b>
<b>Total Files</b>				<b>-44,527.63</b>		<b>-2.78</b>
<b>Total LYXOR UCITS ETF IBEX MID</b>				<b>1,600,078.88</b>		<b>100.00</b>

# LYXOR GERMAN MID-CAP MDAX UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR GERMAN MID-CAP MDAX UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR GERMAN MID-CAP MDAX UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Equities of eurozone countries.

At least 60% of the LYXOR GERMAN MID-CAP MDAX UCITS ETF Compartment (the “Compartment”) is continuously exposed in one or several markets of equities issued in one or several eurozone countries including the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**Class of D-EUR equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The management objective of this Compartment is to replicate the upward or downward evolution of the “Mid Cap DAX Index” (Bloomberg code: MDAX) (the “Benchmark Indicator”), listed in euros (EUR) while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator. It is representative of 50 German mid-cap companies listed on the first segment of the Deutsche Boerse.

The anticipated level of the ex-post tracking error under normal market conditions is 0.08%.

### Benchmark indicator:

The Benchmark Indicator is the Mid Cap DAX Index.

The Benchmark Indicator represents the performance of the 50 mid-cap stocks listed on the first segment of the German stock exchange (Deutsche Boerse), which follow the 30 stocks that comprise the DAX 30 index, in terms of market capitalisation and liquidity.

The Benchmark Indicator is calculated by Deutsche Börse AG

The Benchmark Indicator is weighted by float-adjusted market capitalisation and is designed to measure the share price performance of the 50 mid-cap stocks listed on the first segment of the German stock exchange (Deutsche Boerse), which have the largest float-adjusted market capitalisation, after excluding the 30 stocks that comprise the DAX 30 index.

The Benchmark Indicator is a Net Dividends Reinvested Index, which includes the returns of index components, including dividends and other distributions, in the calculation of the index’s performance.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components is available on the Deutsche Börse AG Internet site: [www.dax-indices.com](http://www.dax-indices.com)

### Benchmark indicator revision and composition

The composition of the Benchmark Indicator is reviewed quarterly.

Each Benchmark Indicator is weighted by its float-adjusted market capitalisation, with the weight of each component being capped at 10% when the index is rebalanced. The float-adjusted market capitalisation is the market value of the securities issued and available for trading.

The exact composition and the revision rules of the Benchmark Indicator are published by Deutsche Börse AG and available on the Internet site: [www.dax-indices.com](http://www.dax-indices.com). The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

### **Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day.

The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: .MDAXI

Bloomberg code: MDAX

The Benchmark Indicator's closing price is available on the Deutsche Börse AG Internet site: [www.dax-indices.com](http://www.dax-indices.com)

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities held as assets by the Compartment will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed up to 20% of its assets in equities from a single issuing entity. This 20% limit will be checked on each rebalancing date of the Benchmark Indicator, in application of the Benchmark Indicator's calculation method that limits the exposure to each equities of a single issuing entity to 20%, and for which the calculation is carried out by the sponsor or the calculation agent of the Benchmark Indicator. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument or of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

In the present case, the manager intends to use primarily the following assets:

#### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation of the international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,
  - o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
  - o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
  - o Geographical area,
  - o Sector.

For more information on the abovementioned eligibility and diversification criteria investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the financial manager by delegation reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager by delegation reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties. As a result, the Management Company will not commit to a formal, traceable and verifiable procedure for open competition between the counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;

(d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;

(e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's units or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of future financial instrument ("FFI") traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk of investing in mid-cap companies**

Le Compartment is exposed to medium-capitalisation companies and more specifically to the equity securities of medium and intermediate sized enterprises (ISC), which may increase market and liquidity risks. The prices of these securities therefore increase and decrease more sharply and rapidly than those of large-cap stocks. The Compartment's net asset value could behave similarly and therefore fall more sharply and strongly than that of a similar investment in large-cap stocks.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses future financial instrument ("FFI") negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.



- Risk related to regulations

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the equities of German mid-cap companies.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 23 April 2014.*
- *Compartment creation date: 15 May 2014.*

## Activity report

The net asset value of the D-EUR unit of the LYXOR GERMAN MID-CAP MDAX UCITS ETF Compartment shows an evolution of 25.58% over the fiscal year (dividends reinvested) and stands at EUR 149.0498 on 31/10/2017, meaning a fund performance of 60.39% since inception (dividends reinvested).

The fund replicates the performance of the MDAX PERF INDEX, listed in euros (EUR), representative of an investment strategy in German mid-caps.

This index has shown an evolution of 26.03% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MDAX PERF INDEX, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the MDAX PERF INDEX.

The equities held as assets by the Compartment will notably be equities that make up the MDAX PERF INDEX, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0212% for the Compartment. The level of the tracking error for the period was of 0.08%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
5.1	5.1	4.5	6.0

Portfolio rated 99%  
Nb Securities rated 49

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>5.1</b>	<b>38.1%</b>
	Climate Change	6.0	6.8%
	Environmental Opportunities	4.7	16.0%
	Natural Capital	5.3	5.7%
	Pollution & Waste	4.7	7.5%
<b>Social</b>		<b>4.5</b>	<b>33.8%</b>
	Human Capital	5.0	20.6%
	Product Liability	3.7	12.6%
	Social Opportunities	2.7	0.6%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>6.0</b>	<b>29.0%</b>
	Corporate Behavior	5.0	9.0%
	Corporate Governance	6.5	20.0%

**LYXOR GERMAN MID-CAP MDAX UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	30%
Average (A, BBB,BB)	66%
Laggards (B,CCC)	3%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary			6.4%	3.0%	6.8%	0.7%		
Consumer Staples		1.3%		0.6%				
Financials		1.0%	0.6%	0.9%	3.1%			
Health Care		1.0%			0.9%			
Industrials		17.0%	17.4%	0.8%				
Materials		1.1%	9.1%	7.8%	2.4%			
Real Estate		8.5%	0.8%	0.7%	2.0%			
Utilities			2.5%			2.3%		

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	15%
Yellow Flag	8%
Green Flag	77%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
206	205	122

Portfolio rated by weight	96%
Scope 1 reported (vs estimated)	87%
Scope2 reported (vs estimated)	80%
Scope 1&2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

Weight of the portfolio

Fossil Fuel Reserves	2%
Thermal Coal	0%
Natural Gas	2%
Oil	2%

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

Issuer with a revenue dedicated to environmental solutions between:

1-19.9%	19%
20-49.9%	7%
50-100%	2%

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	69,654,000
% of assets under management	-	-	-	-	67.09

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	PERSIMMON
	Amount	3,487,480
2	Name	KERING
	Amount	54,697
3	Name	DANONE
	Amount	53,307
4	Name	VIVENDI
	Amount	52,118
5	Name	KLEPIERRE
	Amount	51,627
6	Name	MICHELIN
	Amount	51,046
7	Name	L'OREAL
	Amount	51,010
8	Name	LVMH – MOET HENNESY LOUIS VUITTON
	Amount	50,196
9	Name	CNP ASSURANCES
	Amount	50,017
10	Name	RUBIS
	Amount	50,001

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	69,654,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	3,951,499
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	3,951,499

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	GBP
	Amount		-	-	-	3,487,480
2	Currency		-	-	-	EUR
	Amount		-	-	-	464,019



**3.4. Maturity of the securities financing operations and total return swaps.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	69,654,000
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

**3.5. Countries where the counterparties are established.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	69,654,000

**3.6. Settlement and clearing.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	69,654,000

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	3,951,499

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.



**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>107,788,563.61</b>	<b>20,889,734.65</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	106,545,591.62	20,889,734.65
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	1,242,971.99	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>12,528.72</b>	<b>2,502,026.82</b>
Future foreign exchange operations	-	-
Other	12,528.72	2,502,026.82
<b>Financial accounts</b>	-	-
Liquidity	-	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>107,801,092.33</b>	<b>23,391,761.47</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	99,310,426.76	21,262,709.97
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	4,228,432.50	-727,111.04
• Earnings of the fiscal year	280,332.86	56,874.19
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>103,819,192.12</b>	<b>20,591,873.12</b>
<b>Financial instruments</b>	<b>3,951,498.50</b>	<b>290,225.05</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	3,951,498.50	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	290,225.05
<b>Debts</b>	<b>30,400.23</b>	<b>2,509,663.25</b>
Future foreign exchange operations	-	-
Other	30,400.23	2,509,663.25
<b>Financial accounts</b>	<b>1.48</b>	<b>0.05</b>
Current bank accommodations	1.48	0.05
Loans	-	-
<b>Total liabilities</b>	<b>107,801,092.33</b>	<b>23,391,761.47</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	69,654,000.00	16,968,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	2,554,461.72	723,751.22
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>2,554,461.72</b>	<b>723,751.22</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-4.97	-1.41
• Other financial charges	-	-
<b>Total (II)</b>	<b>-4.97</b>	<b>-1.41</b>
<b>Earnings on financial operations (I - II)</b>	<b>2,554,456.75</b>	<b>723,749.81</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-193,644.00	-70,618.92
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>2,360,812.75</b>	<b>653,130.89</b>
Adjustment of the fiscal year's earnings (V)	-70,754.29	-38,845.30
Advances on result paid for the fiscal year (VI)	-2,009,725.60	-557,411.40
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>280,332.86</b>	<b>56,874.19</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.4% per year* maximum 0.50% per year**
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

\* Rate valid until 03 July 2017

\*\* New applicable rate

# appendix



**Accounting currency**

The Compartment's accounting is carried out in euros.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**Class of D-EUR equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>20,591,873.12</b>	<b>10,996,025.55</b>
Subscriptions (including subscription commission acquired by the Compartment)	88,859,151.52	16,416,523.85
Redemptions (less the redemption commission acquired by the Compartment)	-17,046,151.68	-6,833,078.43
Capital gains generated on deposits and financial instruments	10,939,522.61	1,479,709.08
Capital losses generated on deposits and financial instruments	-4,910,958.84	-3,289,729.28
Capital gains generated on financial contracts	159,432,986.26	38,528,211.68
Capital losses generated on financial contracts	-160,980,067.35	-37,881,130.96
Negotiation fees	-	-
Exchange differentials	-439,468.91	316,927.92
Changes to the estimate difference of the deposits and financial instruments:	5,488,021.20	657,727.55
- <i>Estimate difference fiscal year N</i>	6,131,719.54	643,698.34
- <i>Estimate difference fiscal year N-1</i>	643,698.34	-14,029.21
Changes to the estimate difference of financial contracts:	1,533,197.04	104,966.67
- <i>Estimate difference fiscal year N</i>	1,242,971.99	-290,225.05
- <i>Estimate difference fiscal year N-1</i>	-290,225.05	-395,191.72
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	2,360,812.75	653,130.89
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-2,009,725.60	-557,411.40
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>103,819,192.12</b>	<b>20,591,873.12</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR GERMAN MID-CAP MDAX UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	69,654,000.00	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	3,951,498.50	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	1.48
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	3,951,498.50	-	-	-	-
Financial accounts	1.48	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	69,654,000.00	-	-	-

LYXOR GERMAN MID-CAP MDAX UCITS ETF  
(compartment of the Multi Units France mutual fund)

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	JPY	NOK	CHF	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	3,926,493.95	2,323,700.04	932,696.43	3,987,093.93
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>12,528.72</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Account receivable	12,528.72
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>30,400.23</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	17,871.51
Deferred settlement purchases	12,528.72
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	661,860	88,859,151.52	135,000	17,046,151.68
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.20</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
- CIU securities	-
- Swaps	<b>1,242,971.99</b>

LYXOR GERMAN MID-CAP MDAX UCITS ETF  
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**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
12/07/17	2,009,725.60	3.14	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	<b>2,009,725.60</b>	<b>3.14</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	280,332.86	56,874.19
<b>Total</b>	<b>280,332.86</b>	<b>56,874.19</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	280,332.86	56,874.19
<b>Total</b>	<b>280,332.86</b>	<b>56,874.19</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	4,228,432.50	-727,711.04
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>4,228,432.50</b>	<b>-727,711.04</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	4,228,432.50	-727,711.04
<b>Total</b>	<b>4,228,432.50</b>	<b>-727,711.04</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-



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(compartment of the Multi Units France mutual fund)

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Net assets</b>	<b>103,819,192.12</b>	20,591,873.12	10,996,025.55	10,330,282.31	-
<b>Number of outstanding equities</b>	<b>696,540</b>	169,680	87,880	105,000	-
<b>Net asset value</b>	<b>149.0498</b>	121.3571	125.1254	98.3836	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	<b>3.14</b>	2.73	3.10	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>6.47</b>	-3.95	50.25	5.11	-

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Compartment creation date: 15 May 2014.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
ES0167050915	ACS	PROPRE	10,044.00	340,039.62	EUR	0.33
DE000A1EWWW0	ADIDAS NOM	PROPRE	15,181.00	2,900,330.05	EUR	2.79
ES0105046009	AENA SME SA	PROPRE	49,431.00	7,785,382.50	EUR	7.50
DE0008404005	ALLIANZ SE-NOM	PROPRE	19,007.00	3,789,045.45	EUR	3.65
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	57,767.00	6,068,423.35	EUR	5.85
NL0010273215	ASML HOLDING N.V.	PROPRE	18,942.00	2,932,221.60	EUR	2.82
CH0012410517	BALOISE-HOLDING NOM.	PROPRE	6,618.00	896,496.21	CHF	0.86
ES0113211835	BANCO BILBAO VIZCAYA ARGENTA	PROPRE	595,040.00	4,470,535.52	EUR	4.31
ES0113900J37	BANCO SANTANDER SA	PROPRE	103,350.00	601,807.05	EUR	0.58
DE000BASF111	BASF SE	PROPRE	90,427.00	8,465,775.74	EUR	8.15
CH0011432447	BASILEA PHARMACEUTICA N	PROPRE	518.00	36,200.22	CHF	0.03
DE000BAY0017	BAYER AG	PROPRE	39,079.00	4,365,124.30	EUR	4.20
FR0000120222	CNP ASSURANCES	PGARAN	2,504.00	50,017.40	EUR	0.05
DE0007100000	DAIMLER	PROPRE	70,193.00	5,004,058.97	EUR	4.82
FR0000120644	DANONE	PGARAN	760.00	53,306.40	EUR	0.05
DE0008232125	DEUTSCHE LUFTHANSA NOM	PROPRE	163,622.00	4,483,242.80	EUR	4.32
DE0005552004	DEUTSCHE POST AG-NOM	PROPRE	66,610.00	2,619,105.20	EUR	2.52
DE0005557508	DEUTSCHE TELEKOM AG-NOM	PROPRE	305,145.00	4,772,467.80	EUR	4.60
FI0009007884	ELISA OYJ	PROPRE	39,846.00	1,378,273.14	EUR	1.33
DE000ENAG999	E.ON SE	PROPRE	509,584.00	5,162,085.92	EUR	4.97
FI0009007132	FORTUM OYJ	PROPRE	38,237.00	697,060.51	EUR	0.67
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	48,064.00	3,446,669.44	EUR	3.32
BE0003797140	GROUPE BRUXELLES LAMBERT	PROPRE	11,459.00	1,056,290.62	EUR	1.02
ES0144580Y14	IBERDROLA SA	PROPRE	61,003.00	423,238.81	EUR	0.41
BE0003565737	KBC GROUPE	PROPRE	3,621.00	258,213.51	EUR	0.25

LYXOR GERMAN MID-CAP MDAX UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
FR0000121485	KERING	PGARAN	139.00	54,696.50	EUR	0.05
FR0000121964	KLEPIERRE	PGARAN	1,512.00	51,627.24	EUR	0.05
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	39,263.00	1,372,438.17	EUR	1.32
FR0000120321	L'OREAL SA	PGARAN	267.00	51,010.35	EUR	0.05
FR0000121014	LVMH MOET HENNESSY LOUIS VUITTON SE	PGARAN	196.00	50,195.60	EUR	0.05
ES0152503035	MEDIASET ESPANA COMUNICACION SA	PROPRE	360,139.00	3,360,817.15	EUR	3.24
FR0000121261	MICHELIN (CGDE)-SA	PGARAN	411.00	51,046.20	EUR	0.05
JP3890310000	MS AD ASSURANCE	PROPRE	80,972.00	2,345,848.73	JPY	2.26
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	PROPRE	12,785.00	2,455,359.25	EUR	2.37
FI0009005318	NOKIAN RENKAAT OYJ	PROPRE	113,257.00	4,458,928.09	EUR	4.29
NO0005052605	NORSK HYDRO ASA	PROPRE	350,726.00	2,323,700.04	NOK	2.24
DK0060336014	NOVOZYMES AS-B	PROPRE	5,396.00	255,833.58	DKK	0.25
GB0006825383	PERSIMMON PLC	PGARAN	109,186.00	3,487,479.87	GBP	3.36
BE0003810273	PROXIMUS SA DE DROIT PUBLIC	PROPRE	7,692.00	219,298.92	EUR	0.21
FR0013269123	RUBIS SCA	PGARAN	928.00	50,000.64	EUR	0.05
FI0009003305	SAMPO A	PROPRE	43,463.00	1,954,965.74	EUR	1.88
DE0007164600	SAP SE	PROPRE	527.00	51,466.82	EUR	0.05
SE0000148884	SEB A	PROPRE	5,363.00	56,749.29	SEK	0.05
DE0007236101	SIEMENS AG-NOM	PROPRE	4,547.00	557,007.50	EUR	0.54
JP3436100006	SOFTBANK GROUP CORP	PROPRE	21,035.00	1,580,645.22	JPY	1.52
SE0000242455	SWEDBANK A SHS A	PROPRE	8,778.00	187,031.19	SEK	0.18
FI4000074984	VALMET CORPORATION	PROPRE	19,768.00	329,137.20	EUR	0.32
FR0000127771	VIVENDI	PGARAN	2,444.00	52,118.30	EUR	0.05
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	58,581.00	9,132,777.90	EUR	8.80
<b>Total Equity</b>				<b>106,545,591.62</b>		<b>102.63</b>
<b>Total Investment Securities</b>				<b>106,545,591.62</b>		<b>102.63</b>
<b>Interest rate swap</b>						
SWAP03547748	FEES LEG D EUR LYX E		1.00	17,871.19	EUR	0.02
SWAP03547696	INDEX LEG D EUR LYX		69,654,000.00	103,819,193.90	EUR	100.00

LYXOR GERMAN MID-CAP MDAX UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
SWAP03547745	VRAC LEG LYX ETF GER	PROPRE	69,654,000.00	-102,594,093.10	EUR	-98.82
<b>Total Interest rate swap</b>				<b>1,242,971.99</b>		<b>1.20</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	RECEIVABLE ON SWAP	PROPRE	0.00	12,528.72	EUR	0.01
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-12,528.72	EUR	-0.01
	EUR SGP BANK	PROPRE	0.00	-1.48	EUR	-0.00
<b>Total AT BANK OR PENDING</b>				<b>-1.48</b>		<b>-0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-17,871.51	EUR	-0.02
<b>Total MANAGEMENT FEES</b>				<b>-17,871.51</b>		<b>-0.02</b>
<b>Total Cash</b>				<b>-17,872.99</b>		<b>-0.02</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02059855	PDC LYXOFR0000120222	PGAR1	-50,017.40	-50,017.40	EUR	-0.05
PDC-02059877	PDC LYXOFR0000120321	PGAR1	-51,010.35	-51,010.35	EUR	-0.05
PDC-02059861	PDC LYXOFR0000120644	PGAR1	-53,306.40	-53,306.40	EUR	-0.05
PDC-02059882	PDC LYXOFR0000121014	PGAR1	-50,195.60	-50,195.60	EUR	-0.05
PDC-02059888	PDC LYXOFR0000121261	PGAR1	-51,046.20	-51,046.20	EUR	-0.05
PDC-02059865	PDC LYXOFR0000121485	PGAR1	-54,696.50	-54,696.50	EUR	-0.05
PDC-02059871	PDC LYXOFR0000121964	PGAR1	-51,627.24	-51,627.24	EUR	-0.05
PDC-02059906	PDC LYXOFR0000127771	PGAR1	-52,118.30	-52,118.30	EUR	-0.05
PDC-02059900	PDC LYXOFR0013269123	PGAR1	-50,000.64	-50,000.64	EUR	-0.05
PDC-02059894	PDC LYXOGB00006825383	PGAR1	-3,059,391.72	-3,487,479.87	GBP	-3.36
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-3,951,498.50</b>		<b>-3.81</b>
<b>Total Files</b>				<b>-3,951,498.50</b>		<b>-3.81</b>
<b>Total LYXOR UCITS ETF GERMAN MID-CAP MDAX</b>				<b>103,819,192.12</b>		<b>100.00</b>

# LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

International equities.

At least 60% of the LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF Compartment (the “Compartment”) is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index Compartment.

### **Terms of determination and allocation of incomes:**

Income capitalisation.

### **Management objective:**

The Compartment’s management objective is to replicate the evolution, upward or downward, of the MSCI China A Net Total Return Index (the “Benchmark Indicator”) listed in RMB onshore (CNY), regardless of its evolution, while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the MSCI China A Net Total Return index.

The anticipated level of the ex-post tracking error under normal market conditions is 2%.

The attention of investors is drawn to the risks incurred specifically from investing in the People’s Republic of China (PRC), as described in greater detail in the Risk Profile section below.

It should in particular be noted that there are some uncertainties as to the capital gains on the sale of “A-shares”. On 14 November 2014, the PRC Ministry of Finance and tax authority issued circulars to clarify the tax treatment of share sales. These circulars specify in particular that:

Capital gains on sales before 17 November 2014 are taxable.

Capital gains on sales after 17 November 2014 are temporarily tax exempt.

Since the PRC tax authority has not made a definitive pronouncement on how the tax would be calculated or collected, nor on the duration of the exemption, investors should note that:

The Compartment’s Net Asset Value may be adversely affected by a change in PRC tax rules;

The adverse impact on the Compartment’s performance resulting from a change in PRC tax rules will depend on the date on which the Compartment’s equities are bought or sold; and

The magnitude of this adverse impact on the Compartment’s performance may not be proportional to the number of equities that an investor holds in the Compartment if tax obligations in the PRC are amended retroactively and, in certain circumstances, could amount to 100% of the Net Asset Value of a given equity class.

The investor is therefore urged to refer to the “Taxation in the PRC” section below for more detailed information.

**Benchmark indicator:**

The MSCI China A Net Total Return index. The Benchmark Indicator capitalisation-weighted index tracks the performance of the “A-Shares” market (equities in companies formed in the People’s Republic of China, excluding Hong Kong (hereinafter “PRC”)), that are listed on the Shanghai and Shenzhen exchanges and traded in Chinese yuan (“CNY”). The Benchmark Indicator is generally composed of medium and large-sized companies that represent 85% of the PRC universe of investable equities, in terms of free-float market capitalisation. On 31 October 2013, the index was composed of 464 equities.

The MSCI China A Net Total Return Index is a capitalisation-weighted index, which means that the weight of each constituent index is proportional to its free-float market capitalisation.

The Benchmark Indicator is a “Total Return” index, i.e. the dividends from the constituent Benchmark Indicators are reinvested.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components are available at the Internet site: [http://www.msci.com/products/indices/country\\_and\\_regional/domestic\\_equity\\_indices/china/](http://www.msci.com/products/indices/country_and_regional/domestic_equity_indices/china/)

**Benchmark Indicator revision and composition**

The Benchmark Indicator is revised every six months, according to the methodology described in the Benchmark Indicator’s Rulebook, available on the MSCI website:

[http://www.msci.com/products/indices/country\\_and\\_regional/domestic\\_equity\\_indices/china/](http://www.msci.com/products/indices/country_and_regional/domestic_equity_indices/china/).

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy. Benchmark Indicator publication:

The Benchmark Indicator fixing price is provide daily by Reuters and Bloomberg.

In CNY:

Reuters code: .MICNA0000NCN

Bloomberg code: M7CN1A

In USD:

Reuters code: .MDCNA0000GUS

Bloomberg code: MBCN1A

The Benchmark Indicator’s closing price is available at the Internet site: <http://www.msci.com>.

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the highest possible correlation with the Benchmark Indicator’s performance, the Compartment will use a direct replication method, which means that the Compartment will primarily invest in the equities comprising the Benchmark Indicator.

As part of the optimisation of the Benchmark Indicator’s direct replication method, the Compartment, represented by its delegated asset manager, may decide to use a so-called “sampling” technique that involves investing in a selection of representative securities comprising the Benchmark Indicator, with the aim of limiting the costs related to the investment in the Benchmark Indicator’s various components and/or to take into account the operational constraints of investing in the various Benchmark Indicator constituents. A sampling-based replication strategy could notably prompt the Compartment to invest in a representative selection of securities (but not all securities) comprising the Benchmark Indicator, in different proportions than is the case within the Benchmark Indicator, or even to invest in securities other than the Benchmark Indicator’s components.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (“FFI”). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment’s tracking error.

To ensure that investors can benefit from transparency with regard to the adopted direct replication method (complete replication of the Benchmark Indicator or sampling in order to limit the replication costs) and to the consequences in terms of assets held by the Compartment, information on the updated composition of the basket of balance sheet equities held in the Compartment’s portfolio is available on the page dedicated to the Compartment, accessible on the site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

Investors are also informed of the fact of the Compartment's asset manager by delegation being in possession of a Renminbi Qualified Foreign Institutional Investor licence ("RQFII" or the "RQFII Licence") in the People's Republic of China ("PRC") and of obtaining a RQFII "quota" dedicated to the Compartment's investments (the "Quota"), will allow the aforesaid asset manager, acting in the name and on behalf of the Compartment, to implement the Investment strategy described above. More specifically, subject to the risks identified in the "Risk Profile section below, it is indicated that the aforesaid RQFII Licence and Quota will notably allow the delegated asset manager:

To invest in the A-Shares in the Compartment's name and on its behalf, within the conditions and limits included in the said Quota and Licence, without a minimum holding period.

To repatriate, into and out of the PRC, the sums related to the Compartment's purchase/sale operations of A-Shares on each business day in the PRC, while performing, if relevant, the exchange operations needed for the conversion of the sums denominated in RMB into the currency of the relevant unit class.

In order to implement the investment strategy described above, the Compartment asset manager by delegation may also invest in A-Shares via the "Shanghai Hong-Kong Stock Connect", the common trading platform set up on 17 November 2014 between the Hong-Kong and Shanghai stock exchanges (the "Shanghai Hong-Kong Stock Connect"). The Shanghai Hong-Kong Stock Connect notably enables investors outside of PRC to invest in A-shares traded on the Shanghai exchange, without necessarily having to have an RQFII License and Quota.

Additional information on the conditions and limits governing operations performed by the delegated asset manager relative to Chinese A-shares, within the framework of the corresponding RQFII Licence and Quota, can also be provided to investors who make a written request for such information to the Management Company.

#### **Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset of the Compartment. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the financial manager by delegation, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

#### **2. Off-balance sheet assets (derivative instruments)**

The Compartment will not have recourse to futures financial instruments, except, on an ancillary basis, and within limits set by regulations, to future contracts on indices or bonds that are listed on regulated markets.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

#### **3. Securities with integrated derivatives**

None.

#### **4. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

#### **Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

#### **5. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

#### **6. Financial guarantees**

No financial guarantee will be granted / received by the Compartment within the framework of the implementation of its management objective.



**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**- Specific risks linked to investment in People's Republic of China:**

Investors in the Compartment should be aware of the following risks inherent to investments in the People's Republic of China (PRC):

**- RQFII risk**

The Compartment's capacity to achieve its investment objective depends, amongst other things, on the RQFII quota allotted to it. If the Compartment's RQFII quota is too small, this could adversely affect the Compartment's operation. PRC regulations governing RQFII status may also be amended at any time by the China Securities Regulatory Commission (CSRC) and/or, with respect to foreign exchange, by the State Administration of Foreign Exchange ("SAFE") bureau, which could adversely affect the Compartment's capacity to achieve its investment objective and result in its dissolution. In particular, RQFII status means that any increase of the investment quota is subject to authorisation by the SAFE. If the Compartment wishes to increase its quota, it may take quite a long time to obtain approval from the SAFE. Any restriction involving the Compartment's granted quota may affect its investments. Such a restriction may therefore affect the trading of the Compartment's shares on an exchange, which could, in such circumstances and depending on the exchange's rules, trade above their Net Asset Value. Lastly, if the delegated asset manager loses its RQFII licence, if the RQFII quota is reduced, or if RQFII requirements are significantly increased, the Board of Directors may decide to dissolve the Compartment, subject to AMF approval.

**- Shanghai Hong-Kong Stock Connect risks**

The Compartment's capacity to achieve its investment objective depends among other things on whether or not A-shares can be traded via the Shanghai Hong- Kong Stock Connect. As of the date of this publication, the Shanghai Hong Kong Stock Connect imposes two quotas on the total net purchase orders that may be executed: a daily quota and an overall quota since 17 November 2014. If either of these quotas is exceeded, purchase orders on the Shanghai Hong-Kong Stock Connect will be automatically suspended (at least temporarily in the case of the daily quota), which could impair the Compartment capacity to achieve its investment objective.

**- Economic, political and social risks**

Any political change, social instability and/or unfavourable diplomatic, political, economic and/or social development that may occur in or in connection with the PRC (hereinafter a "Policy Change") could result in the imposition by the Chinese government of additional restrictions and limits, such as expropriation, confiscatory taxes or the nationalization of certain companies included in the Benchmark Indicator. Investors should also note that a Policy Change may have an adverse impact on PRC stock exchanges and on the Compartment's performance, and could ultimately result in the Compartment's dissolution by decision of the Board of Directors.

**- Economic risks in PRC**

The economy of the PRC has grown very rapidly. It is, however, not certain that this growth will continue and it may be irregular across the different sectors of the PRC economy. The PRC government has from time to time put in place various measures to prevent an excessively sharp acceleration of the business cycle, and the transition of the country's economy from a socialist economy to one that is more market-oriented has caused economic and social tensions that could stop this transition or compromise its success. Any of these risks could diminish the Compartment's performance.

**- Capital repatriation risks**

The system for repatriating capital is subject to the approval of the Chinese SAFE authorities and to the risk that the repatriation of capital may be restricted in terms of amount or frequency (as of the date of the Compartment's inception, however, RQFII regulations allow capital to be repatriated daily without requiring approval).

Furthermore, the regulations and standard economic practices in the PRC that govern the repatriation of funds from the domestic Chinese market to other markets and their conversion into a foreign currency could be modified in a way that adversely affects the Compartment.

The unfavourable regulatory developments and situations described above could suspend or restrict the conversion or transfer of foreign currencies and could possibly:

Diminish the Compartment's capacity to fully achieve its investment management objective and/or;

Diminish the Compartment's performance, and/or;

Ultimately result in the Compartment's dissolution, by decision of the Board of Directors.

### **PRC legal system risk**

The legal system in the PRC is based on statutory law. However, some regulations have yet to be implemented and there is no assurance that they will actually ever be implemented in their entirety. In particular, PRC regulations on the control of exchange rates are relatively recent and their application is still quite uncertain. Moreover, these regulations give the Chinese authorities (and in particular CSRC and SAFE) broad discretion in their respective interpretation of the regulations, which leaves uncertainty as to how they might be applied and used. Any of these risks could diminish the Compartment's performance.

### **State control of exchange rates and of future exchange rate movements**

Under the current RQFII system, offshore RMB (CNH) can be converted into onshore RMB (CNY) and vice-versa on a one-for-one basis. The CNH also serves as a pivot currency between the share class currencies (USD and EUR) and CNY. There is no guarantee that, in the future, an exchange rate will not be applied to the conversion of CNH into CNY or vice-versa.

### **Dependence on the A-shares market**

The existence of a liquid market for A-shares depends on the supply of and demand for A-shares. It should be noted that the Shanghai and Shenzhen stock exchanges, on which the A-shares are listed, are undergoing huge changes and that their market capitalisations and trading volume are less than those of exchanges in developed countries. The volatility of A-share markets and any difficulty in trading A-shares or in settling A-share trades could result in significant fluctuations in the price of the securities traded in these markets, and ultimately in the Compartment's Net Asset Value.

### **Taxation in the PRC**

The government of the PRC has implemented several tax reforms in recent years, and it is possible that the current tax legislation and regulations could be revised or modified in the future.

Furthermore the PRC's tax authority (the "State Administration of Taxation") has confirmed the 10% withholding tax on dividends, premiums and interest paid to investors with RQFII status (subsequent to the "PRC Corporate Income Tax Law", which came into effect on 1 January 2008) or who invest via the Shanghai Hong-Kong Stock Connect (subsequent to Caishui circular [2014] No. 81).

This withholding tax may be reduced by virtue of a double taxation treaty with China, provided that certain conditions are met and subject to the approval of PRC tax authorities.

It should also be noted that any dividends paid to shareholders by the Compartment will be obtained from the receipt of corresponding amounts from the investment in the A-shares and that all amounts of this kind will be net of the withholding tax on dividends, premiums and interest applicable in the PRC.

Concerning the taxation of share sales, on 14 November 2014, the PRC Ministry of Finance and tax authority issued circulars, which among other things specified the tax treatment to be applied to capital gains from the sale of "A-Shares" purchased subject to an RQFII quota or via the Shanghai Hong-Kong Stock Connect, the following should in particular be noted:

Capital gains on sales before 17 November 2014 are taxable,

Capital gains on sales as of 17 November 2014 are temporarily tax exempt.

The PRC tax authority has not made a definitive pronouncement on how the tax would be calculated or collected, nor on the duration of the exemption.

Accordingly, we attract the attention of investors to the following:

The Compartment's Net Asset Value may be adversely affected by a change in PRC tax rules;

The adverse impact on the Compartment's performance resulting from a change in PRC tax rules will depend on the date on which the Compartment's equities are bought or sold; and

The magnitude of this adverse impact on the Compartment's performance may not be proportional to the number of shares that an investor holds in the Compartment if tax obligations in the PRC are amended retroactively and, in certain circumstances, could amount to 100% of the Net Asset Value of a share class.

The asset manager by delegation has made 10% provision on Compartment's capital gains up to 14 November 2014. Furthermore, it should be noted that although the PRC tax authority has confirmed the temporary exemption of withholding tax on capital gains on share sales as of 17/11/2014, there is no way of knowing with certainty what investor obligations will be with respect to PRC's taxation of capital gains on share sales before 17/11/2014. Until further information is provided on the taxation and calculation of withholding tax on capital gains before 17 November 2014, there can be no assurance as to whether the aforementioned provision is sufficient or not, since it cannot currently be known with certainty what obligations may be imposed on investors with RQFII status in respect of the PRC's taxation of capital gains. If the provision made proves to be insufficient, this could adversely affect the Compartment's Net Asset Value.

However, and as is the case for any mutual fund that complies with Directive 2009/65/EC, the Compartment's shareholders can lose no more than the capital they invest and the expense of purchasing and selling shares.

Furthermore, since Chinese tax authorities have only confirmed a temporary exemption of the taxation of capital gains made as of 17 November, the asset manager by delegation may decide to make a provision if Chinese tax authorities specify the duration of the exemption or amend this temporary rule in part or in whole. In this event, such a provision would adversely affect all of the Compartment's net asset values calculated as of the date of the first provision. Such a provision would also reduce the Compartment's performance relative to that of the Benchmark Indicator.

In addition to the withholding tax on dividends, premiums, interest and capital gains referred to above, since 19 September 2008, the sellers of A-shares have been required to pay a stock market tax of 0.1 % of the share price. The PRC authorities may decide to modify this tax.

#### **Accounting and reporting standards:**

The standards and practices for accounting, auditing and the reporting of financial information that apply to PRC companies may differ from those of countries with more developed financial markets. Such differences can adversely affect certain practices such as asset valuation methods and the reporting of information to investors.

#### **Order execution risk in the PRC**

Under RQFII regulations, the delegated asset manager must select one or more intermediaries ("Brokers") in the PRC to execute stock market orders involving A-shares on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The delegated asset manager may select the same Broker for transactions on both of these exchanges. If a Broker defaults, the Compartment may have difficulty recovering its assets, which could adversely affect its valuation.

Générale and the delegated asset manager have procedures to identify and reduce such conflicts of interest and to resolve them equitably if necessary.

#### **Custody risk in the PRC**

Under RQFII regulations, a sub-custodian in the PRC must be selected. The sub-custodian selected is Bank of China Limited, which in this capacity holds the Compartment's onshore RMB and securities accounts in the PRC. Under RQFII regulations, these accounts must be registered jointly in the names of the delegated asset manager (which has the RQFII license) and the Compartment. There is therefore a risk that the assets held in PRC may not be as well protected as if they were registered in the Compartment's name only.

When, pursuant to the investment strategy, the delegated asset manager purchases and/or sells A-shares via the Shanghai Honk-Kong Stock Connect, the sub-custody in relation to these transactions may be entrusted to a sub-custodian other than Bank of China Limited (the "Third Party Sub-custodian"). In this case, the Compartment's accounts with the Third-Party sub-custodian will be opened in the joint name of the Depositary and the Compartment.

#### **- Risk that trading is suspended:**

Trading in the Benchmark Indicator's constituents may be temporarily suspended, making it impossible for the Compartment to value these securities correctly and/or buy or sell them.

Other risks in investing in this Compartment:

#### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

#### **- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

#### **- Risk related to low diversification of the Benchmark Indicator**

The Benchmark Indicator to which the investors are exposed covers a given region, sector or strategy and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment's underlyings.

#### **- Risks related to the absence of perfect replication**

Replication of the Benchmark Indicator by means of an investment in all of the Benchmark Indicator's components could prove to be costly or operationally very difficult.

Also, the Compartment's manager may employ optimisation techniques, notably the sampling technique that involves investing in a representative selection of securities (but not all securities) comprising the Benchmark Indicator, in different proportions than is the case within the Benchmark Indicator, or even investing in securities other than the components of the index or future financial instruments. The use of these optimisation techniques could result in a greater ex-post tracking error and notably lead to differing performances between the Compartment and the Benchmark Indicator.

**- Risk related to the exposure to Emerging markets**

The Compartment's exposure to emerging markets results in a greater risk of loss that would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the Benchmark Indicator.

**- Liquidity risk (primary market)**

Should the Compartment adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

Suspension or stoppage of the calculation of the Benchmark Indicator, and/or;

Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or;

The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or;

A market maker's violation of the rules applicable to this marketplace, and/or;

A failure of this marketplace's IT or electronic systems.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the Benchmark Indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment, the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment bonds. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution;
- ii) The Benchmark Indicator is definitively discontinued by the Benchmark Indicator;
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator;

iv) The supplier of the Benchmark Indicator makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost;

v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid;

vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Exchange risk linked to the C-EUR (EUR/CNY) equity classes

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark Indicator.

Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark Indicator, as a result of exchange rate fluctuations.

- Exchange risk linked to the C-USD (USD/CNY) equity classes

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark index.

Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark index, as a result of exchange rate fluctuations.

- Exchange risk linked to the C-RMB (CNH/CNY) equity classes

The RMB can be divided into two categories: RMB offshore (CNH) and RMB onshore (CNY). The above share classes are denominated in offshore RMB (CNH) and can be exposed to currency risk since they are not denominated in the same currency as the Benchmark Indicator. Changes in the exchange rate may therefore cause the net asset value of these share classes to decrease, even if the value of the Benchmark Indicator increases.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing for this Compartment wishes to be exposed upwards or downwards to performance of the large capitalisations on the "A shares" market, namely, securities issued by companies incorporated in People's Republic of China, excluding Hong Kong.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 7 May 2014.*
- *Compartment creation date: 28 August 2014.*

## Activity report

The net asset value of the C-USD unit of the LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF Compartment shows an evolution of 16.86% over the fiscal year stands at USD 151.0922 on 31/10/2017, resulting in the fund's performance being equal to 51.09% since inception.

The fund replicates the performance of the MSCI China A NR Indx CNY index, listed in Yuan (CNY), representative of an investment strategy in Chinese Large and Mid-caps listed in Shanghai and Shenzhen.

This index has shown an evolution of 14.36% over the fiscal year. As the C-USD class is not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the USD decreased by 2.12% against the CNY.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MSCI China A NR Indx CNY index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the MSCI China A NR Indx CNY index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 6 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 1.9654% for the Compartment. The level of the tracking error for the period was of 2%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission *(not audited by the auditor)*

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533 22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on Lyxor website, [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
2.1	3.8	3.8	4.3

Portfolio rated 42%  
Nb Securities rated 232

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>3.8</b>	<b>9.6%</b>
	Climate Change	3.8	4.0%
	Environmental Opportunities	4.9	3.0%
	Natural Capital	2.3	0.9%
	Pollution & Waste	2.5	1.7%
<b>Social</b>		<b>3.8</b>	<b>26.3%</b>
	Human Capital	3.3	10.4%
	Product Liability	3.7	11.7%
	Social Opportunities	5.5	4.1%
	Stakeholder Opposition	2.8	0.1%
<b>Governance</b>		<b>4.3</b>	<b>17.9%</b>
	Corporate Behavior	2.6	8.0%
	Corporate Governance	5.7	9.9%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	0%
Average (A, BBB,BB)	37%
Laggards (B,CCC)	17%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary			1.0%		0.6%	0.6%	0.1%	
Consumer Staples					0.4%	0.1%		
Energy					0.5%		1.4%	
Financials			9.0%	18.6%	4.5%	1.4%		
Health Care			1.3%					
Industrials			0.2%	1.9%	1.7%	2.1%		
Information Technology						1.1%	0.2%	
Materials					0.1%	0.5%	2.3%	
Real Estate					3.5%	0.3%	0.1%	
Utilities							0.2%	

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	23%
312	370	296	Scope 1 reported (vs estimated)	3%
			Scope2 reported (vs estimated)	0%
			Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	6%
Thermal Coal	4%
Natural Gas	2%
Oil	2%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	4%
20-49.9%	14%
50-100%	1%

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;



- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

#### **Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the Compartment)*

In the course of the fiscal year, the Compartment did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net fixed assets</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>63,176,844.47</b>	<b>51,531,129.84</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	63,176,844.47	51,531,129.84
Not negotiated on a regulated or similar market		-
• <b>BONDS AND SIMILAR SECURITIES</b>	-	-
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market		-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market		-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities		-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions		-
• <b>FINANCIAL CONTRACTS</b>	-	-
Operations on a regulated or similar market	-	-
Other operations		-
• <b>OTHER FINANCIAL INSTRUMENTS</b>		-
	<b>164,952.16</b>	<b>4,072.25</b>
<b>Receivables</b>	-	-
Future foreign exchange operations	164,952.16	4,072.25
Other		
	<b>560,361.68</b>	<b>2,022,862.31</b>
<b>Financial accounts</b>	560,361.68	2,022,862.31
Liquidity	-	-
<b>Other Assets</b>		
<b>Total assets</b>	<b>63,902,158.31</b>	<b>53,558,064.40</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 USD	31.10.2016 USD
<b>Shareholders' equity</b>		
• Capital	63,843,824.23	52,614,999.60
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-455,543.68	-1,481,311.91
• Earnings of the fiscal year	446,513.59	407,246.74
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>63,834,794.14</b>	<b>51,540,934.43</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>37,789.44</b>	<b>134,573.76</b>
Future foreign exchange operations	-	-
Other	37,789.44	134,573.76
<b>Financial accounts</b>	<b>29,574.73</b>	<b>1,882,556.21</b>
Current bank accommodations	29,574.73	1,882,556.21
Loans		-
<b>Total liabilities</b>	<b>63,902,158.31</b>	<b>53,558,064.40</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	2,499.46	7,210.50
• Earnings on equities and similar securities	780,290.22	549,299.09
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>782,789.68</b>	<b>556,509.59</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-3,248.06	-4,457.22
• Other financial charges	-	-
<b>Total (II)</b>	<b>-3,248.06</b>	<b>-4,457.22</b>
<b>Earnings on financial operations (I - II)</b>	<b>779,541.62</b>	<b>552,052.37</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-357,796.22	-280,551.00
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>421,745.40</b>	<b>271,501.37</b>
Adjustment of the fiscal year's earnings (V)	24,768.19	135,745.37
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>446,513.59</b>	<b>407,246.74</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The Board of directors nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The Board of directors nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The financial management delegatee independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the financial management delegatee's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Classes of equities and units of undertakings for collective investment in transferable securities operating under Italian law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Classes of equities and units of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the financial management delegatee's responsibility.

The exchange rates used for the assessment of financial instruments denominated in Renminbi (RMB) is the WM Reuters fixing rate at 9:00 a.m. GMT published by Thomson Reuters on the day the Compartment's net asset value is determined.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the Board of directors when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.85% per year
Transactions commissions	Collection on each transaction	None
Outperformance commissions	Net assets	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in USD.

# appendix



**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

Income capitalisation.

# appendix

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net assets at the start of the fiscal year</b>	<b>51,540,934.43</b>	<b>65,080,486.41</b>
Subscriptions (including subscription commission acquired by the Compartment)	3,400,000	15,050,000.00
Redemptions (less the redemption commission acquired by the Compartment)	-	-23,545,080.82
Capital gains generated on deposits and financial instruments	568,996.09	5,226,797.59
Capital losses generated on deposits and financial instruments	-559,631.88	-3,951,438.44
Capital gains generated on financial contracts	-	2.33
Capital losses generated on financial contracts	-	-
Negotiation fees	38.61	4.54
Exchange differentials	1,051,329.60	-2,725,031.97
Changes to the estimate difference of the deposits and financial instruments:	7,194,950.72	-3,866,306.58
- <i>Estimate difference fiscal year N</i>	6,605,676.01	-567,606.76
- <i>Estimate difference fiscal year N-1</i>	-589,274.71	3,298,699.82
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	421,745.40	271,501.37
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	*216,431.17	21,667.95
<b>Net assets at the end of the fiscal year</b>	<b>63,834,784.14</b>	<b>51,540,934.43</b>

\* Provisions relating to suspended securities and the CNH/CNY valuation of the NAV of 31/10/2017

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	560,361.68
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	29,574.73
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	560,361.68	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	29,574.73	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	CNY	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	63,176,844.47	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	164,952.16	-	-	-
Financial accounts	516,670.98	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	1,981.85	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	<b>164,952.16</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Adjustment accounts	160,791.80
Security deposits (paid)	4,160.36
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>37,789.44</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	37,789.44
-	-
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

Number of equities issued/redeemed during the fiscal year:	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
EQUITY C-RMB / FR0011720937	-	-	-	-
EQUITY C-EUR / FR0011720903	-	-	-	-
EQUITY C-USD / FR0011720911	23,855	3,400,000	-	-
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-RMB / FR0011720937		6,744.26		-
EQUITY C-EUR / FR0011720903		-		-
EQUITY C-USD / FR0011720911		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-RMB / FR0011720937		-		-
EQUITY C-EUR / FR0011720903		-		-
EQUITY C-USD / FR0011720911		-		-
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY C-RMB / FR0011720937		6,744.26		-
EQUITY C-EUR / FR0011720903		-		-
EQUITY C-USD / FR0011720911		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-RMB / FR0011720937	-
EQUITY C-EUR / FR0011720903	-
EQUITY C-USD / FR0011720911	0.65
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY C-RMB / FR0011720937	-
EQUITY C-EUR / FR0011720903	-
EQUITY C-USD / FR0011720911	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	-

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-



LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	USD	USD
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	446,513.59	407,246.74
<b>Total</b>	<b>446,513.59</b>	<b>407,246.74</b>

EQUITY C-RMB / FR0011720937	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

EQUITY C-EUR / FR0011720903	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

EQUITY C-USD / FR0011720911	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	446,513.59	407,246.74
<b>Total</b>	<b>446,513.59</b>	<b>407,246.74</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	USD	USD
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-455,543.68	-1,481,311.91
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-455,543.68</b>	<b>-1,481,311.91</b>

EQUITY C-RMB / FR0011720937	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

EQUITY C-EUR / FR0011720903	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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EQUITY C-USD / FR0011720911	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-455,543.68	-1,481,311.91
<b>Total</b>	<b>--455,543.68</b>	<b>-1,481,311.91</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
*Compartment creation date: 28 August 2014.*

Currency					
USD	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Net assets</b>	<b>63,834,794.14</b>	51,540,934.43	65,080,486.41	16,296,295.06	-

EQUITY C-RMB / FR0011720937		Currency of the equity and of the NAV: -			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Number of circulating equities</b>	-	-	-	-	-
<b>Net asset value</b>	-	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	-	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

EQUITY C-EUR / FR0011720903		Currency of the equity and of the NAV: -			
	<b>31.10.2017</b>	31.10.2016	31.10.2014	-	-
<b>Number of circulating equities</b>	-	-	-	-	-
<b>Net asset value</b>	-	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	-	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

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EQUITY C-USD / FR0011720911		Currency of the equity and of the NAV: USD			
	31.10.2017	31.10.2016	31.10.2014	-	-
<b>Number of circulating equities</b>	<b>422,489</b>	398,634	432,507	147,436	-
<b>Net asset value</b>	<b>151.0922</b>	129.2938	150.4726	110.5313	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-0.01</b>	-2.69	42.10	0.23	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
CNE000000DM5	ADDINO CO LTD SHS A	PROPRE	15,500.00	25,328.90	CNY	0.04
CNE0000012X9	ADVANCED TECH & MATERIAL A	PROPRE	15,000.00	21,297.92	CNY	0.03
CNE000000RM5	AECC AERO ENGINE CONTROL CO LTD	PROPRE	10,900.00	30,804.95	CNY	0.05
CNE0000019D6	AECC AERO SCIENCE AND TECHNOLOGY CO LTD	PROPRE	1,800.00	6,773.69	CNY	0.01
CNE0000019D6	AECC AERO SCIENCE AND TECHNOLOGY CO LTD	PROPRE	3,700.00	13,923.69	CNY	0.02
CNE000000JW1	AECC AVIATION-A RG REGISTERED SHS -A-	PROPRE	13,400.00	61,486.17	CNY	0.10
CNE000000Y86	AEROSPACE HI-TECH HOLDINGS GROUP CO LTD	PROPRE	13,000.00	54,119.19	CNY	0.08
CNE000000J93	AEROSPACE TIMES ELECTRONIC TEC	PROPRE	21,200.00	26,486.37	CNY	0.04
CNE000000J93	AEROSPACE TIMES ELECTRONIC TEC	PROPRE	19,200.00	23,987.66	CNY	0.04
CNE000000SQ4	AG NEW STEEL -A-	PROPRE	36,800.00	34,648.84	CNY	0.05
CNE100000RJ0	AGRICUL BANK OF CHINA A	PROPRE	725,600.00	409,472.85	CNY	0.64
CNE000001NN0	AIR CHINA LTD-A	PROPRE	52,700.00	75,462.83	CNY	0.12
CNE000001FB1	AISINO CORP A	PROPRE	12,500.00	35,364.50	CNY	0.06
CNE000001FB1	AISINO CORP A	PROPRE	20,598.00	58,275.04	CNY	0.09
CNE100000FT4	ALPHA GROUP	PROPRE	19,700.00	44,379.49	CNY	0.07
CNE1000000T0	ALUMINUM CORP OF CHINA LTD-A	PROPRE	113,700.00	138,792.25	CNY	0.22
CNE000000DF9	AN HUI WENERGY CO LTD -A	PROPRE	66,100.00	54,955.26	CNY	0.09
CNE0000014G0	ANGEL YEAST CO LTD-A	PROPRE	10,300.00	44,806.20	CNY	0.07
CNE0000019V8	ANHUI CONCH CEMENT CO LTD -A-	PROPRE	35,600.00	140,307.02	CNY	0.22
CNE0000018M9	ANHUI JIANGHUAI AUTOMOBILE SERIE A	PROPRE	24,800.00	37,570.04	CNY	0.06
CNE100000G11	ANHUI SINONET XINLONG SCIENC A	PROPRE	137,900.00	215,357.92	CNY	0.34
CNE100000KB2	ANHUI XINHUA MEDIA CO LTD-A	PROPRE	41,025.00	74,034.82	CNY	0.12
CNE000000XP6	ANHUI ZHONGDING SEALING SHS -A-	PROPRE	17,000.00	50,224.76	CNY	0.08
CNE0000003P4	ANXIN TRUST CO LTD	PROPRE	42,680.00	89,514.92	CNY	0.14
CNE000000Q45	APELOA PHARMACEUNTICAL CO LTD	PROPRE	17,600.00	19,120.59	CNY	0.03



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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE100000Y76	ASIAN STAR ANCHOR CHAIN CO LTD	PROPRE	14,900.00	17,873.50	CNY	0.03
CNE0000003S8	AURORA OPTO — SHS -A-	PROPRE	5,440.00	14,282.50	CNY	0.02
CNE000000GZ0	AVIC AVIATION HIGH TECHNOLOGY CO LTD SHS A	PROPRE	11,800.00	20,226.31	CNY	0.03
CNE000000KC1	AVIC CAPITAL A	PROPRE	131,800.00	121,907.98	CNY	0.19
CNE000000KC1	AVIC CAPITAL A	PROPRE	20,000.00	18,498.93	CNY	0.03
CNE000001JY5	AVIC ELECTROMECHANICAL SYSTEMS CO LTD	PROPRE	19,215.00	31,428.66	CNY	0.05
CNE000000N22	AVIC HEAVY MACHINERY CO LT-A	PROPRE	12,800.00	25,667.95	CNY	0.04
CNE0000015V6	AVIC HELICOPTER CO LTD A	PROPRE	16,155.00	109,619.06	CNY	0.17
CNE1000007T5	AVIC JONHON OPTRONIC TECHNOLOGY CO LTD	PROPRE	8,697.00	48,764.23	CNY	0.08
CNE100000734	BANK OF BEIJING CO LTD -A	PROPRE	256,838.00	284,453.69	CNY	0.45
CNE100000734	BANK OF BEIJING CO LTD -A	PROPRE	93,960.00	104,062.75	CNY	0.16
CNE000001N05	BANK OF CHINA LTD	PROPRE	482,000.00	286,549.39	CNY	0.45
CNE1000000S2	BANK OF COMMUNICATIONS CO-A	PROPRE	310,500.00	291,412.53	CNY	0.46
CNE1000000S2	BANK OF COMMUNICATIONS CO-A	PROPRE	198,500.00	186,297.54	CNY	0.29
CNE100002G76	BANK OF JIANGSU CO LTD	PROPRE	43,200.00	52,929.28	CNY	0.08
CNE100000627	BANK OF NANJING -A-	PROPRE	106,848.00	128,493.44	CNY	0.20
CNE100000627	BANK OF NANJING -A-	PROPRE	7,560.00	9,091.52	CNY	0.01
CNE1000005P7	BANK OF NINGBO CO LTD -A	PROPRE	42,380.00	109,668.35	CNY	0.17
CNE100002FM5	BANK OF SHANGHAI	PROPRE	67,400.00	179,396.81	CNY	0.28
CNE0000015R4	BAOSHAN IRON AND STEEL S.A	PROPRE	54,508.00	63,082.93	CNY	0.10
CNE0000015R4	BAOSHAN IRON AND STEEL S.A	PROPRE	208,028.00	240,753.93	CNY	0.38
CNE1000010M4	BBMG CORPORATION-A	PROPRE	35,200.00	31,336.53	CNY	0.05
CNE0000009R7	BEIHAI YINHE INDUSTRY INVESTMENT CO LTD	PROPRE	17,800.00	28,899.38	CNY	0.05
CNE000000GP1	BEIJING AEROSPACE CHANGFENG CO LTD	PROPRE	6,500.00	16,957.61	CNY	0.03
CNE100000643	BEIJING BDSTAR NAVIGATION CO LTD -A	PROPRE	14,700.00	61,617.75	CNY	0.10
CNE000001295	BEIJING CAPITAL CO LTD-A	PROPRE	48,400.00	43,014.70	CNY	0.07
CNE000001782	BEIJING CAPITAL DEVELOPMEN-A	PROPRE	23,200.00	37,771.62	CNY	0.06
CNE100000N61	BEIJING DABEINONG TECHNOLO-A	PROPRE	44,100.00	41,389.03	CNY	0.06
CNE0000016Y8	BEIJING GEHUA CATV NETWORK A	PROPRE	35,500.00	77,616.31	CNY	0.12
CNE000001345	BEIJING HOMYEAR CAPITAL HOLDINGS CO LTD	PROPRE	22,200.00	31,755.40	CNY	0.05

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE000000W70	BEIJING HUALIAN DEPARTMENT STORE CO LTD - A	PROPRE	46,000.00	23,668.38	CNY	0.04
CNE100001RY7	BEIJING KINGEE CULTURE DEVELOPMENT CO LTD -A	PROPRE	10,200.00	20,115.55	CNY	0.03
CNE000001NZ4	BEIJING NORTH STAR - A -	PROPRE	34,100.00	29,894.19	CNY	0.05
CNE100000HN3	BEIJING ORIENT LANDSCAPE AND ECO	PROPRE	44,400.00	150,603.65	CNY	0.24
CNE100000CS3	BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO LTD	PROPRE	8,300.00	48,592.14	CNY	0.08
CNE100000668	BEIJING SHIJI A INFORMATION TECH CO LIMITED	PROPRE	7,500.00	27,046.77	CNY	0.04
CNE000001196	BEIJING SHOUGANG CO LTD	PROPRE	38,300.00	38,546.14	CNY	0.06
CNE100001CN2	BEIJING SHOUNHANG RESOURCES SAVING CO LIMITED	PROPRE	18,630.00	21,335.89	CNY	0.03
CNE000000XH3	BEIJING SHUNXIN AGRICULTURE A	PROPRE	6,200.00	18,541.79	CNY	0.03
CNE000001L31	BEIJING SL PHARMACEUTICAL -A	PROPRE	10,300.00	51,691.09	CNY	0.08
CNE100001278	BEIJING SPC ENVIRONMENT SHS -A-	PROPRE	11,600.00	41,062.20	CNY	0.06
CNE000001HG6	BEIJING TEAMSUN TECHNOLOGY CO LTD SHS -A-	PROPRE	16,700.00	25,576.36	CNY	0.04
CNE000000WF9	BEIJING TIAN TAN BIOLOGICAL A	PROPRE	7,020.00	36,395.40	CNY	0.06
CNE000000R69	BEIJING TONGRENTANG CO-A	PROPRE	9,000.00	45,723.75	CNY	0.07
CNE000000R69	BEIJING TONGRENTANG CO-A	PROPRE	6,700.00	34,038.79	CNY	0.05
CNE000001FK2	BEIJING XINWEI TELECOM TECHNOLOGY GROUP CO LTD	PROPRE	15,300.00	33,705.48	CNY	0.05
CNE000000S84	BEIJING YANJING BREWERY A	PROPRE	34,800.00	33,238.33	CNY	0.05
CNE000001261	BEIJING ZHONGKE SANHUAN HI TECH	PROPRE	18,700.00	44,920.12	CNY	0.07
CNE000000QS4	BEIJING NEW BUILDING SHS -A-	PROPRE	24,800.00	87,451.37	CNY	0.14
CNE000000WC6	BEIQI FOTON MOTOR CO LTD-A	PROPRE	83,200.00	38,038.40	CNY	0.06
CNE0000005N4	BESTTONE HLDG SHS A	PROPRE	4,500.00	11,441.12	CNY	0.02
CNE100000C23	BETTER LIFE COMMERCIAL CHAIN SHARE CO LTD	PROPRE	41,700.00	88,403.33	CNY	0.14
CNE000000Y52	BJ URBAN CONSTRUCTION A	PROPRE	14,700.00	33,093.48	CNY	0.05
CNE0000016L5	BOE TECHNOLOGIE GROUP CO LT-A	PROPRE	723,000.00	678,554.78	CNY	1.06
CNE0000009B1	BOHAI FINANCIAL INVESTMENT HOLDING CO LTD SHS A	PROPRE	30,000.00	28,880.07	CNY	0.05
CNE000001C99	BRIGHT DAIRY AND FOOD CO.LTD	PROPRE	22,478.00	49,484.50	CNY	0.08
CNE000001220	BRIGHT OCEANS INTER TELECO CORP	PROPRE	6,400.00	11,192.31	CNY	0.02
CNE100001526	BYD CO LTD -A	PROPRE	13,200.00	125,478.90	CNY	0.20
CNE100000SN0	CACHET PHARMACEUTICAL CO LTD	PROPRE	9,900.00	50,998.21	CNY	0.08
CNE1000013D7	CAMEL GROUP CO LTD SHS A	PROPRE	7,600.00	16,123.34	CNY	0.03

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE000001QC6	CANGZHOU MINGZHU PLASTIC CO LTD -A	PROPRE	15,130.00	30,705.59	CNY	0.05
CNE100000M39	CANNY ELEVATOR A	PROPRE	10,300.00	15,510.44	CNY	0.02
CNE000000WT0	LTDCCS SUPPLY CHAIN MANAGEMENT CO	PROPRE	6,100.00	11,919.44	CNY	0.02
CNE000001K57	CEFC ANHUI INTERNATIONAL HOLDING CO LTD	PROPRE	43,700.00	54,135.33	CNY	0.08
CNE0000007J8	CHANGCHUN HI & NEW	PROPRE	3,510.00	89,876.30	CNY	0.14
CNE000000SH3	CHANGJIANG SECURITIES CO L-A	PROPRE	114,900.00	156,033.83	CNY	0.24
CNE000001527	CHANGSHA ZOOMLION HEAVY INDUST	PROPRE	200,300.00	140,234.59	CNY	0.22
CNE000001D64	CHANGYUAN GROUP CO LTD SHS A	PROPRE	19,700.00	55,110.23	CNY	0.09
CNE100001070	CHANGZHOU QIANHONG BIOPHARMA CO LTD	PROPRE	53,100.00	48,313.45	CNY	0.08
CNE000000TG3	CHENGDE LOLO -A-	PROPRE	13,390.00	21,739.48	CNY	0.03
CNE000000JB5	CHENGDU B-RAY MEDIA CO LTD-A	PROPRE	27,900.00	24,837.76	CNY	0.04
CNE000000FW9	CHENGDU DR PENG TELECOM-A	PROPRE	56,300.00	165,822.88	CNY	0.26
CNE000000HN4	CHENGDU XINGRONG ENVIRONMENT CO LTD-A	PROPRE	46,000.00	40,465.29	CNY	0.06
CNE000000KN8	CHENGTUN MINING GROUP CO LTD SHS A	PROPRE	17,000.00	22,034.25	CNY	0.03
CNE0000015H5	CHENMING PAPER -A-	PROPRE	19,500.00	52,726.49	CNY	0.08
CNE0000018C0	CHINA AVIONICS SYSTEMS CO LTD	PROPRE	12,200.00	28,293.71	CNY	0.04
CNE000000222	CHINA BAOAN GROUP-A	PROPRE	34,965.00	42,997.91	CNY	0.07
CNE000000ZM8	CHINA CALXON GROUP CO LTD	PROPRE	84,100.00	87,559.11	CNY	0.14
CNE000001N13	CHINA CAMC ENGINEERING A	PROPRE	11,952.00	38,935.83	CNY	0.06
CNE1000000R4	CHINA CITIC BANK CORP LTD-A	PROPRE	48,800.00	45,800.10	CNY	0.07
CNE100000957	CHINA COAL ENERGY CO-A	PROPRE	45,200.00	40,238.95	CNY	0.06
CNE100001FN5	CHINA COMMUNICATIONS CONST-A	PROPRE	30,300.00	68,944.59	CNY	0.11
CNE100000742	CHINA CONSTRUCTION BANK	PROPRE	182,100.00	196,733.90	CNY	0.31
CNE000000W05	CHINA CSSC HOLDINGS A	PROPRE	14,800.00	55,091.82	CNY	0.09
CNE000000V14	CHINA CYTS TOURS HOLD.CO.LTD	PROPRE	12,700.00	39,475.46	CNY	0.06
CNE000000SM3	CHINA DONGFANGHONG SPACESA-A	PROPRE	9,200.00	37,272.49	CNY	0.06
CNE000000SM3	CHINA DONGFANGHONG SPACESA-A	PROPRE	6,600.00	26,738.96	CNY	0.04
CNE000000TR0	CHINA EASTERN AIRLINES CO-A	PROPRE	60,900.00	63,312.98	CNY	0.10
CNE100000SL4	CHINA EVERBRIGHT BANK CO-A	PROPRE	321,800.00	196,165.96	CNY	0.31
CNE000001GG8	CHINA FORTUNE LAND AND DEV	PROPRE	16,500.00	76,631.76	CNY	0.12

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE000000QF1	CHINA GEZHOUBA GROUP	PROPRE	54,200.00	80,391.30	CNY	0.13
CNE000001576	CHINA GRAND AUTOMOTIVE SERVICES CO LTD	PROPRE	116,100.00	155,911.61	CNY	0.24
CNE000000RL7	CHINA GREATWALL TECHNOLOGY GROUP CO LTD SHS -A-	PROPRE	69,405.00	82,313.21	CNY	0.13
CNE100000YM0	CHINA HAINAN RUBBER INDUST-A	PROPRE	31,300.00	29,281.43	CNY	0.05
CNE0000001C6	CHINA HIGH-SPEED RAILWAY TECHNOLOGY CO LTD SHS-A	PROPRE	13,500.00	18,699.62	CNY	0.03
CNE100000G29	CHINA INTERNATIONAL TRAVEL-A	PROPRE	5,000.00	31,211.29	CNY	0.05
CNE100000G29	CHINA INTERNATIONAL TRAVEL-A	PROPRE	12,200.00	76,155.55	CNY	0.12
CNE000000644	CHINA INTL MARINE CONTAIN-A	PROPRE	21,300.00	61,835.93	CNY	0.10
CNE000000YM1	CHINA JUSHI CO LTD	PROPRE	18,480.00	36,444.65	CNY	0.06
CNE000000YM1	CHINA JUSHI CO LTD	PROPRE	4,224.00	8,330.21	CNY	0.01
CNE000001Q93	CHINA LIFE INSURANCE CO LTD	PROPRE	30,900.00	146,401.11	CNY	0.23
CNE0000002L5	CHINA MEDIA GROUP	PROPRE	33,700.00	52,120.67	CNY	0.08
CNE000000Q29	CHINA MEHECO CO LTD	PROPRE	7,400.00	30,783.98	CNY	0.05
CNE000001PQ8	CHINA MERCHANTS ENERGY	PROPRE	36,300.00	27,824.45	CNY	0.04
CNE100000HK9	CHINA MERCHANTS SECURITIES-A	PROPRE	40,200.00	113,246.97	CNY	0.18
CNE100002FC6	CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE HOLDINGS CO LTD	PROPRE	65,239.00	178,862.15	CNY	0.28
CNE000001B33	CHINA MERCHT BK -A-	PROPRE	249,900.00	1,021,860.90	CNY	1.60
CNE000001B33	CHINA MERCHT BK -A-	PROPRE	113,300.00	463,292.68	CNY	0.73
CNE0000015Y0	CHINA MINSHENG BANKING-A	PROPRE	671,644.00	840,136.60	CNY	1.32
CNE0000015Y0	CHINA MINSHENG BANKING-A	PROPRE	83,900.00	104,947.65	CNY	0.16
CNE100001NR0	CHINA MOLYBDENUM CO LTD	PROPRE	102,900.00	111,324.50	CNY	0.17
CNE0000009N6	CHINA NATIONAL ACCORD SHS A	PROPRE	4,200.00	42,491.72	CNY	0.07
CNE100000KC0	CHINA NATIONAL CHEMICAL ENGINEERING A	PROPRE	37,400.00	37,866.08	CNY	0.06
CNE1000022N7	LTDCHINA NATIONAL NUCLEAR POWER CO	PROPRE	107,300.00	126,122.74	CNY	0.20
CNE000001BB0	CHINA NATIONAL SOFTWARE AND SERVICE CO LTD	PROPRE	5,500.00	15,103.94	CNY	0.02
CNE000000PK3	CHINA NONFERROUS METAL IND-A	PROPRE	32,400.00	34,270.41	CNY	0.05
CNE000000T18	CHINA NORTHERN RARE EARTH HIGH-TECH CO LTD	PROPRE	2,300.00	5,039.07	CNY	0.01
CNE000000T18	CHINA NORTHERN RARE EARTH HIGH-TECH CO LTD	PROPRE	37,600.00	82,377.90	CNY	0.13
CNE1000008M8	CHINA PACIFIC INSURANCE	PROPRE	44,500.00	287,248.01	CNY	0.45
CNE1000008M8	CHINA PACIFIC INSURANCE	PROPRE	20,600.00	132,973.23	CNY	0.21

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE0000018G1	CHINA PETROLEUM & CHEMICAL-A	PROPRE	252,000.00	227,002.74	CNY	0.36
CNE1000009T1	CHINA RAILWAY CONSTRUCTION CORPORATION	PROPRE	40,200.00	72,606.66	CNY	0.11
CNE1000009T1	CHINA RAILWAY CONSTRUCTION CORPORATION	PROPRE	65,000.00	117,398.82	CNY	0.18
CNE100000866	CHINA RAILWAY GROUP LIMITED A	PROPRE	124,200.00	167,726.18	CNY	0.26
CNE000000VW6	CHINA RAILWAY TIELONG CONT-A	PROPRE	88,900.00	149,163.57	CNY	0.23
CNE000000Q94	CHINA RESOURCES DOUBLE CRA-A	PROPRE	6,000.00	20,551.02	CNY	0.03
CNE000000Q94	CHINA RESOURCES DOUBLE CRA-A	PROPRE	4,320.00	14,796.73	CNY	0.02
CNE0000011K8	CHINA RESOURCES SANJIU MED A	PROPRE	10,600.00	45,103.60	CNY	0.07
CNE100000767	LTDCHINA SHENHUA ENERGY COMPANY -A-	PROPRE	23,300.00	73,021.15	CNY	0.11
CNE100000767	CHINA SHENHUA ENERGY COMPANY -A-LTD	PROPRE	4,600.00	14,416.19	CNY	0.02
CNE100000J75	CHINA SHIPBUILDING INDUSTR-A	PROPRE	160,300.00	150,203.95	CNY	0.24
CNE100000J75	CHINA SHIPBUILDING INDUSTR-A	PROPRE	77,900.00	72,993.69	CNY	0.11
CNE000001KB1	CHINA SHIPBUILDING INDUSTRY GROUP POWER CO LTD SHS A	PROPRE	8,500.00	33,936.34	CNY	0.05
CNE000001LS3	CHINA SINOMA INTERNATIONAL ENG	PROPRE	17,400.00	23,681.65	CNY	0.04
CNE100000W03	CHINA SOUTH PUBLISHING -A	PROPRE	12,583.00	27,359.26	CNY	0.04
CNE000001FG0	CHINA SOUTHERN AIRLINE -A-	PROPRE	65,600.00	86,313.07	CNY	0.14
CNE000000VF1	CHINA SPORTS INDUSTRY GROUP CO LTD	PROPRE	6,000.00	12,013.74	CNY	0.02
CNE000000VF1	CHINA SPORTS INDUSTRY GROUP CO LTD	PROPRE	10,200.00	20,423.37	CNY	0.03
CNE100000F46	CHINA STATE CEC LTD	PROPRE	124,300.00	178,176.72	CNY	0.28
CNE100000F46	CHINA STATE CEC LTD	PROPRE	247,100.00	354,203.28	CNY	0.55
CNE100000MJ1	CHINA TRANSINFO TECHNOLOGY CO LTD-A	PROPRE	23,200.00	48,693.54	CNY	0.08
CNE000001CS2	CHINA UNITED NETWORK-A	PROPRE	165,800.00	191,132.31	CNY	0.30
CNE000001CS2	CHINA UNITED NETWORK-A	PROPRE	127,600.00	147,095.80	CNY	0.23
CNE0000000T2	CHINA VANKE A	PROPRE	220,600.00	963,962.85	CNY	1.51
CNE100000KW8	CHINA XD ELECTRIC CO LTD-A	PROPRE	39,800.00	31,348.00	CNY	0.05
CNE000001G87	CHINA YANGTZE POWER CO LTD	PROPRE	82,500.00	198,052.51	CNY	0.31
CNE000001G87	CHINA YANGTZE POWER CO LTD	PROPRE	72,100.00	173,085.89	CNY	0.27
CNE000000RY0	CHINA ZHENHUA GROUP SCIENCE & TECHNOLOGY CO LTD	PROPRE	17,900.00	42,512.24	CNY	0.07
CNE0000019X4	CHINESE UNIVERSE PUBLISHING AND MEDIA CO LTD	PROPRE	9,700.00	29,272.38	CNY	0.05
CNE000000R36	CHONG QING CHANGAN AUTOMOBILE A	PROPRE	55,600.00	113,173.04	CNY	0.18

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
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CNE000000LF2	CHONGQING DEPARTMENT STORE CO LTD SHS A	PROPRE	3,600.00	14,427.36	CNY	0.02
CNE000000LF2	CHONGQING DEPARTMENT STORE CO LTD SHS A	PROPRE	4,100.00	16,431.16	CNY	0.03
CNE000001C08	CHONGQING DIMA INDUSTRY CO LTD A	PROPRE	49,900.00	37,571.40	CNY	0.06
CNE000000107	CHONGQING ZONGSHEN SHS A	PROPRE	22,100.00	24,843.04	CNY	0.04
CNE100000TM0	CHUYING AGRO-PASTORA GROUP-A	PROPRE	38,400.00	25,610.01	CNY	0.04
CNE000000TD0	CITIC GUOAN INFORMATION-A	PROPRE	112,650.00	190,882.97	CNY	0.30
CNE100001SX7	CITIC HEAVY INDUSTRIES CO -A	PROPRE	35,300.00	27,217.73	CNY	0.04
CNE000001DB6	CITIC SECURITIES -A-	PROPRE	211,900.00	553,777.21	CNY	0.87
CNE000000QD6	CITYCHAMP DARTONG CO LTD	PROPRE	22,200.00	22,711.14	CNY	0.04
CNE000000NS1	CMST DEVELOPMENT CO LTD-A	PROPRE	11,100.00	17,301.33	CNY	0.03
CNE000000NS1	CMST DEVELOPMENT CO LTD-A	PROPRE	12,500.00	19,483.48	CNY	0.03
CNE0000017Z3	CN RAIL H-TECH -A-RG-REGISTERED SHS- A-	PROPRE	26,600.00	56,712.66	CNY	0.09
CNE000000ZR7	COFCO BIOCHEMICAL (ANHUI) CO LTD -A	PROPRE	17,200.00	34,621.07	CNY	0.05
CNE000000BJ5	COFCO PTY GRP-A-	PROPRE	23,500.00	28,367.04	CNY	0.04
CNE000000LH8	COFCO TUNHE CO LTD-A	PROPRE	23,000.00	31,928.01	CNY	0.05
CNE000001B58	COSCO SHIPPING CO LTD-A	PROPRE	31,100.00	30,736.75	CNY	0.05
CNE1000008F2	COSCO SHIPPING DEVELOPMENT CO LTD	PROPRE	94,300.00	55,919.14	CNY	0.09
CNE000001BD6	COSCO SHIPPING ENERGY TRANSPORTATION CO LTD	PROPRE	31,400.00	30,559.45	CNY	0.05
CNE100000601	COSCO SHIPPING HOLDINGS-A	PROPRE	95,800.00	100,173.99	CNY	0.16
CNE100000CP9	CRRC CORPORATION LTD	PROPRE	239,100.00	413,086.78	CNY	0.65
CNE0000002R2	CSG HLDGS -A-	PROPRE	33,810.00	42,240.76	CNY	0.07
CNE000000BP2	CSSC OFFSHORE AND MARINE ENGINEERING CO LTD	PROPRE	5,400.00	21,722.52	CNY	0.03
CNE000001KP1	DA AN GENE CO LTD SUN YAT-SEN UNIVERSITY SHS -A-	PROPRE	23,546.00	68,036.53	CNY	0.11
CNE100000X77	DALIAN PORT PDA COMPANY LTD-A	PROPRE	57,300.00	25,678.36	CNY	0.04
CNE100000LB0	DALIAN ZEUS ENTERTAINMENT CO LTD-A	PROPRE	24,080.00	75,756.30	CNY	0.12
CNE000001NG4	DAQIN RAILWAY -A-	PROPRE	202,800.00	278,461.77	CNY	0.44
CNE000000DW4	DASHANG GROUP CO LTD -A	PROPRE	6,500.00	36,798.70	CNY	0.06
CNE000000X87	DATANG TELECOM SHS -A-	PROPRE	10,800.00	21,983.25	CNY	0.03
CNE000001MZ6	DATONG COAL INDUSTRY A	PROPRE	8,000.00	7,580.64	CNY	0.01
CNE000001MZ6	DATONG COAL INDUSTRY A	PROPRE	9,900.00	9,381.04	CNY	0.01

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
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CNE100001TW7	DAWNING INFORMATION INDUSTRY CL LTD -A	PROPRE	8,800.00	51,824.78	CNY	0.08
CNE100001TW7	DAWNING INFORMATION INDUSTRY CL LTD -A	PROPRE	3,800.00	22,378.88	CNY	0.04
CNE000000511	DAZHONG TRANSPORTN SHS A	PROPRE	30,900.00	25,457.01	CNY	0.04
CNE000001BT2	DELUXE FAMILY CO LTD-A	PROPRE	20,000.00	21,154.57	CNY	0.03
CNE000001NL4	DHC SOFTWARE CO LIMITED	PROPRE	41,200.00	62,601.24	CNY	0.10
CNE000000FM0	DIGITAL CHINA INFORMATION SERVICE COMPANY	PROPRE	4,400.00	11,107.21	CNY	0.02
CNE100000P85	DO-FLUROIDE CHEMICALS CO LTD - A	PROPRE	10,750.00	36,333.96	CNY	0.06
CNE0000006Y9	DONG-E E-JIAO-A CO LTD	PROPRE	16,200.00	156,587.89	CNY	0.25
CNE000000ZT3	DONGFENG AUTOMOBILE CO LTD SHS A	PROPRE	20,800.00	19,646.89	CNY	0.03
CNE000000J28	DONGFANG ELECTRIC CORP A	PROPRE	5,200.00	8,466.05	CNY	0.01
CNE000000J28	DONGFANG ELECTRIC CORP A	PROPRE	17,319.00	28,196.84	CNY	0.04
CNE100001D88	DONGJIANG ENVIRONMENTAL CO LTD	PROPRE	32,000.00	78,510.32	CNY	0.12
CNE100002177	DONGXING SECURITIES CO LTD-A	PROPRE	39,000.00	99,332.94	CNY	0.16
CNE000000578	DONGXU OPTOELECTRONIC TECHN A	PROPRE	67,600.00	105,468.67	CNY	0.17
CNE000000QX4	EASTERN GOLD JADE CO LTD	PROPRE	14,300.00	23,022.72	CNY	0.04
CNE000001JK4	ELEC-TECH INTERNATIONAL CO LTD SHS A	PROPRE	28,400.00	20,654.83	CNY	0.03
CNE0000013S7	ELIONCLEAN SHS A	PROPRE	19,500.00	19,448.78	CNY	0.03
CNE1000007Y5	ETERNAL ASIA SUPPLY CHAIN MANAGEMENT LIMITED	PROPRE	34,200.00	43,811.69	CNY	0.07
CNE100000FD8	EVERBRIGHT SECURITIE CO -A	PROPRE	28,800.00	64,749.29	CNY	0.10
CNE000001CC6	FANGDA CARBON NEW MATERIAL-A	PROPRE	24,100.00	105,928.73	CNY	0.17
CNE000000R85	FAW CAR	PROPRE	21,200.00	38,545.98	CNY	0.06
CNE0000001V6	FELIO ACOUSTICS CO LTD SHANGHAI SHS - A	PROPRE	33,800.00	59,874.38	CNY	0.09
CNE0000018P2	FIBERHOME TELE -A-	PROPRE	10,400.00	53,024.64	CNY	0.08
CNE000000KT5	FINANCIAL STREET HOLDING-A	PROPRE	42,500.00	74,388.05	CNY	0.12
CNE000000DN3	FOSHAN ELECTRICAL AND LIGHTNING CO LTD SHS A	PROPRE	19,170.00	26,669.16	CNY	0.04
CNE1000015Y8	FOUNDER SECURITIES CO LTD	PROPRE	197,300.00	233,696.91	CNY	0.37
CNE0000001S2	FOUNDER TECHNOLOGY GROUP CORP	PROPRE	53,100.00	30,205.92	CNY	0.05
CNE0000014B1	FUJIAN NEWLAND COMPUTER CO LTD SHS A	PROPRE	16,260.00	51,890.42	CNY	0.08
CNE000000S19	FUJIAN QINGSHA PAPER INDUSTRY CO LTD	PROPRE	66,500.00	44,049.64	CNY	0.07
CNE000001KN6	FUJIAN SEPTWOLVES A	PROPRE	10,100.00	14,386.32	CNY	0.02

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CNE100000QF0	FUJIAN STAR-NET COMMUNICATION CO LTD -A	PROPRE	12,500.00	46,266.20	CNY	0.07
CNE100000G78	FUJIAN SUNNER DEVELOPMENT	PROPRE	29,700.00	69,864.86	CNY	0.11
CNE0000016F7	FUSHUN SPECIAL STEEL CO LTD -A	PROPRE	57,575.00	50,734.46	CNY	0.08
CNE0000016F7	FUSHUN SPECIAL STEEL CO LTD -A	PROPRE	6,200.00	5,463.37	CNY	0.01
CNE100002BF8	FUTURE LAND HOLDING CO LTD	PROPRE	35,000.00	107,840.03	CNY	0.17
CNE000000230	FUYAO GROUP GLASS INDUSTR-A	PROPRE	37,300.00	152,635.22	CNY	0.24
CNE100002GK7	G BITS NETWORK TECHNOLOGY CO LTD	PROPRE	2,200.00	70,381.05	CNY	0.11
CNE000000487	GANSU GANTAI HOLDING GROUP CO LTD SHS A	PROPRE	10,300.00	19,675.56	CNY	0.03
CNE000001600	GANSU JIU STEEL GROUP HONG-A	PROPRE	32,700.00	15,295.57	CNY	0.02
CNE000000SP6	GANSU YASHENG IND GROUP A	PROPRE	37,600.00	25,757.28	CNY	0.04
CNE100000ZS4	GCI SCIENCE & TECHNOLOGY CO LTD	PROPRE	9,000.00	26,168.60	CNY	0.04
CNE100000WW3	GCL SYSTEM INTEGRATION TECHNOLOGY CO LTD SHS A	PROPRE	14,100.00	8,744.14	CNY	0.01
CNE000000PC0	GD POWER DEVELOPMENT CO -A	PROPRE	132,900.00	67,779.43	CNY	0.11
CNE000000PC0	GD POWER DEVELOPMENT CO -A	PROPRE	202,000.00	103,020.65	CNY	0.16
CNE100000KT4	GEM CO LTD SHS A	PROPRE	44,694.00	50,241.40	CNY	0.08
CNE000001790	GEMDALE CORP-A	PROPRE	46,908.00	83,731.31	CNY	0.13
CNE000000MV7	GEO-JADE PETROLEUM CORP-A	PROPRE	43,310.00	33,132.36	CNY	0.05
CNE0000008L2	GF SECURITIES CO LTD-A	PROPRE	82,300.00	220,173.38	CNY	0.34
CNE000001DG5	GLARU TECHNOLOGY CO LTD SHS A	PROPRE	4,860.00	18,325.62	CNY	0.03
CNE1000019L7	GLOBAL TOP E-COMMERCE CO LTD-A	PROPRE	23,300.00	71,087.51	CNY	0.11
CNE100000PH8	GLODON COMPANY LTD	PROPRE	11,750.00	35,157.41	CNY	0.06
CNE100000BP1	GOERTEK INC -A	PROPRE	36,400.00	121,600.46	CNY	0.19
CNE000001675	GRANDBLUE ENVIRONMENT CO LTD	PROPRE	29,700.00	71,522.97	CNY	0.11
CNE1000018V8	GREAT WALL MOTOR CO LTD-A	PROPRE	29,454.00	51,731.31	CNY	0.08
CNE000000S76	GREATTOWN HOLDINGS LTD SHS A	PROPRE	50,500.00	57,530.03	CNY	0.09
CNE100000650	GRG BANKING EQUIPMENT	PROPRE	23,850.00	26,810.25	CNY	0.04
CNE000000YF5	GRINM ADVANCED MATERIALS CO LTD	PROPRE	84,900.00	124,133.13	CNY	0.19
CNE0000009H8	GUANG DONG SHAONENG GROUP CO LTD	PROPRE	52,900.00	63,856.03	CNY	0.10
CNE000000MY1	GUANG YU YUAN CHINESE HERBAL MEDICINE CO LTD	PROPRE	18,900.00	120,031.98	CNY	0.19
CNE100000P10	GUANGDONG ADVERTISING GROUP CO LTD -A	PROPRE	30,166.00	27,992.98	CNY	0.04



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CNE000000P12	GUANGDONG BAOLIHUA NEW ENERG A	PROPRE	31,700.00	35,682.42	CNY	0.06
CNE100000KZ1	GUANGDONG CHJ INDUSTRY CO LTD - A	PROPRE	13,200.00	22,367.11	CNY	0.04
CNE000000PJ5	GUANGDONG GOLDEN DRAGON DE-A	PROPRE	13,600.00	39,071.68	CNY	0.06
CNE000001F47	GUANGDONG GUANHAO HIGH-TECH CO LTD	PROPRE	19,268.00	15,408.80	CNY	0.02
CNE100000HP8	GUANGDONG HAID SHS A	PROPRE	13,400.00	39,629.36	CNY	0.06
CNE000000BL1	GUANGDONG HEC TECHNOLOGY HOLDING CO LTD	PROPRE	26,300.00	28,929.41	CNY	0.05
CNE000000X46	GUANGDONG HIGHSUN GROUP CO LTD -A	PROPRE	28,100.00	15,221.48	CNY	0.02
CNE000000HB9	GUANGDONG MEIYAN JIXIANG HYDROPOWER CO LTD	PROPRE	48,500.00	34,614.58	CNY	0.05
CNE000000XL5	GUANGDONG SHENGYI SCI TECH A	PROPRE	9,300.00	21,315.57	CNY	0.03
CNE000000XL5	GUANGDONG SHENGYI SCI TECH A	PROPRE	12,900.00	29,566.76	CNY	0.05
CNE000001Q44	GUANGSHEN RAILWAY CO LTD-A	PROPRE	80,300.00	61,066.40	CNY	0.10
CNE000000DB8	GUANGXI LIUGONG MACHINERY-A	PROPRE	20,100.00	26,962.12	CNY	0.04
CNE000001DX0	GUANGZHOU BAIYUN INTERNATIONAL AIRPORT CO LTD	PROPRE	18,705.00	39,428.51	CNY	0.06
CNE000001733	GUANGZHOU BAIYUNSHAN PHARMACEUTICAL -A-	PROPRE	13,100.00	63,529.20	CNY	0.10
CNE000000SB6	GUANGZHOU DEVELOPMENT IND-A	PROPRE	13,100.00	13,974.84	CNY	0.02
CNE000000JS9	GUANGZHOU GUANGRI STOCK CO LTD-A	PROPRE	21,400.00	35,163.97	CNY	0.06
CNE100000T24	GUANGZHOU HAIGE COMMUNICAT-A	PROPRE	31,000.00	51,078.79	CNY	0.08
CNE100001RG4	GUANGZHOU TINCI MATERIALS TECHNOLOGY CO LTD	PROPRE	15,300.00	110,720.19	CNY	0.17
CNE100000PY3	GUIZHOU BAILING BAILING GROUP PHARMACEUTICAL CO LTD	PROPRE	11,200.00	31,264.10	CNY	0.05
CNE0000017V2	GUIZHOU PANJIANG REFINED-A	PROPRE	14,700.00	16,324.93	CNY	0.03
CNE000001H03	GUIZHOU YIBAI -A-	PROPRE	12,500.00	25,066.36	CNY	0.04
CNE000001PR6	GUOMAI TECHNOLOGIES INC-A	PROPRE	32,200.00	45,136.49	CNY	0.07
CNE100001WS9	GUOSEN SECURITIES CO LTD	PROPRE	22,300.00	43,910.83	CNY	0.07
CNE1000022F3	GUOTAI JUNAN SECURITIES CO LTD	PROPRE	63,400.00	190,752.68	CNY	0.30
CNE000001NY7	GUOXUAN HIGH-TECH CO LTD	PROPRE	9,100.00	41,206.30	CNY	0.06
CNE000000QZ9	GUOYUAN SECURITIES CO. LTD	PROPRE	32,550.00	60,606.94	CNY	0.09
CNE100000NG5	GZ XINBANG PHARMACEUTICAL CO LTD	PROPRE	20,350.00	27,727.35	CNY	0.04
CNE0000011C5	HAINAN AIRLINES HOLDING CO LTD	PROPRE	269,100.00	131,151.26	CNY	0.21
CNE0000011C5	HAINAN AIRLINES HOLDING CO LTD	PROPRE	46,000.00	22,419.02	CNY	0.04
CNE0000004W8	HAINAN HAIYAO CO LTD	PROPRE	20,200.00	40,080.52	CNY	0.06

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CNE100000KP2	HAINING CHINA LEATHER MAR-A	PROPRE	10,700.00	12,803.04	CNY	0.02
CNE100001BC7	HAISCO PHARMACEUTICAL GROUP CO LTD	PROPRE	5,800.00	11,236.97	CNY	0.02
CNE000000CK1	HAITONG SECURITIES CO LTD-A	PROPRE	164,100.00	358,536.50	CNY	0.56
CNE100000RC5	HANGZHOU GREAT STAR INDUSTRIAL CO LTD	PROPRE	10,500.00	25,190.84	CNY	0.04
CNE100000PM8	HANGZHOU HIKVISION DIGITAL A	PROPRE	96,575.00	572,390.52	CNY	0.90
CNE100000F95	HANGZHOU LIAISON INTERACTIVE INFO TECHNOLOGY CO LTD	PROPRE	11,250.00	14,632.42	CNY	0.02
CNE100000WY9	HANGZHOU ROBAM APPLIANCES CO LTD -A	PROPRE	10,140.00	71,099.55	CNY	0.11
CNE100000M05	HANGZHOU ZHOGHENG ELECTRIC CO LTD- A	PROPRE	6,600.00	13,045.82	CNY	0.02
CNE000001JQ1	HAN'S LASER TECHNOLOGY INDUSTRY GROUP CO LTD	PROPRE	19,700.00	142,204.60	CNY	0.22
CNE100000QG8	HARBIN GLORIA A SHS	PROPRE	21,300.00	21,822.56	CNY	0.03
CNE0000009T3	HARBIN PHARMACEUTICAL GRP-A	PROPRE	33,700.00	29,543.52	CNY	0.05
CNE100001JZ1	HEFEI MEIYA OPTOELECTRONIC TECHNOLOGY INC	PROPRE	5,200.00	14,225.17	CNY	0.02
CNE0000019Z9	HEILONGJIANG AGRI-A	PROPRE	14,900.00	26,574.19	CNY	0.04
CNE000000XT8	HENAN HUANGHE WHIRLWIND CO LTD	PROPRE	18,540.00	28,198.53	CNY	0.04
CNE000001774	HENAN PINGGAO A	PROPRE	19,700.00	31,805.79	CNY	0.05
CNE100000LG9	HENAN SENYUAN ELECTRIC CO LTD A	PROPRE	8,400.00	19,252.77	CNY	0.03
CNE000001BQ8	HENAN ZHONGFU INDUSTRIAL A	PROPRE	31,400.00	28,143.13	CNY	0.04
CNE000001N70	HENGDIAN GROUP DMEGC -A MAGNETICS CO LTD	PROPRE	50,600.00	82,152.17	CNY	0.13
CNE1000009R5	HENGKANG MEDICAL GROUP SHS A	PROPRE	33,000.00	58,307.86	CNY	0.09
CNE000001FQ9	HENGTONG OPTIC-ELECTRIC CO LTD	PROPRE	39,800.00	220,516.95	CNY	0.35
CNE000000H20	HESTEEL-A-SHS-A-	PROPRE	57,300.00	36,226.37	CNY	0.06
CNE000000PF3	HISSENSE ELECTRIC CO LTD-A	PROPRE	6,500.00	14,858.75	CNY	0.02
CNE000000PF3	HISSENSE ELECTRIC CO LTD-A	PROPRE	3,800.00	8,686.65	CNY	0.01
CNE1000009K0	HOLITECH TECHNOLOGY CO LTD	PROPRE	20,600.00	39,444.37	CNY	0.06
CNE000001JF4	HONGDA XINGYE CO LTD	PROPRE	24,450.00	28,407.03	CNY	0.04
CNE0000015N3	HONGDU AVIATION -A-	PROPRE	10,800.00	25,242.44	CNY	0.04
CNE000000JK6	HONGFA TECHNOLOGY CO LTD -A-	PROPRE	15,700.00	106,626.44	CNY	0.17
CNE000001GR5	HUAFA INDUSTRIAL SHARE -A-	PROPRE	22,860.00	25,524.91	CNY	0.04
CNE000001303	HUAGONG TECH CO LTD SHS A	PROPRE	75,300.00	204,514.32	CNY	0.32
CNE000001JN8	HUALAN BIOLOGICAL ENGINEER A	PROPRE	12,000.00	51,911.69	CNY	0.08

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE0000011S1	HUANDONG MEDECINE CO LTD-A	PROPRE	7,600.00	60,560.02	CNY	0.09
CNE000001998	HUANENG POWER INTL 'A' CNY1	PROPRE	52,200.00	53,008.05	CNY	0.08
CNE000001JJ6	HUAPONT-LIFE SCIENCE CO LTD	PROPRE	24,800.00	28,514.31	CNY	0.04
CNE100000LQ8	HUATAI SECURITIES	PROPRE	34,300.00	101,284.08	CNY	0.16
CNE100000LQ8	HUATAI SECURITIES	PROPRE	56,000.00	165,361.76	CNY	0.26
CNE000001FW7	HUAXIA BANK CO LTD-A	PROPRE	90,600.00	124,264.85	CNY	0.19
CNE000001FW7	HUAXIA BANK CO LTD-A	PROPRE	90,360.00	123,935.68	CNY	0.19
CNE000000P38	HUAXUN FANGZHOU CO LTD - A	PROPRE	10,100.00	22,234.78	CNY	0.03
CNE000000M15	HUAYU AUTOMOTIVE SYSTEMS -A	PROPRE	26,100.00	100,148.19	CNY	0.16
CNE000000F48	HUBEI BIOCAUSE PHARMACEUTICAL CO LTD -A	PROPRE	26,000.00	35,857.15	CNY	0.06
CNE000000750	HUBEI ENERGY GROUP CO LTD A	PROPRE	43,700.00	32,507.58	CNY	0.05
CNE0000018X6	LTDHUBEI JUMPCAN PHARMACEUTICAL CO	PROPRE	26,500.00	163,140.68	CNY	0.26
CNE000000YG3	HUBEI XINYANGFENG FERTILIZER CO LTD -A	PROPRE	25,600.00	40,945.11	CNY	0.06
CNE000001LJ2	HUDIAN POWER INTL-A-	PROPRE	63,700.00	40,945.41	CNY	0.06
CNE000000YB4	HUMAN TV & BROADCAST INTERMEDIARYCO LTD - A	PROPRE	45,000.00	68,850.44	CNY	0.11
CNE000000QW6	HUMANWELL HEALTHCARE(GP)CO LTD	PROPRE	22,700.00	65,043.97	CNY	0.10
CNE000001FY3	HUNAN CORUN NEW ENERGY CO LTD	PROPRE	20,820.00	26,796.99	CNY	0.04
CNE100000WV5	HUNAN DAKANG INTERNATIONAL FOOD AND AGRICULTURE CO LTD	PROPRE	39,710.00	17,496.01	CNY	0.03
CNE1000006B5	HUNAN GOLD CORP LTD	PROPRE	15,900.00	22,311.89	CNY	0.03
CNE1000013B1	HYTERA COMMUNICATIONS CORPORATION LTD A	PROPRE	35,600.00	102,920.46	CNY	0.16
CNE000001GD5	HZ HANDSOME ELEC -A-	PROPRE	15,700.00	121,005.96	CNY	0.19
CNE0000016G5	IAN LONGKING CO.LTD	PROPRE	21,350.00	57,213.31	CNY	0.09
CNE100000B81	IFLYTEK CO LTD - A	PROPRE	34,150.00	276,192.40	CNY	0.43
CNE000001P37	INDUSTRIAL & COMMERCIAL BANK A	PROPRE	504,100.00	463,983.74	CNY	0.73
CNE000001QZ7	INDUSTRIAL BANK	PROPRE	449,800.00	1,183,646.90	CNY	1.85
CNE100000V95	INDUSTRIAL SECURITIES CO-A	PROPRE	68,640.00	81,095.22	CNY	0.13
CNE100000V95	INDUSTRIAL SECURITIES CO-A	PROPRE	58,800.00	69,469.68	CNY	0.11
CNE1000010F8	INNER MONGOLIA JUNZHENG ENERGY AND CHEMICAL GROUP CO LTD	PROPRE	51,400.00	39,709.03	CNY	0.06
CNE000001HP7	INNER MONGOLIA FIRST MACHINERY GROUP CO LTD	PROPRE	15,100.00	29,072.60	CNY	0.05
CNE000000GN6	INNER MONGOLIA MENGDIAN HU-A	PROPRE	49,200.00	22,568.10	CNY	0.04

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE000001451	INNER MONGOLIA XISHUI STRONG	PROPRE	29,200.00	118,123.39	CNY	0.19
CNE000000JP5	INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	PROPRE	140,060.00	624,493.38	CNY	0.98
CNE0000017H1	INNER MONGOLIAN BAOTOU STE-A	PROPRE	194,460.00	76,288.64	CNY	0.12
CNE0000017H1	INNER MONGOLIAN BAOTOU STE-A	PROPRE	36,680.00	14,389.94	CNY	0.02
CNE000000PH9	INSIGMA TECHNOLOGY CO LTD SHS A	PROPRE	14,100.00	28,913.11	CNY	0.05
CNE0000012M2	INSPUR ELECTRONIC INFORMATION INDUSTRY CO LTD	PROPRE	44,200.00	118,246.21	CNY	0.19
CNE1000006G4	INVENGO INFORMATION TECHNOLOGY CO LTD A	PROPRE	12,600.00	19,620.34	CNY	0.03
CNE1000009X3	JGSU YUYUE MEDICAL EQUIPMENT AND SUPPLY SHS A	PROPRE	7,230.00	23,694.87	CNY	0.04
CNE000000CV8	JIANGLING MOTORS A CO LIMITED	PROPRE	5,400.00	15,399.68	CNY	0.02
CNE1000016H1	JIANGSU AKCOME SCIENCE & TECHNOLOGY CO LTD-A	PROPRE	112,400.00	42,399.68	CNY	0.07
CNE100000PJ4	JIANGSU BICON PHARMACEUTICAL LISTED COMPANY -A	PROPRE	12,300.00	49,107.88	CNY	0.08
CNE000001F05	JIANGSU CHANGJIANG ELECTRONICS TECHNOLOGY CO LTD SHS -A-	PROPRE	19,341.00	63,386.24	CNY	0.10
CNE0000014W7	JIANGSU HENGRUI MEDICINE C A	PROPRE	15,600.00	158,250.08	CNY	0.25
CNE0000014W7	JIANGSU HENGRUI MEDICINE C A	PROPRE	26,554.00	269,370.04	CNY	0.42
CNE0000016Q4	JIANGSU HONGDOU INDUSTRY CO LTD	PROPRE	20,790.00	21,927.44	CNY	0.03
CNE0000016Q4	JIANGSU HONGDOU INDUSTRY CO LTD	PROPRE	24,310.00	25,640.02	CNY	0.04
CNE000000VP0	JIANGSU HONGTU HIGH TECHNOLOGY CO LTD	PROPRE	19,500.00	29,599.80	CNY	0.05
CNE000001CL7	JIANGSU KANION -A-	PROPRE	11,800.00	27,366.05	CNY	0.04
CNE000000SR2	JIANGSU NONGHUA INTELLIGENT AGRICULTURE TECH CO LTD -A	PROPRE	23,000.00	17,803.34	CNY	0.03
CNE1000019Q6	JIANGSU PHOENIX PUBLISHING & MEDIA CORP	PROPRE	16,600.00	22,868.36	CNY	0.04
CNE000000RC6	JIANGSU PROTRULY VISION TECHNOLOGY GROUP CO LTD A	PROPRE	65,200.00	102,216.12	CNY	0.16
CNE000001P11	JIANGSU SHAGANG CO LTD	PROPRE	24,800.00	60,321.61	CNY	0.09
CNE100000HB8	JIANGSU YANGHE BREWERY -A	PROPRE	8,040.00	133,736.97	CNY	0.21
CNE0000011P7	JIANGSU ZHONGNAN CONSTRUCT-A	PROPRE	21,250.00	19,655.12	CNY	0.03
CNE000000N97	JIANGSU ZONGYI A	PROPRE	18,700.00	20,654.23	CNY	0.03
CNE1000022G1	JIANGUSU BROADCASTING CABLE INFORMATION NETWORK CORP LTD	PROPRE	18,600.00	28,233.66	CNY	0.04
CNE1000022G1	JIANGUSU BROADCASTING CABLE INFORMATION NETWORK CORP LTD	PROPRE	41,500.00	62,994.45	CNY	0.10
CNE0000019P0	JIANGXI COPPER CO LTD-A	PROPRE	23,000.00	61,218.50	CNY	0.10
CNE100000SF6	JIANGXI GANFENG LITHIUM CO LTD A	PROPRE	20,500.00	270,996.56	CNY	0.42
CNE0000012D1	JIANGXI GANYUE EXPRESSWAY GO LTD	PROPRE	31,000.00	24,650.66	CNY	0.04

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CNE1000007F4	JIANGXI SPECIAL ELECTRIC MOTOR CO LTD -A	PROPRE	37,800.00	73,804.41	CNY	0.12
CNE000000M80	JIANGZHONG PHARMACEUTICAL CO LTD SHS A	PROPRE	11,500.00	54,364.38	CNY	0.09
CNE000000YP4	JIANSU WUZHONG INDUSTRIAL CO LTS SHS - A	PROPRE	22,525.00	44,489.82	CNY	0.07
CNE100000SK6	JIHUA GROUP CORP LTD-A	PROPRE	32,600.00	38,417.13	CNY	0.06
CNE000000719	JILIN AODONG MEDICINE INDUSTRY	PROPRE	48,360.00	173,157.08	CNY	0.27
CNE100000WP7	JILIN LIYUAN PRECISION MANUFACTURING CO LTD A	PROPRE	17,400.00	28,276.21	CNY	0.04
CNE000001CR4	JILIN POWER SHARE CO LTD - A	PROPRE	28,000.00	19,814.68	CNY	0.03
CNE000000JC3	JILIN YATAI GROUP A	PROPRE	15,200.00	12,086.77	CNY	0.02
CNE000000JC3	JILIN YATAI GROUP A	PROPRE	24,100.00	19,163.90	CNY	0.03
CNE1000009Y1	JINDUICHENG MOLYBDENUM CO -A	PROPRE	20,800.00	24,323.23	CNY	0.04
CNE000000JN0	JINGWEI TEXTILE MACHINERY CO LTD - A	PROPRE	10,600.00	35,715.01	CNY	0.06
CNE000000073	JINKE PROPERTY A	PROPRE	39,500.00	28,131.66	CNY	0.04
CNE000001HS1	JINXI AXLE COMPANT LTD SHS -A-	PROPRE	15,100.00	17,042.56	CNY	0.03
CNE000000Y37	JINYU BIO-TECHNOLOGY CO LTD	PROPRE	2,100.00	8,846.90	CNY	0.01
CNE000000Y37	JINYU BIO-TECHNOLOGY CO LTD	PROPRE	15,120.00	63,697.65	CNY	0.10
CNE0000001K9	JINZHOU CIHANG GROUP CO LTD	PROPRE	52,800.00	59,114.51	CNY	0.09
CNE100001BY1	JISHI MEDIA CO LTD	PROPRE	20,000.00	9,958.64	CNY	0.02
CNE000001394	JIUZHITANG CO LTD	PROPRE	14,800.00	43,702.75	CNY	0.07
CNE0000010H6	JIZHONG ENERGY RESOURCES-A	PROPRE	28,570.00	26,425.73	CNY	0.04
CNE000001816	JOINCARE PHARMACEUTICAL GP A	PROPRE	16,000.00	26,966.80	CNY	0.04
CNE100000W45	JOINTOWN PHARMACEUTICAL-A	PROPRE	8,252.00	25,749.33	CNY	0.04
CNE000000HK0	JONJEE HIGH-TECH INDUSTRIA-A	PROPRE	7,200.00	26,866.61	CNY	0.04
CNE100000BQ9	JOYOUNG CO LTD -A	PROPRE	19,100.00	52,365.41	CNY	0.08
CNE000001CW4	JS ZHONGTIAN TEC-A-	PROPRE	34,206.00	68,232.30	CNY	0.11
CNE000001089	KAIDI ECOLOGICAL AND ENVIRONMENT TECHNOLOGY CO LTD SHS A	PROPRE	35,200.00	26,821.95	CNY	0.04
CNE100000RN2	KANGDE XIN COMPOSITE MATERIAL GROUP CO LTD	PROPRE	57,893.00	212,532.03	CNY	0.33
CNE0000017M1	KANGMEI PHARMACEUTICAL CO A	PROPRE	27,800.00	89,598.82	CNY	0.14
CNE0000017M1	KANGMEI PHARMACEUTICAL CO A	PROPRE	60,700.00	195,634.83	CNY	0.31
CNE000001CP8	KEDA INDUSTRIAL CO.LTD	PROPRE	31,400.00	60,360.84	CNY	0.09
CNE100000TC1	KINGENTA ECOLOGICAL A	PROPRE	22,600.00	31,202.24	CNY	0.05

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CNE000001JP3	KINGFA SCL.& TECH CO LTD-A	PROPRE	41,000.00	37,056.71	CNY	0.06
CNE0000007D1	KINGHAND INDUSTRIAL INVESTMENT CO LTD	PROPRE	36,300.00	74,545.42	CNY	0.12
CNE100000XB5	KINGNET NETWORK CO LTD-A	PROPRE	14,600.00	50,448.07	CNY	0.08
CNE0000002T8	KONKA GROUP CO LTD	PROPRE	76,300.00	69,537.28	CNY	0.11
CNE0000015P8	KPC PHARMACEUTICALS INC-A	PROPRE	3,100.00	4,972.23	CNY	0.01
CNE0000015P8	KPC PHARMACEUTICALS INC-A	PROPRE	41,300.00	66,242.93	CNY	0.10
CNE000000PP2	KUNWU JIUDING INVESTMENT HOLDINGS CO LTD	PROPRE	24,200.00	100,964.04	CNY	0.16
CNE0000018R8	KWEICHOW MOUTAI CO LTD -A-	PROPRE	4,900.00	456,942.83	CNY	0.72
CNE0000018R8	KWEICHOW MOUTAI CO LTD -A-	PROPRE	9,200.00	857,933.48	CNY	1.34
CNE000000537	LAO FENG XIANG CO LTD	PROPRE	4,600.00	29,339.07	CNY	0.05
CNE1000000F9	LEO GROUP CO LTD-A	PROPRE	66,850.00	31,773.73	CNY	0.05
CNE000001L07	LIANCHUANG ELECTRONIC TECHNOLOGY CO LTD	PROPRE	51,800.00	148,817.13	CNY	0.23
CNE100000C15	LIANHE CHEMICAL TECHNOLOGY-A	PROPRE	12,200.00	23,378.67	CNY	0.04
CNE000000LY3	LIAONING CHENG DA CO LTD-A	PROPRE	56,500.00	157,801.49	CNY	0.25
CNE0000002Y8	LIVZON PHARMACEUTICAL GROUP - A	PROPRE	4,420.00	42,656.67	CNY	0.07
CNE1000015M3	LOMON BILLIONS GRIUP CO LTD	PROPRE	25,600.00	68,370.61	CNY	0.11
CNE100001JP2	LONCIN MOTOR CO LTD-A	PROPRE	20,000.00	22,542.75	CNY	0.04
CNE100001FR6	LONGI GREEN ENERGY TECHNOLOGY CO LTD	PROPRE	26,100.00	129,251.42	CNY	0.20
CNE0000009S5	LUJIAZUI FINANCE SHS A	PROPRE	16,400.00	57,682.27	CNY	0.09
CNE000001667	LUTHAI TEXTILE -A-	PROPRE	13,800.00	23,696.14	CNY	0.04
CNE000000NW3	LUXIN VENTURE CAPITAL GRP-A	PROPRE	3,100.00	7,502.78	CNY	0.01
CNE000000NW3	LUXIN VENTURE CAPITAL GRP-A	PROPRE	3,183.00	7,703.66	CNY	0.01
CNE100000TP3	LUXSHARE PRECISIONIndustr-A	PROPRE	30,150.00	112,185.47	CNY	0.18
CNE000000GF2	LUZHOU LAO JIAO A	PROPRE	19,000.00	174,535.78	CNY	0.27
CNE000000DD4	MAANSHAN IRON STEEL	PROPRE	62,100.00	39,167.34	CNY	0.06
CNE000000KF4	MATERIALS INDUSTRY ZHONGDA GROUP CO LTD	PROPRE	29,640.00	33,989.75	CNY	0.05
CNE000000YT6	MEIDU ENERGY CORPORATION	PROPRE	23,200.00	20,863.66	CNY	0.03
CNE000000HP9	MEIHUA HOLDINGS GROUP CO -A	PROPRE	35,900.00	31,526.35	CNY	0.05
CNE000001LV7	MEINIAN ONEHEALTH HEALTHCARE HOLDINGS CO LTD	PROPRE	20,000.00	57,669.60	CNY	0.09
CNE100001W85	MEISHENG CULTURAL AND CREATIVE CORP LTD	PROPRE	9,000.00	26,195.76	CNY	0.04

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CNE000001NX9	MESNAC A	PROPRE	14,900.00	19,447.27	CNY	0.03
CNE100000FX6	METALLURGICAL CORP OF CHIN-A	PROPRE	207,600.00	159,754.74	CNY	0.25
CNE100001QQ5	MIDEA GROUP CO	PROPRE	117,650.00	905,353.83	CNY	1.42
CNE000000Q78	MINMETALS DEVELOPMENT CO LTD	PROPRE	8,200.00	15,639.29	CNY	0.02
CNE100000049	MONTNETS RONGXIN TECHNOLOGY GROUP CO LTD	PROPRE	10,800.00	17,452.97	CNY	0.03
CNE100001RQ3	MUYUAN FOODSTUFF CO LTD	PROPRE	6,600.00	46,895.25	CNY	0.07
CNE0000001B8	MYHOME REAL ESTATE DEVELOPMENT GROUP CO LTD-A	PROPRE	153,800.00	75,885.77	CNY	0.12
CNE100000H85	MYS GROUP CO LTD SHS A	PROPRE	18,700.00	22,318.98	CNY	0.03
CNE000000PX6	NANJING GAOKE COMPANY LIMITED	PROPRE	11,000.00	24,614.45	CNY	0.04
CNE0000014Q9	NANJING IRON & STEEL CO-A	PROPRE	40,000.00	28,246.33	CNY	0.04
CNE100001T49	NANJING KANGNI MECHANICAL & ELECTRICAL CO LTD	PROPRE	25,300.00	57,338.55	CNY	0.09
CNE000000NB7	LTDNANJING PANDA ELECTRONICS COMPANY	PROPRE	14,000.00	21,208.89	CNY	0.03
CNE000000CX4	NANJING XINJIEKOU DEPARTMENT STIRE CO LTD SHS - A	PROPRE	17,700.00	102,956.53	CNY	0.16
CNE000001G38	NARI TECHNOLOGY DEVELOPMEN-A	PROPRE	35,500.00	90,632.71	CNY	0.14
CNE000001D56	NATIONALE MEDICINE	PROPRE	6,500.00	29,001.53	CNY	0.05
CNE100000P69	NAVINFO CO LTD A	PROPRE	17,700.00	68,450.73	CNY	0.11
CNE000000KJ6	NEUSOFT GROUP A	PROPRE	14,800.00	35,105.12	CNY	0.05
CNE000000KJ6	NEUSOFT GROUP A	PROPRE	4,900.00	11,622.64	CNY	0.02
CNE1000019Y0	NEW CHINA LIFE INSURANCE C-A	PROPRE	11,200.00	108,021.70	CNY	0.17
CNE000000VB0	NEW HOPE LIUHE CO LTD	PROPRE	53,800.00	60,071.74	CNY	0.09
CNE000000DJ1	NINGBO JOYSON ELECTRONIC CORP -A	PROPRE	9,700.00	58,222.75	CNY	0.09
CNE100000V12	NINGBO PORT CO LTD-A	PROPRE	105,800.00	102,010.00	CNY	0.16
CNE000000JJ8	NINGBO SHANSHAN CO LTD	PROPRE	13,800.00	45,476.60	CNY	0.07
CNE000001584	NINGBO YUNSHENG CO A SHS	PROPRE	8,300.00	22,880.89	CNY	0.04
CNE000000D16	NORTH CHINA PHARMACEUTICAL CO A	PROPRE	20,300.00	17,153.01	CNY	0.03
CNE000000198	NORTH INDUSTRIES GROUP RED ARROW CO LTD	PROPRE	40,200.00	60,111.28	CNY	0.09
CNE000001F88	NORTH NAVIGATION CONTROLTECHNO	PROPRE	18,000.00	36,367.15	CNY	0.06
CNE0000004H9	NORTHEAST SECURITIES CO. LTD	PROPRE	32,880.00	47,925.34	CNY	0.08
CNE000000TB4	NUODE INVESTMENT CO LTD	PROPRE	63,000.00	109,318.74	CNY	0.17
CNE000000123	OCEANWIDE HLDGS A CO LIMITED	PROPRE	31,300.00	36,696.24	CNY	0.06

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CNE0000019T2	OFFSHORE OIL ENG-A-	PROPRE	48,100.00	44,925.40	CNY	0.07
CNE100001M61	ORG PACKAGING SHS -A-	PROPRE	29,040.00	29,796.26	CNY	0.05
CNE000000FX7	ORIENT GROUP INC.-A	PROPRE	42,250.00	31,811.45	CNY	0.05
CNE100001ZV6	ORIENT SECURITIES CO LTD	PROPRE	66,000.00	151,670.13	CNY	0.24
CNE1000009S3	ORIENTAL ENERGY CO LTD A	PROPRE	12,400.00	20,506.36	CNY	0.03
CNE0000004Z1	ORIENTAL PEARL MEDIA REGISTERED SHARES	PROPRE	22,275.00	68,464.43	CNY	0.11
CNE1000008V9	PACIFIC SECURITIES CO/THE-A	PROPRE	258,400.00	154,008.91	CNY	0.24
CNE100000Q76	PALM ECO TOWN DEVELOPMENT CO LTD	PROPRE	10,500.00	15,542.27	CNY	0.02
CNE1000012K4	PANG DA AUTOMOBILE TRADE -A	PROPRE	374,400.00	158,179.47	CNY	0.25
CNE000000L99	PCI SUNTEK TECHNOLOGY CO LTD SHS A	PROPRE	17,420.00	26,495.06	CNY	0.04
CNE000001F54	PENGXIN INTERNATIONAL MINING CO LTD	PROPRE	30,700.00	47,434.53	CNY	0.07
CNE100001FP0	PEOPLE.CN CO LTD-A	PROPRE	10,000.00	19,977.64	CNY	0.03
CNE1000007Q1	PETROCHINA CO LTD-A	PROPRE	131,200.00	163,717.68	CNY	0.26
CNE000001F21	PIENTZEHUANG A SHARE	PROPRE	4,800.00	49,068.95	CNY	0.08
CNE000000040	PING AN BANK CO LTD	PROPRE	135,208.00	235,431.42	CNY	0.37
CNE000001R84	PING AN INSURANCE GROUP CO-A	PROPRE	180,900.00	1,756,753.53	CNY	2.75
CNE000001R84	PING AN INSURANCE GROUP CO-A	PROPRE	66,800.00	648,707.22	CNY	1.02
CNE000001PH7	PINGDINGSHAN TIAN AN COALMING A	PROPRE	26,700.00	24,132.06	CNY	0.04
CNE000001ND1	POLY REAL ESTATE GROUP CO LTD	PROPRE	239,500.00	393,540.68	CNY	0.62
CNE1000017G1	POWER CONS CORP A	PROPRE	74,400.00	87,788.16	CNY	0.14
CNE100001CG6	PUBANG LANDSCAPE ARCHITECTURE CO LTD -A	PROPRE	17,882.00	14,894.00	CNY	0.02
CNE0000011B7	PUDONG DEVL BK -A-	PROPRE	134,680.00	256,256.23	CNY	0.40
CNE0000011B7	PUDONG DEVL BK -A-	PROPRE	328,328.00	624,711.13	CNY	0.98
CNE000000SW2	QH SALT LAKE -A-	PROPRE	15,450.00	35,970.85	CNY	0.06
CNE000000CG9	QINGDAO HAIER CO LTD-A	PROPRE	57,800.00	150,879.48	CNY	0.24
CNE100000WG6	QINGDAO HANHE CABLE CO LTD-A	PROPRE	20,500.00	11,259.30	CNY	0.02
CNE000000NF8	RENHE PHARMACY CO LTD	PROPRE	20,400.00	18,407.19	CNY	0.03
CNE1000005Y9	RISESUN REAL ESTATE DEVEL-A	PROPRE	30,800.00	44,149.98	CNY	0.07
CNE0000012R1	RISING NONFERROUS METAL SH-A	PROPRE	3,000.00	18,151.89	CNY	0.03
CNE0000012R1	RISING NONFERROUS METAL SH-A	PROPRE	2,000.00	12,101.26	CNY	0.02



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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE000001P03	RIZHAO PORT CO LTD -A	PROPRE	31,400.00	20,136.07	CNY	0.03
CNE1000017F3	RONGYU GROUP CO LTD	PROPRE	40,000.00	90,291.70	CNY	0.14
CNE100000JS8	ROYAL GROUP CO LTD - A	PROPRE	10,400.00	13,009.01	CNY	0.02
CNE000000TY6	SAIC MOTOR CORPORATION LTD-A	PROPRE	81,300.00	386,295.31	CNY	0.61
CNE000000KB3	SANAN OPTOELECTRONICS CO L-A	PROPRE	48,360.00	188,480.72	CNY	0.30
CNE000001F70	SANY HEAVY INDUSTRY -A-	PROPRE	197,100.00	243,869.06	CNY	0.38
CNE000001BM7	SD HUALU CHEMICALS A	PROPRE	22,624.00	44,719.50	CNY	0.07
CNE000000Q11	SDIC ESSENCE HOLDINGS CO LTD-A	PROPRE	26,300.00	60,636.67	CNY	0.09
CNE000000JM2	SDIC POWER HOLDINGS CO LTD	PROPRE	75,000.00	84,874.80	CNY	0.13
CNE0000008K4	SEALAND SEC SHSA	PROPRE	117,050.00	96,785.03	CNY	0.15
CNE000000255	SEARAINBOW HLD.S.A	PROPRE	15,400.00	57,929.43	CNY	0.09
CNE000000V89	SH INTL AIPIRT -A-	PROPRE	25,800.00	170,315.43	CNY	0.27
CNE000001DT8	SHAANXI AEROSPACE POWER HIGH-TECH CO LTD	PROPRE	10,100.00	23,941.63	CNY	0.04
CNE0000004F3	SHAANXI INTERNATIONAL TRUST CO LIMITED	PROPRE	23,800.00	18,278.94	CNY	0.03
CNE0000004X6	SHAANXI LIGEANCE MINERAL RESOURCES CO LTD	PROPRE	52,700.00	42,860.34	CNY	0.07
CNE000000800	SHAANXI LIGEANCE MINERAL RESOURCES CO LTD	PROPRE	8,700.00	33,592.77	CNY	0.05
CNE000001LQ7	SHANDONG DENGHAI A	PROPRE	9,050.00	17,670.10	CNY	0.03
CNE000001FR7	SHANDONG GOLD MINING CO LT-A	PROPRE	19,400.00	86,382.78	CNY	0.14
CNE1000014X3	SHANDONG HIMILE MECHANICAL SCIENCE ANE TECH CO LTD	PROPRE	8,500.00	26,035.82	CNY	0.04
CNE100000BH8	SHANDONG HUMON SMELTING CO LTD	PROPRE	13,100.00	21,248.88	CNY	0.03
CNE000001JV1	SHANDONG IRON AND STEEL CO LTD -A	PROPRE	54,600.00	18,948.58	CNY	0.03
CNE100002GM3	SHANDONG LINGLONG TYRE CO LTD	PROPRE	12,000.00	35,108.74	CNY	0.05
CNE000001139	SHANDONG NANSHAN ALUMINIUM A	PROPRE	44,500.00	25,985.27	CNY	0.04
CNE000001139	SHANDONG NANSHAN ALUMINIUM A	PROPRE	88,500.00	51,678.57	CNY	0.08
CNE100000LH7	SHANDONG QIXING IRON TOWER CO LTD	PROPRE	31,110.00	106,979.50	CNY	0.17
CNE1000013X5	SHANDONG REALCAN PHARMACEUTICAL CO LTD	PROPRE	14,950.00	31,761.43	CNY	0.05
CNE1000012Y5	SHANDONG SINOBIOWAY BIOMEDICINE CO LTD	PROPRE	40,800.00	129,896.92	CNY	0.20
CNE000001P52	SHANDONG SUN PAPER IND JOINT STOCK CO LTD	PROPRE	33,100.00	46,298.18	CNY	0.07
CNE0000004P2	SHANDONG TYAN HOME CO LTD SHS A	PROPRE	29,800.00	48,651.89	CNY	0.08
CNE0000013N8	SHANGAI INTERNATIONAL PORT	PROPRE	79,800.00	104,033.42	CNY	0.16

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CNE000000MK0	SHANGAI NEW ASIA GROUP -A-	PROPRE	3,900.00	18,265.96	CNY	0.03
CNE000000CB0	SHANGH FRIENDSHIP	PROPRE	21,100.00	50,939.97	CNY	0.08
CNE000000W96	SHANGHAI AEROSPACE AUTOMOB A	PROPRE	18,700.00	21,049.25	CNY	0.03
CNE0000008S7	SHANGHAI AJ -A-	PROPRE	21,100.00	44,667.98	CNY	0.07
CNE000000XB6	SHANGHAI BELLING CO LTD	PROPRE	12,800.00	23,987.66	CNY	0.04
CNE0000005R5	SHANGHAI CHENGTOU HOLDING-A	PROPRE	29,662.00	42,876.78	CNY	0.07
CNE000000WR4	SHANGHAI CONSTRUCTION CO-A	PROPRE	40,612.00	23,653.64	CNY	0.04
CNE000000WR4	SHANGHAI CONSTRUCTION CO-A	PROPRE	11,038.00	6,428.86	CNY	0.01
CNE0000007Y7	SHANGHAI DAZHONG PUBLIC UT-A	PROPRE	23,600.00	18,018.50	CNY	0.03
CNE0000007Y7	SHANGHAI DAZHONG PUBLIC UT-A	PROPRE	27,150.00	20,728.92	CNY	0.03
CNE000000552	SHANGHAI DINGLI TECHNOLOGY DEVELOPMENT CO LTD	PROPRE	15,700.00	28,522.16	CNY	0.04
CNE100000D55	SHANGHAI ELECTRIC GRP CO LTD	PROPRE	6,000.00	8,120.82	CNY	0.01
CNE100000D55	SHANGHAI ELECTRIC GRP CO LTD	PROPRE	27,900.00	37,761.82	CNY	0.06
CNE000001G53	SHANGHAI ELECTRIC POWER CO LIMITED	PROPRE	16,100.00	27,111.05	CNY	0.04
CNE100002FJ1	SHANGHAI ENVIRONMENT GROUP LTD	PROPRE	8,238.00	34,431.65	CNY	0.05
CNE000000X38	SHANGHAI FOSUN PHARMACEUTI-A	PROPRE	12,000.00	72,136.79	CNY	0.11
CNE000000X38	SHANGHAI FOSUN PHARMACEUTI-A	PROPRE	31,800.00	191,162.49	CNY	0.30
CNE0000003Z3	SHANGHAI FUKONG INTERACTIVE ENTERTAINMENT CO LTD	PROPRE	11,600.00	33,220.83	CNY	0.05
CNE000000CF1	SHANGHAI HAIXIN GROUP CO LTD	PROPRE	28,300.00	41,975.53	CNY	0.07
CNE000000MF0	SHANGHAI INDUSTRIAL DEVELOPMENT CO LTD SHS A	PROPRE	13,650.00	14,129.05	CNY	0.02
CNE0000017K5	SHANGHAI JAHWA UNITED CO-A	PROPRE	9,400.00	52,081.89	CNY	0.08
CNE0000004M9	SHANGHAI JINJIANG INTERNATIONAL INDUSTRIAL INVESTMENT CO LTD	PROPRE	2,700.00	7,259.85	CNY	0.01
CNE000001KC9	SHANGHAI KEHUA BIO-ENGINEERING CO LTD	PROPRE	10,300.00	25,441.47	CNY	0.04
CNE000000RS2	SHANGHAI MALING AQUARIUS CO LTD-A	PROPRE	30,200.00	42,150.71	CNY	0.07
CNE000000B91	SHANGHAI MECH AND ELE SHS A	PROPRE	8,100.00	25,067.26	CNY	0.04
CNE100000CQ7	SHANGHAI METERSBONWE FASHION & ACCESSORIES CO LTD	PROPRE	28,700.00	15,589.80	CNY	0.02
CNE000000C82	SHANGHAI PHARMACEUTICAL A	PROPRE	20,600.00	77,707.59	CNY	0.12
CNE000001GY1	SHANGHAI PUDONG ROAD&BRIDG-A	PROPRE	71,000.00	116,236.98	CNY	0.18
CNE0000002W2	SHANGHAI QIANGSHENG HOLDING CO LTD	PROPRE	16,000.00	17,309.93	CNY	0.03
CNE100000C31	SHANGHAI RAAS BLOOD SHS A	PROPRE	25,200.00	76,656.20	CNY	0.12

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CNE0000001X2	SHANGHAI SHENHUA HOLDINGS -A CO LTD	PROPRE	117,300.00	56,637.52	CNY	0.09
CNE000000CH7	SHANGHAI SHIMAO CO LTD	PROPRE	22,120.00	17,088.79	CNY	0.03
CNE000000B83	SHANGHAI TUNNEL ENGINEERING A	PROPRE	91,700.00	132,000.00	CNY	0.21
CNE0000001W4	SHANGHAI U9 GAME CO LTD SHS A	PROPRE	12,600.00	17,167.80	CNY	0.03
CNE000000438	SHANGHAI WAIGAOQIAO FREE TRADE ZONE GROUP CO LTD	PROPRE	6,000.00	17,554.37	CNY	0.03
CNE000000C90	SHANGHAI XINHUA MEDIA CO LTD	PROPRE	6,700.00	6,975.58	CNY	0.01
CNE000000C90	SHANGHAI XINHUA MEDIA CO LTD	PROPRE	3,900.00	4,060.41	CNY	0.01
CNE000000JX9	SHANGHAI ZHANGJIANG HI-TECH	PROPRE	5,900.00	15,481.31	CNY	0.02
CNE000000JX9	SHANGHAI ZHANGJIANG HI-TECH	PROPRE	14,700.00	38,572.09	CNY	0.06
CNE000001683	SHANGHAI ZHENHUA HEAVY IND-A	PROPRE	40,100.00	36,424.79	CNY	0.06
CNE000001G20	SHANGHAI ZHIXIN ELECTRIC CO LTD	PROPRE	16,400.00	16,356.92	CNY	0.03
CNE000001055	SHANGHAI ZI JIANG ENTERPRISE GROUP CO LTD	PROPRE	28,800.00	25,117.51	CNY	0.04
CNE1000008K2	SHANGHAI 2345 NETWORK HOLDING GROUP LTD	PROPRE	16,320.00	16,720.38	CNY	0.03
CNE000000ZL0	SHANGYING GLOBAL CO LTD	PROPRE	20,000.00	76,711.73	CNY	0.12
CNE000000XZ5	SHANXI LANHUA SCI TECH VENTURE A	PROPRE	16,600.00	21,841.42	CNY	0.03
CNE000001NT7	SHANXI LU'AN ENVIRONMENTAL-A	PROPRE	34,100.00	48,057.09	CNY	0.08
CNE100000WJ0	SHANXI SECURITIES CO LTD-A	PROPRE	20,800.00	31,447.58	CNY	0.05
CNE000000WM5	SHANXI TAIGANG STAINLESS-A	PROPRE	54,500.00	42,021.70	CNY	0.07
CNE000000DH5	SHANXI XINGHUACUN FEN WINE-A	PROPRE	4,800.00	42,311.56	CNY	0.07
CNE0000013Y5	SHANXI XISHAN COAL & ELECT A	PROPRE	37,100.00	54,300.26	CNY	0.09
CNE000000776	SHANXI ZHANGZE ELEC POWER CO LTD-A	PROPRE	46,500.00	22,803.03	CNY	0.04
CNE0000019B0	SHANYING INTERNATIONAL HOLDINGS CO LTD	PROPRE	57,900.00	42,197.03	CNY	0.07
CNE0000005Q7	SHENERGY COMPANY LIMITED-A	PROPRE	60,400.00	53,588.36	CNY	0.08
CNE100002FD4	SHENWAN HONGYUAN GROUP CO LTD	PROPRE	208,042.00	177,360.01	CNY	0.28
CNE0000008V1	SHENZHEN AGRICULTURAL PROD-A	PROPRE	30,300.00	37,764.08	CNY	0.06
CNE000000VK1	SHENZHEN AIRPORT	PROPRE	75,200.00	100,078.93	CNY	0.16
CNE100000PN6	SHENZHEN AISIDI CO LTD	PROPRE	20,600.00	32,046.61	CNY	0.05
CNE000001LZ8	SHENZHEN BAUING CONTRUCTION HOLDING GROUP CO LTD-A	PROPRE	17,000.00	24,727.61	CNY	0.04
CNE000001N62	SHENZHEN DEREN ELECTRONIC CO LTD -A	PROPRE	6,200.00	21,759.94	CNY	0.03
CNE000000933	SHENZHEN ENERGY GROUP CO L-A	PROPRE	32,250.00	31,094.73	CNY	0.05

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CNE100000973	SHENZHEN FEIMA INTERNATIONAL SUPPLY CHAIN CO LTD-A	PROPRE	9,724.00	19,367.57	CNY	0.03
CNE100000V53	SHENZHEN GRANDLAND GROUP CO LTD	PROPRE	11,250.00	15,956.46	CNY	0.02
CNE100000P02	SHENZHEN HEPALINK PHARMACEUTIK	PROPRE	9,760.00	23,827.83	CNY	0.04
CNE100000J42	SHENZHEN HONGTAO DECORATION - A	PROPRE	20,040.00	17,749.74	CNY	0.03
CNE1000008B1	SHENZHEN JINJIA GROUP CO LTD	PROPRE	156,600.00	254,013.30	CNY	0.40
CNE000000FK4	SHENZHEN KAIFA TECHNOLOGY-A	PROPRE	21,100.00	29,481.51	CNY	0.05
CNE000001GF0	SHENZHEN KINGDOM TECHNOLOGY CO LTD	PROPRE	7,000.00	18,061.36	CNY	0.03
CNE000001GF0	SHENZHEN KINGDOM TECHNOLOGY CO LTD	PROPRE	3,600.00	9,288.70	CNY	0.01
CNE100000Q50	SHENZHEN MTC CO A	PROPRE	52,500.00	28,201.07	CNY	0.04
CNE000000X95	SHENZHEN NEPTUNUS BIOENG-A	PROPRE	101,000.00	95,553.18	CNY	0.15
CNE1000009H6	SHENZHEN NOPOSION AGROCHEMICALS CO LTD -A	PROPRE	38,300.00	43,342.73	CNY	0.07
CNE100000S33	SHENZHEN O-FILM TECH CO LTD	PROPRE	52,000.00	184,856.56	CNY	0.29
CNE000000SS0	SHENZHEN OVERSEAS CHINESE TOWN A	PROPRE	47,900.00	63,313.43	CNY	0.10
CNE100000FW8	SHENZHEN SALUBRIS	PROPRE	6,500.00	34,601.76	CNY	0.05
CNE1000000M5	SHENZHEN SUNLORD ELECTRONICS CO LTD	PROPRE	36,500.00	105,191.94	CNY	0.16
CNE000000F89	SHENZHEN TAGEN GROUP CO -A	PROPRE	13,440.00	22,692.67	CNY	0.04
CNE1000000C6	SHENZHEN WOER HEAT-SHRINKABLE MATERIAL CO LTD	PROPRE	98,600.00	94,919.15	CNY	0.15
CNE100000FK3	SHENZHEN WORLD UNION PROPERTIES CONSULTANCY INCORP	PROPRE	19,320.00	36,643.64	CNY	0.06
CNE000000164	SHENZHEN ZHENYE	PROPRE	18,300.00	27,198.41	CNY	0.04
CNE000000FS7	SHENZHEN ZHONGJIN LINGNAN-A	PROPRE	36,200.00	60,739.27	CNY	0.10
CNE0000013X7	SHIJAZHUANG CHANGSHAN BEIMING TECHNOLOGY CO LTD SHS - A	PROPRE	32,240.00	47,576.24	CNY	0.07
CNE1000015S0	SHIJAZHUANG YILING PHARMA-A	PROPRE	16,400.00	41,993.49	CNY	0.07
CNE000001CN3	SHINVA MEDICAL INSTRUMENT CO	PROPRE	5,300.00	13,587.06	CNY	0.02
CNE000000XM3	SHUANGHUI INVT -A-	PROPRE	27,150.00	107,782.17	CNY	0.17
CNE000001DW2	SHUANGLIANG ECO-ENERGY SYS-A	PROPRE	17,900.00	12,883.32	CNY	0.02
CNE000000GJ4	SICHUAN CHANGHONG ELECTRIC-A	PROPRE	93,500.00	52,482.05	CNY	0.08
CNE100000890	SICHUAN CHENGFEI INTEGRATION TECH	PROPRE	5,000.00	18,861.07	CNY	0.03
CNE000000BQ0	SICHUAN CHUANTOU ENERGY CO-A	PROPRE	45,300.00	68,420.86	CNY	0.11
CNE000001KD7	SICHUAN HAITE HIGH-TECH CO LTD-A	PROPRE	10,800.00	17,404.09	CNY	0.03
CNE100001JM9	SICHUAN HEBANG BIOTECHNOLOGY CO LTD	PROPRE	57,640.00	19,742.68	CNY	0.03

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CNE0000019F1	SICHUAN HONGDA CO LTD A	PROPRE	21,500.00	19,302.42	CNY	0.03
CNE0000000B0	SICHUAN JIUZHOU ELECTRIC CO LTD	PROPRE	50,500.00	56,387.04	CNY	0.09
CNE100000PW7	SICHUAN KELUN PHARMACEUTIC A	PROPRE	16,700.00	53,218.99	CNY	0.08
CNE0000017B4	SICHUAN LANGUANG DEVELOPMENT CO LTD	PROPRE	107,800.00	139,397.77	CNY	0.22
CNE000001DQ4	SICHUAN ROAD AND BRIDGE CO LTD	PROPRE	180,100.00	119,841.86	CNY	0.19
CNE000001KM8	SIEYUAN ELECTRIC CO LTD-A	PROPRE	11,040.00	29,984.57	CNY	0.05
CNE0000011R3	SINOCHEM INTL CORP-A	PROPRE	23,200.00	35,391.21	CNY	0.06
CNE100001C71	SINODATA CO LTD-A	PROPRE	3,900.00	15,517.83	CNY	0.02
CNE000000SV4	SINOLINK SECURITIES CO.LTD	PROPRE	15,200.00	24,678.12	CNY	0.04
CNE000000SV4	SINOLINK SECURITIES CO.LTD	PROPRE	87,800.00	142,548.62	CNY	0.22
CNE000000BB2	SINOPEC SH PETROCHEMICAL SHS A	PROPRE	47,900.00	45,822.73	CNY	0.07
CNE0000015Z7	SINOTRANS AIR TRANSPORTATION DEV CO	PROPRE	8,604.00	25,211.92	CNY	0.04
CNE0000000L9	SKYWORTH DIGITAL CO LTD -A	PROPRE	11,700.00	19,119.24	CNY	0.03
CNE1000019P8	SOOCHOW SECURITIES	PROPRE	36,600.00	59,808.89	CNY	0.09
CNE0000016P6	SOUTHWEST SECURITIES CO.LTD. A	PROPRE	44,000.00	36,249.46	CNY	0.06
CNE0000016P6	SOUTHWEST SECURITIES CO.LTD. A	PROPRE	57,700.00	47,536.22	CNY	0.07
CNE000001592	SPIC YUANDA ENVIRONMENTAL PROTECTION CO LTD SHS A	PROPRE	5,600.00	8,813.10	CNY	0.01
CNE100001V45	SPRING AIRLINES CO LTD-A	PROPRE	6,100.00	33,549.31	CNY	0.05
CNE1000013W7	STANLEY AGRICULTURAL GROUP CO LTD	PROPRE	30,900.00	34,921.79	CNY	0.05
CNE000000RW4	SUFA TECHNOLOGY INDUSTRY CO LTD A	PROPRE	7,100.00	17,580.17	CNY	0.03
CNE000001KF2	SUNING APPLIANCE	PROPRE	80,400.00	175,177.96	CNY	0.27
CNE0000007N0	SUNING UNIVERSAL CO LTD-A	PROPRE	22,830.00	18,395.15	CNY	0.03
CNE100001203	SUOFEIYA HOME COLLECTION CO LTD	PROPRE	9,400.00	55,173.90	CNY	0.09
CNE100001047	SUZHOU CHUNXING PRECISION MECHANICAL CO LTD-A	PROPRE	42,400.00	51,373.32	CNY	0.08
CNE100000N79	SUZHOU DONGSHAN PRECISION MANUFACTURING CO LTD	PROPRE	18,500.00	93,652.74	CNY	0.15
CNE000001P86	SUZHOU GOLD MANTIS CONST.DECO.	PROPRE	31,800.00	65,736.10	CNY	0.10
CNE000000LV9	SUZHOU NEW DISTRICT HI-TECH INDUSTRIAL CO LTD SHS -A	PROPRE	57,700.00	61,901.57	CNY	0.10
CNE000001PL9	SUZHOU NEW SEA UNION TELECOM TECHNOLOGY CO LTD-A	PROPRE	21,800.00	20,953.29	CNY	0.03
CNE100000Q01	SUZHOU VICTORY PRECISION MANUFACTURE CO LTD-A	PROPRE	29,750.00	27,247.83	CNY	0.04
CNE100000M21	TAIHAI MANOIR NUCLEAR EQUIPMENT CO LTD A	PROPRE	5,600.00	25,518.27	CNY	0.04

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CNE100000M47	TAIJI COMPUTER SHS A	PROPRE	11,850.00	50,958.83	CNY	0.08
CNE000000X12	TAIYUAN HEAVY INDUSTRY CO-A	PROPRE	38,500.00	23,120.65	CNY	0.04
CNE100000CF0	TALKWEB INFORMATION SYSTEM CO LTD	PROPRE	8,400.00	11,064.96	CNY	0.02
CNE000000GX5	TANGSHAN JIDONG A	PROPRE	11,200.00	25,332.37	CNY	0.04
CNE100000R26	TANGSHAN PORT GROUP CO LTD A	PROPRE	49,140.00	36,480.14	CNY	0.06
CNE100000R26	TANGSHAN PORT GROUP CO LTD A	PROPRE	8,460.00	6,280.46	CNY	0.01
CNE000001F39	TANGSHANG SANYOU SHS A	PROPRE	22,500.00	36,767.76	CNY	0.06
CNE000001C81	TASLY PHARMACEUTICAL GROUP A	PROPRE	12,100.00	69,506.35	CNY	0.11
CNE000001C81	TASLY PHARMACEUTICAL GROUP A	PROPRE	3,100.00	17,807.41	CNY	0.03
CNE100000XN0	TATWAH SMARTECH CO LTD-A	PROPRE	13,600.00	41,205.85	CNY	0.06
CNE000000RB8	TBEA CO LTD	PROPRE	167,031.00	253,038.75	CNY	0.40
CNE000000RB8	TBEA CO LTD	PROPRE	1.00	1.51	CNY	0.00
CNE000001GL8	TCL CORP	PROPRE	201,500.00	131,953.53	CNY	0.21
CNE0000016W2	TDG HOLDING CO LTD	PROPRE	104,300.00	152,655.44	CNY	0.24
CNE0000006N2	TEAMAX SMART CITY TECHNOLOGY CORP LTD	PROPRE	15,200.00	37,865.78	CNY	0.06
CNE000000TM1	TELLING TELECOMMUNICATION HOLDINGS LTD	PROPRE	27,400.00	42,873.17	CNY	0.07
CNE0000005W5	THAIHOT GROUP CO LTD A	PROPRE	7,800.00	20,713.98	CNY	0.03
CNE000001B90	TIAN DI SCIENCE & TECHNOLO-A	PROPRE	19,800.00	14,459.95	CNY	0.02
CNE100000WZ6	TIANGUANG ZHONGMAO CO LTD-A	PROPRE	46,240.00	66,282.31	CNY	0.10
CNE000000HX3	TIANJIN CAPITAL ENVIRONMENTAL SHS A	PROPRE	8,500.00	19,905.22	CNY	0.03
CNE000000L16	TIANJIN PORT CO SHS A	PROPRE	22,300.00	38,392.53	CNY	0.06
CNE0000005D5	TIANJIN TEDA CO SHS A	PROPRE	24,500.00	19,408.04	CNY	0.03
CNE000001808	TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LTD	PROPRE	6,600.00	17,138.82	CNY	0.03
CNE1000000B8	TIANJIN ZHONGHUAN SEMICOND-A	PROPRE	20,940.00	26,035.15	CNY	0.04
CNE000000HT1	TIANMA MICROELE	PROPRE	7,600.00	28,898.17	CNY	0.05
CNE100000T32	TIANQI LITHIUM INDUSTRIES INC SHS A	PROPRE	13,680.00	156,834.51	CNY	0.25
CNE100000F79	TIANRUN CRANKSHAFT CO LTD	PROPRE	152,100.00	153,995.48	CNY	0.24
CNE100000825	TIANSHUI HUATIAN TECHNOLOGY CO LTD	PROPRE	31,720.00	38,815.95	CNY	0.06
CNE000001D80	TIMES N MATERIAL SHARE A	PROPRE	7,800.00	13,770.09	CNY	0.02
CNE100000VR5	TONGDING INTERCONNECTION INFORMATION CO LTD SHS A	PROPRE	14,300.00	27,963.87	CNY	0.04

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE000000H87	TONGHUA DONGBAO PHARMACEUT-A	PROPRE	21,312.00	69,524.22	CNY	0.11
CNE000000735	TONGHUA GOLDEN-HORSE PHARMACEUTICAL INDUSTRY CO LTD	PROPRE	26,600.00	56,150.75	CNY	0.09
CNE000000529	TONGLING NONFERROUS METALS-A	PROPRE	398,500.00	174,975.62	CNY	0.27
CNE000001GS3	TONGWEI CO LTD	PROPRE	94,700.00	140,605.18	CNY	0.22
CNE000000MZ8	TOPCHOICE MEDICAL INVESTMENT CORPORATION SHS A	PROPRE	13,600.00	60,249.19	CNY	0.09
CNE0000009Y3	TSINGATO BREWERY	PROPRE	5,200.00	27,124.33	CNY	0.04
CNE0000009Y3	TSINGATO BREWERY	PROPRE	2,000.00	10,432.43	CNY	0.02
CNE000000RK9	TSINGHUA TONGFANG CO LTD-A	PROPRE	19,000.00	30,933.66	CNY	0.05
CNE000000RK9	TSINGHUA TONGFANG CO LTD-A	PROPRE	24,500.00	39,888.14	CNY	0.06
CNE000001R35	TUNGKONG INC -A	PROPRE	5,100.00	18,815.05	CNY	0.03
CNE000000BX6	TUS SOUND ENVIRONMENT RESOURCES CO LTD	PROPRE	25,800.00	145,945.73	CNY	0.23
CNE000001M14	UNIGROUP GUOZIN CO LTD	PROPRE	5,600.00	27,444.81	CNY	0.04
CNE0000010T1	UNISPLENDOUR CORPOATION LTD - A	PROPRE	3,400.00	32,402.41	CNY	0.05
CNE1000019S2	UNITED ELECTRONICS CO LTD-A	PROPRE	6,300.00	15,798.93	CNY	0.02
CNE100001RH2	UTOUR GROUP -A-SHS-A-	PROPRE	14,100.00	24,594.23	CNY	0.04
CNE1000019T0	VALIANT CO LTD - A	PROPRE	14,750.00	31,269.76	CNY	0.05
CNE100000QJ2	VENUSTECH GROUP CO LTD SHS A	PROPRE	11,600.00	41,902.35	CNY	0.07
CNE000000BW8	VISUAL CHINA GROUP CO LTD A	PROPRE	5,100.00	13,982.39	CNY	0.02
CNE100000HL7	VTRON GROUP - A REGISTERED SHS -A-	PROPRE	13,000.00	26,814.40	CNY	0.04
CNE000001378	VV FOOD AND BEVERAGE A SHS	PROPRE	19,100.00	14,381.04	CNY	0.02
CNE100001WW1	WANDA FILM HOLDING CO LTD	PROPRE	7,300.00	57,321.35	CNY	0.09
CNE000000GQ9	WANGFUJING -A-SHS-A-	PROPRE	4,030.00	12,040.00	CNY	0.02
CNE000000GQ9	WANGFUJING -A-SHS-A-	PROPRE	2,860.00	8,544.52	CNY	0.01
CNE0000016J9	WANHUA CHEMICAL A	PROPRE	54,520.00	305,036.50	CNY	0.48
CNE000000FB3	WANXIANG QIANCHAO CO LTD-A	PROPRE	72,456.00	124,524.36	CNY	0.20
CNE1000000D4	WEICHAI POWER -A-	PROPRE	173,400.00	218,470.00	CNY	0.34
CNE0000002G5	WEIFU HIGH-TECHNOLOGY GRP-A	PROPRE	18,100.00	69,888.40	CNY	0.11
CNE1000013F2	WENFENG GREAT WORLD CHAIN DEV CORPOARATION A	PROPRE	12,400.00	7,858.27	CNY	0.01
CNE100000619	WESTERN MINING A	PROPRE	46,200.00	56,814.06	CNY	0.09
CNE100001D96	WESTERN SECURITIES SHS -A-	PROPRE	69,930.00	149,305.64	CNY	0.23

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE100000CM6	WESTONE INFORMATION INDUSTRY INC A	PROPRE	8,320.00	28,936.80	CNY	0.05
CNE000000WD4	WINTIME ENERGY CO LTD	PROPRE	70,080.00	37,115.68	CNY	0.06
CNE000001BJ3	WOLONG ELECTRIC GROUP CO LTD A	PROPRE	13,400.00	17,590.59	CNY	0.03
CNE100000RK8	WUHAN GUIDE INFRARED SHS -A-	PROPRE	6,600.00	17,357.91	CNY	0.03
CNE1000010N2	WUHU SHUNRONG SANQI INTERACTIVE ENTERTAINMENT NETWORK TECH A	PROPRE	7,800.00	26,528.01	CNY	0.04
CNE000000VQ8	WULIANGYE YIBIN -A-	PROPRE	54,100.00	543,823.70	CNY	0.85
CNE0000015F9	WUZHOU ZHONGHENG	PROPRE	53,700.00	33,788.32	CNY	0.05
CNE0000015F9	WUZHOU ZHONGHENG	PROPRE	15,000.00	9,438.08	CNY	0.01
CNE000000FH0	XCMG CONSTRUCTION MACHIN-A	PROPRE	84,000.00	47,656.63	CNY	0.07
CNE000000WL7	XIAMEN C & D -A-	PROPRE	46,600.00	82,478.39	CNY	0.13
CNE000000MN4	XIAMEN INTERNATIONAL TRADE GROUP CORP LTD	PROPRE	32,000.00	51,905.66	CNY	0.08
CNE000001D15	XIAMEN TUNGSTEN CO LTD A	PROPRE	13,200.00	55,250.55	CNY	0.09
CNE000000RF9	XI'AN AIRCRAFT INTL CORP-A	PROPRE	26,800.00	74,325.28	CNY	0.12
CNE000000016	XIAN INTERNATIONAL MEDICAL INVESTMENT CO LTD	PROPRE	32,250.00	24,914.71	CNY	0.04
CNE100000QS3	XI'AN SHAANGU POWER CO LTD-A	PROPRE	12,700.00	13,567.29	CNY	0.02
CNE000001BY2	XIANGTAN ELECTRIC MANUFACTURING CO LTD SHS A	PROPRE	33,100.00	62,729.79	CNY	0.10
CNE000000ZH8	XINHU ZHONGBAO CO LTD-A	PROPRE	193,400.00	124,898.28	CNY	0.20
CNE1000008S5	XINJIANG GOLDWIND SCIENCE & TE A	PROPRE	50,180.00	109,030.85	CNY	0.17
CNE0000012G4	XINJIANG GUANGHUI ENERGY CO CLASS A	PROPRE	69,800.00	44,339.80	CNY	0.07
CNE000001PP0	XINJIANG ZHONGTAI CHEMICAL-A	PROPRE	24,700.00	53,332.61	CNY	0.08
CNE000000QG9	XINXING DUCTILE IRON PIPES-A	PROPRE	61,500.00	55,213.89	CNY	0.09
CNE0000007F6	XJ ELECTRIC	PROPRE	9,300.00	21,147.18	CNY	0.03
CNE000000206	YANGO GROUP A	PROPRE	106,800.00	116,188.39	CNY	0.18
CNE000001FP1	YANGQUAN COAL INDUSTRY GRP-A	PROPRE	32,800.00	36,079.26	CNY	0.06
CNE000001568	YANTAI CHANGYU PIONEER-A	PROPRE	2,700.00	16,145.22	CNY	0.03
CNE100000L55	YANTAI JEREH	PROPRE	16,300.00	37,556.31	CNY	0.06
CNE000000SF7	YANTIAN PORT SHS -A-	PROPRE	16,300.00	21,446.69	CNY	0.03
CNE0000014D7	YIHUA HEALTHCARE CO LTD	PROPRE	22,100.00	90,502.04	CNY	0.14
CNE000001KX5	YIHUA LIFESTYLE TECHNOLOGY CO LTD SHS A	PROPRE	23,200.00	35,286.19	CNY	0.06
CNE000001KX5	YIHUA LIFESTYLE TECHNOLOGY CO LTD SHS A	PROPRE	31,000.00	47,149.65	CNY	0.07



LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE0000019S4	YINGKOU PORT LIABILITY CO LTD	PROPRE	41,300.00	21,748.62	CNY	0.03
CNE0000012L4	YINTAI RESOURCES A SHS	PROPRE	10,400.00	21,482.91	CNY	0.03
CNE000001360	YLP HI TECH AGR A SHS	PROPRE	15,300.00	58,338.18	CNY	0.09
CNE100000XX9	YONGHUI SUPERSTORES CO LTD-A	PROPRE	84,400.00	122,892.67	CNY	0.19
CNE0000017Y6	YONYOU NETWORK TECHNOLOGY	PROPRE	23,500.00	82,299.89	CNY	0.13
CNE0000017Y6	YONYOU NETWORK TECHNOLOGY	PROPRE	16,300.00	57,084.60	CNY	0.09
CNE100000VP9	YOTRIO GROUP CO LTD-A	PROPRE	19,100.00	17,925.86	CNY	0.03
CNE000000XR2	YOUNGOR GROUP CO-A	PROPRE	28,000.00	40,939.08	CNY	0.06
CNE000000XR2	YOUNGOR GROUP CO-A	PROPRE	24,500.00	35,821.69	CNY	0.06
CNE0000008X7	YUNNAN BAIYAO GROUP CO LTD A	PROPRE	10,300.00	162,937.28	CNY	0.26
CNE000001HC5	YUNNAN CHIHONG ZINC GERMAN A	PROPRE	48,600.00	51,698.94	CNY	0.08
CNE000000W13	YUNNAN COPPER INDUSTRY CO-A	PROPRE	20,800.00	43,342.43	CNY	0.07
CNE100000Q27	YUNNAN LINCANG SHS A	PROPRE	11,600.00	18,693.28	CNY	0.03
CNE0000011D3	YUNNAN TIN CO LTD A	PROPRE	21,000.00	43,949.30	CNY	0.07
CNE000000S01	YUNNAN YUNTIANHUA CO-A	PROPRE	8,800.00	10,848.28	CNY	0.02
CNE000000594	YUYUAN TOURIST	PROPRE	11,800.00	20,333.14	CNY	0.03
CNE000000594	YUYUAN TOURIST	PROPRE	11,500.00	19,816.19	CNY	0.03
CNE0000007X9	AZHE JIANG DAILY DIGITAL CULTURE GRP -	PROPRE	18,200.00	44,872.44	CNY	0.07
CNE100000PR7	ZHE JIANG KANGSHENG CO LTD-	PROPRE	75,500.00	102,756.60	CNY	0.16
CNE100000CL8	ZHEFU HLDG GRP	PROPRE	33,740.00	23,774.87	CNY	0.04
CNE1000015R2	LTDZHEJIANG CENTURY HUATONG GROUP CO	PROPRE	18,600.00	91,969.88	CNY	0.14
CNE100000KD8	ZHEJIANG CHINT ELECTRICS-A	PROPRE	9,360.00	35,971.71	CNY	0.06
CNE000001H86	ZHEJIANG CONBA SHS A	PROPRE	7,215.00	8,448.01	CNY	0.01
CNE000001H86	ZHEJIANG CONBA SHS A	PROPRE	14,760.00	17,282.41	CNY	0.03
CNE100000BJ4	ZHEJIANG DAHUA TECHNOLOGY-A	PROPRE	32,250.00	135,035.81	CNY	0.21
CNE000001JT5	ZHEJIANG DUNAN SHARE A	PROPRE	15,500.00	22,779.64	CNY	0.04
CNE1000008X5	ZHEJIANG HAILIANG CO LTD	PROPRE	23,900.00	31,013.63	CNY	0.05
CNE0000013Z2	ZHEJIANG HISUN PHARMACEUTICAL A	PROPRE	8,200.00	18,002.51	CNY	0.03
CNE0000013Z2	ZHEJIANG HISUN PHARMACEUTICAL A	PROPRE	4,700.00	10,318.51	CNY	0.02
CNE000001NK6	ZHEJIANG HUAFENG SPANDEX CO LTD	PROPRE	161,900.00	123,610.00	CNY	0.19

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE000001DL5	ZHEJIANG HUAHAI A SHARE	PROPRE	23,500.00	88,079.67	CNY	0.14
CNE100001VW3	ZHEJIANG HUAYOU COBALT CO -A	PROPRE	14,700.00	210,649.29	CNY	0.33
CNE0000010Q7	ZHEJIANG HUGE LEAF CO LTD	PROPRE	132,440.00	143,482.80	CNY	0.22
CNE100000VN4	ZHEJIANG JINGU CO LTD SHS A	PROPRE	7,000.00	12,009.22	CNY	0.02
CNE100000HX2	ZHEJIANG JIULI HI-TECH METALS CO LTD	PROPRE	9,500.00	11,682.54	CNY	0.02
CNE000000WQ6	ZHEJIANG JUHUA CO-A	PROPRE	20,400.00	36,014.07	CNY	0.06
CNE1000018P0	ZHEJIANG LONGSHENG AUTO PARTS CO LTD	PROPRE	3,400.00	18,653.44	CNY	0.03
CNE000001FJ4	ZHEJIANG LONGSHENG GROUP C-A	PROPRE	49,100.00	76,160.68	CNY	0.12
CNE0000010J2	ZHEJIANG MEDICINE CO LTD-A	PROPRE	12,900.00	20,651.96	CNY	0.03
CNE100000N20	ZHEJIANG NANYANG TECHNOLOGY CO LTD	PROPRE	36,000.00	126,673.94	CNY	0.20
CNE000001PT2	ZHEJIANG NETSUN CO LTD -A	PROPRE	3,800.00	23,932.73	CNY	0.04
CNE000001J84	ZHEJIANG NHU CO LTD-A	PROPRE	14,100.00	54,166.87	CNY	0.08
CNE000000V06	ZHEJIANG ORIENT HOLDINGS CO LTD	PROPRE	11,000.00	44,282.77	CNY	0.07
CNE100000CT1	ZHEJIANG QUARTZ CRYSTAL OPTOELECTRIC TECHNOLOGY CO LTD	PROPRE	17,050.00	73,166.15	CNY	0.11
CNE100000QY1	ZHEJIANG RUNTU SHS A	PROPRE	12,500.00	33,723.59	CNY	0.05
CNE000001M22	ZHEJIANG SANHUA INTELLIGENT CO SHS-A-	PROPRE	17,600.00	47,509.37	CNY	0.07
CNE000001PF1	ZHEJIANG WANFENG AUTO WHEEL CO LTD A	PROPRE	23,136.00	60,288.83	CNY	0.09
CNE100000DZ6	ZHEJIANG WANMA CO LTD - A	PROPRE	11,500.00	17,924.80	CNY	0.03
CNE0000013L2	ZHEJIANG YANKON GROUP CO LTD	PROPRE	17,700.00	15,917.53	CNY	0.02
CNE100000M70	ZHEJIANG YASHA A SHS	PROPRE	16,550.00	21,700.71	CNY	0.03
CNE100000J59	ZHEJIANG YONGTAI TECHNOLOGY -A	PROPRE	10,500.00	22,449.95	CNY	0.04
CNE100001SP3	ZHEJIANG ZHENENG ELECTRIC-A	PROPRE	45,200.00	36,487.86	CNY	0.06
CNE100000XL4	ZHEJIANG ZHONGCHENG PACKING MATERIAL	PROPRE	8,600.00	18,439.48	CNY	0.03
CNE100000S58	ZHENGZHOU COAL MINING MACH-A	PROPRE	13,400.00	14,315.10	CNY	0.02
CNE100000S58	ZHENGZHOU COAL MINING MACH-A	PROPRE	8,200.00	8,759.98	CNY	0.01
CNE000000PY4	ZHENGZHOU YUTONG BUS -A-	PROPRE	31,100.00	119,380.59	CNY	0.19
CNE0000009F2	ZHONGFU STRAITS (PINGTAN) DEVELOPMENT COMPANY LTD	PROPRE	28,800.00	24,987.14	CNY	0.04
CNE000001NS9	ZHONGHE CO LTD	PROPRE	10,100.00	0.00	CNY	0.00
CNE0000012Y7	ZHONGHONG HOLDING CO LTD SHS A	PROPRE	78,960.00	23,113.47	CNY	0.04
CNE000001FM8	ZHONGJIN GOLD CORP-A	PROPRE	57,300.00	87,150.80	CNY	0.14

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CNE100000HM5	ZHONGLI SCIENCE AND TECHNOLOGY GROUP CO LTD	PROPRE	8,600.00	18,361.63	CNY	0.03
CNE100000RD3	ZHONGNANA RED CULTURE GROUP CO LTD	PROPRE	8,400.00	19,049.98	CNY	0.03
CNE0000006B7	ZHONGSHAN PUBLIC UTILITIES GROUP CO LTD	PROPRE	68,800.00	110,143.80	CNY	0.17
CNE000000FL2	ZHONGTIAN FINANCIAL GROUP CO LTD	PROPRE	45,850.00	50,849.06	CNY	0.08
CNE000000545	ZHONGYUAN UNION CELL A	PROPRE	1,800.00	7,713.42	CNY	0.01
CNE000000545	ZHONGYUAN UNION CELL A	PROPRE	24,878.00	106,608.06	CNY	0.17
CNE0000017X8	ZHONGZHU HEALTHCARE HOLDINGS CO LTD	PROPRE	53,480.00	61,731.82	CNY	0.10
CNE0000001D4	ZHUHAI GREE ELECTRIC APPLIANCES INC	PROPRE	139,800.00	897,558.92	CNY	1.41
CNE100000B24	ZIJIN MINING GROUP CO LTD-A	PROPRE	103,700.00	57,737.95	CNY	0.09
CNE100000B24	ZIJIN MINING GROUP CO LTD-A	PROPRE	127,100.00	70,766.57	CNY	0.11
CNE1000011Y7	ZJ BEINGMATE	PROPRE	14,100.00	21,083.81	CNY	0.03
CNE000001BC8	ZJ COMMODITIES -A-	PROPRE	51,700.00	54,684.57	CNY	0.09
CNE000001BC8	ZJ COMMODITIES -A-	PROPRE	5,300.00	5,605.96	CNY	0.01
CNE000000TK5	ZTE CORPORATION A	PROPRE	80,680.00	393,088.35	CNY	0.62
<b>Total Equity</b>				<b>63,176,844.47</b>		<b>98.97</b>
<b>Total Investment Securities</b>				<b>63,176,844.47</b>		<b>98.97</b>
<b>Cash</b>						
<b>OTHER</b>						
	PMLEFTIT SWAPHORSPTF	PROPRE	0.00	160,791.80	CNY	0.25
<b>Total OTHER</b>				<b>160,791.80</b>		<b>0.25</b>
<b>AT BANK OR PENDING</b>						
	CNY SGP G1 BANK	PROPRE	0.00	38,511.96	CNY	0.06
	CNY SGP G2 BANK	PROPRE	0.00	478,159.02	CNY	0.75
	USD NEWEDG G1 BANK	PROPRE	0.00	43,690.70	USD	0.07
	USD SGP G1 BANK	PROPRE	0.00	-29,574.73	USD	-0.05
<b>Total AT BANK OR PENDING</b>				<b>530,786.95</b>		<b>0.83</b>
<b>SECURITY DEPOSITS</b>						
	GAR SUR MAT FERM V	PROPRE	0.00	4,160.36	CNY	0.01
<b>Total SECURITY DEPOSITS</b>				<b>4,160.36</b>		<b>0.01</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-35,807.59	USD	-0.06

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
	PRFRAIS PB TCW	PROPRE	0.00	-1,981.85	CNY	-0.00
<i>Total MANAGEMENT FEES</i>				<i>-37,789.44</i>		<i>-0.06</i>
<i>Total Cash</i>				<i>657,949.67</i>		<i>1.03</i>
<b>Total LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF</b>				<b>63,834,794.14</b>		<b>100.00</b>

APPENDIX TO THE REPORT  
intended for Swiss subscribers

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Compartment  
France.

Representative of the Swiss Compartment

Société Générale, Paris, Zürich Branch, has been authorised by the FINMA as the Compartment's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Compartment, the KIIDs as well as the list of purchases and sales made by the Compartment during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, P.O. Box 1928, 8021 Zürich.

Calculation of the Total Expense Ratio(in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment: 31-Oct.

Average fortune of the fund for the period from 01/10/16 to 31/10/17: 54,111,671.58

Management commission of the fund: 0.85 % tax included

Extract from the profit and loss account

Expenses in euros	Annual report 31/10/2016	Half-yearly report 28/04/2017	Annual report 31/10/2017
Management commission of the fund	255,901.92	292,629.66	352,038.40
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Custodian bank fee	0.00	0.00	0.00
Other expenses	24,649.08	8,091.79	5,757.82
Taxes	0.00	0.00	0.00
Total operating expenses	280,551.00	300,721.45	357,796.22

**Calculation of the TER for 12 months from 01/11/16 to 31/10/17:**

TER including performance fee

$$(357,796.22 / 54,111,671.58) * 100$$

0.66 %

Performance fee as a share in percentage of the net average assets:

- %

LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund) - Fiscal year closing on 31/10/2017

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Performance of the Compartment

The details of the performance of the Compartment's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	<b>Annual performance from 31/10/2016 to 31/10/2017</b>	<b>Annual performance from 30/10/2015 to 31/10/2016</b>	<b>Annual performance from 31/10/2014 to 30/10/2015</b>
<b>LYXOR FORTUNE SG MSCI CHINA A (DR) UCITS ETF</b>			
Unit C-USD	+16.86%	-14.07%	+36.14%
<b>MSCI CHINA A NET TOTAL RETURN (USD)</b>			
Unit C-USD	+16.06%	-12.61%	+37.12%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Compartment units.

# LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International equities.

At least 60% of the LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF Compartment (the “Compartment”) is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

Capitalisation of all the amounts available for distribution.

### Management objective:

The Compartment’s management objective is to replicate, downwards and upwards, the Finvex Sustainability Low Volatility Europe index (Bloomberg Code: RSEUPER) (the “Benchmark Indicator”), listed in EUR, which is representative of a dynamic allocation of 50 to 60 securities listed on various European markets. Each component of this index is selected monthly from a universe of companies judged to be “sustainable” and “socially responsible” from among the components of the Dow Jones Sustainability Europe Index (the “Parent Index”).

The anticipated level of the ex-post tracking error under normal market conditions is 0.15%.

### Benchmark indicator:

The Benchmark Indicator is the Finvex Sustainability Low Volatility Europe index.

The Benchmark Indicator provides exposure to a dynamic allocation of 50 to 60 securities listed on various European exchanges. Each component of this index is selected monthly from an investment universe judged to be “sustainable” and “socially responsible” from among the components of the Parent Index.

The Benchmark Indicator is denominated in EUR.

The Benchmark Indicator was developed independently by Finvex Group, which sponsors the index under an agreement with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

The Benchmark Indicator is calculated by S&P-DJ.

The Benchmark Indicator uses a portfolio optimisation method that aims to minimise, subject to constraints, the index’s variance by determining the anticipated volatility on the basis of each security’s compound returns and their anticipated correlations over a medium-term time horizon. This optimisation is applied to a “sustainable” and “socially responsible” investment universe which must first meet specific liquidity criteria. This method also serves to comply with certain sector-weighting constraints relative to the Parent Index and to keep the risk contribution determined for each component below a maximum percentage relative to the Benchmark Indicator’s aggregate risk.



The companies included in the Benchmark Indicator are selected on the basis of long-term economic, environmental and social criteria.

The Dow Jones Sustainability Europe index (the Parent Index) is maintained in collaboration with S&P Dow Jones and RobecoSAM. This index is composed of European companies that are judged to be leaders in terms of sustainable development, as identified by RobecoSAM on the basis of a systematic assessment of their social and environmental responsibility.

The “Dow Jones Sustainability Europe” index measures the performance of equities that are considered to be representative of the European sustainable equities market. The issuers of these equities are selected on the basis of long-term economic, environmental and social criteria and form the largest 20% of the 600 largest sustainable European companies in the Dow Jones Global Total Stock Market index.

The Parent Index components are selected on the basis of a systematic assessment of corporate social and environmental responsibility criteria.

The selection method employed by S&P Dow Jones in collaboration with RobecoSAM assesses CSR performance using a variety of criteria that include efforts to reduce climate change and energy consumption, human resources development and valorisation, knowledge and expertise management, relationships with suppliers and stakeholders, and also a good corporate governance.

Since the Benchmark Indicator is calculated with net dividends reinvested, the dividends paid by each index component are reinvested in the Benchmark Indicator after the deduction of any applicable withholding tax.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator’s components are available at the following Internet site: [www.finvex.com/eng/indices\\_00.php](http://www.finvex.com/eng/indices_00.php)

A description of the Parent Index is available on the Internet at: <http://www.djindexes.com/sustainability/>

#### **Benchmark indicator revision and composition**

The selection of each Benchmark Indicator component is renewed monthly.

The exact composition of the Benchmark Indicator published by S&P DJ is available on the Internet at: [www.finvex.com/eng/indices\\_00.php](http://www.finvex.com/eng/indices_00.php)

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

#### **Benchmark indicator publication**

The Benchmark Indicator is calculated daily at the official closing price of the exchanges where the index constituents are listed. The Benchmark Indicator is also calculated in real-time on each trading day.

The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: N/A

Bloomberg code: RSEUPER

The Benchmark Indicator’s closing price is available on the Internet site: [www.finvex.com](http://www.finvex.com)

#### **Investment strategy:**

##### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European Directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will be exposed to the Benchmark Indicator through an indirect replication method which means that the Compartment will have recourse to the purchase of a basket of balance sheet assets (as defined below), and the conclusion of a forward swap contract traded over-the-counter that will allow the Compartment to achieve its management objective, if relevant, by transforming the exposure to its balance sheet assets into an exposure to the Benchmark Indicator.

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

If relevant, the Compartment will invest mainly in equities, debt securities and money market instruments.

As part of the management of its exposure, the Compartment may be exposed to the equities of a single issuing entity, for up to 20% of its assets. This 20% limit will be verified at each rebalancing date of the Benchmark Indicator, in compliance with method of calculation of the Benchmark Indicator, that limits to 20% the exposure of each equity of a single issuing entity and whose calculation is carried out by the sponsor or the calculation agent of the Benchmark Indicator. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument or of securities from an economic sector represented by the Benchmark Indicator. In particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

In the present case, the manager intends to use primarily the following assets:

## **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios provided for by the regulation, international equities (from all economic sectors, listed on all markets) and also in debt securities and money-market instruments.

Investment in the following is limited to 10% of net assets:

- Investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC,
- French or European AIF approved by the AMF and meeting the criteria of Article R214-13 of the [French] Financial and Monetary Code.

As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

## **3. Off-balance sheet assets (derivative instruments)**

The Compartment may also enter into transactions involving Future Financial Instrument ("FFI") within regulatory limits, and in particular OTC index-linked swaps that swap the value of the Compartment's securities (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps, as specified below.

These future financial instruments (including index-linked swaps) can therefore be negotiated with Société Générale, without prior open competition involving several counterparties. As a result, the Management Company will not commit to a formal, traceable and verifiable procedure for open competition between the counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

## **4. Securities with integrated derivatives**

None.

## **5. Deposits**

The Compartment can have recourse, up to 20% of its net assets, to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

## **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

## **7. Temporary securities acquisition and sale operations**

The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

## **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

### **Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

#### **Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

##### **- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

##### **- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

##### **- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

##### **- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's units or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

##### **- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Exchange risk linked to the Benchmark Indicator**

The Compartment is exposed to an exchange risk to the extent that the underlying securities comprising the Benchmark Indicator could be listed in a currency other than that of the Benchmark Indicator, or be derivatives of securities listed in a currency other than that of the Benchmark Indicator. Fluctuating exchange rates are then likely to negatively affect the Benchmark Indicator monitored by the Compartment.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Legal risk

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:** The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure to the European equity market.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 11 July 2014.*
- *Compartment creation date: 11 August 2014.*

## Activity report

The net asset value of the C-EUR unit of the LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF Compartment shows an evolution of 16.72% over the fiscal year and stands at EUR 135.5612 on 31/10/2017, meaning a fund performance of 35.56% since inception.

The fund replicates the performance of the Finvex SusPortEurET index, listed in euros (EUR), provides exposure to a dynamic allocation of 50 to 60 securities listed on various European exchanges. Each component of this index is selected monthly from an investment universe judged to be “sustainable” and “socially responsible” from among the components of the Parent Index.

This index has shown an evolution of 17.41% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the Finvex SusPortEurET index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Finvex SusPortEurET index.

The equities held as assets by the Compartment will notably be equities that make up the Finvex SusPortEurET index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0154% for the Compartment. The level of the tracking error for the period was of 0.15%.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission *(not audited by the auditor)*

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The “voting policy” document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

This fund applies an ESG selection.

This approach involves the selection or weighting of the best performing or most improved companies or assets as identified by ESG analysis, within a defined investment universe. This approach includes Best-in-Class, best-in-universe, and best-effort.

For ETF funds which aim to track the benchmark index, the description of the ESG approach above applies to the Benchmark Index.

In addition, for indirectly replicated ETF funds, Lyxor applies an exclusion of associated issuers from serious and repeated breaches of regulatory requirements related to controversial sectors and products.

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

The fund / benchmark index (for an ETF fund) includes a selection of top ranked stocks listed within the eligible universe and chosen from among the most advanced companies in terms of social and environmental responsibility and sustainable development.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

The fund provides exposure to a dynamic allocation of top ESG ranked securities listed. Each component of this fund / index is selected from a universe of companies judged to be sustainable and socially responsible from among the components of the Parent Index.

Each member of the fund / index is selected on the basis of corporate social responsibility (CSR) or sustainability criteria.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.



## Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
5.8	6.7	5.1	6.1

Portfolio rated  
Nb Securities rated

100%  
60

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>6.7</b>	<b>28.8%</b>
	Climate Change	8.1	8.0%
	Environmental Opportunities	6.1	6.2%
	Natural Capital	6.2	8.2%
	Pollution & Waste	5.9	4.3%
<b>Social</b>		<b>5.1</b>	<b>44.5%</b>
	Human Capital	5.3	20.3%
	Product Liability	5.0	19.2%
	Social Opportunities	5.4	5.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>6.1</b>	<b>28.8%</b>
	Corporate Behavior	4.8	9.8%
	Corporate Governance	6.8	19.1%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	57%
Average (A, BBB,BB)	43%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	7.0%	2.7%	4.4%					
Consumer Staples	3.7%	1.3%	7.3%	1.4%				
Energy		2.6%	3.9%					
Financials	6.7%	5.8%	2.7%					
Health Care		2.0%	7.4%	2.2%	1.4%			
Industrials	5.0%	4.2%	4.3%	1.1%				
Information Technology	5.0%	2.0%	1.4%					
Materials	1.9%	2.3%						
Real Estate			1.4%					
Telecommunication Services	1.7%	1.3%		1.6%				
Utilities	2.3%		2.1%					

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risk associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	30%
Yellow Flag	21%
Green Flag	49%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	100%
101	153	98	Scope 1 reported (vs estimated)	100%
			Scope2 reported (vs estimated)	99%
			Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	7%
Thermal Coal	0%
Natural Gaz	7%
Oil	7%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	20%
20-49.9%	7%
50-100%	1%

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;

- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	4,974,000
% of assets under management	-	-	-	-	73.77

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	SAP
	Amount	106,645
2	Name	SEB
	Amount	15,840
3	Name	DANONE
	Amount	14,098
4	Name	COVESTRO
	Amount	7,742
5	Name	BNP PARIBAS
	Amount	7,441
6	Name	BOUYGUES
	Amount	6,924
7	Name	LVMH – MOET HENNESSY LOUIS VUITTON
	Amount	6,915
8	Name	CNP ASSURANCES
	Amount	6,751
9	Name	ORANGE
	Amount	6,747
10	Name	SHIMANO
	Amount	6,311

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	4,974,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	185,414
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	185,414

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	179,103
2	Currency		-	-	-	JPY
	Amount		-	-	-	6,311

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	4,974,000
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	4,974,000

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	4,974,000

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	185,414

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The Compartment shall utilise over-the-counter index-linked swaps trading the value of the Compartment's assets (or, as the case may be, any other asset held by the Compartment) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**



## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>6,931,730.70</b>	<b>8,711,575.38</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	6, 774,135.38	8,711,575.38
Not negotiated on a regulated or similar market		-
• <b>BONDS AND SIMILAR SECURITIES</b>	-	-
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market		-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market		-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities		-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions		-
• <b>FINANCIAL CONTRACTS</b>	-	-
Operations on a regulated or similar market	-	-
Other operations	157,595.32	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>0.14</b>	<b>0.10</b>
Liquidity	0.14	0.10
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>6,931,730.84</b>	<b>8,711,575.48</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	6,135,322.70	7,021,978.18
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	645,682.53	1,710,690.42
• Earnings of the fiscal year	-38,189.47	-52,413.46
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>6,742,815.76</b>	<b>8,680,255.14</b>
<b>Financial instruments</b>	<b>185,414.02</b>	<b>26,864.02</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	185,414.02	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	26,864.02
<b>Debts</b>	<b>3,501.06</b>	<b>4,456.32</b>
Future foreign exchange operations	-	-
Other	3,501.06	4,456.32
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>6,931,730.84</b>	<b>8,711,575.48</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	4,974,000.00	7,474,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-39,889,02	-58,544.73
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-39,889,02</b>	<b>-58,544.73</b>
Adjustment of the fiscal year's earnings (V)	1,699,55	6,131.27
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-38,189.47</b>	<b>-52,413.46</b>

## **1. Accounting rules and methods**

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS or AIF operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS or AIF operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.
- Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.60% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros (EUR).

# appendix

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

Capitalisation of all the amounts available for distribution.

# appendix

The Finvex Sustainable Portfolio Europe index (the “Benchmark Indicator”) is registered by the Finvex group. This index or its name may not be used without the Finvex group’s consent. The Benchmark Indicator composition and methodology, which must comply with the rights and rules of S&P Opco LLC and its subsidiaries in respect of the DJSI Europe index, are the exclusive intellectual property of the Finvex group. The Benchmark Indicator and the Dow Jones Sustainability Europe index are calculated by S&P Opco LLC, a subsidiary of S&P Dow Jones Indices LLC.

Dow Jones is a trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”). The products based on these indices are in no way sponsored, approved, sold or promoted by S&P Opco LLC, Dow Jones or their subsidiaries, and S&P Opco LLC, Dow Jones and their subsidiaries express no opinion as to the merits of investing in such a product.

The Benchmark Indicator was developed independently by the Finvex group, with the approval of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A (acting as Rabobank International), the London branch of Rabobank International.

The Benchmark Indicator is the successor of the Rabo Sustainable and Efficient Portfolio Europe index (the “Rabobank Index”) which exists since 1 July 2011. The Benchmark Indicator, or any product based on the Benchmark Indicator, is in no way sponsored, approved, sold or promoted by Rabobank International or its subsidiaries, which under no circumstance represent the Benchmark Indicator nor the merits of investing in any product based on the Finvex index.

The Benchmark Indicator’s performance history is calculated using the Rabobank index and is used with Rabobank International’s permission. The Finvex group confirms that the performance history of the Rabobank index was correctly extracted and accurately reproduced from publically available information sources.

Past performance is not a guide to future performance and potential investors should not rely on the historic performance of the Rabobank Index as assurance of future Finvex index returns. Rabobank International shall not be liable (even in the event of negligence) to any counterparty for an error in the Rabobank Index and shall have no responsibility to inform anyone of such an error.

Although the Finvex index is the successor of the Rabobank Index, it cannot be assured that the Benchmark Indicator and the Rabobank Index will not be managed simultaneously or coexist over a given period.

There can also be no assurance that any or all of the Rabobank Index investment methodologies that the index replicates (including the composition of the Rabobank Index, the formulas used and the calculation methods) will not be modified at some time in the future.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>8,680,255.14</b>	<b>57,440,264.43</b>
Subscriptions (including subscription commission acquired by the Compartment)	626,998.56	6,151,347.24
Redemptions (less the redemption commission acquired by the Compartment)	-3,609,226.68	-54,390,891.31
Capital gains generated on deposits and financial instruments	1,570,540.67	4,328,397.74
Capital losses generated on deposits and financial instruments	-294,653.74	-2,612,718.50
Capital gains generated on financial contracts	13,680,229.08	76,003,390.01
Capital losses generated on financial contracts	-14,357,566.92	-77,656,989.48
Negotiation fees	-	-
Exchange differentials	-23,127.34	728,113.64
Changes to the estimate difference of the deposits and financial instruments:	324,796.67	-1,159,502.23
- <i>Estimate difference fiscal year N</i>	533,219.94	208,423.27
- <i>Estimate difference fiscal year N-1</i>	208,423.27	1,367,925.50
Changes to the estimate difference of financial contracts:	184,459.34	-92,611.67
- <i>Estimate difference fiscal year N</i>	157,595.32	-26,864.02
- <i>Estimate difference fiscal year N-1</i>	-26,864.02	65,747.65
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-39,889.02	-58,544.73
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>6,742,815.76</b>	<b>8,680,255.14</b>



### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	4,974,000.00	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.14
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.14	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	4,974,000.00	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	JPY	CHF	DKK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	48,870.75	36,458.84	94,82	1.86
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	3,501.06
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	3,501.06
-	-
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	4,800	626,998.56	29,800	3,609,226.68
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.60</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
- UCITS securities	-
- Swaps	<b>157,595.32</b>

**3.10 Allocation of the earnings table** (in the Compartment's currency of account)

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-38,189.47	-52,413.46
<b>Total</b>	<b>-38,189.47</b>	<b>-52,413.46</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-38,189.47	-52,413.46
<b>Total</b>	<b>-38,189.47</b>	<b>-52,413.46</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	645,682.53	1,710,690.42
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>645,682.53</b>	<b>1,710,690.42</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	645,682.53	1,710,690.42
<b>Total</b>	<b>645,682.53</b>	<b>1,710,690.42</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	31.10.2014	-
<b>Net assets</b>	<b>6,742,815.76</b>	8,680,255.14	57,440,264.43	52,077,002.09	-
<b>Number of outstanding equities</b>	<b>49,740</b>	74,740	469,000	505,000	-
<b>Net asset value</b>	<b>135,5612</b>	116.1393	122.4739	103.1227	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>12.21</b>	22.18	17.36	-0.96	-

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of units in circulation. This calculation method is applied from 1 January 2013.

Compartment creation date: 11 August 2014.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0000852564	AALBERTS INDUSTRIES	PROPRE	7,681.00	325,251.95	EUR	4.82
DE000A1EWWW0	ADIDAS NOM	PROPRE	1,381.00	263,840.05	EUR	3.91
ES0105046009	AENA SME SA	PROPRE	322.00	50,715.00	EUR	0.75
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	3,719.00	326,342.25	EUR	4.84
DE0008404005	ALLIANZ SE-NOM	PROPRE	1,404.00	279,887.40	EUR	4.15
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	3,415.00	358,745.75	EUR	5.32
NL0010273215	ASML HOLDING N.V.	PROPRE	2,267.00	350,931.60	EUR	5.20
ES0113860A34	BANCO DE SABADELL	PROPRE	21,663.00	37,238.70	EUR	0.55
DE000BASF111	BASF SE	PROPRE	3,461.00	324,018.82	EUR	4.81
DE000BAY0017	BAYER AG	PROPRE	2,684.00	299,802.80	EUR	4.45
DE0005190003	BAYERISCHE MOTORENWERKE	PROPRE	1,228.00	107,450.00	EUR	1.59
FR0000131104	BNP PARIBAS	PGARAN	111.00	7,441.44	EUR	0.11
FR0000120503	BOUYGUES	PGARAN	168.00	6,924.12	EUR	0.10
FR0000120222	CNP ASSURANCES	PGARAN	338.00	6,751.55	EUR	0.10
DE0006062144	COVESTRO AG	PGARAN	94.00	7,741.84	EUR	0.11
DE0006062144	COVESTRO AG	PROPRE	2,549.00	209,935.64	EUR	3.11
DE0007100000	DAIMLER	PROPRE	4,314.00	307,545.06	EUR	4.56
FR0000120644	DANONE	PGARAN	201.00	14,098.14	EUR	0.21
DE0005140008	DEUTSCHE BANK AG-NOM	PROPRE	17,362.00	242,199.90	EUR	3.59
DE0005552004	DEUTSCHE POST AG-NOM	PROPRE	1,057.00	41,561.24	EUR	0.62
AU000000ERA9	ENERGY RES AUST -A-	PROPRE	5.00	1.86	AUD	0.00
NL0011585146	FERRARI NV	PROPRE	1,519.00	156,305.10	EUR	2.32
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	4,471.00	320,615.41	EUR	4.75
NL0000009165	HEINEKEN NV	PROPRE	1,240.00	103,738.40	EUR	1.54
CH001221405E	HOLCIM LTD-NOM EUR	PROPRE	548.00	26,523.20	EUR	0.39



LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
NL0011821202	ING GROUP NV	PROPRE	2,263.00	35,891.18	EUR	0.53
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	4,817.00	77,818.64	EUR	1.15
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	8,263.00	288,833.17	EUR	4.28
FR0000121014	LVMH MOET HENNESSY LOUIS VUITTON SE	PGARAN	27.00	6,914.70	EUR	0.10
JP3899800001	MITSUBISHI MOTORS	PROPRE	7,180.00	48,870.75	JPY	0.72
DK0060336014	NOVOZYMES AS-B	PROPRE	2.00	94.82	DKK	0.00
FR0000133308	ORANGE	PGARAN	479.00	6,746.72	EUR	0.10
DE0007037129	RWE AG	PROPRE	14,399.00	309,002.54	EUR	4.58
DE0007164600	SAP SE	PGARAN	1,092.00	106,644.72	EUR	1.58
DE0007164600	SAP SE	PROPRE	481.00	46,974.46	EUR	0.70
FR0000121709	SEB	PGARAN	99.00	15,840.00	EUR	0.23
JP3358000002	SHIMANO	PGARAN	54.00	6,310.79	JPY	0.09
DE0007236101	SIEMENS AG-NOM	PROPRE	5,332.00	653,170.00	EUR	9.69
DE000A2GS401	SOFTWARE AG	PROPRE	3,413.00	149,182.23	EUR	2.21
CH0008742519	SWISSCOM N	PROPRE	84.00	36,458.84	CHF	0.54
DE0007500001	THYSSENKRUPP AG	PROPRE	7,359.00	168,557.90	EUR	2.50
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	4,113.00	641,216.70	EUR	9.51
<b>Total Equity</b>				<b>6,774,135.38</b>		<b>100.46</b>
<b>Total Investment Securities</b>				<b>6,774,135.38</b>		<b>100.46</b>
<b>Interest rate swap</b>						
SWAP03589588	FEES LEG C EUR LYX E	PROPRE	1.00	3,501.06	EUR	0.05
SWAP03589580	INDEX LEG C EUR LYX	PROPRE	4,974,000.00	6,742,815.60	EUR	100.00
SWAP03589645	VRAC LEG LYX ETF FIN	PROPRE	4,974,000.00	-6,588,721.34	EUR	-97.71
<b>Total Interest rate swap</b>				<b>157,595.32</b>		<b>2.34</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	0.14	EUR	0.00
<b>Total AT BANK OR PENDING</b>				<b>0.14</b>		<b>0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMCALNAVCPA	PROPRE	0.00	-174.52	EUR	-0.00

LYXOR FINVEX SUSTAINABILITY LOW VOLATILITY EUROPE UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
	PRCOMGESTADM	PROPRE	0.00	-3,326.54	EUR	-0.05
<b>Total MANAGEMENT FEES</b>				<b>-3,501.06</b>		<b>-0.05</b>
<b>Total Cash</b>				<b>-3,500.92</b>		<b>-0.05</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02060009	PDC LYXODE0006062144	PGAR1	-7,741.84	-7,741.84	EUR	-0.11
PDC-02060030	PDC LYXODE0007164600	PGAR1	-106,644.72	-106,644.72	EUR	-1.58
PDC-02060003	PDC LYXOFR0000120222	PGAR1	-6,751.55	-6,751.55	EUR	-0.10
PDC-02059997	PDC LYXOFR0000120503	PGAR1	-6,924.12	-6,924.12	EUR	-0.10
PDC-02060014	PDC LYXOFR0000120644	PGAR1	-14,098.14	-14,098.14	EUR	-0.21
PDC-02060018	PDC LYXOFR0000121014	PGAR1	-6,914.70	-6,914.70	EUR	-0.10
PDC-02060036	PDC LYXOFR0000121709	PGAR1	-15,840.00	-15,840.00	EUR	-0.23
PDC-02059991	PDC LYXOFR0000131104	PGAR1	-7,441.44	-7,441.44	EUR	-0.11
PDC-02060024	PDC LYXOFR0000133308	PGAR1	-6,746.72	-6,746.72	EUR	-0.10
PDC-02060042	PDC LYXOJP3358000002	PGAR1	-835,380.00	-6,310.79	JPY	-0.09
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-185,414.02</b>		<b>-2.75</b>
<b>Total Files</b>				<b>-185,414.02</b>		<b>-2.75</b>
<b>Total LYXOR UCITS ETF FINVEX SUSTAINABLE PORTFOLIO EUROP</b>				<b>6,742,815.76</b>		<b>100.00</b>

# LYXOR IBOXX GERMANY 1-3Y (DR) UCITS ETF

**rapport**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR IBOXX GERMANY 1-3Y (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR IBOXX GERMANY 1-3Y (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### **Classification:**

Bonds and other debt securities listed in euros.

The LYXOR Iboxx Germany 1-3Y (DR) UCITS ETF Compartment (the “Compartment”) is continuously exposed to rate securities listed in euros.

The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### **Terms of determination and allocation of amounts available for distribution:**

Class of C-EUR equities: Capitalisation of all the amounts available for distribution.

### **Management objective:**

The Compartment’s management objective is to replicate, downwards and upwards, the evolution of the Markit Iboxx EUR Germany 1-3 Mid Price TCA index (the “Benchmark Indicator”), listed in euros (EUR) while insofar as possible minimizing the tracking error between the Compartment’s performances and those of the Benchmark Indicator. It is representative of the performance of German government bonds having a residual maturity of 1 to 3 years.

The anticipated level of the ex-post tracking error under normal market conditions is 0.08%.

### **Benchmark indicator:**

The Benchmark Indicator is a “Total Return” type index (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator).

The Markit Iboxx EUR Germany 1-3 Mid Price TCA Benchmark Indicator is listed in euros.

The Benchmark Indicator is weighted by volume and provides exposure to German government bonds having a residual maturity of 1 to 3 years.

The Benchmark Indicator is calculated by Markit iBoxx Limited.

The Benchmark Indicator is composed of German government bonds having a residual maturity of 1 to 3 years. The weight of each index component depends on the corresponding bond's market value. The eligibility of each bond is based on the following criteria:

To be included in the Benchmark Indicator a bond must:

- be fixed rate
- have been issued by the German government
- have a minimum issuance size of two billion euros.

The settlement date for Markit indices is T+0 days. The index is calculated using the average price (or “mid price”) between the bid and ask prices. New bonds are included in the Benchmark Indicator at their mid price.

### **Benchmark Indicator revision and composition**

The Benchmark Indicator's composition is revised monthly.

The complete Benchmark Indicator methodology is available on: [www.markit.com/indices](http://www.markit.com/indices).

### **Benchmark Indicator publication**

The Benchmark Indicator price is fixed daily and available through Reuters and Bloomberg.

Reuters code: .IBXXABXD

Bloomberg code: IBXXABXD

The Benchmark Indicator's closing price is available on the Internet site: [www.markit.com/indices](http://www.markit.com/indices)

### **Benchmark Indicator revision and composition**

The Benchmark Indicator is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available on the Markit iBoxx Limited Internet site: [www.markit.com/indices](http://www.markit.com/indices)

### **Investment strategy:**

#### **Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its delegated asset manager, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of 'balance sheet' assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's website at [www.lyxoretf.com](http://www.lyxoretf.com). The frequency of any updates and/or the date on which the aforementioned information is updated is also indicated on the same page of the aforementioned website.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.

Interest rate sensitivity range within which the Compartment is managed:	Between 1 and 3
Currencies in which securities held by the Compartment are listed:	Euro: 100% of net assets Others: 0% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone: 100% of net assets Emerging countries: 0% of net assets

**Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international bond securities.

The investment in undertakings for collective investment in transferable securities (“UCITS”) that comply with Directive 2009/65/EC is limited to 10% of the net asset. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the financial manager by delegation, or a company with which it is linked.

**Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

**Securities with integrated derivatives**

None.

**Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

**Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

**Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities.

- Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.
- Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

For this purpose the management company may appoint an intermediary (hereinafter the “Agent”) to provide the following services in connection with the Compartment’s temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment’s behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment’s behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.

The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.

These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment’s management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment’s gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment’s annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment’s overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment’s annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment’s counterparty risk, and;
- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

### **Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

### **Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment in the event of temporary securities transactions. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

An additional discount may be applied to collateral received in another currency than the euro.

### **Reinvestment of received guarantees:**

Non-cash collateral will not be sold, reinvested or pledged.

At the manager's discretion, cash collateral may either be:

- (a) Deposited in an authorised institution

(b) Invested in high-quality government bonds

(c) Used for reverse repurchases transactions, provided that these are entered into with credit institutions that are subject to prudential supervision and that the UCITS is able to withdraw the total amount of its cash collateral and the accrued interest at any time.

(d) Invested in short-term money market funds that meet the guidelines for a common EU definition of money market funds.

The reinvestment of cash collateral must meet the diversification requirements that apply to non-cash collateral.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument ("FFI")) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- A market maker's violation of the rules applicable to this marketplace, and/or
- A failure of this marketplace's IT or electronic systems.

**Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and derivatives. The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

**Counterparty risk**

The Compartment may use Future Financial Instrument (FFI) on an ancillary basis.

In such a case, the Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter. In compliance with the UCITS regulations, the counterparty risk cannot exceed 10% of the total value of the Compartment's assets by counterparty.



When Société Générale is involved as a counterparty of the FFIs and/or a temporary securities transaction, conflicts of interest can arise between the Compartment's management company and the counterparty. The management company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**Risk arising from temporary securities transactions**

If a borrower of securities defaults on its obligation there could be a risk that the value of the guarantee received by the Compartment is less than the value of the securities lent. This risk could arise, for example, in the event of (i) an inaccurate valuation of the securities lent and/or (ii) unfavourable market movements and/or (iii) the lowering of the credit rating(s) of the issuer(s) of securities taken as guarantee and/or (iv) the illiquidity of the market in which the guarantees received are listed. If cash guarantees are reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Compartment to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of guarantees the Compartment must repay. The Compartment could also fail to receive the securities lent by the date specified, which would diminish its capacity to accommodate investor redemptions.

**Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include:

counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or its FFI's counterparty), the Compartment's net asset value may be affected.

**Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,

vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure, downwards and upwards, to the performance of the German government bonds segment.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers.

The minimum recommended investment period is 3 years.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 29 October 2014.*
- *Mutual fund creation date: 19 November 2014.*

## Activity report

The net asset value of the C-EUR unit of the LYXOR IBOXX GERMANY 1-3Y (DR) UCITS ETF Compartment shows an evolution of -0.54% over the fiscal year and stands at EUR 99.8327 on 31/10/2017, meaning a fund performance of -0.17% since inception.

The fund replicates the performance of the Markit iBoxx EUR Germany 1-3 M index, listed in euros (EUR), is weighted by volume and provides exposure to German government bonds having a residual maturity of 1 to 3 years.

This index has shown an evolution of -0.43% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the Markit iBoxx EUR Germany 1-3 M index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Markit iBoxx EUR Germany 1-3 M index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 1 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0235% for the Compartment. The level of the tracking error for the period was of 0.08%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission (not audited by the auditor)

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2\*)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on [Lyxor website](http://Lyxor.com), [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2\*)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
7.3	4.3	8.4	8.3

Portfolio rated 100%  
Nb Securities rated 14

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.3</b>	<b>25.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>8.4</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>8.3</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	100%
Average (A, BBB,BB)	0%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Industrials								100.0%

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

**LYXOR IBOXX GERMANY 1-3Y (DR) UCITS ETF**  
(compartment of the Multi Units France mutual fund)

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%

Scope 1 & 2 estimations are based on MSCI methodology

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenu dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>

#### **Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the CIU)*

In the course of the fiscal year, the CIU did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>89,651,788.04</b>	<b>103,887,746.58</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	89,651,788.04	103,887,746.58
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>		
	-	-
<b>Receivables</b>	<b>7,981,614.48</b>	<b>6,615,183.28</b>
Future foreign exchange operations	-	-
Other	7,981,614.48	6,615,183.28
<b>Financial accounts</b>	<b>77,793.83</b>	<b>128,260.84</b>
Liquidity	77,793.83	128,260.84
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>97,711,196.35</b>	<b>110,631,190.70</b>



## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	89,761,552.04	103,724,738.71
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-1,475,592.41	-1,358,892.42
• Earnings of the fiscal year	1,363,870.66	1,519,384.47
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>89,649,830.29</b>	<b>103,885,230.76</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>8,061,366.06</b>	<b>6,745,959.94</b>
Future foreign exchange operations	-	-
Other	8,061,366.06	6,745,959.94
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>97,711,196.35</b>	<b>110,631,190.70</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	1,545,216.27	2,336,656.90
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>1,545,216.27</b>	<b>2,336,656.90</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-405.30	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-405.30</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>1,544,810.97</b>	<b>2,336,656.90</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-94,621.61	-89,503.53
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>1,450,189.36</b>	<b>2,247,153.37</b>
Adjustment of the fiscal year's earnings (V)	-86,318.70	-727,768.90
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>1,363,870.66</b>	<b>1,519,384.47</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### Assessment rules

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this assessment.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	Maximum 0.165% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

# appendix

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

Class of C-EUR equities: Capitalisation of all the amounts available for distribution.

# appendix

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>103,885,230.76</b>	<b>142,743,251.99</b>
Subscriptions (including subscription commission acquired by the Compartment)	16,025,636.00	148,701,613.00
Redemptions (less the redemption commission acquired by the Compartment)	-29,771,578.60	-187,689,344.50
Capital gains generated on deposits and financial instruments	442,666.59	1,914,157.42
Capital losses generated on deposits and financial instruments	-1,986,256.15	-3,455,115.84
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	-396,057.67	-576,484.68
- <i>Estimate difference fiscal year N-1</i>	-594,472.06	-198,414.39
	-198,414.39	378,070.29
Changes to the estimate difference of financial contracts:		
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	1,450,189.36	2,247,153.37
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>89,649,830.29</b>	<b>103,885,230.76</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	89,651,788.04	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-



LYXOR IBOXX GERMANY 1-3Y (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	89,651,788.04	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	77,793.83
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	89,651,788.04	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	77,793.83	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>7,981,614.48</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	7,981,614.48
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>8,061,366.06</b>
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	8,052,988.50
Accrued expenses	7,858.73
Miscellaneous debtors and creditors	518.83
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	160,000	16,025,636.00	297,000	29,771,578.60
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the CIU		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.10</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU	-
- other financial instruments	-

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	1,363,870.66	1,519,384.47
<b>Total</b>	<b>1,363,870.66</b>	<b>1,519,384.47</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	1,363,870.66	1,519,384.47
<b>Total</b>	<b>1,363,870.66</b>	<b>1,519,384.47</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	<b>31.10.2017</b>	<b>-</b>
<b>Allocation of the net capital gains and losses</b>	<b>EUR</b>	<b>EUR</b>
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-1,475,592.41	-1,358,892.42
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-1,475,592.41</b>	<b>-1,358,892.42</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-1,475,592.41	-1,358,892.42
<b>Total</b>	<b>-1,475,592.41</b>	<b>-1,358,892.42</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

**3.12 Table of the earnings and other characteristic elements of the Mutual fund during the last 5 fiscal years**

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	-	-
<b>Net assets</b>	<b>89,649,830.29</b>	103,885,230.76	142,743,251.99	-	-
<b>Number of outstanding equities</b>	<b>898.000</b>	1,035,000	1,422,000	-	-
<b>Net asset value</b>	<b>99.8327</b>	100.3722	100.382	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>-0.12</b>	0.15	-21.67	-	-

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Mutual fund creation date: 19 November 2014.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
DE0001141711	BUNDESOBLIGATION 0% 17/04/2020	PROPRE	6,894,370.00	7,015,297.25	EUR	7.83
DE0001141729	BUNDESOBLIGATION 0.25% 16/10/2020	PROPRE	6,549,640.00	6,729,748.15	EUR	7.51
DE0001141687	BUNDESOBLIGATION 1% 22/02/2019	PROPRE	5,515,490.00	5,686,120.00	EUR	6.34
DE0001135374	BUNDESREPUB DEUTSCHLAND 3.75% 04/01/2019	PROPRE	8,273,240.00	8,977,974.41	EUR	10.01
DE0001104693	BUNDESSCHATZANWEISUNGEN 0% 13/09/2019	PROPRE	4,481,330.00	4,545,031.66	EUR	5.07
DE0001104685	BUNDESSCHATZANWEISUNGEN 0% 14/06/2019	PROPRE	4,481,340.00	4,540,040.18	EUR	5.06
DE0001104669	BUNDESSCHATZANWEISUNGEN 0% 14/12/2018	PROPRE	4,481,340.00	4,521,283.08	EUR	5.04
DE0001104677	BUNDESSCHATZANWEISUNGEN 0% 15/03/2019	PROPRE	4,481,340.00	4,531,496.05	EUR	5.05
DE0001135416	GERMANY BUND 2.25% 04/09/2020	PROPRE	5,515,490.00	6,001,098.48	EUR	6.69
DE0001135408	GERMANY BUND 3.00% 04/07/2020	PROPRE	7,583,800.00	8,418,052.93	EUR	9.39
DE0001135390	GERMANY BUND 3.25% 04/01/2020	PROPRE	7,583,800.00	8,455,915.09	EUR	9.43
DE0001135382	GERMANY BUND 3.50% 04/07/2019	PROPRE	8,273,240.00	8,968,122.17	EUR	10.00
DE0001141703	GERMANY 0.25% 11/10/19	PROPRE	5,515,490.00	5,625,785.38	EUR	6.28
DE0001141695	GERMANY 0.5 12/04/2019	PROPRE	5,515,490.00	5,635,823.21	EUR	6.29
<b>Total Bond</b>				<b>89,651,788.04</b>		<b>100.00</b>
<b>Total Investment Securities</b>				<b>89,651,788.04</b>		<b>100.00</b>
<i>Cash</i>						
<i>OTHER</i>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-518.83	EUR	-0.00
<b>Total OTHER</b>				<b>-518.83</b>		<b>-0.00</b>
<i>AT BANK OR PENDING</i>						
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-8,052,988.50	EUR	-8.98
	EUR SGP BANK	PROPRE	0.00	77,793.83	EUR	0.09
	DEF. SALES EUR SECURITIES	PROPRE	0.00	7,981,614.48	EUR	8.90
<b>Total AT BANK OR PENDING</b>				<b>6,419.81</b>		<b>0.01</b>

LYXOR IBOXX GERMANY 1-3Y (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-7,858.73	EUR	-0.01
<i>Total MANAGEMENT FEES</i>				-7,858.73		-0.01
<i>Total Cash</i>				-1,957.75		-0.00
<b>Total LYXOR UCITS ETF IBOXX GERMANY 1-3Y (DR)</b>				<b>89,649,830.29</b>		<b>100.00</b>



# LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF

**rapport**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt securities listed in euros.

The LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF Compartment (the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**C-EUR equities classes:** Capitalisation of all the amounts available for distribution.

**D-EUR equities classes:** The Board of directors reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to replicate, downwards and upwards, the evolution of the “Barclays Euro Corporate FRN 0-7Y Enhanced Duration index” (the “**Benchmark Indicator**”), listed in euros and representative of the performance of corporate floating-rate bonds nominated in euros and having a residual maturity of less than 7 years.

The anticipated level of the ex-post tracking error under normal market conditions is 0.08%.

### Benchmark indicator:

The Benchmark Indicator is a “Total Return” type index (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator).

The Benchmark Indicator is listed in euros.

The Benchmark Indicator is calculated by Barclays Capital.

The Benchmark Indicator provides exposure to floating-rate corporate bonds denominated in euros and having a residual maturity of 1 month to 7 years.

The weight of each index component is proportional to the market value of bonds in circulation, and is then adjusted such that 50% of the index will be invested in eligible securities with a residual maturity of no more than 3 years and the remaining 50% in eligible bonds with a residual maturity of 3 to 7 years inclusive.

To be eligible for the Benchmark Indicator, a bond must meet the following criteria:

- Have a median credit rating of at least BBa3/BBB-/BBB- (“investment grade”), among the Moody's, S&P and Fitch ratings;
- Have a residual maturity of at least 1 month and less than 7 years;
- Have a nominal value in circulation of at least 750 million euros;
- Have been issued less than 2 years ago.
- Be one of the following four types:
  - floating-rate and linked to 3-month Euribor;
  - step-up notes and bonds;
  - callable; and
  - bullet.

Perpetual bonds are not eligible.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available on the Internet site: [www.barcap.com/indices](http://www.barcap.com/indices)

The performance tracked is that of the Benchmark Indicator's closing price at 5 p.m. (CET).

#### **Benchmark Indicator publication**

The Benchmark Indicator price is fixed daily and available through Bloomberg.

Bloomberg code: BFRDTREU

The Benchmark Indicator's closing price is available on the Internet site: [www.barcap.com/indices](http://www.barcap.com/indices)

#### **Benchmark Indicator composition and revision**

The Benchmark Indicator is revised monthly.

The frequency of this rebalancing will have an impact on the Compartment's costs and could therefore diminish its performance.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available on the Barclays Capital's internet site: [www.barcap.com/indices](http://www.barcap.com/indices)

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The financial securities held as assets by the Compartment will notably be bonds issued by eurozone governments having the highest credit quality.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

For more information on the abovementioned eligibility and diversification criteria investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

Information relative to the (i) updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the forward exchange operation entered into by the Compartment, are available on the page dedicated to the Compartment on the site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by a non-sovereign issuing entity.

This 20% limit will be checked at each rebalancing date of the Benchmark Indicator, in compliance with the calculation method of the Benchmark Indicator that limits the exposure of each of components by 20% and whose calculation is ensured by the sponsor or the calculation agent of the benchmark Indicator. This 20% limit may be increased to 35% for a single non-sovereign issuing entity when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant, in case of high volatility of a debt issue, and/or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing entity debt and/or that could affect the credit rating of said issuer, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Interest rate sensitivity range within which the Compartment is managed:	Between 1 and 7
Currencies in which securities held by the Compartment are listed:	Euro: from 0 to 100% of net assets Others: 0% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : 100% of net assets Emerging countries: 0% of net assets

## **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international bond securities.

The aforementioned equities will be bonds chosen on the basis of criteria:

- Of eligibility, in particular:

- o Senior debt,
- o Fixed maturity,
- o Maximum residual maturity,
- o Minimum issuing amount,
- o Requirement of a minimal threshold in S&P rating or equivalent.

- Of diversification, in particular:

- o Issuer (application of ratios applicable to the eligible assets of an UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- o Geographical area,
- o Sector.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities ("CIU") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law. As part of these investments, the Compartment can subscribe to units or equities of CIU managed by the management company, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

## **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the securities held as assets by the Compartment (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator.

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

Any counterparty chosen by the Compartment as counterparty to a contract on future financial instruments should be a first class financial institution authorised for matched principal trading.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

## **4. Securities with integrated derivatives**

None.

## **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

## **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

## **7. Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

## **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at least on a daily basis and assets showing strong price volatility must not be accepted as guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Compartment may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by CIU investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

### **- Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

### **- Reinvestment of received guarantees:**

Received financial guarantees will not be sold, reinvested or pledged.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**- Interest rate risk**

The price of a bond can be affected by unexpected fluctuations of interest rates, which can themselves notably be affected by yield curves. The bonds included in the composition of the Benchmark Indicator are therefore exposed to such fluctuating interest rates. In general, a bond's price increases when interest rates drop, while this price will drop when those of interest rates rise.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for future financial instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment equities on a place of listing can be affected by any suspension that could notably be due to:

- Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- A market maker's violation of the rules applicable to this marketplace, and/or
- A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's management company and the FFI's counterparty. The management company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Index.

These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Risk related to low diversification**

Since the Benchmark indicator to which investors are exposed represents a given region, sector or strategy it may provide less diversification of assets in comparison with a broader index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the Compartment's underlyings.

**- Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing for this Compartment wishes to obtain an exposure upwards or downwards to performance of corporate floating-rate bonds, denominated in euros.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment period is 3 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 16 December 2014.*
- *Compartment creation date: 7 January 2015.*



## Activity report

The net asset value of the C-EUR unit of the LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF Compartment shows an evolution of 0.69% over the fiscal year and stands at EUR 101.0904 on 31/10/2017, meaning a fund performance of 1.09% since inception.

The fund replicates the performance of the Barclays Euro Corp FRN 0-7Y En index, listed in euro (EUR) and is representative of the performance of corporate floating-rate bonds nominated in euros and having a residual maturity of less than 7 years.

This index has shown an evolution of 0.95% over the fiscal year.

This gap between the annual performance of the Compartment and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the Barclays Euro Corp FRN 0-7Y En index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Barclays Euro Corp FRN 0-7Y En index.

The equities held as assets by the Compartment will notably be equities that make up the Barclays Euro Corp FRN 0-7Y En index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 1 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0029% for the Compartment. The level of the tracking error for the period was of 0.08%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission *(not audited by the auditor)*

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.6	6.6	4.7	3.7

Portfolio rated  
Nb Securities rated

99%  
68

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>6.6</b>	<b>15.2%</b>
	Climate Change	7.1	10.0%
	Environmental Opportunities	5.7	2.6%
	Natural Capital	5.8	1.7%
	Pollution & Waste	5.9	0.9%
<b>Social</b>		<b>4.7</b>	<b>50.0%</b>
	Human Capital	4.4	17.7%
	Product Liability	4.7	24.2%
	Social Opportunities	5.0	8.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>3.7</b>	<b>34.9%</b>
	Corporate Behavior	2.1	16.7%
	Corporate Governance	5.2	18.2%

**LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	17%
Average (A, BBB,BB)	70%
Laggards (B,CCC)	13%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary			2.3%	3.7%				
Consumer Staples	1.4%	1.3%	1.5%	1.2%				
Financials	4.3%	6.3%	15.4%	28.2%	15.9%		10.4%	
Health Care							1.3%	
Industrials		1.0%						
Materials		1.0%						
Telecommunication Services	1.8%			1.4%		1.4%		

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	10%
Orange Flag	63%
Yellow Flag	15%
Green Flag	12%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
22	36	35

Portfolio rated by weight	67%
Scope 1 reported (vs estimated)	53%
Scope2 reported (vs estimated)	81%

Scope 1&2 estimations are based on MSCI methodology

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

## LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF (compartment of the Multi Units France mutual fund)

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

Weight of the portfolio

Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gas	0%
Oil	0%

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

Issuer with a revenue dedicated to environmental solutions between:

1-19.9%	3%
20-49.9%	0%
50-100%	0%

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the Compartment)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	839,000,000
% of assets under management	-	-	-	-	98.92

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	DEUTSCHE POST DHL GROUP
	Amount	7,884,334
2	Name	FRENCH STATE
	Amount	241,411

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	839,000,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	8,125,745
Rating or literary	Not applicable				

LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF  
(compartment of the Multi Units France mutual fund)

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	8,125,745

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	EUR
	Amount		-	-	-	8,125,745

**3.4. Maturity of the securities financing operations and total return swaps.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	839,000,000
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

**3.5. Countries where the counterparties are established.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Country	-	-	-	-	FRANCE
	Amount	-	-	-	-	839,000,000

**3.6. Settlement and clearing.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	839,000,000

**4. Data on the reuse of guarantees (collateral).**

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

**5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.**

Number of custodians		1
1	Name	SOCIETE GENERALE
	Amount	8,125,745

**6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.**

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**



## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>856,378,781.08</b>	<b>166,238,041.93</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	848,350,205.05	166,238,041.93
Not negotiated on a regulated or similar market		
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	8,028,576.03	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>50,798,633.47</b>	<b>19,406,315.87</b>
Future foreign exchange operations	-	-
Other	50,798,633.47	19,406,315.87
<b>Financial accounts</b>	<b>0.08</b>	-
Liquidity	0.08	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>907,177,414.63</b>	<b>185,644,357.80</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	872,990,431.76	165,799,738.45
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-23,779,479.07	381,012.20
• Earnings of the fiscal year	-1,062,413.30	-229,280.08
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>848,148,539.39</b>	<b>165,951,470.57</b>
<b>Financial instruments</b>	<b>8,125,744.71</b>	<b>267,049.80</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	8,125,744.71	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	267,049.80
<b>Debts</b>	<b>50,903,130.53</b>	<b>19,425,836.29</b>
Future foreign exchange operations	-	-
Other	50,903,130.53	19,425,836.29
<b>Financial accounts</b>	-	<b>1.14</b>
Current bank accommodations	-	1.14
Loans	-	-
<b>Total liabilities</b>	<b>907,177,414.63</b>	<b>185,644,357.80</b>

## Off-balance sheet commitments

Currency	31.10.2017	31.10.2016
	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	839,000,000.00	165,300,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	108,628.80	-634.76
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>108,628.80</b>	<b>-634.76</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>108,628.80</b>	<b>-634.76</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-678,269.91	-189,292.99
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-569,641.11</b>	<b>-189,927.75</b>
Adjustment of the fiscal year's earnings (V)	-492,772.19	-39,352.33
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-1,062,413.30</b>	<b>-229,280.08</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities. The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the responsibility of the management company.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the responsibility of the management company.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the “Financial instruments” item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the “Other temporary operations” item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract’s nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document “KIID”.

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.165% per year
Transactions commissions	Collection on each transaction	None
Outperformance commissions	Net assets	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in CIU.

#### Accounting currency

The Compartment’s accounting is carried out in euro.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future chnge: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**C-EUR equities classes:** Capitalisation of all the amounts available for distribution.

**D-EUR equities classes:** The Board of directors reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

Barclays Bank PLC or Barclays Capital Inc. and its affiliated companies (hereinafter "Barclays") did not create or issue the LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF fund and Barclays has no responsibility, obligation or duty with respect to the investors in the LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF fund.

The Barclays Euro Corporate FRN 0-7Y Enhanced Duration index is a trademark of Barclays Bank PLC and is used under a license granted to LYXOR International Asset Management, which is the issuer of the LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF fund. Although Lyxor International Asset Management can in its name enter into transactions with Barclays that are directly or indirectly related to the Barclays Euro Corporate FRN 0-7Y Enhanced Duration index in relation to the LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF fund, investors who purchase shares of Lyxor International Asset Management's LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF fund will never acquire any interest in Barclays Euro Corporate FRN 0-7Y Enhanced Duration index and do not enter into any relationship with Barclays simply because they are invested in the LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF Fund. The LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF fund is not sponsored, approved, sold or promoted by Barclays and Barclays makes no representation whatsoever as to any benefit to be gained From investing in the LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF fund, from using the Barclays Euro Corporate FRN 0-7Y Enhanced Duration index, or from using any data in this index. Barclays shall under no circumstance be held liable to the issuer, investors or any third party for the use or accuracy of the Barclays Euro Corporate FRN 0-7Y Enhanced Duration index or of any data it may contain.

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>165,951,470.57</b>	<b>129,860,774.96</b>
Subscriptions (including subscription commission acquired by the Compartment)	817,733,432.00	132,578,612.10
Redemptions (less the redemption commission acquired by the Compartment)	-139,356,605.60	-97,022,681.00
Capital gains generated on deposits and financial instruments	33,551,524.04	10,542,389.16
Capital losses generated on deposits and financial instruments	-38,121,300.63	-6,877,047.04
Capital gains generated on financial contracts	1,036,010,528.73	321,941,772.57
Capital losses generated on financial contracts	-1,040,895,545.39	-324,599,852.94
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	5,549,050.95	-314,261.11
- <i>Estimate difference fiscal year N</i>	6,715,049.10	1,165,998.15
- <i>Estimate difference fiscal year N-1</i>	1,165,998.15	1,480,259.26
Changes to the estimate difference of financial contracts:	8,295,625.83	31,691.62
- <i>Estimate difference fiscal year N</i>	8,028,576.03	-267,049.80
- <i>Estimate difference fiscal year N-1</i>	-267,049.80	-298,741.42
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-569,641.11	-189,927.75
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>848,148,539.39</b>	<b>165,951,470.57</b>



### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	520,381,931.11	-
Variable-rate bonds	272,941,229.04	-
Zero coupon bonds	55,027,044.90	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable European Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable European Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable European Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	839,000,000.00	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	542,175,472.30	272,941,229.04	33,233,503.71	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.08
<b>Liabilities</b>				
Temporary financial securities operations	8,125,744.71	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	839,000,000.00

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	14,467,845.32	53,335,366.23	324,294,945.09	164,834,531.28	291,417,517.13
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.08	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	8,125,744.71	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	839,000,000.00	-	-	-	-

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### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>50,798,633.47</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	50,798,633.47
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>50,903,130.53</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	49,470,309.02
Account payable	1,328,324.45
Accrued expenses	104,497.06
-	-
-	-
Other operations	-

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### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year:				
EQUITY C-EUR / FR0012386696	8,120,000	817,733,432.00	1,383,000	139,356,605.60
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-EUR / FR0012386696				
Remittances by equity category:		Amount		Amount
EQUITY C-EUR / FR0012386696				
Commissions acquired by the Compartment by equity category:		Amount		Amount
EQUITY C-EUR / FR0012386696				

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-EUR / FR0012386696	0.15
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY C-EUR / FR0012386696	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU	-
	- other financial instruments	<b>8,028,576.03</b>

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**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>	-	-	-	-	-

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	31.10.2017	31.10.2016
Allocation of the earnings	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-1,062,413.30	-229,280.08
<b>Total</b>	<b>-1,062,413.30</b>	<b>-229,280.08</b>

EQUITY C-EUR / FR0012386696	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-1,062,413.30	-229,280.08
<b>Total</b>	<b>-1,062,413.30</b>	<b>-229,280.08</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-



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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-23,779,479.07	381,012.20
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-23,779,479.07</b>	<b>381,012.20</b>

EQUITY C-EUR / FR0012386696	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-23,779,479.07	381,012.20
<b>Total</b>	<b>-23,779,479.07</b>	<b>381,012.20</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
Compartment creation date: 7 January 2015.

Currency					
EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	-	-
<b>Net assets</b>	<b>848,148,539.39</b>	165,951,470.57	129,860,774.96	-	-

EQUITY C-EUR / FR0012386696		Currency of the equity and of the NAV: EUR			
	<b>31.10.2017</b>	31.10.2016	30.10.2015	-	-
<b>Number of circulating equities</b>	<b>8,390,000</b>	1,653,000	1,299,000	-	-
<b>Net asset value</b>	<b>101.0904</b>	100.3941	99.9698	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>-2.96</b>	0.09	2.77	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
XS1520899532	ABBVIE INC 1.375% 17/05/2024	PROPRE	875,000.00	910,364.38	EUR	0.11
ES0211845302	ABERTIS INFRAESTRUCTURAS 1.375% 20/05/2026	PROPRE	600,000.00	607,325.05	EUR	0.07
XS1040422526	ABN AMRO BANK NV FRN 06/03/2019	PROPRE	8,500,000.00	8,598,393.88	EUR	1.01
XS1218821756	ABN AMRO BANK NV 1.00% 16/04/2025	PROPRE	6,000.00	6,188.91	EUR	0.00
XS0937858271	ABN AMRO BANK 2.5% 29/11/2023	PROPRE	387,000.00	444,829.68	EUR	0.05
XS0765299572	ABN AMRO BANK 4.125% 28/03/2022	PROPRE	373,000.00	447,176.65	EUR	0.05
DE0001108595	ALLEMAGNE 0% 04/07/2042 STRIPS	PROPRE	18,819,992.00	14,070,578.82	EUR	1.66
BE6285450449	ANHEUSER-BUSCH INBEV NV FRN 17/03/2020	PROPRE	73,000.00	74,218.83	EUR	0.01
BE6276038419	ANHEUSER-BUSCH INBEV VN VAR 19/10/2018	PROPRE	1,237,000.00	1,240,562.56	EUR	0.15
XS1381693248	AP MOELLER MAERSK AS 1.75% 18/03/2021	PROPRE	874,000.00	928,327.36	EUR	0.11
XS1135337498	APPLE INC 1.625% 10/11/2026	PROPRE	1,741,000.00	1,896,147.19	EUR	0.22
XS1405780963	ASML HOLDING NV 1.375% 7/7/2026	PROPRE	259,000.00	271,294.78	EUR	0.03
XS1629866606	AT AND T INC FRN 04/09/2023	PROPRE	100,000.00	103,040.44	EUR	0.01
XS1558491855	ATLANTIA SPA 1.625% 03/02/2025	PROPRE	2,206,000.00	2,305,136.73	EUR	0.27
XS1645722262	ATLANTIA SPA 1.875% 13/07/2027	PROPRE	100,000.00	102,956.84	EUR	0.01
XS1144086110	AT&T INC 1.45% 01/06/2022	PROPRE	300,000.00	316,382.34	EUR	0.04
AT0000A1VGK0	AUSTRIA 0.5% 20/04/2027	PROPRE	10,040,000.00	10,039,346.71	EUR	1.18
AT0000A12B06	AUSTRIA 1.15% 19/10/2018	PROPRE	820,000.00	834,781.40	EUR	0.10
XS1602557495	BANK OF AMERICA CORP FRN 04/05/2023	PROPRE	1,000,000.00	1,015,477.50	EUR	0.12
XS1458405112	BANK OF AMERICA CORP FRN 26/7/2019	PROPRE	204,000.00	205,566.32	EUR	0.02
XS1687279841	BANK OF AMERICA FRN 21/09/2021	PROPRE	164,000.00	164,160.99	EUR	0.02
XS1694774420	BANK OF NOVA SCOTIA FRN 05/10/2022	PROPRE	3,000,000.00	3,055,020.00	EUR	0.36
XS1426782170	BANQUE FED CRED MUTUEL FRN 03/06/2020	PROPRE	4,100,000.00	4,146,067.95	EUR	0.49
XS1346986752	BANQUE FED CRED MUTUEL FRN 19/01/2018	PROPRE	2,500,000.00	2,502,075.00	EUR	0.30
XS1578083625	BARCLAYS BANK PLC FRN 13/03/2019	PROPRE	15,535,000.00	15,610,979.10	EUR	1.84

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
XS1116480697	BARCLAYS BK 1.5% 01/04/2022	PROPRE	449,000.00	471,881.32	EUR	0.06
XS0883560715	BASF SE 1.875% 04/02/2021	PROPRE	1,453,000.00	1,571,152.49	EUR	0.19
DE000A1R0XG3	BASF SE 2% 05/12/22	PROPRE	5,507,000.00	6,158,735.72	EUR	0.73
XS1664643746	BAT CAPITAL CORP FRN 16/08/2021	PROPRE	100,000.00	100,790.05	EUR	0.01
XS1203859928	BAT INTERNATIONAL FINANCE PLC 1.25% 13/03/2027	PROPRE	207,000.00	208,126.85	EUR	0.02
XS1023268573	BAYER AG 1.875% 25/01/2021	PROPRE	3,433,000.00	3,691,144.20	EUR	0.44
XS1016720853	BBVA SENIOR FINANCE 2.375% 22/01/19	PROPRE	100,000.00	104,964.95	EUR	0.01
BE0000339482	BELGIUM KINGDOM 0.2% 22/10/2023	PROPRE	17,274,568.00	17,525,572.21	EUR	2.07
BE0000344532	BELGIUM KINGDOM 1.45% 22/06/2037	PROPRE	216,413.00	221,832.53	EUR	0.03
BE0000318270	BELGIUM 3.75% 28/09/2020	PROPRE	7,893,408.00	8,925,793.86	EUR	1.05
BE0000315243	BELGIUM 4.00% 28/03/2019	PROPRE	16,636,181.83	18,131,441.85	EUR	2.14
BE0000324336	BELGIUM 4.50% 28/03/2026	PROPRE	18,756,132.00	25,811,063.49	EUR	3.04
XS1046498157	BFCM 0 03/20/19	PROPRE	1,000,000.00	1,010,447.03	EUR	0.12
DE000A1ZZ010	BMW US CAPITAL LLC 0.625% 20/04/2022	PROPRE	532,000.00	546,838.10	EUR	0.06
DE000A1Z6M12	BMW US CAPITAL LLC 1.125% 18/09/2021	PROPRE	2,323,000.00	2,426,773.02	EUR	0.29
XS0562852375	BNP PAR 3.75% 25/11/2020	PROPRE	987,000.00	1,137,499.72	EUR	0.13
XS1167154654	BNP PARIBAS FRN 15/01/2020	PROPRE	6,370,000.00	6,422,033.52	EUR	0.76
XS1069282827	BNP PARIBAS FRN 20/05/2019	PROPRE	6,360,000.00	6,418,372.96	EUR	0.76
XS1345331299	BNP PARIBAS 1.125% 15/01/2023	PROPRE	758,000.00	796,274.59	EUR	0.09
XS0895249620	BNP PARIBAS 2.875% 26/09/23	PROPRE	2,499,000.00	2,858,754.50	EUR	0.34
XS0635033631	BNP PARIBAS 4.125% 14/01/2022	PROPRE	1,729,000.00	2,082,770.69	EUR	0.25
FR0013222494	BOUYGUES SA 1.375% 07/06/2027	PROPRE	600,000.00	622,899.21	EUR	0.07
XS1190974011	BP CAPITAL MARKETS PLC 1.573% 16/02/2027	PROPRE	484,000.00	512,375.39	EUR	0.06
XS1109741246	BRITISH SKY BROADCASTING 1.5% 15/09/2021	PROPRE	13,090,000.00	13,725,357.22	EUR	1.62
XS1377680381	BRITISH TELECOMMUNICATION 0.625% 10/03/2021	PROPRE	730,000.00	745,226.50	EUR	0.09
IT0005106049	BTPS 0.25% 15/05/2018	PROPRE	2,000.00	2,009.43	EUR	0.00
DE0001108546	BUND STRIP 0% 04/07/40	PROPRE	5,234,431.00	4,061,264.15	EUR	0.48
DE0001143444	BUND STRIP 0% 04/07/41	PROPRE	1,542,818.00	1,176,799.86	EUR	0.14
DE0001142537	BUND 0% 04/01/20 STRIPS	PROPRE	2,547,928.00	2,585,650.07	EUR	0.30
DE0001135143	BUND 6.25% 04/01/30	PROPRE	13,043,971.00	22,537,012.15	EUR	2.66

**LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
IT0003540389	BUONI TP STRIP 0% 01/08/2033	PROPRE	781,406.00	513,473.60	EUR	0.06
FR0010137554	CADES I 1.85% 25/07/19 *EUR	PROPRE	14,576,000.00	18,109,651.03	EUR	2.14
ES0414970402	CAIXA 4.625% 04/06/19	PROPRE	11,650,000.00	12,778,402.24	EUR	1.51
XS1086835979	CARREFOUR SA 1.75% 15/07/2022	PROPRE	259,000.00	277,976.66	EUR	0.03
XS0529414319	CARREFOUR 3.875% 25/04/2021	PROPRE	50,000.00	57,697.12	EUR	0.01
XS0499243300	CARREFOUR 4% 09/04/20 *EUR	PROPRE	2,986,000.00	3,352,128.19	EUR	0.40
XS1492691008	CELANESE US HOLDINGS LLC 1.125% 26/09/2023	PROPRE	100,000.00	101,474.54	EUR	0.01
XS1577586321	CIE DE SANINT GOBAIN 1.00% 17/03/2025	PROPRE	900,000.00	920,521.23	EUR	0.11
XS1135549167	CITIGROUP INC FRN 11/11/2019	PROPRE	1,671,000.00	1,686,426.39	EUR	0.20
XS1417876759	CITIGROUP INC FRN 24/05/2021	PROPRE	1,180,000.00	1,205,949.51	EUR	0.14
XS0197646218	CITIGROUP INC 5% 02/08/2019	PROPRE	1,866,000.00	2,058,800.23	EUR	0.24
XS1574667124	COCA-COLA CO/THE VAR 08/03/2019	PROPRE	100,000.00	100,452.50	EUR	0.01
DE000CZ302M3	COMMERZBANK 4% 16/09/2020	PROPRE	770,000.00	861,688.28	EUR	0.10
XS1218287230	CRED SUIS GP FUN LTD 1.25% 14/04/2022	PROPRE	876,000.00	911,966.64	EUR	0.11
FR0011182542	CREDIT MUTUEL CIC HOME LOAN 4.125% 19/01/24	PROPRE	500,000.00	636,882.47	EUR	0.08
XS1319598188	CREDIT SUISSE AG LONDON FRN 10/11/2017	PROPRE	1,147,000.00	1,147,496.65	EUR	0.14
XS1121919333	CREDIT SUISSE LONDON FRN 16/10/2019	PROPRE	9,294,000.00	9,373,669.46	EUR	1.11
XS1074053130	CREDIT SUISSE LONDON 1.375% 29/11/2019	PROPRE	1,363,000.00	1,423,214.45	EUR	0.17
XS0444030646	CREDIT SUISSE LONDON 4.75% 05/08/2019	PROPRE	11,002,000.00	12,084,180.83	EUR	1.42
DE000A2GSCY9	DAIMLER AG FRN 03/07/2024	PROPRE	1,100,000.00	1,106,259.92	EUR	0.13
DE000A2AAL15	DAIMLER AG FRN 09/03/2018	PROPRE	100,000.00	100,165.17	EUR	0.01
DE000A169GZ7	DAIMLER AG FRN 12/01/2019	PROPRE	8,200,000.00	8,238,845.45	EUR	0.97
DE000A169G15	DAIMLER AG 1.4% 12/01/2024	PROPRE	438,000.00	469,965.99	EUR	0.06
FR0011361948	DANONE 1.125% 27/11/2017	PROPRE	300,000.00	303,463.34	EUR	0.04
XS1139303736	DANSKE BANK A/S FRN 19/11/2018	PROPRE	6,306,000.00	6,329,064.72	EUR	0.75
DE0001143238	DBR STRIP 0% 04/07/20	PROPRE	4,231,210.00	4,302,675.14	EUR	0.51
DE0001142578	DBR 0% STRIP 04/01/24	PROPRE	1,395,257.00	1,396,966.19	EUR	0.16
DE0001142594	DBR 0% STRIP 04/01/26	PROPRE	1,125,418.00	1,102,875.88	EUR	0.13
DE000DL19TQ2	DEUTSCHE BANK AG FRN 16/05/2022	PROPRE	1,000,000.00	1,016,895.50	EUR	0.12
XS1388661651	DEUTSCHE POST AG 0.375% 01/04/2021	PGARAN	7,750,000.00	7,884,333.51	EUR	0.93

**LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF**  
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XS1388661651	DEUTSCHE POST AG 0.375% 01/04/2021	PROPRE	3,159,000.00	3,213,820.98	EUR	0.38
XS1382791892	DEUTSCHE TELEKOM INT FIN FRN 03/04/2020	PROPRE	5,798,000.00	5,837,655.10	EUR	0.69
XS0748631164	EIB 2.625% 16/03/2020	PROPRE	7,545,000.00	8,232,070.44	EUR	0.97
XS1176079843	ENEL FINANCE INTL NV 1.966% 27/01/2025	PROPRE	8,668,000.00	9,506,176.36	EUR	1.12
XS0827692269	ENEL FINANCE 4.875% 11/03/2020	PROPRE	300,000.00	345,069.16	EUR	0.04
XS0452187916	ENEL FINANCE 5% 14/09/22	PROPRE	11,965,000.00	14,805,459.04	EUR	1.75
XS0306646042	ENEL 5.625% 21/06/27	PROPRE	1,856,000.00	2,630,844.15	EUR	0.31
XS0996354956	ENI SPA 2.625% 22/11/2021	PROPRE	500,000.00	564,250.82	EUR	0.07
XS0970852348	ENI SPA 3.75% 12/09/2025	PROPRE	7,225,000.00	8,811,138.40	EUR	1.04
XS0361244667	E.ON INTL FIN 5.75 07/05/20	PROPRE	500,000.00	589,201.82	EUR	0.07
XS1616411036	E.ON SE 0.375% 23/08/2021	PROPRE	57,000.00	57,786.85	EUR	0.01
XS1616411119	E.ON SE 1.625% 22/05/2029	PROPRE	262,000.00	271,100.93	EUR	0.03
EU000A1U9951	EURO STABILITY MECHANISM 0.125% 22/04/2024	PROPRE	879,477.00	881,521.24	EUR	0.10
XS1555331617	EUROPEAN INVESTMENT BANK 0.5% 15/01/2027	PROPRE	2,605,000.00	2,619,377.82	EUR	0.31
XS1612977717	EUROPEAN IVESTMENT BANK 1.125% 13/04/2033	PROPRE	1,783,000.00	1,813,372.92	EUR	0.21
DE000A185QA5	EVONIK FINANCE BV 0.375% 07/09/2024	PROPRE	885,000.00	872,698.80	EUR	0.10
XS1170787797	EVONIK INDUSTRIES AG 1% 23/01/2023	PROPRE	1,494,000.00	1,563,334.19	EUR	0.18
XS1598835822	FCA BANK SPA IRELAND 1.00% 15/11/2021	PROPRE	1,804,000.00	1,864,509.12	EUR	0.22
XS1319814064	FEDEX CORP 0.5% 09/04/2020	PROPRE	500,000.00	507,737.81	EUR	0.06
FR0012558310	FRANCE GOVT I 0.1% 01/03/2025	PROPRE	500,918.00	549,697.96	EUR	0.06
FR0011237643	FRANCE I 0.25% 25/07/2018	PROPRE	6,021,191.00	6,483,524.13	EUR	0.76
FR0000186413	FRANCE I 3.40% 25/07/2029	PROPRE	18,410.00	35,097.30	EUR	0.00
FR0013232485	FRANCE 0% 25/02/2020	PROPRE	15,390,787.00	15,606,258.02	EUR	1.84
FR0013283686	FRANCE 0% 25/03/2023	PGARAN	240,000.00	241,411.20	EUR	0.03
XS1551446880	GAS NATURAL FENOSA FINAN 1.375% 19/01/2027	PROPRE	800,000.00	819,997.32	EUR	0.10
XS1612543121	GENERAL ELECTRIC CO 1.50% 17/05/2029	PROPRE	3,934,000.00	4,014,824.84	EUR	0.47
XS1238902057	GENERAL ELECTRIC CO 1.875% 28/05/2027	PROPRE	454,000.00	491,737.13	EUR	0.06
DE0001030575	GERMANY I 0.1% I 15/04/2046	PROPRE	1,766,814.07	2,096,671.42	EUR	0.25
DE0001030526	GERMANY I 1.75% 15/04/2020	PROPRE	4,905,595.00	5,958,861.87	EUR	0.70
DE0001142529	GERMANY 0% 04/01/2019	PROPRE	1,222,830.00	1,233,853.81	EUR	0.15

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DE0001142552	GERMANY 0% 04/01/2022	PROPRE	1,206,143.00	1,226,249.40	EUR	0.14
DE0001142628	GERMANY 0% 04/01/2029	PROPRE	1,235,068.00	1,155,480.22	EUR	0.14
DE0001142636	GERMANY 0% 04/01/2030	PROPRE	544,703.00	502,845.30	EUR	0.06
DE0001142164	GERMANY 0% 04/01/2031	PROPRE	923,526.00	839,328.13	EUR	0.10
DE0001142263	GERMANY 0% 04/01/2037	PROPRE	9,606,472.00	7,911,890.34	EUR	0.93
DE0001108538	GERMANY 0% 04/07/2018	PROPRE	824,232.28	828,485.32	EUR	0.10
DE0001143311	GERMANY 0% 04/07/2028	PROPRE	4,725,879.00	4,440,719.46	EUR	0.52
DE0001143352	GERMANY 0% 04/07/2032	PROPRE	1,322,709.00	1,172,310.37	EUR	0.14
DE0001143378	GERMANY 0% 04/07/2034	PROPRE	1,000.00	855.75	EUR	0.00
DE0001143386	GERMANY 0% 04/07/2035	PROPRE	397,828.00	335,506.25	EUR	0.04
XS1147600305	GLAXOSMITHKLINE 0.625% 02/12/2019	PROPRE	1,085,000.00	1,109,994.39	EUR	0.13
XS1289966134	GOLDMAN SACHS FRN 11/09/2018	PROPRE	3,485,000.00	3,503,774.47	EUR	0.41
XS1365255907	GOLDMAN SACHS GROUP INC FRN 18/12/2017	PROPRE	1,147,000.00	1,148,610.10	EUR	0.14
XS1458408306	GOLDMAN SACHS GROUP INC FRN 27/07/2021	PROPRE	16,876,000.00	17,289,402.93	EUR	2.04
XS1402235060	GOLDMAN SACHS GROUP INC FRN 29/04/2019	PROPRE	4,609,000.00	4,648,571.72	EUR	0.55
XS1240146891	GOLDMAN SACHS GROUP INC FRN 29/05/2020	PROPRE	2,233,000.00	2,259,527.73	EUR	0.27
XS1130101931	GOLDMAN SACHS GROUP INC FRN 29/10/19	PROPRE	2,981,000.00	3,012,018.63	EUR	0.36
XS1589406633	GOLDMAN SACHS GROUP INC FRN 31/12/2018	PROPRE	2,417,000.00	2,427,196.65	EUR	0.29
XS1362373570	GOLDMAN SACHS GROUP INC 0.75% 10/05/2019	PROPRE	1,670,000.00	1,699,277.50	EUR	0.20
XS0963375232	GOLDMAN SACHS GROUP INC 2.625% 19/08/2020	PROPRE	5,020,000.00	5,413,612.35	EUR	0.64
XS1529515584	HEIDELBERGCEMENT AG 1.5% 07/02/2025	PROPRE	95,000.00	100,335.64	EUR	0.01
XS1425274484	HEIDELBERGCEMENT AG 2.25% 03/06/2024	PROPRE	483,000.00	531,688.75	EUR	0.06
XS1387174375	HEIDELBERGCEMENT AG 2.25% 30/03/2023	PROPRE	1,159,000.00	1,278,639.76	EUR	0.15
XS1401174633	HEINEKEN NV 1% 04/05/2026	PROPRE	1,112,000.00	1,129,893.53	EUR	0.13
XS1366026323	HONEYWELL INTERNATIONAL FRN 22/02/2018	PROPRE	100,000.00	100,179.70	EUR	0.01
FR0013062684	HSBC FRANCE FRN 27/11/2019	PROPRE	5,700,000.00	5,762,558.45	EUR	0.68
XS1379182006	HSBC HOLDINGS PLC 1.5% 15/03/2022	PROPRE	4,274,000.00	4,532,894.33	EUR	0.53
XS1398476793	IBERDROLA INTL BV 1.125% 21/04/2026	PROPRE	300,000.00	306,123.08	EUR	0.04
FR0013143351	IMERYSA SA 1.875% 31/03/2028	PROPRE	200,000.00	212,641.18	EUR	0.03
XS1040508167	IMPERIAL TOBACCO FINANCE 2.25% 26/02/2021	PROPRE	549,000.00	594,261.93	EUR	0.07

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XS1595704872	INNOGY FINANCE BV 1% 13/04/2025	PROPRE	1,194,000.00	1,226,383.24	EUR	0.14
XS0496716282	ITALCEMENTI MULTICPON 19/03/20	PROPRE	263,000.00	305,352.30	EUR	0.04
XS1551917591	ITALGAS SPA 1.625% 19/01/2027	PROPRE	518,000.00	551,906.93	EUR	0.07
IT0005221285	ITALIAN R CTZ 0% 28/12/2018	PROPRE	24,000.00	24,081.84	EUR	0.00
IT0005175598	ITALIAN REPUBLIC 0.45% 01/06/2021	PROPRE	115,000.00	116,226.87	EUR	0.01
IT0005030504	ITALIE 1.5% 01/08/19	PROPRE	1,000.00	1,034.63	EUR	0.00
IT0003934657	ITALY BTP 4.00% 01/02/2037	PROPRE	5,146,000.00	6,307,008.08	EUR	0.74
IT0004848534	ITALY BTPS HYBRD 0% 01/02/33	PROPRE	18,617.76	12,606.09	EUR	0.00
IT0003268676	ITALY BTPS STRIP 0% 01/02/21	PROPRE	229,007.30	227,363.03	EUR	0.03
IT0003269021	ITALY BTPS STRIP 01/02/2032	PROPRE	272,975.00	188,319.99	EUR	0.02
IT0003268726	ITALY BTPS STRIP 01/02/22	PROPRE	2,937,373.00	2,862,984.03	EUR	0.34
IT0004002835	ITALY BTPS STRIP 01/02/36	PROPRE	5,053.00	3,010.91	EUR	0.00
IT0003269013	ITALY BTPS STRIP 01/08/2031	PROPRE	309,208.34	218,661.32	EUR	0.03
IT0004848617	ITALY BTPS 0% 01/02/2020 STRIP	PROPRE	875,000.00	877,594.38	EUR	0.10
IT0001247334	ITALY BTPS 0% 01/05/2024	PROPRE	654,978.88	604,709.25	EUR	0.07
IT0001247276	ITALY BTPS 0% 01/05/21	PROPRE	0.02	0.02	EUR	0.00
IT0003269039	ITALY BTPS 0% 01/08/2032	PROPRE	353,000.00	240,371.82	EUR	0.03
IT0003268858	ITALY BTPS 0% 01/08/26	PROPRE	485,524.98	416,128.89	EUR	0.05
IT0003268841	ITALY STRIP 0% 01/02/26	PROPRE	125,000.00	108,751.88	EUR	0.01
IT0003268874	ITALY STRIP 0% 01/02/27	PROPRE	1,362,301.00	1,143,644.88	EUR	0.13
IT0003268882	ITALY STRIP 0% 01/08/27	PROPRE	652,438.00	535,847.33	EUR	0.06
IT0003268833	ITALY 0% STRIP 01/08/25	PROPRE	125,000.00	110,737.50	EUR	0.01
IT0003268775	ITALY 0% 01/02/2023	PROPRE	606,750.00	579,667.71	EUR	0.07
IT0003268825	ITALY 0% 01/02/2025 STRIPS	PROPRE	678,100.00	610,096.74	EUR	0.07
IT0003268890	ITALY 0% 01/02/2028	PROPRE	839.00	677.56	EUR	0.00
IT0003268924	ITALY 0% 01/02/2029	PROPRE	1,125,358.00	877,565.42	EUR	0.10
IT0001247219	ITALY 0% 01/05/2018	PROPRE	0.41	0.41	EUR	0.00
IT0003268742	ITALY 0% 01/08/2022	PROPRE	428,886.00	413,804.22	EUR	0.05
IT0003268908	ITALY 0% 01/08/2028	PROPRE	125,000.00	99,545.63	EUR	0.01
IT0003268932	ITALY 0% 01/08/2029	PROPRE	324,503.00	247,882.97	EUR	0.03



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IT0003268973	ITALY 0% 01/08/2030	PROPRE	125,000.00	91,940.00	EUR	0.01
IT0003268817	ITALY 0% 2024 STRIPS	PROPRE	125,000.00	114,190.00	EUR	0.01
IT0004957574	ITALY 3.5% 01/12/2018	PROPRE	131,000.00	138,363.74	EUR	0.02
FR0013179553	JCDECAUX SA 1% 01/06/2023	PROPRE	300,000.00	308,998.25	EUR	0.04
XS1615079974	JP MORGAN CAHSE & CO VAR 18/05/2028	PROPRE	5,177,000.00	5,377,061.48	EUR	0.63
XS1064100115	JP MORGAN CHASE & CO FRN 07/05/2019	PROPRE	5,919,000.00	5,973,927.83	EUR	0.70
XS1432608286	JP MORGAN CHASE BANK NA FRN 14/06/2018	PROPRE	2,060,000.00	2,064,377.50	EUR	0.24
XS1174472511	JPMORGAN CHASE & CO FRN 27/01/2020	PROPRE	107,000.00	108,160.04	EUR	0.01
XS1456422135	JPMORGAN CHASE CO 0.625% 25/01/2024	PROPRE	915,000.00	917,805.98	EUR	0.11
BE0002281500	KBC GROUP NV FRN 24/11/2022	PROPRE	1,100,000.00	1,113,042.33	EUR	0.13
DE000A1R0709	KFW 1.5% 11/06/2024	PROPRE	137,000.00	150,512.01	EUR	0.02
NL0011613906	KINGDOM OF THE NETHERLANDS 0% 15/01/2022	PROPRE	4,767,167.00	4,818,128.02	EUR	0.57
NL0011613963	KINGDOM OF THE NETHERLANDS 0% 15/01/2027	PROPRE	119,054.00	113,309.64	EUR	0.01
XS0795453769	LANDWIRTSCH RENTENBANK 1.625% 01/10/2019	PROPRE	775,000.00	808,840.11	EUR	0.10
XS0828235225	LINDE AG 1.75% 17/09/2020	PROPRE	3,310,000.00	3,512,027.44	EUR	0.41
XS1518704900	LINDE FINANCE BV 0.25% 18/01/2022	PROPRE	1,106,000.00	1,126,220.56	EUR	0.13
XS1397134609	LINDE FINANCE BV 1.00% 20/04/2028	PROPRE	6,269,000.00	6,428,482.50	EUR	0.76
XS1109333986	LLOYD BK FLT 10/09/19	PROPRE	6,009,000.00	6,056,881.72	EUR	0.71
XS1139091372	LLOYDS BANK PLC 1% 19/11/2021	PROPRE	108,000.00	112,684.42	EUR	0.01
XS0449361350	LLOYDS BANK 5.375% 03/09/19	PROPRE	67,000.00	74,534.53	EUR	0.01
XS1633845158	LLYODS BANKING GROUP PLC FRN 21/06/2024	PROPRE	180,000.00	183,450.60	EUR	0.02
FR0013257599	LVMH MOET HENNESSY VUITT VAR 26/11/2018	PROPRE	6,892,000.00	6,914,502.38	EUR	0.82
XS1403264374	MCDONALDS CORP 1.00% 15/11/2023	PROPRE	1,000,000.00	1,035,888.84	EUR	0.12
XS1284576581	MERCK FIN SERVICES GMBH 0.75% 02/09/2019	PROPRE	1,000.00	1,017.81	EUR	0.00
DE000A1MA9K8	METRO AG 3.375% 01/03/2019	PROPRE	470,000.00	502,315.59	EUR	0.06
XS1529837947	MORGAN STANLEY FRN 03/12/2019	PROPRE	204,000.00	204,791.62	EUR	0.02
XS1603892065	MORGAN STANLEY FRN 08/11/2022	PROPRE	2,715,000.00	2,751,425.19	EUR	0.32
XS1050547857	MORGAN STANLEY 2.375% 31/03/2021	PROPRE	105,000.00	114,508.25	EUR	0.01
XS1139320151	MORGAN STANLY FRN 19/11/2019	PROPRE	5,881,000.00	5,950,144.71	EUR	0.70
XS1412416486	NATIONAL AUSTRALIA BANK FRN 19/04/2021	PROPRE	266,000.00	270,219.75	EUR	0.03

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XS1315154721	NATIONWIDE BLDG SOCIETY FRN 02/11/2018	PROPRE	8,752,000.00	8,796,022.56	EUR	1.04
XS1385392888	NATIONWIDE BLDG SOCIETY FRN 23/03/2018	PROPRE	9,301,000.00	9,329,114.86	EUR	1.10
XS1648298559	NESTLE HOLDINGS INC 0.875% 18/07/2025	PROPRE	2,353,000.00	2,408,392.20	EUR	0.28
DE000NLB8G16	NORDDEUTSCHE LANDESBANK 0.6250% 24/09/2018	PROPRE	938,000.00	944,765.61	EUR	0.11
XS1242968979	NORDEA BANK AB FRN 05/06/2020	PROPRE	1,000,000.00	1,007,410.00	EUR	0.12
XS1689534029	NORDEA BANK AB FRN 27/09/2021	PROPRE	1,100,000.00	1,116,891.60	EUR	0.13
FR0000571085	OAT 8.50% 25/04/23	PROPRE	659,592.00	1,003,694.19	EUR	0.12
XS0500397905	ORANGE 3.875% 09/04/20	PROPRE	1,447,000.00	1,620,778.95	EUR	0.19
NL0010200606	PAYS-BAS 1.25% 15/01/2018	PROPRE	8,149,802.00	8,265,209.34	EUR	0.97
XS1068765418	PEARSON FUNDING FIVE PLC 1.875% 19/05/2021	PROPRE	500,000.00	534,439.38	EUR	0.06
XS1574156540	PFIZER INC VAR 06/03/2019	PROPRE	100,000.00	100,438.50	EUR	0.01
XS1112850125	PRICELINE GROUP 2.375% 23/09/24	PROPRE	1,607,000.00	1,756,559.86	EUR	0.21
XS0300113254	PROCTER GB 4.875% 05/27	PROPRE	2,027,000.00	2,824,823.73	EUR	0.33
XS1345314956	RABOBANK NEDERLAND FRN 15/01/2018	PROPRE	1,000,000.00	1,000,835.00	EUR	0.12
XS0496481200	RB SCOTLD 5.5% 23/03/20 *EUR	PROPRE	50,000.00	58,273.92	EUR	0.01
FR0013240835	RENAUL SA 1% 08/03/2023	PROPRE	595,000.00	616,870.98	EUR	0.07
XS1195056079	ROCHE FINANCE EUROPE BV 0.875% 25/02/2025	PROPRE	1,209,000.00	1,254,661.69	EUR	0.15
XS0415624716	ROCHE HOLDINGS INC 6.5 04/03/2021	PROPRE	5,627,000.00	7,120,681.37	EUR	0.84
XS1308674131	ROYAL BANK OF CANADA FRN 22/10/2018	PROPRE	8,571,000.00	8,608,781.44	EUR	1.02
XS0878010718	RWE FINANCE BV 1.875% 30/01/2020	PROPRE	2,272,000.00	2,409,099.48	EUR	0.28
XS0982019126	RWE FINANCE BV 3% 17/01/2024	PROPRE	600,000.00	706,412.05	EUR	0.08
XS0412842857	RWE FINANCE 6.5% 10/08/21	PROPRE	200,000.00	252,349.78	EUR	0.03
XS0456451771	SANOFI AV 4.125% 10/19	PROPRE	1,635,000.00	1,780,337.28	EUR	0.21
FR0012969012	SANOFI FRN 22/03/2019	PROPRE	100,000.00	100,447.00	EUR	0.01
DE000A13SL18	SAP SE VAR 20/11/18	PROPRE	2,697,000.00	2,706,102.38	EUR	0.32
DE000A13SL26	SAP SE 1.125% 20/02/2023	PROPRE	3,642,000.00	3,869,714.55	EUR	0.46
DE000A13SL34	SAP SE 1.75% 22/02/2027	PROPRE	5,494,000.00	6,088,533.96	EUR	0.72
FR0012939841	SCHNEIDER ELECTRIC SE 1.5% 08/09/2023	PROPRE	700,000.00	744,432.69	EUR	0.09
XS1292468987	SHELL INTERNATIONAL FIN FRN 15/09/2019	PROPRE	9,604,000.00	9,680,924.84	EUR	1.14
XS1135277140	SHELL INTERNATIONAL FINANCE N.V. 1.625% 20/01/2027	PROPRE	1,411,000.00	1,536,251.47	EUR	0.18

**LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE000A1UDWM7	SIEMENS FINANCIERINGSMAAT NV 1.75% 12/03/21	PROPRE	700,000.00	752,655.49	EUR	0.09
DE000A1UDWN5	SIEMENS FINANCIERINGSMAT 2.875% 10/03/2028	PROPRE	4,201,000.00	5,144,787.45	EUR	0.61
XS1419638215	SKANDINAVISKA ENSKILDA FRN 26/05/2020	PROPRE	2,476,000.00	2,512,872.18	EUR	0.30
XS0986610425	SKF AB 2.375% 29/10/2020	PROPRE	500,000.00	534,127.64	EUR	0.06
XS1505573482	SNAM SPA 0.875% 25/10/2026	PROPRE	10,883,000.00	10,713,625.49	EUR	1.26
BE6282455565	SOLVAY SA FRN 01/12/2017	PROPRE	100,000.00	100,155.89	EUR	0.01
ES00000124W3	SPAIN 3.8% 30/04/24	PROPRE	247,000.00	300,333.32	EUR	0.04
ES00000121G2	SPAIN 4.8% 31/01/24	PROPRE	523,000.00	675,752.29	EUR	0.08
XS0683564156	ST GOB 4.5% 30/09/2019	PROPRE	500,000.00	546,639.25	EUR	0.06
XS0416848520	STATOILHYDRO ASA 5.625% 11/03/2021	PROPRE	1,274,000.00	1,562,828.37	EUR	0.18
IT0003268809	STRIP INT 0% 01/02/2024	PROPRE	224,700.00	208,857.53	EUR	0.02
DE0001143220	STRIP INT 04/01/19	PROPRE	543,145.00	549,622.00	EUR	0.06
DE0001143279	STRIP INT 04/01/24	PROPRE	16,558,791.00	16,498,434.21	EUR	1.95
DE0001142651	STRIP INT 04/01/32	PROPRE	1,424,134.00	1,267,336.85	EUR	0.15
DE0001143212	STRIP INT 04/07/19	PROPRE	2,177,450.00	2,187,586.03	EUR	0.26
DE0001143246	STRIP INT 04/07/21	PROPRE	5,285,928.00	5,381,550.44	EUR	0.63
DE0001143253	STRIP INT 04/07/22	PROPRE	1,355,657.00	1,375,232.69	EUR	0.16
DE0001143261	STRIP INT 04/07/23	PROPRE	299,096.00	300,356.69	EUR	0.04
DE0001143287	STRIP INT 04/07/25	PROPRE	755,681.00	744,315.56	EUR	0.09
DE0001143295	STRIP INT 04/07/26	PROPRE	2,315,396.00	2,246,154.08	EUR	0.26
DE0001143303	STRIP INT 04/07/27	PROPRE	3,832,977.00	3,654,034.47	EUR	0.43
FR0000475758	SUEZ ALLIANZ 5.75% 24/06/23	PROPRE	129,000.00	169,865.52	EUR	0.02
XS1333139746	SVENSKA HANDELSBANKEN AB 1.125% 14/12/2022	PROPRE	171,000.00	180,606.01	EUR	0.02
XS0767278301	TELEKOM FINANZ 4% 04/04/2022	PROPRE	2,251,000.00	2,678,572.67	EUR	0.32
XS0999667263	TELEKOM FINANZMANAGEMENT 3.125% 03/12/21	PROPRE	3,673,000.00	4,234,035.66	EUR	0.50
XS0498175503	TELENOR ASA 4.125% 26/03/20	PROPRE	1,415,000.00	1,595,852.60	EUR	0.19
XS0496546853	TELSTRA 4.25% 23/03/2020	PROPRE	600,000.00	679,387.32	EUR	0.08
XS1178105851	TERNA SPA 0.875% 02/02/2022	PROPRE	2,256,000.00	2,343,667.08	EUR	0.28
XS1652866002	TERNA SPA 1.375% 26/07/2027	PROPRE	600,000.00	614,696.67	EUR	0.07
XS0605214336	TERNA SPA 4.75% 15/03/2021	PROPRE	1,453,000.00	1,730,213.19	EUR	0.20

**LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
XS0203712939	TERNA 4.90% 28/10/24 *EUR	PROPRE	4,462,000.00	5,838,911.77	EUR	0.69
XS1405775708	THERMO FISHER SCIENTIFIC 0.75% 12/09/2024	PROPRE	1,600,000.00	1,588,148.71	EUR	0.19
XS1287714502	TORONTO-DOMINION BANK FRN 08/09/2020	PROPRE	1,000,000.00	1,012,480.69	EUR	0.12
XS1139316555	TOTAL CAPITAL INTL SA FRN 19/03/2020	PROPRE	1,700,000.00	1,711,917.00	EUR	0.20
XS0418669429	TOTAL CAPITAL SA 5.125% 26/03/2024	PROPRE	4,833,000.00	6,440,218.12	EUR	0.76
XS0954684972	TOYATA MOTOR CDT 1.8% 23/07/2020	PROPRE	2,204,000.00	2,331,369.46	EUR	0.27
XS1171489476	TOYOTA MOTOR CREDIT CORP FRN 20/07/2018	PROPRE	3,962,000.00	3,971,132.41	EUR	0.47
XS1171489393	TOYOTA MOTOR CREDIT CORP 0.75% 21/07/2022	PROPRE	10,882,000.00	11,240,420.28	EUR	1.33
XS1566101603	UNILEVER NV 1% 14/02/2027	PROPRE	750,000.00	764,415.51	EUR	0.09
XS1654192274	UNILEVER NV 1.375% 31/7/2029	PROPRE	911,000.00	937,611.31	EUR	0.11
XS0417209052	VATTENFL 6.25% 17/03/21 *EUR	PROPRE	5,334,000.00	6,662,985.10	EUR	0.79
XS1030900168	VERIZON COMMUNICATIONS 2.375% 17/02/2022	PROPRE	10,854,000.00	12,069,622.72	EUR	1.42
XS1372838083	VODAFONE GROUP PLC FRN 25/02/2019	PROPRE	7,117,000.00	7,212,725.43	EUR	0.85
XS1167637294	VOLKSWAGEN INTERNATIONAL FINANCIAL NV FRN 16/07/2018	PROPRE	5,245,000.00	5,251,792.28	EUR	0.62
XS1586555515	VOLKSWAGEN INTL FIN NV FRN 30/03/2019	PROPRE	7,600,000.00	7,617,896.73	EUR	0.90
XS1642545690	VOLKSWAGEN LEASING GMBH FRN 06/07/2019	PROPRE	6,900,000.00	6,911,459.18	EUR	0.81
XS1642546078	VOLKSWAGEN LEASING GMBH FRN 06/07/2021	PROPRE	800,000.00	802,724.60	EUR	0.09
DE000A18V138	VONOVIA FINANCE BV 1.625% 15/12/2020	PROPRE	200,000.00	213,303.12	EUR	0.03
XS1061043797	WELLS FARGO & COMPANY EURIBOR+0.45% 24/04/2019	PROPRE	3,133,000.00	3,151,211.35	EUR	0.37
XS1240966348	WELLS FARGO & COMPANY FRN 02/06/2020	PROPRE	10,564,000.00	10,637,384.00	EUR	1.25
XS1400169428	WELLS FARGO & COMPANY FRN 26/04/2021	PROPRE	8,409,000.00	8,519,253.67	EUR	1.00
XS1558022866	WELLS FARGO & COMPANY FRN 31/01/2022	PROPRE	7,089,000.00	7,151,343.42	EUR	0.84
<b>Total Bond</b>				<b>848,350,205.05</b>		<b>100.02</b>
<b>Total Investment Securities</b>				<b>848,350,205.05</b>		<b>100.02</b>
<b>Interest rate swap</b>						
SWAP03589611	FEES LEG C EUR LYX E	PROPRE	1.00	104,497.18	EUR	0.01
SWAP03589613	INDEX LEG C EUR LYX	PROPRE	839,000,000.00	848,148,539.19	EUR	100.00
SWAP03589627	VRAC LEG LYX ETF BAR	PROPRE	839,000,000.00	-840,224,460.34	EUR	-99.07
<b>Total Interest rate swap</b>				<b>8,028,576.03</b>		<b>0.95</b>

LYXOR BARCLAYS FLOATING RATE EURO 0-7Y UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Cash</i>						
<i>AT BANK OR PENDING</i>						
	RECEIVABLE ON SWAP	PROPRE	0.00	-1,328,324.45	EUR	-0.16
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-49,470,309.02	EUR	-5.83
	EUR SGP BANK	PROPRE	0.00	0.08	EUR	0.00
	DEF. SALES EUR SECURITIES	PROPRE	0.00	50,798,633.47	EUR	5.99
<b>Total AT BANK OR PENDING</b>				<b>0.08</b>		<b>0.00</b>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-104,497.06	EUR	-0.01
<b>Total MANAGEMENT FEES</b>				<b>-104,497.06</b>		<b>-0.01</b>
<b>Total Cash</b>				<b>-104,496.98</b>		<b>-0.01</b>
<i>Files</i>						
<i>AD1 REME: Deposit of Collateral (File)</i>						
PDC-02060459	PDC LYXOFR0013283686	PGAR1	-241,411.20	-241,411.20	EUR	-0.03
PDC-02060451	PDC LYXOXS1388661651	PGAR1	-7,884,333.51	-7,884,333.51	EUR	-0.93
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-8,125,744.71</b>		<b>-0.96</b>
<b>Total Files</b>				<b>-8,125,744.71</b>		<b>-0.96</b>
<b>Total LYXOR UCITS ETF BARCLAYS FLOATING RATE EURO 0-7Y</b>				<b>848,148,539.39</b>		<b>100.00</b>

# LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y UCITS ETF (DR)

**rapport**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

<b>Compartments / feeder</b>	LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y UCITS ETF (DR) is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

Bonds and other debt instruments listed in euros.

The LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y UCITS ETF (DR) Compartment (the “Compartment”) is continuously exposed to rate securities listed in euros. The exposure to the equity risk does not exceed 10% of the net assets.

The Compartment is an UCITS ETF type index Compartment.

### Terms of determination and allocation of amounts available for distribution:

C-EUR equities classes: Capitalisation of all the amounts available for distribution.

### Management objective:

The Compartment’s management objective is to reproduce, downwards and upwards, the evolution of the “FTSE MTS Eurozone Government Bond IG 25Y+ (Mid Price) Index” (the “Benchmark Indicator”), listed in euros and consisting of securities with a maturity of over 25 years, and the Compartment of the FTSE MTS Eurozone Government Bond investment Grade All Maturity Index, which is a “Total Return” index composed of securities issued by eurozone member governments and weighted by issuer country.

The anticipated level of the ex-post tracking error under normal market conditions is 0.02%.

### Benchmark indicator:

The Benchmark Indicator is a “Total Return” type index (i.e. all coupons detached by the components of the Benchmark Indicator are reinvested in the Benchmark Indicator).

The Benchmark Indicator “FTSE MTS Eurozone Government Bond IG 25Y+ (Mid Price) Index (Bloomberg Code: FMMPI255)” is listed in euro.

The Benchmark Indicator is composed of securities that are issued by eurozone member country governments and have a maturity of over 25 years.

The Benchmark Indicator has been calculated in real-time by FTSE MTS.

The eligible universe of FTSE MTS indices consists of the securities with the following criteria:

- (i) nominal and fixed coupons listed in euros which does not include option nor any convertibility with a maturity greater than or equal to 1 year;
- (ii) issued by the sovereign governments of a eurozone country, selected by FTSE MTS from the following list of countries as having at least two ratings in the category “Investment Grade” issued by the rating agencies Standard & Poor’s, Moody’s and Fitch: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain;
- (iii) with at least €2 billion of issued equities;
- (iv) listed on the MTS markets.

The methodology of the FTSE MTS indices is supervised by an independent consulting committee consisting of bond and issuer specialists.

The Benchmark Indicator is revised monthly.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the following Internet site: <http://www.ftse.com/>.

These characteristics ensure that FTSE MTS indices are highly liquid and representative of the performance of sovereign bonds.

The tracked performance is based on the 5.30 pm (Paris time) fixing of the Benchmark Indicator as determined by FTSE MTS.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition of the Benchmark Indicator's components are available at the following Internet site: <http://www.ftse.com/>.

The Benchmark Indicator fixing price is provide daily by Reuters and Bloomberg.

Reuters code: FMMPI25R=

Bloomberg code: FMMPI255

The Benchmark Indicator's closing price is available on the Internet site: [www.ftse.com/](http://www.ftse.com/).

#### **Benchmark Indicator revision and composition**

The Benchmark Indicator is revised monthly.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the following Internet site: [www.ftse.com](http://www.ftse.com/)

#### **Investment strategy:**

##### **Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its delegated asset manager, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of 'balance sheet' assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's website at [www.lyxoretf.com](http://www.lyxoretf.com). The frequency of any updates and/or the date on which the aforementioned information is updated is also indicated on the same page of the aforementioned website.

As part of the management of its exposure, the Compartment may be exposed, for up to 20% of its assets, to debts issued by an OECD member State. This 20% limit can be increased to 35% for a single bond when this proves to be justified by exceptional market conditions, notably when certain securities are excessively dominant and/or in case of high volatility of a debt issue, or in case of a political and/or economic event that is having or could have an incidence on the assessment of an issuing State's debt and/or that could affect an issuing State's credit rating, or any other event likely to affect the liquidity of a financial security included within the Benchmark Indicator.

Notwithstanding the hypotheses indicated in the above paragraph, securities guaranteed or issued by a same issuer can represent up to 35% of the assets, and 100% of the assets if the Compartment holds at least 6 debt issues, none of which exceeds 30% of the assets. The securities are financial instruments issued or guaranteed by an OECD member State, the local or regional authorities of a European Union Member State, or a party to the EEA agreement.



Interest rate sensitivity range within which the Compartment is managed:	Between 12 and 40
Currencies in which securities held by the Compartment are listed:	Euro: 100% of net assets Others: from 0 to 10% of net assets
Level of foreign exchange risk borne by the Compartment:	Up to 0% of net assets
Geographical area of issuers of securities to which the Compartment is exposed:	Geographical area: Eurozone : 100% of net assets Emerging countries: 0% of net assets

#### **Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international bond securities.

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net asset.

The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the financial manager by delegation, or a company with which it is linked.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

#### **Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

#### **Securities with integrated derivatives**

None.

#### **Deposits**

Up to a maximum of 20% of its net assets, the Compartment may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

#### **Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

#### **Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities.

Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment.

Expected proportion of assets under management which may be subject to securities financing transactions: 20% of the assets of the Compartment.

For this purpose the management company may appoint an intermediary (hereinafter the "Agent") to provide the following services in connection with the Compartment's temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment's behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment's behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.

The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.

These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment's management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment's gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment's annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment's overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment's annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment's counterparty risk, and;
- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

#### **Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets. In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment in the event of temporary securities transactions. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

An additional discount may be applied to collateral received in another currency than the euro.

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged.

The guarantees received in cash will be, at the manager discretion:

- (a) Placed as a deposit to an approved institution;
- (b) Invested in government bonds of highest grade;
- (c) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the CompartmentVM may recall at any time the global amount of liquidities taking into account the accrued interests;
- (d) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial management delegatee. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**Interest rate risk**

The price of a bond is affected by changes in interest rates. The price of most bonds increases when interest rates decline and decreases when interest rates rise. Bonds with relatively long maturities (which is the case of those in the Benchmark Indicator) are more sensitive to changes in interest rates and are therefore more volatile investments than bonds with shorter maturities.

**Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**Credit risk**

In case of the deterioration of the rating affecting one or more issuers of the bonds comprising the Benchmark Indicator, the Compartment could be affected.

This deterioration could imply a heightened risk of default on the part of the issuer of the bond in question, and could result in a depreciation of this bond's value.

**Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument ("FFI")) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the equities of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

Suspension or stoppage of the calculation of the Benchmark Indicator, and/or suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or the impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or a market maker's violation of the rules applicable to this marketplace, and/or a failure of this marketplace's IT or electronic systems.

**Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and derivatives. The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

**Counterparty risk**

The Compartment may use Future Financial Instrument (FFI) on an ancillary basis.

In such a case, the Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter. In compliance with the UCITS regulations, the counterparty risk cannot exceed 10% of the total value of the Compartment's assets by counterparty.

When Société Générale is involved as a counterparty of the FFIs and/or a temporary securities transaction, conflicts of interest can arise between the Compartment's management company and the counterparty. The management company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**Risk arising from temporary securities transactions**

If a borrower of securities defaults on its obligation there could be a risk that the value of the guarantee received by the Compartment is less than the value of the securities lent. This risk could arise, for example, in the event of (i) an inaccurate valuation of the securities lent and/or (ii) unfavourable market movements and/or (iii) the lowering of the credit rating(s) of the issuer(s) of securities taken as guarantee and/or (iv) the illiquidity of the market in which the guarantees received are listed. If cash guarantees are reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Compartment to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of guarantees the Compartment must repay. The Compartment could also fail to receive the securities lent by the date specified, which would diminish its capacity to accommodate investor redemptions.

**Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include:

counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, termination of the FFI transaction, which could affect the Compartment's net asset value.

**Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or its FFI's counterparty), the Compartment's net asset value may be affected.

**Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

#### **Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

#### **Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

#### **Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing to this Compartment wishes to obtain an exposure, downwards and upwards, to the performance of the eurozone member states governments bonds segment.

The amount that it is reasonable to invest in this Compartment depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, your cash requirements at present and for three years, but also your desire to take risks or, on the contrary, to prefer a cautious investment. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Compartment.

Investors are therefore recommended to study their individual situations with their usual wealth management advisers.

The minimum recommended investment period is greater than 3 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.
- Creation date of the Multi Units France mutual fund: 4 March 2002.
- Compartment approval date by the AMF (Financial Markets Authority): 13 February 2015.
- Compartment creation date: 2 March 2015.

## Activity report

The net asset value of the C-EUR unit of the LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y (DR) UCITS ETF Compartment shows an evolution of -5.25% over the fiscal year and stands at EUR 99.1487 on 31/10/2017, meaning a fund performance of -0.85% since inception.

The fund replicates the performance of the FTSE EMTS Mid Eurozone Gov Bond IG 25Y index, listed in euros (EUR), is composed of securities that are issued by eurozone member states governments and have a maturity of over 25 years.

This index has shown an evolution of -5.10% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the FTSE EMTS Mid Eurozone Gov Bond IG 25Y index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the FTSE EMTS Mid Eurozone Gov Bond IG 25Y index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

On 31/10/2017, the tracking error reached the level of 0.0304% for the Compartment. The level of the tracking error for the period was of 0.02%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

### Regulatory information

**Transfer commission** (*not audited by the auditor*)

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2\*)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on [Lyxor website](http://Lyxor.com), [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2\*)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
6.4	4.3	7.5	6.9

Portfolio rated 100%  
Nb Securities rated 26

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>4.3</b>	<b>28.0%</b>
	Climate Change	0.0	0.0%
	Environmental Opportunities	0.0	0.0%
	Natural Capital	0.0	0.0%
	Pollution & Waste	0.0	0.0%
<b>Social</b>		<b>7.5</b>	<b>25.0%</b>
	Human Capital	0.0	0.0%
	Product Liability	0.0	0.0%
	Social Opportunities	0.0	0.0%
	Stakeholder Opposition	0.0	0.0%
<b>Governance</b>		<b>6.9</b>	<b>50.0%</b>
	Corporate Behavior	0.0	0.0%
	Corporate Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	30%
Average (A, BBB,BB)	70%
Laggards (B,CCC)	0%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Financials	12.6%	39.8%	10.4%					
Industrials	17.6%		19.7%					

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.



# LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y UCITS ETF (DR) (compartment of the Multi Units France mutual fund)

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	0%
Orange Flag	0%
Yellow Flag	0%
Green Flag	0%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
0	0	0

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	0%
Scope2 reported (vs estimated)	0%
Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	0%
Thermal Coal	0%
Natural Gaz	0%
Oil	0%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	0%
20-49.9%	0%
50-100%	0%

## Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:



- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>

#### **Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the Compartment)*

In the course of the fiscal year, the Compartment did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>36,483,270.09</b>	<b>30,455,876.50</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	36,483,270.09	30,455,876.50
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>		
<b>Receivables</b>	<b>4,035.00</b>	-
Future foreign exchange operations	-	-
Other	4,035.00	-
<b>Financial accounts</b>	<b>100,364.96</b>	-
Liquidity	100,364.96	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>36,587,670.05</b>	<b>30,455,876.50</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Shareholders' equity</b>		
• Capital	41,198,186.72	28,671,586.88
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	-5,451,826.80	1,215,080.41
• Earnings of the fiscal year	839,532.14	562,889.61
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>36,585,892.06</b>	<b>30,449,556.90</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>1,777.99</b>	<b>5,787.24</b>
Future foreign exchange operations	-	-
Other	1,777.99	5,787.24
<b>Financial accounts</b>	-	<b>532.26</b>
Current bank accommodations	-	532.26
Loans	-	-
<b>Total liabilities</b>	<b>36,587,670.05</b>	<b>30,455,876.50</b>

## Off-balance sheet commitments

Currency	31.10.2017 EUR	31.10.2016 EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	0.56	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	616,966.24	1,345,120.03
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>616,966.80</b>	<b>1,345,120.03</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-16.01	-8.57
• Other financial charges	-	-
<b>Total (II)</b>	<b>-16.01</b>	<b>-8.57</b>
<b>Earnings on financial operations (I - II)</b>	<b>616,950.79</b>	<b>1,345,111.46</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-36,977.56	-108,301.83
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>579,973.23</b>	<b>1,236,809.63</b>
Adjustment of the fiscal year's earnings (V)	259,558.91	-673,920.02
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>839,532.14</b>	<b>562,889.61</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### Assessment rules

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments traded on a regulated market are assessed at the closing price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of holding an EMTN, it will be assessed on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this assessment.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments denominated in a currency other than the Compartment's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the financial management delegatee.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the financial manager by delegation when the Compartment has exceeded its objectives. They are invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	Maximum 0.165% per year
Transactions commissions	Collection on each transaction	None
Outperformance commissions	Net assets	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in euros.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

# appendix



**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

C-EUR equities classes: Capitalisation of all the amounts available for distribution.

# appendix

## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>30,449,556.90</b>	<b>56,237,942.24</b>
Subscriptions (including subscription commission acquired by the Compartment)	28,609,446.60	87,765,987.90
Redemptions (less the redemption commission acquired by the Compartment)	-20,647,419.00	-119,929,623.70
Capital gains generated on deposits and financial instruments	339,060.09	5,228,990.37
Capital losses generated on deposits and financial instruments	-3,101,924.22	-2,268,383.33
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	357,198.46	2,177,833.79
- <i>Estimate difference fiscal year N</i>	-83,643.56	-440,842.02
- <i>Estimate difference fiscal year N-1</i>	-440,842.02	-2,618,675.81
	-	-
Changes to the estimate difference of financial contracts:		
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	579,973.23	1,236,809.63
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>36,585,892.06</b>	<b>30,449,556.90</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	36,483,270.09	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y UCITS ETF (DR)  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	36,483,270.09	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	100,364.96
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	36,483,270.09
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	100,364.96	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

<b>Receivables</b>	<b>4,035.00</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Coupon receivable	4,035.00
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>1,777.99</b>
Future currency exchange operations:	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	1,752.63
Miscellaneous debtors and creditors	25.36
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year	293.000	28,609,446.60	215.000	20,647,419.00
Subscription / redemption commission		-		-
Remittances		-		-
Commissions acquired by the Compartment		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	<b>0.15</b>
Performance commissions (variable fees): amount of costs for the fiscal year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given.....	<b>None</b>

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
Financial estimates given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt securities	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
- CIU	-
- other financial instruments	-

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	839,532.14	562,889.61
<b>Total</b>	<b>839,532.14</b>	<b>562,889.61</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	839,532.14	562,889.61
<b>Total</b>	<b>839,532.14</b>	<b>562,889.61</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	-	-

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	<b>-</b>	<b>-</b>

	31.10.2017	31.10.2016
<b>Allocation of the net capital gains and losses</b>	EUR	EUR
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	-5,451,826.80	1,215,080.41
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>-5,451,826.80</b>	<b>1,215,080.41</b>
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	-5,451,826.80	1,215,080.41
<b>Total</b>	<b>-5,451,826.80</b>	<b>1,215,080.41</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-



**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**

Currency EUR	<b>31.10.2017</b>	31.10.2016	30.10.2015	-	-
<b>Net assets</b>	<b>36,585,892.06</b>	30,449,556.90	56,237,942.24	-	-
<b>Number of outstanding equities</b>	<b>369,000</b>	291,000	590,000	-	-
<b>Net asset value</b>	<b>99.1487</b>	104.6376	95.3185	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation <sup>(2)</sup></b>	<b>-12.49</b>	6.10	-5.16	-	-

<sup>(1)</sup>In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

<sup>(2)</sup>The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

Compartment creation date: 2 March 2015.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Bond</i>						
AT0000A0U299	AUSTRIA 3.80% 26/01/2062	PROPRE	374,000.00	636,155.56	EUR	1.74
BE0000340498	BELGIUM KINGDOM 2.15% 22/06/2066	PROPRE	323,060.00	346,702.90	EUR	0.95
BE0000343526	BELGIUM 2.25% 22/06/2057	PROPRE	323,020.00	360,392.97	EUR	0.99
BE0000331406	BELGIUM 3.75% 22/06/2045	PROPRE	1,048,200.00	1,569,537.35	EUR	4.29
ES00000128C6	BONOS Y OBLIG DEL ESTADG 2.90% 31/10/2046	PROPRE	1,320,000.00	1,364,033.75	EUR	3.73
ES00000128E2	BONOS Y OBLIG DEL ESTADO 3.45% 30/07/2066	PROPRE	630,000.00	698,405.05	EUR	1.91
IT0005162828	BUONI POLIENNALI DEL TES 2.70% 01/03/2047	PROPRE	1,692,000.00	1,607,779.53	EUR	4.39
FI4000242870	FINNISH GOVERNMENT 1.375% 15/04/2047	PROPRE	215,000.00	219,078.96	EUR	0.60
FR0013154028	FRANCE (GOVT OF) 1.75% 25/05/2066	PROPRE	736,750.00	711,825.14	EUR	1.95
FR0013257524	FRANCE (GOVT OF) 2% 25/05/2048	PROPRE	1,184,960.00	1,271,191.81	EUR	3.47
FR0011461037	FRANCE OAT 25/05/45	PROPRE	2,681,360.00	3,680,664.30	EUR	10.06
DE0001135481	GERMANY 2.5% 04/07/2044	PROPRE	2,368,230.00	3,128,165.81	EUR	8.55
DE0001102341	GERMANY 2.50% 15/08/2046	PROPRE	2,476,050.00	3,285,621.68	EUR	8.98
IE00BV8C9186	IRELAND 2% 18/02/2045	PROPRE	777,040.00	832,817.63	EUR	2.28
IT0005217390	ITALIAN REPUBLIC 2.8% 01/03/2067	PROPRE	619,000.00	556,880.61	EUR	1.52
IT0005273013	ITALIAN REPUBLIC 3.45% 01/03/2048	PROPRE	700,000.00	756,461.19	EUR	2.07
IT0005083057	ITALY BTP 3.25% 01/09/2046	PROPRE	1,674,000.00	1,780,493.68	EUR	4.87
IT0004923998	ITALY BTP 4.75% 01/09/2044	PROPRE	1,843,000.00	2,475,214.17	EUR	6.77
BE0000338476	KINGDOM OF BELGIUM 1.6% 22/06/2047	PROPRE	832,550.00	819,420.80	EUR	2.24
NL0010721999	NETHERLANDS 2.75% 15/01/2047	PROPRE	1,426,100.00	1,979,034.13	EUR	5.41
FR0010171975	OAT 4% 25/04/55	PROPRE	1,606,700.00	2,600,574.91	EUR	7.11
FR0010870956	OAT 4% 25/04/60	PROPRE	1,405,430.00	2,327,998.53	EUR	6.36
AT0000A1PEF7	REPUBLIC OF AUSTRIA 1.5% 02/11/2086	PROPRE	269,000.00	234,662.15	EUR	0.64
AT0000A1K9F1	REPUBLIC OF AUSTRIA 1.5% 20/02/2047	PROPRE	485,000.00	489,840.03	EUR	1.34
AT0000A0VRQ6	REPUBLIC OF AUSTRIA 3.15% 20/06/44	PROPRE	732,000.00	1,025,788.70	EUR	2.80

LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y UCITS ETF (DR)  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
ES00000124H4	SPAIN 5.15% 31/10/2044	PROPRE	1,165,000.00	1,724,528.75	EUR	4.71
<b>Total Bond</b>				<b>36,483,270.09</b>		<b>99.72</b>
<b>Total Investment Securities</b>				<b>36,483,270.09</b>		<b>99.72</b>
<b>Cash</b>						
<b>OTHER</b>						
	MISCELLANEOUS CREDITORS EUR	PROPRE	0.00	-25.36	EUR	-0.00
<b>Total OTHER</b>				<b>-25.36</b>		<b>-0.00</b>
<b>AT BANK OR PENDING</b>						
	EUR SGP BANK	PROPRE	0.00	100,364.96	EUR	0.27
<b>Total AT BANK OR PENDING</b>				<b>100,364.96</b>		<b>0.27</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-1,752.63	EUR	-0.00
<b>Total MANAGEMENT FEES</b>				<b>-1,752.63</b>		<b>-0.00</b>
<b>Total Cash</b>				<b>98,586.97</b>		<b>0.27</b>
<b>Coupons</b>						
<b>Bond</b>						
AT0000A1PEF7	AUSTR REP 1.5% 2086	ACHLIG	269.00	4,035.00	EUR	0.01
<b>Total Bond</b>				<b>4,035.00</b>		<b>0.01</b>
<b>Total Coupons</b>				<b>4,035.00</b>		<b>0.01</b>
<b>Total LYXOR ULTRA LONG DURATION EURO GOVT FTSE MTS 25+Y UCITS ETF (DR)</b>				<b>36,585,892.06</b>		<b>100.00</b>

# LYXOR MSCI NORTH AMERICA UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR MSCI NORTH AMERICA UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR MSCI NORTH AMERICA UCITS ETF is a compartment of the MULTI UNITS FRANCE mutual fund
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International equities.

At least 60% of the LYXOR MSCI NORTH AMERICA UCITS ETF Compartment (the “Compartment”) is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**Equities C-EUR:** Capitalisation of all the amounts available for distribution.

**Equities D-EUR:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Equities C-USD:** Capitalisation of all the amounts available for distribution.

**Equities D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to replicate, downwards and upwards, the evolution of the “MSCI North America Net Total Return” index (Bloomberg code: NDDUNA) (the “**Benchmark Indicator**”), listed in USD and representative of the equity market performance of large-cap and mid-cap listed companies in the United States and Canada.

The anticipated level of the ex-post tracking error under normal market conditions is 0.05%.

### Benchmark indicator:

The Benchmark indicator is the MSCI North America Net Total Return index, listed in USD.

The Benchmark Indicator is a Net Dividends Reinvested Index, which includes the returns of index components, including dividends and other distributions, in the calculation of the index's performance.

The Benchmark Indicator represents the performance of large-cap and mid-cap listed companies in the United States and Canada. With 726 components, the Benchmark Indicator represents approximately 85% of the free-float adjusted market capitalisation of the U.S. and Canadian stock markets.

The Benchmark Indicator is calculated by MSCI Inc.

The Benchmark Indicator is designed to measure the performance of large and medium capitalisation listed companies in the United States and Canada and is weighted by free-float adjusted market capitalisation.

The Benchmark Indicator is based on the MSCI Global Investable Market Indices (GIMI) methodology, which provides a consistent, overall method for constructing global or regional benchmark indices, for listed companies of all sizes and in all economic sectors and for all investment styles.

This methodology aims to encompass all investment opportunities, while ensuring the Benchmark Indicator's liquidity, investability and replicability. These three criteria are assessed using two indicators: the annual traded value ratio (ATVR) of the securities, which is their monthly median trading volume divided by their free float, and the 3-month trading frequency.

The Benchmark Indicator is rebalanced quarterly, in February, May, August and November.

### **Benchmark Indicator revision and composition**

The composition of the Benchmark Indicator is reviewed quarterly.

The exact composition and the revision rules of the Benchmark Indicator are published by MSCI Inc and available on the Internet site: <http://www.msci.com>.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

**Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day. The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: dMINA00000NUS

Bloomberg code: M1NA Index

The Benchmark Indicator's closing price is available on the Internet site: <http://www.msci.com>.

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The financial securities held as assets by the Compartment will notably be securities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com).

The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,
  - o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
  - o Issuer (application of ratios applicable to the eligible assets of a CIU, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
  - o Geographical area,
  - o Sector.

For more information on the abovementioned eligibility and diversification criteria investors can visit the following Internet site: [www.lyxoretf.com](http://www.lyxoretf.com).

The investment in undertakings for collective investment in transferable securities (“UCITS”) that comply with Directive 2009/65/EC is limited to 10% of the net assets.

As part of these investments, the Compartment can subscribe to units or equities of CIU managed by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment’s management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment’s assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the “Counterparty”) will have no discretionary power regarding the composition of the Compartment’s investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment’s use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

The manager is prohibited from receiving cash guarantees.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment’s account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment’s assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at least on a daily basis and assets showing strong price volatility must not be accepted as guarantee except in case of the application of a sufficiently cautious discount;

(c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;

(d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;

(e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Compartment may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by CIU investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (a) Placed as a deposit to an approved institution;
- (b) Invested in government bonds of highest grade;
- (c) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (d) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.



**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of future financial instrument ("FFI") traded over-the-counter with Société Générale or with any other counterparty.

In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses future financial instrument ("FFI") negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Exchange risk linked to the Benchmark Indicator**

The compartment is exposed to the exchange risk insofar as the underlying securities comprising the Benchmark Indicator may be listed in a currency other than the currency of the Benchmark Indicator or be derived from securities listed in a currency other than the currency of the Benchmark Indicator. The fluctuations of exchange rates could therefore negatively affect the Benchmark Indicator followed by the compartment.

**- Exchange risk linked to the C-EUR and D-EUR (EUR/USD) equity classes**

The aforesaid equity classes are exposed to an exchange risk given that they are listed in a currency other than that of the Benchmark Indicator. Consequently, the net asset value of the aforesaid equity classes can decline despite an increase of the value of the Benchmark Indicator, as a result of exchange rate fluctuations.

**- Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing for this Compartment wishes to be exposed to the equity market of large-cap and mid-cap listed companies in the United States and Canada.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 10 March 2015.*
- *Compartment creation date: 26 March 2015.*

## Activity report

The net asset value of the unit C-USD of the LYXOR MSCI NORTH AMERICA UCITS ETF Compartment shows an evolution of 22.62% over the fiscal year and stands at USD 127.1859 on 31/10/2017, resulting in the fund's performance being equal to 27.19% since inception.

The fund replicates the performance of the MSCI North America NR index, listed in US dollars (USD), representative of the equity market performance of large-cap and mid-cap listed companies in the United States and Canada.

This index has shown an evolution of 22.37% over the fiscal year.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MSCI AC ASIA exJP/CS NR index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the MSCI AC ASIA exJP/CS NR index.

The equities held as assets by the Compartment will notably be equities that make up the MSCI AC ASIA exJP/CS NR index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0024% for the Compartment. The level of the tracking error for the period was of 0.05%.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### Transfer commission (not audited by the auditor)

None.

#### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

#### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.7	0.0	0.0	0.0

Portfolio rated 100%  
Nb Securities rated 722

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>0.0</b>	<b>2 458.4%</b>
	Climate Change	6.5	767.3%
	Environmental Opportunities	5.2	714.7%
	Natural Capital	4.5	514.8%
	Pollution & Waste	5.0	461.8%
<b>Social</b>		<b>0.0</b>	<b>4 448.3%</b>
	Human Capital	4.2	2 048.1%
	Product Liability	4.0	1 823.5%
	Social Opportunities	4.8	460.5%
	Stakeholder Opposition	8.0	114.3%
<b>Governance</b>		<b>0.0</b>	<b>3 082.5%</b>
	Corporate Behavior	4.6	1 111.9%
	Corporate Governance	4.8	1 970.6%

**LYXOR MSCI NORTH AMERICA UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	16%
Average (A, BBB,BB)	67%
Laggards (B,CCC)	17%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	0.3%	0.5%	0.9%	2.9%	4.5%	2.3%	0.5%	
Consumer Staples	0.1%	2.1%	1.4%	0.7%	1.8%	1.4%	0.1%	
Energy	0.0%	0.2%	0.6%	3.4%	0.4%	1.9%	0.2%	
Financials		1.7%	2.2%	3.8%	5.8%	1.3%	1.2%	
Health Care	0.2%	0.5%	2.7%	3.8%	1.3%	3.1%	1.4%	
Industrials	0.8%	1.9%	3.1%	1.8%	1.4%	0.4%	0.2%	
Information Technology	2.9%	3.5%	9.0%	5.2%	1.5%	1.4%	0.0%	
Materials	0.1%	0.1%	0.2%	1.7%	0.8%	0.3%	0.1%	
Real Estate	0.0%	0.4%	0.7%	0.5%	0.7%	0.5%	0.0%	
Telecommunication Services		0.0%	0.1%	0.1%	0.9%	0.9%		
Utilities	0.3%	0.5%	0.6%	1.3%	0.3%	0.1%		

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	3%
Orange Flag	26%
Yellow Flag	37%
Green Flag	34%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
88	199	210

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	84%
Scope2 reported (vs estimated)	75%
Scope 1& 2 estimations are based on MSCI methodology	

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.



## LYXOR MSCI NORTH AMERICA UCITS ETF (compartment of the Multi Units France mutual fund)

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	7%
Thermal Coal	1%
Natural Gaz	5%
Oil	5%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	27%
20-49.9%	4%
50-100%	1%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	1,270,000
% of assets under management	-	-	-	-	78.63

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	SKY
	Amount	72,456
2	Name	THYSSENKRUPP
	Amount	8,779
3	Name	SAP
	Amount	6,257
4	Name	AMUNDI
	Amount	3,815
5	Name	BABCOCK INTERNATIONAL GROUP
	Amount	3,267
6	Name	TULLOW OIL PLC
	Amount	2,608
7	Name	COCA COLA HBC
	Amount	2,264
8	Name	ASML
	Amount	1,984
9	Name	BOUYGUES
	Amount	1,777
10	Name	DANONE
	Amount	1,716

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name		-	-	-	SOCIETE GENERALE
	Amount		-	-	-	1,270,000

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	110,480
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	110,480

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency		-	-	-	GBP
	Amount		-	-	-	78,331
2	Currency		-	-	-	EUR
	Amount		-	-	-	32,149



### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	1,270,000
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country	-	-	-	-	FRANCE
Amount	-	-	-	-	1,270,000

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	1,270,000

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	110,480

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>1,726,022.76</b>	<b>1,352,858.27</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	1,672,847.13	1,352,858.27
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	53,175.63	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	-	-
Future foreign exchange operations	-	-
Other	-	-
<b>Financial accounts</b>	<b>0.14</b>	<b>0.05</b>
Liquidity	0.14	0.05
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>1,726,022.90</b>	<b>1,352,858.32</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 USD	31.10.2016 USD
<b>Shareholders' equity</b>		
• Capital	1,550,557.90	1,551,338.68
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	67,669.47	-231,467.09
• Earnings of the fiscal year	-2,965.78	-2,543.49
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>1,615,261.59</b>	<b>1,317,328.10</b>
<b>Financial instruments</b>	<b>110,480.08</b>	<b>35,305.30</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	110,480.08	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	35,305.30
<b>Debts</b>	<b>281.23</b>	<b>224.92</b>
Future foreign exchange operations	-	-
Other	281.23	224.92
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>1,726,022.90</b>	<b>1,352,858.32</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	1,270,000.00	1,270,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-2,965.78	-14,323.25
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-2,965.78</b>	<b>-14,323.25</b>
Adjustment of the fiscal year's earnings (V)	-	11,779.76
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-2,965.78</b>	<b>-2,543.49</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated. However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.



#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the “Financial instruments” item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the “Other temporary operations” item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract’s nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document “KIID”.

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.20% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

<sup>(1)</sup> including all fees excluding transaction fees, outperformance commissions and fees related to investments in CIU.

#### Accounting currency

The Compartment’s accounting is carried out in USD.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** (*Not certified by the auditor*)

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**Equities C-EUR:** Capitalisation of all the amounts available for distribution.

**Equities D-EUR:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Equities C-USD:** Capitalisation of all the amounts available for distribution.

**Equities D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net assets at the start of the fiscal year</b>	<b>1,317,328.10</b>	<b>15,537,626.94</b>
Subscriptions (including subscription commission acquired by the CIU)	-	-
Redemptions (less the redemption commission acquired by the CIU)	-	-13,777,180.43
Capital gains generated on deposits and financial instruments	366,538.81	1,388,126.99
Capital losses generated on deposits and financial instruments	-42,570.60	-3,663,508.05
Capital gains generated on financial contracts	1,088,583.30	30,424,711.75
Capital losses generated on financial contracts	-1,370,067.50	-29,652,584.58
Negotiation fees	-	-
Exchange differentials	85,047.14	551,661.61
Changes to the estimate difference of the deposits and financial instruments:	84,887.19	-119,228.77
- <i>Estimate difference fiscal year N</i>	117,169.60	32,282.41
- <i>Estimate difference fiscal year N-1</i>	32,282.41	151,511.18
Changes to the estimate difference of financial contracts:	88,480.93	642,025.89
- <i>Estimate difference fiscal year N</i>	53,175.63	-35,305.30
- <i>Estimate difference fiscal year N-1</i>	-35,305.30	-677,331.19
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-2,965.78	-14,323.25
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>1,615,261.59</b>	<b>1,317,328.10</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable European Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable European Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable European Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	1,270,000.00	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.14
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.14	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	1,270,000.00	-	-	-	-

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### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	EUR	GBP	JPY	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	1,578,607.78	78,331.01	7,117.55	8,790.79
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	32,149.07	78,331.01	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	-
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
-	-
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	281.23
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	281.23
-	-
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year:				
EQUITY C-USD / FR0012647428	-	-	-	-
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-USD / FR0012647428		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-USD / FR0012647428		-		-
Commissions acquired by the CIU by equity category:		Amount		Amount
EQUITY C-USD / FR0012647428		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-USD / FR0012647428	<b>0.20</b>
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY C-USD / FR0012647428	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
	- CIU	-
	- Swaps	<b>53,175.63</b>



**3.10 Allocation of the earnings table** *(in the CIU's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

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	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	USD	USD
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-2,965.78	-2,543.49
<b>Total</b>	<b>-2,965.78</b>	<b>-2,543.49</b>

EQUITY C-USD / FR0012647428	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-2,965.78	-2,543.49
<b>Total</b>	<b>-2,965.78</b>	<b>-2,543.49</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
*(in the CIU's currency of account)*

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

LYXOR MSCI NORTH AMERICA UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	USD	USD
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	67,669.47	-231,467.09
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>67,669.47</b>	<b>-231,467.09</b>

EQUITY C-USD / FR0012647428	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	67,669.47	-231,467.09
<b>Total</b>	<b>67,669.47</b>	<b>-231,467.09</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Mutual fund during the last 5 fiscal years**  
Mutual fund creation date: 26 March 2015.

Currency					
USD	<b>31.10.2017</b>	31.10.2016	30.10.2015	-	-
<b>Net assets</b>	<b>1,615,261.59</b>	1,317,328.10	15,537,626.94	-	-

EQUITY C-USD / FR0012647428	Currency of the equity and of the NAV: USD				
	<b>31.10.2017</b>	31.10.2016	30.10.2015	-	-
<b>Number of circulating equities</b>	<b>12,700</b>	12,700	156,000	-	-
<b>Net asset value</b>	<b>127.1859</b>	103.7266	99.6001	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>5.09</b>	-18.42	4.21	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the CIU. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
DE000A1EWWW0	ADIDAS NOM	PROPRE	238.00	52,970.16	EUR	3.28
ES0105046009	AENA SME SA	PROPRE	129.00	23,668.87	EUR	1.47
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	1,071.00	109,482.29	EUR	6.78
DE0008404005	ALLIANZ SE-NOM	PROPRE	318.00	73,850.02	EUR	4.57
NL0011333760	ALTICE NV	PROPRE	202.00	3,809.83	EUR	0.24
FR0004125920	AMUNDI SA	PGARAN	45.00	3,815.33	EUR	0.24
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	605.00	74,038.69	EUR	4.58
LU1598757687	ARCELORMITTAL SA	PROPRE	80.00	2,294.02	EUR	0.14
NL0010273215	ASML HOLDING N.V.	PGARAN	11.00	1,983.68	EUR	0.12
NL0010273215	ASML HOLDING N.V.	PROPRE	753.00	135,791.70	EUR	8.41
GB0009697037	BABCOCK INTERNATIONAL GROUP PLC	PGARAN	303.00	3,267.25	GBP	0.20
ES0113860A34	BANCO DE SABADELL	PROPRE	32,069.00	64,219.74	EUR	3.98
DE000BASF111	BASF SE	PROPRE	445.00	48,532.87	EUR	3.00
DE000BAY0017	BAYER AG	PROPRE	327.00	42,550.85	EUR	2.63
SE0000869646	BOLIDEN AB	PROPRE	57.00	1,994.91	SEK	0.12
FR0000120503	BOUYGUES	PGARAN	37.00	1,776.50	EUR	0.11
CH0198251305	COCA COLA HBC	PGARAN	67.00	2,264.36	EUR	0.14
DE0006062144	COVESTRO AG	PROPRE	758.00	72,726.52	EUR	4.50
DE0007100000	DAIMLER	PROPRE	548.00	45,511.01	EUR	2.82
FR0000120644	DANONE	PGARAN	21.00	1,715.90	EUR	0.11
FR0000121121	EURAZEO SE	PGARAN	18.00	1,673.54	EUR	0.10
NL0011585146	FERRARI NV	PROPRE	440.00	52,744.28	EUR	3.27
CH0030170408	GEBERIT AG-NOM	PROPRE	15.00	6,795.88	CHF	0.42
BE0003797140	GROUPE BRUXELLES LAMBERT	PROPRE	43.00	4,617.56	EUR	0.29
DE0006047004	HEIDELBERGCEMENT AG	PROPRE	630.00	64,195.85	EUR	3.97

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
DE0006048408	HENKEL KGAA	PROPRE	559.00	70,460.60	EUR	4.36
NL0011821202	ING GROUP NV	PROPRE	1,720.00	31,778.90	EUR	1.97
FR0010331421	INNATE PHARMA	PGARAN	54.00	588.81	EUR	0.04
BE0003565737	KBC GROUPE	PROPRE	443.00	36,801.15	EUR	2.28
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	3,212.00	60,449.09	EUR	3.74
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	2,868.00	116,787.33	EUR	7.23
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	PROPRE	136.00	30,427.10	EUR	1.88
FR0000133308	ORANGE	PGARAN	98.00	1,608.02	EUR	0.10
JP3780200006	PIONEER CORP	PROPRE	3,693.00	7,117.55	JPY	0.44
ES0173516115	REPSOL	PROPRE	385.00	7,214.22	EUR	0.45
DE0007037129	RWE AG	PROPRE	1,897.00	47,424.67	EUR	2.94
DE0007164600	SAP SE	PGARAN	55.00	6,257.30	EUR	0.39
DE0007164600	SAP SE	PROPRE	511.00	58,135.97	EUR	3.60
DE0007236101	SIEMENS AG-NOM	PROPRE	537.00	76,633.32	EUR	4.74
GB0001411924	SKY PLC	PGARAN	5,786.00	72,455.95	GBP	4.49
ES0178430E18	TELEFONICA SA	PROPRE	2,494.00	26,165.90	EUR	1.62
DE0007500001	THYSSENKRUPP AG	PGARAN	329.00	8,778.77	EUR	0.54
DE0007500001	THYSSENKRUPP AG	PROPRE	1,165.00	31,085.91	EUR	1.92
GB0001500809	TULLOW OIL PLC	PGARAN	1,079.00	2,607.81	GBP	0.16
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	452.00	82,090.30	EUR	5.08
FR0000121204	WENDEL ACT	PGARAN	10.00	1,686.85	EUR	0.10
<b>Total Equity</b>				<b>1,672,847.13</b>		<b>103.57</b>
<b>Total Investment Securities</b>				<b>1,672,847.13</b>		<b>103.57</b>
<b>Interest rate swap</b>						
SWAP03598553	FEES LEG C USD LYX E	PROPRE	1.00	281.24	USD	0.02
SWAP03598510	INDEX LEG C USD LYX	PROPRE	1,270,000.00	1,615,261.45	USD	100.00
SWAP03598518	VRAC LEG LYX ETF MSC	PROPRE	1,270,000.00	-1,562,367.06	USD	-96.73
<b>Total Interest rate swap</b>				<b>53,175.63</b>		<b>3.29</b>

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Cash</i>						
<i>AT BANK OR PENDING</i>						
	USD SGP BANK	PROPRE	0.00	0.14	USD	0.00
<i>Total AT BANK OR PENDING</i>				<i>0.14</i>		<i>0.00</i>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-281.23	USD	-0.02
<i>Total MANAGEMENT FEES</i>				<i>-281.23</i>		<i>-0.02</i>
<i>Total Cash</i>				<i>-281.09</i>		<i>-0.02</i>
<i>Files</i>						
<i>AD1 REME: Deposit of Collateral (File)</i>						
PDC-02059604	PDC LYXOCH0198251305	PGAR1	-1,705.15	-2,264.37	GBP	-0.14
PDC-02059633	PDC LYXODE0007164600	PGAR1	-5,371.30	-6,257.30	EUR	-0.39
PDC-02059638	PDC LYXODE0007500001	PGAR1	-7,535.75	-8,778.77	EUR	-0.54
PDC-02059592	PDC LYXOFR0000120503	PGAR1	-1,524.96	-1,776.50	EUR	-0.11
PDC-02059609	PDC LYXOFR0000120644	PGAR1	-1,472.94	-1,715.90	EUR	-0.11
PDC-02059615	PDC LYXOFR0000121121	PGAR1	-1,436.58	-1,673.54	EUR	-0.10
PDC-02059649	PDC LYXOFR0000121204	PGAR1	-1,448.00	-1,686.85	EUR	-0.10
PDC-02059627	PDC LYXOFR0000133308	PGAR1	-1,380.33	-1,608.02	EUR	-0.10
PDC-02059574	PDC LYXOFR0004125920	PGAR1	-3,275.10	-3,815.33	EUR	-0.24
PDC-02059621	PDC LYXOFR0010331421	PGAR1	-505.44	-588.81	EUR	-0.04
PDC-02059598	PDC LYXOGB0001411924	PGAR1	-54,561.98	-72,455.95	GBP	-4.49
PDC-02059644	PDC LYXOGB0001500809	PGAR1	-1,963.78	-2,607.81	GBP	-0.16
PDC-02059586	PDC LYXOGB0009697037	PGAR1	-2,460.36	-3,267.25	GBP	-0.20
PDC-02059579	PDC LYXONL0010273215	PGAR1	-1,702.80	-1,983.68	EUR	-0.12
<i>Total AD1 REME: Deposit of Collateral (File)</i>				<i>-110,480.08</i>		<i>-6.84</i>
<i>Total Files</i>				<i>-110,480.08</i>		<i>-6.84</i>
<b>Total LYXOR ETF NORTH AMERICA</b>				<b>1,615,261.59</b>		<b>100.00</b>



# LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF is a compartment of the MULTI UNITS FRANCE compartment
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International equities.

At least 60% of the LYXOR FTSE USA Minimum Variance UCITS ETF Compartment (the “Compartment”) is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**Equities C-USD:** Capitalisation of all the amounts available for distribution.

**Equities D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Equities C-EUR:** Capitalisation of all the amounts available for distribution.

**Equities D-EUR:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to replicate, downwards and upwards, the evolution of the “FTSE USA Minimum Variance Index” (the “Benchmark Indicator” hereafter), listed in USD. This provides exposure to public companies listed in the United States of America while minimizing volatility and tracking error between the Compartment and the Benchmark Indicator. Volatility is optimized by selecting the least volatile and least correlated of the Benchmark Indicator securities, as determined by applying quantitative criteria to historical data.

The anticipated level of the ex-post tracking error under normal market conditions is 0.08%.

### Benchmark indicator:

The Benchmark Indicator is the “FTSE USA Minimum Variance Index”. The Benchmark Indicator is a “Total Return” index, which means that all ex coupons from the Benchmark Indicator components are reinvested in the Benchmark Indicator.

The Benchmark Indicator is composed of the equities of public companies listed in the United States that meet FTSE's eligibility criteria. The weighting of the Benchmark Indicator components, which is based on historical share price performance, was designed to minimize the Benchmark Indicator's volatility.

The Benchmark Indicator's investment universe is composed of securities that meet the following criteria:

- (i) the issuer must be incorporated in the U.S.A. and the issuer's stock must be listed exclusively in that country, or the FTSE Nationality Advisory Committee considers the security to be a U.S.A. stock;
- (ii) only common stock ordinary shares listed on an eligible exchange;
- (iii) liquidity free float and foreign ownership criteria.

The Benchmark Indicator methodology is supervised by an advisory committee composed of experienced market professionals. The Benchmark Indicator's composition is revised twice a year.

A full description and the complete methodology used to construct the Benchmark Indicator and information on the composition and respective weightings of the Benchmark Indicator components are available on the Internet site: <http://www.ftse.com/>.

The performance tracked is that of the Benchmark Indicator's closing price as determined by FTSE on the basis of the WM/Reuters Spot Rates™ at 4.00 pm GMT.

**Benchmark Indicator revision and composition**

The composition of the Benchmark Indicator is reviewed quarterly.

The exact composition and the revision rules of the Benchmark Indicator are published by FTSE and available on the Internet site: <http://www.ftse.com>.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

**Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day.

The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: .TRIWIUSAMVN

Bloomberg code: WIUSAMVN

The Benchmark Indicator's closing price is available on the Internet site: <http://www.ftse.com>.

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The securities held as assets by the Compartment will notably be securities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

At all times, the Compartment will invest at least 75% of its assets in companies that have their head office in a Member State of the European Union or in another State that is a party to the agreement on the European Economic Area and that has signed, with France, a tax convention that includes an administrative assistance clause for the purpose of combating fraud or tax evasion. This minimum holding level provides for eligibility for a Stock Savings Plan.

As part of the management of its exposure, the Compartment may be exposed up to 20% of its assets in equities from a single issuing entity. This 20% limit will be checked on each rebalancing date of the Benchmark Indicator, in application of the Benchmark Indicator's calculation method that limits the exposure to each equities of a single issuing entity to 20%, and for which the calculation is carried out by the sponsor or the calculation agent of the Benchmark Indicator.

This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument or of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

**2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,

- o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
- o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
- o Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- o Geographical area,
- o Sector.

For more information on the abovementioned eligibility and diversification criteria investors can visit the following Internet site: [www.lyxoretcf.com](http://www.lyxoretcf.com).

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment's assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the Compartment's investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

The manager is prohibited from receiving cash guarantees.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at least on a daily basis and assets showing strong price volatility must not be accepted as guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Compartment may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (a) Placed as a deposit to an approved institution;
- (b) Invested in government bonds of highest grade;
- (c) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (d) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of future financial instrument ("FFI") traded over-the-counter with Société Générale or with any other counterparty.

In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk of investing in small and mid-cap companies**

Le Compartment is exposed to small and medium capitalisation companies and more specifically to the equity securities of small and medium companies and intermediate sized companies (ISC), which may increase market and liquidity risks. The prices of these securities therefore increase and decrease more sharply and rapidly than those of large-cap stocks. The Compartment's net asset value could behave similarly and therefore fall more sharply and strongly than that of a similar investment in large-cap stocks.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of derivative instruments**

In order to reach its investment objective, the Compartment uses future financial instrument ("FFI") negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator.

These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Exchange risk linked to the Benchmark Indicator**

The compartment is exposed to the exchange risk insofar as the underlying securities comprising the Benchmark Indicator may be listed in a currency other than the currency of the Benchmark Indicator or be derived from securities listed in a currency other than the currency of the Benchmark Indicator. The fluctuations of exchange rates could therefore negatively affect the Benchmark Indicator followed by the compartment.

**- Model risk**

The Benchmark Indicator's Minimum Variance methodology includes an algorithm for optimizing variance with constraints. In some cases, this algorithm may not provide the best possible variance and the risk profil may differ from that of the initial investment universe, i.e. FTSE USA.

**- Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

An investor subscribing for this Compartment wishes to be exposed to the market of public companies listed in the United States that meet FTSE's eligibility criteria.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 21 May 2015.*
- *Compartment creation date: 15 June 2015.*



## Activity report

The net asset value of the unit C-USD of the Lyxor FTSE USA Minimum Variance UCITS ETF Compartment shows an evolution of 15.29% over the fiscal year and stands at USD 123.2441 on 31/10/2017, resulting in the fund's performance being equal to 23.24% since inception.

The fund replicates the performance of the FTSE USA Minimum Variance Net Index, listed in US dollars (USD).

This index has shown an evolution in USD of 15.17% over the fiscal year. Since the C-USD class is valued in the index currency, the evolution of its net asset value is not subject to exchange risk.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the index.

The equities held as assets by the Compartment will notably be equities that make up the index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund complies at all times with the eligibility requirements of the PEA, details are available on request to the management company.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0011% for the Compartment. The level of the tracking error for the period was of 0.8%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*\* The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.

## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.7	5.4	4.0	4.9

Portfolio rated 100%  
Nb Securities rated 422

Pillars	Corporate			Government		
	Themes	Score	Weight	Themes	Score	Weight
<b>Environment</b>		<b>5.4</b>	<b>29.7%</b>		<b>0.0</b>	<b>0.0%</b>
	Climat Change	6.5	9.3%	Environmental Externalities	0.0	0.0%
	Environmental Opportunities	4.9	8.3%	Natural Resource	0.0	0.0%
	Natural Capital	5.0	7.0%			
	Pollution & Waste	4.9	5.1%			
<b>Social</b>		<b>4.0</b>	<b>42.2%</b>		<b>0.0</b>	<b>0.0%</b>
	Human Capital	3.9	20.8%	Human Capital	0.0	0.0%
	Product Liability	3.9	16.9%	Economic Environment	0.0	0.0%
	Social Opportunities	4.6	4.0%			
	Stakeholder Opposition	6.8	0.5%			
<b>Governance</b>		<b>4.9</b>	<b>28.1%</b>		<b>0.0</b>	<b>0.0%</b>
	Corporate Behavior	4.7	7.4%	Financial Governance	0.0	0.0%
	Corporate Governance	4.9	20.7%	Political Governance	0.0	0.0%

# LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF (compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated	Leaders (AAA,AA)	13%
Consumer Discretionary	0.5%	0.8%	1.0%	3.5%	3.5%	4.1%	0.5%		Average (A, BBB, BB)	64%
Consumer Staples	1.0%	2.4%	1.5%	2.9%	2.9%	1.8%	0.3%		Laggards (B, CCC)	23%
Energy		0.3%	0.1%	1.0%	0.3%	0.4%				
Financials			1.2%	2.9%	3.4%	4.5%	0.9%			
Health Care	0.4%	0.8%	3.0%	4.2%	1.1%	3.1%	1.6%			
Industrials	0.9%	1.6%	3.2%	2.1%	2.0%	0.9%	0.6%			
Information Technology	0.2%	0.8%	2.5%	2.1%	3.1%	1.3%				
Materials	0.2%	0.1%	0.1%	1.8%	0.4%	0.7%	0.2%			
Real Estate		0.3%	0.8%	1.8%	1.7%	1.7%	0.1%			
Telecommunication Services				0.1%	0.4%	0.5%				
Utilities	0.8%	1.7%	3.4%	5.3%	0.6%	0.3%				

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversie
- Green indicates no involvement in any major ESG controversies

Red Flag	2%
Orange Flag	17%
Yellow Flag	26%
Green Flag	55%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	99%
196	325	464	Scope 1 reported (vs estimated)	81%
			Scope2 reported (vs estimated)	73%
			Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

## LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF (compartment of the Multi Units France mutual fund)

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

Weight of the portfolio	
Fossil Fuel Reserves	4%
Thermal Coal	2%
Natural Gas	2%
Oil	2%

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

Issuer with a revenue dedicated to environmental solutions between:	
0-19.9%	24%
20-49.9%	2%
50-100%	1%

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

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Lyxor International Asset Management (LIAM) is a portfolio management company regulated by the Autorité des marchés financiers to conduct investment business in compliance with provisions of the UCITS (2009/65/CE) and AIFM (2011/61/EU) Directives. Société Générale is a French credit institution approved by the Autorité de contrôle prudentiel et de résolution.

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;

- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	Securities lending
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	91,517,400
% of assets under management	-	-	-	-	81.14

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	BNP PARIBAS
	Amount	5,146,206
2	Name	NN GROUP
	Amount	913,530
3	Name	SAP
	Amount	217,299
4	Name	RHEINMETALL
	Amount	98,017
5	Name	COVESTRO
	Amount	67,546
6	Name	ZODIAC AEROSPACE
	Amount	66,065
7	Name	DANONE
	Amount	62,099
8	Name	L'OREAL
	Amount	59,425
9	Name	LVMH MOET HENNESSY LOUIS VUITTON
	Amount	58,475
10	Name	CNP ASSURANCES
	Amount	58,268

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	-	91,517,400

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	6,746,930
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	6,746,930

**3.3. Guarantee currency.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	EUR
	Amount	-	-	-	6,746,930

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	91,517,400
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country		-	-	-	FRANCE
Amount	-	-	-	-	91,517,400

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	91,517,400

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	6,746,930

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.



**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>119,556,519.10</b>	<b>152,161,205.05</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	115,453,609.43	152,161,205.05
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	4,102,909.67	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>2,813,275.89</b>	<b>27,322.58</b>
Future foreign exchange operations	-	-
Other	2,813,275.89	27,322.58
<b>Financial accounts</b>	-	-
Liquidity	-	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>122,369,794.99</b>	<b>152,188,527.63</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 USD	31.10.2016 USD
<b>Shareholders' equity</b>		
• Capital	110,294,819.66	140,165,750.99
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	2,709,070.68	5,746,747.12
• Earnings of the fiscal year	-214,077.66	-284,451.61
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>112,789,812.68</b>	<b>145,628,046.50</b>
<b>Financial instruments</b>	<b>6,746,929.68</b>	<b>6,507,788.95</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	6,746,929.68	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	6,507,788.95
<b>Debts</b>	<b>2,833,052.37</b>	<b>52,691.93</b>
Future foreign exchange operations	-	-
Other	2,833,052.37	52,691.93
<b>Financial accounts</b>	-	-
Current bank accommodations	<b>0.26</b>	<b>0.25</b>
Loans	0.26	0.25
<b>Total liabilities</b>	<b>122,369,794.99</b>	<b>152,188,527.63</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	91,517,400.00	136,229,300.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-235,494.46	-220,623.61
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-235,494.46</b>	<b>-220,623.61</b>
Adjustment of the fiscal year's earnings (V)	21,416.80	-63,828.00
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-214,077.66</b>	<b>-284,451.61</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Comité de la Réglementation Comptable dated 14 January 2014 relative to the chart of accounts of open-end CIU. The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the “Financial instruments” item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the “Other temporary operations” item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract’s nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document “KIID”.

Fees invoiced to the Compartment	Basis	Schedule, rate
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	maximum 0.20% per year
Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment’s accounting is carried out in USD.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.



**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of equities**

**Equities C-USD:** Capitalisation of all the amounts available for distribution.

**Equities D-USD:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Equities C-EUR:** Capitalisation of all the amounts available for distribution.

**Equities D-EUR:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

LYXOR FTSE USA Minimum Variance UCITS ETF is in no way sponsored, endorsed, sold or promoted by FTSE International Limited (hereinafter "FTSE"), or any company of the London Stock Exchange Group ("LSEG"), (hereinafter collectively referred to as the "Holders").

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net assets at the start of the fiscal year</b>	<b>145,628,046.50</b>	<b>74,389,025.17</b>
Subscriptions (including subscription commission acquired by the CIU)	52,435,894.46	150,966,150.12
Redemptions (less the redemption commission acquired by the CIU)	-103,045,832.15	-86,171,835.40
Capital gains generated on deposits and financial instruments	36,006,466.06	12,422,520.74
Capital losses generated on deposits and financial instruments	-7,725,969.03	-25,337,043.34
Capital gains generated on financial contracts	272,796,572.99	439,237,250.51
Capital losses generated on financial contracts	-299,711,000.93	-422,398,675.60
Negotiation fees	-	-
Exchange differentials	4,243,881.69	450,432.09
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	1,786,548.93	2,680,220.67
- <i>Estimate difference fiscal year N-1</i>	5,765,409.70	3,978,860.77
	3,978,860.77	1,298,640.10
Changes to the estimate difference of financial contracts:		
- <i>Estimate difference fiscal year N</i>	10,610,698.62	-389,374.85
- <i>Estimate difference fiscal year N</i>	4,102,909.67	-6,507,788.95
- <i>Estimate difference fiscal year N-1</i>	-6,507,788.95	-6,118,414.10
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-235,494.46	-220,623.61
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>112,789,812.68</b>	<b>145,628,046.50</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	91,517,400.00	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.26
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.26	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	91,517,400.00	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	EUR	JPY	NOK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	106,481,120.71	7,404,575.64	927,779.24	640,133.84
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	6,746,929.68	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>2,813,275.89</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	2,813,275.89
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>2,833,052.37</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlement purchases	2,134,191.80
Account payable	679,084.09
Accrued expenses	19,776.48
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of equities	Amount	Number of equities	Amount
Number of equities issued/redeemed during the fiscal year:				
EQUITY C-USD / FR0012726560	449,157	52,435,894.46	896,276	103,045,832.15
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-USD / FR0012726560		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-USD / FR0012726560		-		-
Commissions acquired by the CIU by equity category:		Amount		Amount
EQUITY C-USD / FR0012726560		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-USD / FR0012726560	0.20
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY C-USD / FR0012726560	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and CIU managed by these entities:	
	- CIU	-
	- Swaps	<b>4,102,909.67</b>

**3.10 Allocation of the earnings table** *(in the CIU's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-



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	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	USD	USD
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	214,077.66	-284,451.61
<b>Total</b>	<b>214,077.66</b>	<b>-284,451.61</b>

EQUITY C-USD / FR0012726560	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	214,077.66	-284,451.61
<b>Total</b>	<b>214,077.66</b>	<b>-284,451.61</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the CIU's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	USD	USD
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	2,709,070.68	5,746,747.12
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>2,709,070.68</b>	<b>5,746,747.12</b>

EQUITY C-USD / FR0012726560	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	2,709,070.68	5,746,747.12
<b>Total</b>	<b>2,709,070.68</b>	<b>5,746,747.12</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Mutual fund during the last 5 fiscal years**

*Mutual fund creation date: 15 June 2015*

Currency					
USD	<b>31.10.2017</b>	31.10.2016	30.10.2015	-	-
<b>Net assets</b>	<b>112,789,812.68</b>	145,628,046.50	74,389,025.17	-	-

EQUITY C-USD / FR0012726560	Currency of the equity and of the NAV: USD				
	<b>31.10.2017</b>	31.10.2016	30.10.2015	-	-
<b>Number of circulating equities</b>	<b>915,174</b>	1,362,293	741,200	-	-
<b>Net asset value</b>	<b>123,2441</b>	106.8992	100.3629	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>2,72</b>	4.00	33.87	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the CIU. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
ES0125220311	ACCIONA SA	PROPRE	2,438.00	201,962.93	EUR	0.18
DE000A1EWWW0	ADIDAS NOM	PROPRE	8,271.00	1,840,824.34	EUR	1.63
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	66,330.00	6,780,541.96	EUR	6.01
DE0008404005	ALLIANZ SE-NOM	PROPRE	23,487.00	5,454,451.36	EUR	4.84
ES0109067019	AMADEUS IT GROUP SA	PROPRE	3,840.00	260,576.02	EUR	0.23
BE0974293251	ANHEUSER BUSCH INBEV SA/NV	PROPRE	44,422.00	5,436,275.40	EUR	4.82
ES0113211835	BANCO BILBAO VIZCAYA ARGENTA	PROPRE	144,328.00	1,263,197.53	EUR	1.12
ES0113860A34	BANCO DE SABADELL	PROPRE	695,735.00	1,393,243.47	EUR	1.24
ES0113900J37	BANCO SANTANDER SA	PROPRE	97,193.00	659,309.09	EUR	0.58
DE000BASF111	BASF SE	PROPRE	50,416.00	5,498,501.00	EUR	4.87
DE000BAY0017	BAYER AG	PROPRE	38,640.00	5,028,026.72	EUR	4.46
FR0000131104	BNP PARIBAS	PGARAN	65,894.00	5,146,205.95	EUR	4.56
FR0000120222	CNP ASSURANCES	PGARAN	2,504.00	58,267.77	EUR	0.05
DE0006062144	COVESTRO AG	PGARAN	704.00	67,545.48	EUR	0.06
DE0006062144	COVESTRO AG	PROPRE	25,649.00	2,460,900.54	EUR	2.18
FR0000120644	DANONE	PGARAN	760.00	62,099.29	EUR	0.06
DE0008232125	DEUTSCHE LUFTHANSA NOM	PROPRE	118,961.00	3,797,191.10	EUR	3.37
NO0010031479	DNB NOR ASA	PROPRE	7,413.00	142,698.89	NOK	0.13
FI0009007884	ELISA OYJ	PROPRE	10,154.00	409,161.73	EUR	0.36
ES0130960018	ENAGAS	PROPRE	44,568.00	1,283,969.03	EUR	1.14
JP3802400006	FANUC LTD	PROPRE	9,318.00	2,162,419.22	JPY	1.92
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	29,969.00	2,503,567.24	EUR	2.22
NO0010582521	GJENSIDIGE FORSIKRING ASA	PROPRE	36,464.00	684,989.96	NOK	0.61
DK0010287234	H. LUNDBECK	PROPRE	3,842.00	228,322.06	DKK	0.20
ES0144580Y14	IBERDROLA SA	PROPRE	763,067.00	6,167,430.35	EUR	5.47

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
NL0011821202	ING GROUP NV	PROPRE	146,024.00	2,697,955.05	EUR	2.39
SE0000806994	JM AB	PROPRE	5,227.00	137,920.37	SEK	0.12
BE0003565737	KBC GROUPE	PROPRE	37,480.00	3,113,560.47	EUR	2.76
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	85,833.00	3,495,190.77	EUR	3.10
FR0000120321	L'OREAL SA	PGARAN	267.00	59,424.51	EUR	0.05
FR0000121014	SELMVH MOET HENNESSY LOUIS VUITTON	PGARAN	196.00	58,475.36	EUR	0.05
ES0152503035	MEDIASET ESPANA COMUNICACION SA	PROPRE	90,965.00	988,909.02	EUR	0.88
NL0010773842	NN GROUP NV	PGARAN	21,807.00	913,530.16	EUR	0.81
NL0010773842	NN GROUP NV	PROPRE	39,543.00	1,656,519.62	EUR	1.47
FI0009005318	NOKIAN RENKAAT OYJ	PROPRE	4,400.00	201,801.96	EUR	0.18
NO0005052605	NORSK HYDRO ASA	PROPRE	12,968.00	100,090.39	NOK	0.09
DE000LED4000	OSRAM LICHT	PROPRE	9,426.00	721,220.17	EUR	0.64
HU0000061726	OTP BANK	PROPRE	6,793.00	273,891.41	HUF	0.24
ES0173516115	REPSOL	PROPRE	123,390.00	2,312,109.06	EUR	2.05
DE0007030009	RHEINMETALL AG	PGARAN	831.00	98,017.44	EUR	0.09
DE0007037129	RWE AG	PROPRE	168,453.00	4,211,295.86	EUR	3.73
FI0009003305	SAMPO A	PROPRE	2,741.00	143,626.90	EUR	0.13
DE0007164600	SAP SE	PGARAN	1,910.00	217,298.82	EUR	0.19
DE0007164600	SAP SE	PROPRE	22,346.00	2,542,282.45	EUR	2.25
DE0007236101	SIEMENS AG-NOM	PROPRE	29,106.00	4,153,611.75	EUR	3.68
JP3436100006	SOFTBANK GROUP CORP	PROPRE	59,884.00	5,242,156.42	JPY	4.65
BE0003470755	SOLVAY	PROPRE	39,393.00	5,853,381.15	EUR	5.19
ES0178430E18	TELEFONICA SA	PROPRE	826,886.00	8,675,307.30	EUR	7.69
DE0007500001	THYSSENKRUPP AG	PROPRE	122,126.00	3,258,710.01	EUR	2.89
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	29,015.00	5,269,579.68	EUR	4.67
FR0000125684	ZODIAC AEROSPACE	PGARAN	2,310.00	66,064.90	EUR	0.06
<b>Total Equity</b>				<b>115,453,609.43</b>		<b>102.36</b>
<b>Total Investment Securities</b>				<b>115,453,609.43</b>		<b>102.36</b>
<b>Interest rate swap</b>						
SWAP03598508	FEES LEG C USD LYX E	PROPRE	1.00	19,776.48	USD	0.02

LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
SWAP03598592	INDEX LEG C USD LYX	PROPRE	91,517,400.00	112,789,812.89	USD	100.00
SWAP03598556	VRAC LEG LYX ETF FTS	PROPRE	91,517,400.00	-108,706,679.70	USD	-96.38
<b>Total Interest rate swap</b>				<b>4,102,909.67</b>		<b>3.64</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	PAYABLE ON SWAP	PROPRE	0.00	-679,084.09	USD	-0.60
	DEF. PURCHASES EUR SECURITIES	PROPRE	0.00	-2,134,191.80	USD	-1.89
	USD SGP BANK	PROPRE	0.00	-0.26	USD	-0.00
	DEF. SALES EUR SECURITIES	PROPRE	0.00	2,813,275.89	USD	2.49
<b>Total AT BANK OR PENDING</b>				<b>-0.26</b>		<b>-0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-19,776.48	USD	-0.02
<b>Total MANAGEMENT FEES</b>				<b>-19,776.48</b>		<b>-0.02</b>
<b>Total Cash</b>				<b>-19,776.74</b>		<b>-0.02</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02059809	PDC LYXODE0006062144	PGAR1	-57,981.44	-67,545.48	EUR	-0.06
PDC-02059837	PDC LYXODE0007030009	PGAR1	-84,138.75	-98,017.44	EUR	-0.09
PDC-02059843	PDC LYXODE0007164600	PGAR1	-186,530.60	-217,298.82	EUR	-0.19
PDC-02059804	PDC LYXOFR0000120222	PGAR1	-50,017.40	-58,267.77	EUR	-0.05
PDC-02059820	PDC LYXOFR0000120321	PGAR1	-51,010.35	-59,424.51	EUR	-0.05
PDC-02059814	PDC LYXOFR0000120644	PGAR1	-53,306.40	-62,099.29	EUR	-0.06
PDC-02059826	PDC LYXOFR0000121014	PGAR1	-50,195.60	-58,475.36	EUR	-0.05
PDC-02059849	PDC LYXOFR0000125684	PGAR1	-56,710.50	-66,064.90	EUR	-0.06
PDC-02059799	PDC LYXOFR0000131104	PGAR1	-4,417,533.76	-5,146,205.95	EUR	-4.56
PDC-02059832	PDC LYXONL0010773842	PGAR1	-784,179.72	-913,530.16	EUR	-0.81
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-6,746,929.68</b>		<b>-5.98</b>
<b>Total Files</b>				<b>-6,746,929.68</b>		<b>-5.98</b>
<b>Total LYXOR FTSE USA MINIMUM VARIANCE UCITS ETF</b>				<b>112,789,812.68</b>		<b>100.00</b>

# LYXOR MSCI WORLD EX EMU UCITS ETF

**rapport**  
**annuel**

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE



LYXOR MSCI WORLD EX EMU UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR MSCI WORLD EX EMU UCITS ETF is a compartment of the MULTI UNITS FRANCE compartment
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International equities.

At least 60% of the LYXOR MSCI World Ex EMU UCITS ETF Compartment (the “Compartment”) is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**Class of C-USD equities:** Capitalisation of all the amounts available for distribution.

**Class of D-USD equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Class of Monthly Hedged C-EUR equities:** Capitalisation of all the amounts available for distribution.

**Class of Monthly Hedged D-EUR equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Class Monthly Hedged C-GBP equities:** Capitalisation of all the amounts available for distribution.

**Class Monthly Hedged D-GBP equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Class Monthly Hedged C-CHF equities:** Capitalisation of all the amounts available for distribution.

**Class Monthly Hedged D-CHF equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The Compartment’s management objective is to replicate, downwards and upwards, the evolution of the World ex EMU Net Total Return index (the “Benchmark Indicator” hereafter), listed in USD, that is representative of the performance of large and mid-cap companies in the developed countries excluding Euro zone countries, while minimizing the tracking error between the Compartment and the Benchmark indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.07%.

### Benchmark indicator:

The Benchmark Indicator is a “Total Return” index, which means that all ex dividends from the Benchmark Indicator components are reinvested in the Benchmark Indicator.

The Benchmark Indicator is an equity index calculated and published by the supplier of international indices, MSCI.

It measures the overall performance of the developed markets outside of the Euro zone. It covers approximately 85% of each country’s stock market capitalisations.

The Benchmark indicator is made up of the combination of several MSCI indices each representing countries classified as developed by MSCI, while excluding Euro zone countries.

The weight of each security in the Benchmark indicator is adjusted according to its market capitalisation, on the basis of the free-float. Consequently, the number of securities included in the composition of the basket comprising the Benchmark indicator can change over time.

The MSCI methodology and its calculation method entail the Benchmark indicator being made up of a variable number of companies.

A full description and the complete methodology used to construct the Benchmark Indicator and information on the composition and respective weightings of the Benchmark Indicator components are available on the Internet site: <https://www.msci.com/>.

The performance tracked is that of the Benchmark Indicator's closing price.

#### **Benchmark Indicator revision and composition**

The composition of the Benchmark Indicator is reviewed quarterly.

The exact composition and the revision rules of the Benchmark Indicator are published by MSCI and available on the Internet site: <https://www.msci.com>.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

#### **Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day.

The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: .MIWOM0000NUS

Bloomberg code: M1WOM

The Benchmark Indicator's closing price is available on the Internet site: <https://www.msci.com>.

### **Investment strategy:**

#### **1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the Compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the Compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The securities held as assets by the Compartment will notably be securities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be entirely neutralized.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the Compartment's portfolio and (ii) the market value of the future exchange operation entered into by the Compartment are available on the page dedicated to the Compartment on the Internet site [www.lyxoretf.com](http://www.lyxoretf.com). The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

#### **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - o Subordination to the main market indices or to the Benchmark Indicator,
  - o Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - o Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:

- Issuer (application of ratios applicable to the eligible assets of a UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
- Geographical area,
- Sector.

For more information on the abovementioned eligibility and diversification criteria investors can visit the following Internet site: [www.lyxoretff.com](http://www.lyxoretff.com).

The investment in undertakings for collective investment in transferable securities (“UCITS”) that comply with Directive 2009/65/EC is limited to 10% of the net assets.

As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment’s management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

### **3. Off-balance sheet assets (derivative instruments)**

The Compartment will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the Compartment’s assets (or of any other financial instrument or asset held by the Compartment, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

- Maximum proportion of assets under management which may be the object of a Total Return Swap (TRS): 100% of the assets under management.
- Expected proportion of assets under management which may be the object of a Total Return Swap (TRS): up to 100% of the assets under management.

As part of a future optimisation of the Compartment management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be negotiated with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the “Counterparty”) will have no discretionary power regarding the composition of the Compartment’s investment portfolio, nor regarding the underlying assets of the future financial instruments.

### **4. Securities with integrated derivatives**

None.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

### **7. Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary acquisition and/or sale operations involving securities.

### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment’s use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

The manager is prohibited from receiving cash guarantees.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment’s account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment’s assets.

In case of default of the counterparty in question, the Compartment can use the assets received as collateral from this defaulting counterparty for the purposes of extinguishing this counterparty's debt relative to the Compartment in respect of the guaranteed operation.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (b) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (e) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and

such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;
- (ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;
- (iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;
- (iv) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;
- (vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the UCITS may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the bearer is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

The Compartment is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of future financial instrument ("FFI") traded over-the-counter with Société Générale or with any other counterparty.

In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the Compartment's assets by counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The Compartment will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the Compartment's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the Compartment's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk of investing in small and mid-cap companies**

Le Compartment is exposed to small and medium capitalisation companies and more specifically to the equity securities of small and medium companies and intermediate sized companies (ISC), which may increase market and liquidity risks. The prices of these securities therefore increase and decrease more sharply and rapidly than those of large-cap stocks. The Compartment's net asset value could behave similarly and therefore fall more sharply and strongly than that of a similar investment in large-cap stocks.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to the use of Future Financial Instrument**

In order to reach its investment objective, the Compartment uses FFI negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator.

These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the Compartment's net asset value.

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

**- Risk related to the regulations applicable to the underlyings**

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

**- Risk related to events affecting the Benchmark Indicator**

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

**- Securities transaction risk**

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

**- Exchange risk linked to the Benchmark Indicator**

The compartment is exposed to the exchange risk insofar as the underlying securities comprising the Benchmark Indicator may be listed in a currency other than the currency of the Benchmark Indicator or be derived from securities listed in a currency other than the currency of the Benchmark Indicator. The fluctuations of exchange rates could therefore negatively affect the Benchmark Indicator followed by the compartment.

**- Risk linked to currency hedging specific to the equity classes Monthly Hedged C-EUR, Monthly Hedged D-EUR, Monthly Hedged C-GBP, Monthly Hedged D-GBP, Monthly Hedged C-CHF and Monthly Hedged D-CHF:**

In order to hedge the exchange risk on the EUR (respectively GBP and CHF) against the currency of each of the securities comprising the Benchmark indicator specific to the relevant Monthly Hedged equity class, the Compartment uses a hedging strategy intended to reduce the impact of fluctuations between the currency of each of the securities comprising the Benchmark Indicator and the currency of the said equity class. This hedge nevertheless remains imperfect as a result of its monthly adjustment frequency and the employed instruments; the Compartment can therefore be subject to downward market movements that will impact the net asset value of the equity class. Moreover, the cost of implementing the currency hedge will have a negative impact on the net asset value of the Monthly Hedged equity classes.

**- Legal risk**

The Compartment may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

**Subscribers concerned and typical investor profile:**

The Compartment is open to any subscriber.

The investor subscribing to this Compartment wishes to obtain an exposure to the performance of large and mid-cap companies of developed countries, excluding the Euro zone countries.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 10 October 2016.*
- *Compartment creation date: 24 October 2016.*

## Activity report

The net asset value of the unit C-USD of the Lyxor MSCI World Ex EMU UCITS ETF Compartment shows an evolution of 21.67% over the fiscal year and stands at USD 120.9853 on 31/10/2017, resulting in the fund's performance being equal to 20.99% since inception.

The fund replicates the performance of the MSCI WORLD ex EMU NR index, listed in US dollars (USD).

This index has shown an evolution of 21.67% over the fiscal year. Since the C-USD class is valued in the index currency, the evolution of its net asset value is not subject to exchange risk.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the MSCI WORLD ex EMU NR index, the compartment will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange (i) the value of the compartment's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the MSCI WORLD ex EMU NR index.

The equities held as assets by the Compartment will notably be equities that make up the MSCI WORLD ex EMU NR index, as well as other European equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 5 given its exposure to the Benchmark Index.

On 31/10/2017, the tracking error reached the level of 0.0002% for the Compartment. The level of the tracking error for the period was of 0.07%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the fiscal year.

The counterparty for the Index Linked Swap obtained by the fund is: Société Générale.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

#### **Transfer commission** *(not audited by the auditor)*

None.

#### **Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

#### **Overall risk of the CIU**

The management company's method for measuring the overall risk of the CIU: the method chosen is the commitment method.



## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

#### a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

#### b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

LYXOR is using a variety of external information sources, including the following extra-financial rating agencies:

- ISS Ethix to identify companies that are considered in breach of its Defence Policy,
- Sustainalytics to identify companies that are associated with serious and repeated breaches of norms and standards adopted by LYXOR and/or mandatory requirements related to controversial sectors and products,
- ISS Proxy voting adviser for research on the governance performance of companies and for voting recommendations. These recommendations are based on the LYXOR's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

#### c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

#### d) Description of how the results of the analysis on ESG issues are integrated in investment policies (Reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.8	5.4	4.4	4.8

Portfolio rated 100%  
Nb Securities rated 1 408

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>5.4</b>	<b>25.1%</b>
	Climate Change	6.5	7.6%
	Environmental Opportunities	5.2	7.1%
	Natural Capital	4.6	5.5%
	Pollution & Waste	5.1	4.9%
<b>Social</b>		<b>4.4</b>	<b>44.6%</b>
	Human Capital	4.4	20.5%
	Product Liability	4.2	18.1%
	Social Opportunities	4.9	4.9%
	Stakeholder Opposition	7.3	1.1%
<b>Governance</b>		<b>4.8</b>	<b>30.3%</b>
	Corporate Behavior	4.5	11.0%
	Corporate Governance	5.0	19.3%

**LYXOR MSCI WORLD EX EMU UCITS ETF**  
(compartment of the Multi Units France mutual fund)

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	20%
Average (A, BBB,BB)	66%
Laggards (B,CCC)	14%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	0.5%	1.1%	1.3%	2.5%	4.0%	1.9%	0.5%	
Consumer Staples	0.4%	1.8%	2.4%	1.5%	1.5%	1.0%	0.1%	
Energy	0.2%	0.2%	0.6%	3.3%	0.7%	1.3%	0.1%	
Financials	0.2%	3.0%	3.0%	3.6%	6.1%	1.0%	0.9%	
Health Care	0.4%	0.9%	3.5%	3.3%	1.1%	2.3%	1.0%	
Industrials	1.0%	2.5%	3.2%	2.0%	1.5%	0.6%	0.2%	
Information Technology	2.1%	2.8%	6.8%	4.5%	1.2%	1.1%	0.0%	
Materials	0.3%	0.4%	0.5%	2.2%	0.9%	0.2%	0.1%	
Real Estate	0.1%	0.5%	0.7%	0.6%	0.6%	0.6%	0.0%	
Telecommunication Services	0.6%	0.2%	0.2%	0.3%	0.6%	0.7%		
Utilities	0.4%	0.5%	0.6%	1.1%	0.3%	0.1%	0.0%	

### ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

### Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	3%
Orange Flag	27%
Yellow Flag	33%
Green Flag	36%

### Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
110	207	198

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	84%
Scope2 reported (vs estimated)	75%

Scope 1& 2 estimations are based on MSCI methodology

### Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

### Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	8%
Thermal Coal	3%
Natural Gaz	6%
Oil	6%

### Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	26%
20-49.9%	4%
50-100%	1%

### Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaitre/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**  
(Accounting currency of the CIU)

**1. General information.**

**1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.**

	<b>Securities lending</b>
% of assets that can be loaned	-

**1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.**

	<b>Securities lending</b>	<b>Securities borrowing</b>	<b>Repo operations</b>	<b>Reverse repo operations</b>	<b>TRS</b>
Absolute value	-	-	-	-	86,802,600
% of assets under management	-	-	-	-	82.65

**2. Concentration data**

**2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).**

1	Name	SEVERN TRENT
	Amount	4,422,428
2	Name	ASML
	Amount	1,143,319
3	Name	UNITED UTILITIES
	Amount	664,189
4	Name	BNP PARIBAS
	Amount	512,559
5	Name	AMUNDI
	Amount	117,173
6	Name	DANONE
	Amount	62,099
7	Name	WENDEL
	Amount	60,895
8	Name	L'OREAL
	Amount	59,425
9	Name	TOTAL
	Amount	58,833
10	Name	RUBIS
	Amount	58,248

**2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	-	86,802,600

**3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.**

**3.1. Type and quality of the guarantees.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	7,159,168
Rating or literary	Not applicable				

**3.2. Guarantee maturity.**

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	7,159,168

**3.3. Guarantee currency.**

		Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	-	GBP
	Amount	-	-	-	-	5,086,617
2	Currency	-	-	-	-	EUR
	Amount	-	-	-	-	2,072,552

### 3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	86,802,600
Open	-	-	-	-	-

### 3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1 Country		-	-	-	FRANCE
Amount	-	-	-	-	86,802,600

### 3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	86,802,600

### 4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

### 5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians	1
1 Name	SOCIETE GENERALE
Amount	7,159,168

### 6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

**7. Data on the earnings and costs for each type of securities financing operation and total return swap.**

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

## **ANNUAL ACCOUNTS**



## BALANCE SHEET assets

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>112,209,593.75</b>	<b>100,446.14</b>
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	108,019,875.03	100,446.14
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	4,189,718.72	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>1,927,389.89</b>	<b>298.02</b>
Future foreign exchange operations	-	-
Other	1,927,389.89	298.02
<b>Financial accounts</b>	-	-
Liquidity	-	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>114,136,983.64</b>	<b>100,744.16</b>

## BALANCE SHEET liabilities

Currency	31.10.2017 USD	31.10.2016 USD
<b>Shareholders' equity</b>		
• Capital	96,181,262.17	99,356.66
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	9,144,938.04	85.78
• Earnings of the fiscal year	-307,788.82	-4.77
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>105,018,411.39</b>	<b>99,437.67</b>
<b>Financial instruments</b>	<b>7,159,168.02</b>	<b>1,003.70</b>
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	7,159,168.02	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	1,003.70
<b>Debts</b>	<b>1,959,404.11</b>	<b>4.77</b>
Future foreign exchange operations	-	-
Other	1,959,404.11	4.77
<b>Financial accounts</b>	<b>0.12</b>	<b>298.02</b>
Current bank accommodations	0.12	298.02
Loans	-	-
<b>Total liabilities</b>	<b>114,136,983.64</b>	<b>100,744.16</b>

## Off-balance sheet commitments

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	86,802,600.00	100,000.00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	29,343,07	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>29,343,07</b>	<b>-</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>29,343,07</b>	<b>-</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-292,769,78	-4.77
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>-263,426,71</b>	<b>-4.77</b>
Adjustment of the fiscal year's earnings (V)	-44,362.11	-
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-307,788.82</b>	<b>-4.77</b>

## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Comité de la Réglementation Comptable dated 14 January 2014 relative to the chart of accounts of open-end CIU. The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the day of calculation of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the day of calculation of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this valuation.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the “Financial instruments” item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the “Other temporary operations” item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract’s nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document “KIID”.

Fees invoiced to the Compartment	Basis	Schedule, rate maximum C-USD and D-USD equities	Schedule, rate maximum Monthly Hedged C-EUR, Monthly Hedged D-EUR, Monthly Hedged C-GBP, Monthly Hedged D-GBP, Monthly Hedged C-CHF, Monthly Hedged D-CHF equities
Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	0.35% per year	0.45% per year
External management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	0.12% per year	

# appendix

Outperformance commissions	Net assets	None	
Transactions commissions	Collection on each transaction	None	

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS.

#### Accounting currency

The Compartment's accounting is carried out in USD.

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

#### Indication of other changes declared to each of the bearers individually *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

#### Indication and justification of the changes to estimates and application provisions

None.

#### Indication of the nature of the errors corrected during the fiscal year

None.

#### Indication of the rights and conditions attached to each category of equities

**Class of C-USD equities:** Capitalisation of all the amounts available for distribution.

**Class of D-USD equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Class of Monthly Hedged C-EUR equities:** Capitalisation of all the amounts available for distribution.

**Class of Monthly Hedged D-EUR equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Class Monthly Hedged C-GBP equities:** Capitalisation of all the amounts available for distribution.

**Class Monthly Hedged D-GBP equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

**Class Monthly Hedged C-CHF equities:** Capitalisation of all the amounts available for distribution.

**Class Monthly Hedged D-CHF equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

# appendix

# appendix

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## **2. Evolution of the net assets**

	31.10.2017	31.10.2016
Currency	USD	USD
<b>Net assets at the start of the fiscal year</b>	<b>99,437.67</b>	<b>-</b>
Subscriptions (including subscription commission acquired by the CIU)	90,381,506.87	100,000.00
Redemptions (less the redemption commission acquired by the CIU)	-	-
Capital gains generated on deposits and financial instruments	11,575,243.94	39.85
Capital losses generated on deposits and financial instruments	-3,671,122.63	-2.20
Capital gains generated on financial contracts	180,269,899.78	101,366.06
Capital losses generated on financial contracts	-193,885,382.91	-101,320.04
Negotiation fees	-	-
Exchange differentials	9,170,640.13	400.85
Changes to the estimate difference of the deposits and financial instruments:	7,150,892.83	-38.38
- <i>Estimate difference fiscal year N</i>	7,150,854.45	-38.38
- <i>Estimate difference fiscal year N-1</i>	-38.38	-
Changes to the estimate difference of financial contracts:	4,190,722.42	-1,003.70
- <i>Estimate difference fiscal year N</i>	4,189,718.72	-1,003.70
- <i>Estimate difference fiscal year N-1</i>	-1,003.70	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	-263,426.71	-4.77
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>105,018,411.39</b>	<b>99,437.67</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable European Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable European Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable European Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

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3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	86,802,600.00	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	0.12
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	0.12	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	86,802,600.00	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	EUR	GBP	CHF	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	97,643,230.20	5,086,616.51	3,410,765.67	1,879,262.65
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	2,072,551.51	5,086,616.51	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>1,927,389.89</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	1,927,389.89
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>1,959,404.11</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Account payable	1,927,389.89
Accrued expenses	32,014.22
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of	Amount	Number of	Amount
Number of equities issued/redeemed during the fiscal year:	equities		equities	
EQUITY C-USD / FR0013209921	867,026	90,381,506.87	-	-
Subscription / redemption commission by equity category:		Amount		Amount
EQUITY C-USD / FR0013209921		-		-
Remittances by equity category:		Amount		Amount
EQUITY C-USD / FR0013209921		-		-
Commissions acquired by the CIU by equity category:		Amount		Amount
EQUITY C-USD / FR0013209921		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY C-USD / FR0013209921	<b>0.35</b>
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
UNITS C-USD / FR0013209921	-
Retrocession of management fees:	
- Total amount of fees retroceded to the CIU	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the CIU with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU	-
	- other financial instruments	<b>4,189,718.72</b>

**3.10 Allocation of the earnings table** *(in the CIU's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

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	31.10.2017	31.10.2016
<b>Allocation of the earnings</b>	USD	USD
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	-307,788,82	-4.77
<b>Total</b>	<b>-307,788,82</b>	<b>-4.77</b>

EQUITY C-USD / FR0013209921	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-307,788,82	-4.77
<b>Total</b>	<b>-307,788,82</b>	<b>-4.77</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>



**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
*(in the CIU's currency of account)*

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

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	31.10.2017	31.10.2016
Allocation of the net capital gains and losses	USD	USD
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	9,144,938.04	85.78
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>9,144,938.04</b>	<b>85.78</b>

EQUITY C-USD / FR0013209921	31.10.2017	31.10.2016
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	9,144,938.04	85.78
<b>Total</b>	<b>9,144,938.04</b>	<b>85.78</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

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**3.12 Table of the earnings and other characteristic elements of the Mutual fund during the last 5 fiscal years**  
Mutual fund creation date: 24 October 2016.

Currency					
USD	<b>31.10.2017</b>	31.10.2016	-	-	-
<b>Net assets</b>	<b>105,018,411.39</b>	99,437.67	-	-	-

EQUITY C-USD / FR0013209921		Currency of the equity and of the NAV: USD			
	<b>31.10.2017</b>	31.10.2016	-	-	-
<b>Number of circulating equities</b>	<b>868,026</b>	1,000	-	-	-
<b>Net asset value</b>	<b>120,9853</b>	99.4376	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	-	-	-	-	-
<b>Distribution per unit (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalisation *</b>	<b>10.18</b>	0.08	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the CIU. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
NL0000852564	AALBERTS INDUSTRIES	PROPRE	23,008.00	1,134,980.22	EUR	1.08
NL0000235190	AIRBUS BR BEARER SHS	PROPRE	55,985.00	5,723,030.93	EUR	5.45
DE0008404005	ALLIANZ SE-NOM	PROPRE	19,064.00	4,427,285.77	EUR	4.22
FR0004125920	AMUNDI SA	PGARAN	1,382.00	117,172.95	EUR	0.11
NL0010273215	ASML HOLDING N.V.	PGARAN	6,340.00	1,143,319.21	EUR	1.09
NL0010273215	ASML HOLDING N.V.	PROPRE	37,427.00	6,749,370.35	EUR	6.43
NL0011872643	ASR NEDERLAND N.V	PROPRE	50,642.00	2,076,638.01	EUR	1.98
DE000BASF111	BASF SE	PROPRE	45,793.00	4,994,304.51	EUR	4.76
CH0011432447	BASILEA PHARMACEUTICA N	PROPRE	1,658.00	134,981.21	CHF	0.13
DE000BAY0017	BAYER AG	PROPRE	50,796.00	6,609,825.18	EUR	6.29
DE0005190003	BAYERISCHE MOTORENWERKE	PROPRE	29,339.00	2,990,615.95	EUR	2.85
FR0000131104	BNP PARIBAS	PGARAN	6,563.00	512,558.80	EUR	0.49
DE000CBK1001	COMMERZBANK	PROPRE	118,123.00	1,618,950.94	EUR	1.54
DE0006062144	COVESTRO AG	PROPRE	34,802.00	3,339,087.70	EUR	3.18
JP3271400008	CREDIT SAISON CO LTD	PROPRE	90,358.00	1,808,273.53	JPY	1.72
CH0012138530	CREDIT SUISSE GROUP AG-NOM	PROPRE	155,128.00	2,448,043.75	CHF	2.33
DE0007100000	DAIMLER	PROPRE	59,669.00	4,955,467.82	EUR	4.72
FR0000120644	DANONE	PGARAN	760.00	62,099.29	EUR	0.06
DE0005140008	DEUTSCHE BANK AG-NOM	PROPRE	94,235.00	1,531,417.93	EUR	1.46
DE0005552004	DEUTSCHE POST AG-NOM	PROPRE	52,621.00	2,410,348.79	EUR	2.30
DE000ENAG999	E.ON SE	PROPRE	334,373.00	3,945,916.88	EUR	3.76
DE0005785604	FRESENIUS SE & CO KGAA	PROPRE	39,899.00	3,333,105.18	EUR	3.17
CH0030170408	GEBERIT AG-NOM	PROPRE	1,598.00	723,987.33	CHF	0.69
NL0011821202	ING GROUP NV	PROPRE	135,696.00	2,507,133.82	EUR	2.39
BE0003565737	KBC GROUPE	PROPRE	21,501.00	1,786,143.64	EUR	1.70

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
NL0011794037	KONINKLIJKE AHOLD DELHAIZE	PROPRE	129,037.00	2,428,446.31	EUR	2.31
NL0000009538	KONINKLIJKE PHILIPS N.V.	PROPRE	114,149.00	4,648,241.72	EUR	4.43
DE000LEG1110	LEG IMMOBILIEN	PROPRE	22,480.00	2,283,600.23	EUR	2.17
FR0000120321	L'OREAL SA	PGARAN	267.00	59,424.51	EUR	0.06
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	PROPRE	22,269.00	4,982,213.25	EUR	4.74
DE000LED4000	OSRAM LICHT	PROPRE	4,069.00	311,335.12	EUR	0.30
FR0013269123	RUBIS SCA	PGARAN	928.00	58,248.25	EUR	0.06
DE0007037129	RWE AG	PROPRE	227,751.00	5,693,735.60	EUR	5.42
CH0027148649	SANTHERA PHARMACEUTICALS-REG	PROPRE	2,989.00	103,753.38	CHF	0.10
DE0007164600	SAP SE	PROPRE	20,588.00	2,342,276.52	EUR	2.23
GB00B1FH8J72	SEVERN TRENT PLC	PGARAN	157,757.00	4,422,428.10	GBP	4.21
DE0007236101	SIEMENS AG-NOM	PROPRE	35,714.00	5,096,615.48	EUR	4.85
SE0000242455	SWEDBANK A SHS A	PROPRE	2,860.00	70,989.12	SEK	0.07
DE0007500001	THYSSENKRUPP AG	PROPRE	192,744.00	5,143,022.80	EUR	4.90
FR0000120271	TOTAL	PGARAN	1,055.00	58,833.30	EUR	0.06
GB00B39J2M42	UNITED UTILITIES GROUP PLC	PGARAN	60,043.00	664,188.41	GBP	0.63
DE0007664039	VOLKSWAGEN AG-PFD	PROPRE	13,807.00	2,507,568.04	EUR	2.39
FR0000121204	WENDEL ACT	PGARAN	361.00	60,895.20	EUR	0.06
<b>Total Equity</b>				<b>108,019,875.03</b>		<b>102.86</b>
<b>Total Investment Securities</b>				<b>108,019,875.03</b>		<b>102.86</b>
<b>Interest rate swap</b>						
SWAP03604772	FEES LEG C USD LYXOR	PROPRE	1.00	32,014.22	USD	0.03
SWAP03604770	INDEX LEG C USD LYXO	PROPRE	86,802,600.00	105,018,411.48	USD	100.00
SWAP03604773	VRAC LEG LYXOR ETF M	PROPRE	86,802,600.00	-100,860,706.98	USD	-96.04
<b>Total Interest rate swap</b>				<b>4,189,718.72</b>		<b>3.99</b>
<b>Cash</b>						
<b>AT BANK OR PENDING</b>						
	PAYABLE ON SWAP	PROPRE	0.00	-1,927,389.89	USD	-1.84
	USD SGP BANK	PROPRE	0.00	-0.12	USD	-0.00

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
	DEF. SALES USD SECURITIES	PROPRE	0.00	1,927,389.89	USD	1.84
<b>Total AT BANK OR PENDING</b>				<b>-0.12</b>		<b>-0.00</b>
<b>MANAGEMENT FEES</b>						
	PRCOMGESTADM	PROPRE	0.00	-32,014.22	USD	-0.03
<b>Total MANAGEMENT FEES</b>				<b>-32,014.22</b>		<b>-0.03</b>
<b>Total Cash</b>				<b>-32,014.34</b>		<b>-0.03</b>
<b>Files</b>						
<b>AD1 REME: Deposit of Collateral (File)</b>						
PDC-02060542	PDC LYXOFR0000120271	PGAR1	-50,502.85	-58,833.30	EUR	-0.06
PDC-02060525	PDC LYXOFR0000120321	PGAR1	-51,010.35	-59,424.51	EUR	-0.06
PDC-02060520	PDC LYXOFR0000120644	PGAR1	-53,306.40	-62,099.29	EUR	-0.06
PDC-02060554	PDC LYXOFR0000121204	PGAR1	-52,272.80	-60,895.20	EUR	-0.06
PDC-02060514	PDC LYXOFR0000131104	PGAR1	-439,983.52	-512,558.80	EUR	-0.49
PDC-02060503	PDC LYXOFR0004125920	PGAR1	-100,581.96	-117,172.95	EUR	-0.11
PDC-02060531	PDC LYXOFR0013269123	PGAR1	-50,000.64	-58,248.25	EUR	-0.06
PDC-02060536	PDC LYXOGB00B1FH8J72	PGAR1	-3,330,250.27	-4,422,428.10	GBP	-4.21
PDC-02060549	PDC LYXOGB00B39J2M42	PGAR1	-500,158.19	-664,188.41	GBP	-0.63
PDC-02060508	PDC LYXONL0010273215	PGAR1	-981,432.00	-1,143,319.21	EUR	-1.09
<b>Total AD1 REME: Deposit of Collateral (File)</b>				<b>-7,159,168.02</b>		<b>-6.82</b>
<b>Total Files</b>				<b>-7,159,168.02</b>		<b>-6.82</b>
<b>Total LYXOR MSCI WORLD EX EMU UCITS ETF</b>				<b>105,018,411.39</b>		<b>100.00</b>

# LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF

**rapport**  
annuel

COMPARTIMENT DE LA SICAV MULTI UNITS FRANCE

LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

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<b>Compartments / feeder</b>	LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF is a compartment of the MULTI UNITS FRANCE compartment
<b>Financial manager by delegation</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92987 Paris La Défense Cedex.
<b>Depository</b>	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

### Classification:

International equities.

At least 60% of the Lyxor FTSE US Quality Low Vol Dividend (DR) UCITS ETF Compartment (the "Compartment") is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market.

The Compartment is an UCITS ETF type index fund.

### Terms of determination and allocation of amounts available for distribution:

**C-USD, Daily Hedged C-GBP, Daily Hedged C-EUR, Daily Hedged C-CHF equities:** Capitalisation of all the amounts available for distribution.

**D-USD, Hedged D-GBP, Daily Hedged D-EUR, Daily Hedged D-CHF equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

### Management objective:

The management objective of the Compartment Lyxor FTSE US Quality Low Vol Dividend (DR) UCITS ETF is to reproduce, whether upward or downward, the evolution of the index "FTSE USA Qual/Vol/Yield Factor 5% Capped Index" (the "Benchmark Indicator") listed in USD, representing the performance of a basket of equities of companies located in the United States, and giving equal weight to the criteria of dividend return, volatility, and financial quality of the company, while minimising the tracking error between the Compartment and the Benchmark Indicator. The weighting of each equity is capped at 5% of the Benchmark Indicator "5% capped".

The Compartment will also utilise a daily currency hedging strategy in order to reduce the impact of movements in the exchange rate of the Euro (EUR) against each of the equities comprising the Benchmark Indicator, specific to the category of units Daily Hedged C-EUR and Daily Hedged D-EUR.

The Compartment will also utilise a daily currency hedging strategy in order to reduce the impact of movements in the exchange rate of the Pound Sterling (GBP) against each of the equities comprising the Benchmark Indicator, specific to the category of units Daily Hedged C-GBP and Daily Hedged D-GBP.

The Compartment will also utilise a daily currency hedging strategy in order to reduce the impact of movements in the exchange rate of the Swiss Franc (CHF) against each of the equities comprising the Benchmark Indicator, specific to the category of units Daily Hedged C-CHF and Daily Hedged D-CHF.

The anticipated level of the ex-post tracking error under normal market conditions is 0.20%.



**Benchmark indicator:**

The Benchmark Indicator is the Index "FTSE USA Qual/Vol/Yield Factor 5% Capped Index". The Benchmark Indicator is of the type "Net Total Return" (i.e. the dividends generated by the components of the Benchmark Indicator are reinvested in the Benchmark indicator after deduction of the dividend withholding tax), and is listed in USD.

The Benchmark Indicator is an equity index calculated and published by the index provider FTSE International Limited. The investment universe of the Benchmark Indicator is that of the index FTSE USA Index (hereinafter the "Parent Index"), which represents large-cap companies located in the United States.

The weighting of each component of the Benchmark Index is determined from (i) their weighting in the Parent Index, based on their adjusted capitalisation (ii) according to a normalised score of between 0 and 1 which takes into account the following financial analysis criteria, in an equally weighted manner:

- The dividend (over sliding 12 month period);
- The volatility (over 5 year sliding period);
- the quality, assessed through the following indicators: (i) return on assets, (ii) variation of asset turnover rate, (iii) revenue quality (proportion of accruals on the balance sheet) and (iv) leverage ratio.

Components whose final weighting is less than 0.05% are excluded from the Benchmark Indicator. As a consequence, the number of components of the Benchmark Indicator may be lower than that of the Parent Index.

The weighting of each equity is capped at 5% of the Benchmark Indicator.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components are available at the following Internet site: <http://www.ftse.com/>.

The performance tracked by the Compartment is that of the daily closing price of the Benchmark Indicator.

**Benchmark Indicator revision and composition**

The composition of the Benchmark Indicator is revised annually.

The weighting of the components of the Benchmark Indicator is revised quarterly.

The exact composition and the FTSE International Limited's revision rules of the Benchmark indicator are available on the Internet site: <http://www.ftse.com/>.

The rebalancing frequency indicated above does not affect the cost of implementing the Investment Strategy.

**Benchmark Indicator publication**

The Benchmark Indicator is calculated at the closing price each day, by using the official closing price of the listing market of the component securities.

The Benchmark Indicator is also calculated in real-time on each trading day. The Benchmark Indicator is available in real-time via Reuters and Bloomberg.

Reuters code: TRIFUSYQVCN

Bloomberg code: FUSYQVCN

The Benchmark Indicator's closing price is available on the Internet site: <http://www.ftse.com/>.

**Investment strategy:**

**1. Strategy employed**

The Compartment will comply with the investment rules dictated by the European directive no. 2009/65/EC dated 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment will use a direct replication method, which means that it will invest mainly in the Benchmark Indicator's constituents.

In order to optimise the direct replication method that is used to track the Benchmark Indicator, the Compartment, represented by its financial manager by delegation, may decide to employ a "sampling" technique that consists in investing in a selection of representative Benchmark Indicator constituents in order to reduce the costs of investing directly in all of the various Benchmark Indicator constituents. This sampling technique could cause the Compartment to invest in a selection of representative Benchmark Indicator securities (and not in all of them) in proportions that do not reflect their weight within the Benchmark Indicator, and even to invest in securities that are not constituents of the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the Benchmark Indicator, the Compartment may also, on an ancillary basis, engage in transactions involving Future Financial Instrument ("FFI"). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Compartment's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Indicator or sampling to limit replication costs) and on its consequences in terms of the assets in the Compartment's portfolio, information on the updated composition of the basket of balance sheet assets in the Compartment's portfolio is available on the page dedicated to the Compartment accessible on Lyxor's internet site at [www.lyxoretf.com](http://www.lyxoretf.com).

The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

As part of the management of its exposure, the Compartment can use up to 20% of its assets to acquire equities from a single issuing entity.

This 20% limit will be checked on each rebalancing date of the Benchmark Indicator, in application of the Benchmark Indicator's calculation method that limits the exposure to each equities of a single issuing entity to 20%, and for which the calculation is carried out by the sponsor or the calculation agent of the Benchmark Indicator. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument or of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

## **2. Balance sheet assets (excluding integrated derivatives)**

The Compartment may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets), including the small capitalisation markets.

The Compartment will be mainly invested in securities making up the Benchmark Indicator.

The investment in undertakings for collective investment in transferable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the net assets.

As part of these investments, the Compartment can subscribe to units or equities of UCITS managed by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

As part of a future optimisation of the Compartment's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

When the Compartment receives collateral in the form of securities, subject to the terms of section 8 below, it acquires full title to these securities and they are therefore included among the balance sheet assets to which it has full title.

## **3. Off-balance sheet assets (derivative instruments)**

On an ancillary basis, the Compartment may engage in transactions involving derivatives traded on a regulated market or over the counter.

With respect to FFI traded over-the-counter, in accordance with its best-execution policy the management company considers that Société Générale would be the counterparty that would generally provide the best possible execution for any hedging transactions the Compartment may enter into pursuant to its investment strategy. Accordingly, all or some of these derivatives (including index-linked swaps) may be traded with Société Générale without having to seek a competitive bid from another counterparty.

## **4. Securities with integrated derivatives**

None.

## **5. Deposits**

Up to a maximum of 20% of its net assets, the Compartment can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

## **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the Compartment may have temporarily recourse to loans.

## **7. Temporary securities acquisition and sale operations**

Pursuant to its investment strategy, the Compartment may use various efficient portfolio management techniques in compliance with Article R214-18 of the French Monetary and Financial Code, including the temporary sale of securities.

For this purpose the management company may appoint an intermediary (hereinafter the "Agent") to provide the following services in connection with the Compartment's temporary securities transactions. If such an Agent is used it may be authorised to (i) lend securities, on the Compartment's behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Compartment's behalf, any liquid assets received as guarantee for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.

Maximum proportion of assets under management which may be subjected to securities financing transactions: up to 25% of the assets of the Compartment. Expected proportion of assets under management which may be subject to securities financing transactions: 20% of assets under management.

The Compartment shall be entitled to all income from the temporary disposal of securities, net of any direct and indirect operating costs.

These operating costs, which are incurred to manage the portfolio more efficiently, may be borne by the Compartment's management company, the Agent and/or other intermediaries that are involved in these transactions.

These direct and indirect operating costs will be calculated as a percentage of the Compartment's gross income. Information on direct and indirect operating expenses and on the entities to which these expenses are paid will be provided in the Compartment's annual report.

All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the management company) shall be paid to the relevant Compartment. Since these direct and indirect costs do not increase the Compartment's overall operating expenses they have been excluded from ongoing expenses.

If necessary, the Compartment's annual report will provide the following information:

- the exposure resulting from the use of efficient portfolio management techniques/transactions;
- the identity of the counterparty(ies) involved in these transactions;
- the nature and amount of any guarantee received to reduce the Compartment's counterparty risk, and;
- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.

#### **8. Financial guarantees**

In all cases in which the Compartment is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the Compartment's use of forward swap contracts traded over the counter, the Compartment can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the Compartment in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the Compartment is totally neutralized.

Any financial guarantee received by the Compartment will be provided to the Compartment in full ownership and listed in the Compartment's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the Compartment's assets.

Any financial guarantee received by the Compartment within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

- (f) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;
- (g) They must be valued at the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a guarantee except in case of the application of a sufficiently cautious discount;
- (h) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;
- (i) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the Compartment's net asset value;
- (j) The Compartment's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

Notwithstanding the condition specified in (d) above, the Fund may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

such received financial guarantees are issued by (i) a Member State, (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and

such financial guarantees consists of at least six different issues of which none exceeds 30% of the Compartment's assets.

In compliance with the aforesaid conditions, the guarantees received by the Compartment can include:

- (vii) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;

(viii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;

(ix) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;

(x) Equities or units issued by UCITS investing primarily in bonds/equities as indicated in points (v) and (vi) below;

(xi) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;

(xii) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts:**

The Compartment's management company will apply a margin to the financial guarantees received by the Compartment. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

The financial guarantees received on another form than cash will not be sold, reinvested or pledged. The guarantees received in cash will be, at the manager discretion:

- (i) Placed as a deposit to an approved institution;
- (ii) Invested in government bonds of highest grade;
- (iii) Used for reverse repurchase transactions provided that these transactions are concluded with credit institutions which are the subject of prudential supervision and that the Compartment may recall at any time the global amount of liquidities taking into account the accrued interests;
- (iv) Invested in short-term monetary collective investment undertakings, as set out in the guidelines for a common definition of European monetary collective investment undertakings.

The financial guarantees in cash reinvested shall be diversified in accordance with the requirements applicable to financial guarantees other than in cash.

**Risk profile:**

The shareholder's money will primarily be invested in financial instruments selected by the financial manager. These instruments will be subject to the vagaries of the markets.

Through the Compartment, the shareholder is primarily exposed to the following risks:

**- Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

**- Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**- Liquidity risk (primary market)**

Should the Compartment (or one of its counterparties for Future Financial Instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the Compartment could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of equities.

**- Risk arising from a lack of perfect replication**

Replicating the performance of the Benchmark Indicator by investing in all of its constituents may prove to be very difficult to implement and costly. The Compartment manager may therefore use various optimisation techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Indicator, in proportions that differ from those of the Benchmark Indicator or even investing in securities that are not index constituents and financial futures.

The use of such optimization techniques may increase the ex post tracking error and cause the Compartment to perform differently from that Benchmark Indicator.

**- Liquidity risk on a place of listing**

The Compartment's equity price can deviate from its indicative net asset value. The liquidity of the Compartment's units or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or
- ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or
- iii) The impossibility for a given place of listing to obtain or calculate the Compartment's indicative net asset value, and/or
- iv) A market maker's violation of the rules applicable to this marketplace, and/or
- v) A failure of this marketplace's IT or electronic systems.

**- Counterparty risk**

Subsidiarily the Compartment may have recourse to FFI.

In such hypothesis, the Compartment will be exposed to the risk of bankruptcy, the risk of payment default or any other default of any counterparty with which it has entered into a contract or a transaction. It will be in particular exposed to the counterparty risk resulting from its use of FFI traded over-the-counter. In compliance with UCITS regulations, the counterparty risk cannot exceed 10% of the total value of the Compartment's assets per counterparty.

When Société Générale is involved as a counterparty of the FFI and/or with respect to all temporary securities sales operations, conflicts of interest can arise between the Compartment's Management Company and the counterparty. The Management Company manages these conflicts of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**- Risk linked to the recourse of temporary securities sales operations**

Assuming that a borrower of securities is missing, the Compartment may bear a risk in case the value of received guarantees are lower to the value of securities loaned by the Compartment. This risk could be materialised especially in case of (i) an poor assessment of securities subject to this operation and/or (ii) unfavourable movements on markets and/or (iii) deterioration on the credit note of issuers of securities received in guarantees and/or (iv) market illiquidity on which the received guarantees are accepted to listing. In case of reinvestment of guarantees received in cash, this reinvestment may (i) create a leverage producing a loss and volatility risk and/or (ii) expose the Compartment to a market that is incompatible with its management objective and/or (iii) clear income lower to the amount of guarantees to be returned by the Compartment. Furthermore, the Compartment may suffer delays for the return of loaned securities which reduces the possibility for the Compartment to face up to redemption requests of investors.

**- Model risks**

The equities comprising the Benchmark Indicator are selected at each revision date according to a proprietary strategy based on the criteria of Quality/Volatility/Dividend. The Benchmark Indicator and its methodology were constructed on the basis of certain historically-observed data. It is possible that this data is not representative in the period where the Benchmark Indicator is exposed to the selected equities.

**- Risk of concentration with respect to the Parent Index**

The Benchmark Indicator is based on a dynamic allocation mechanism which can reduce its exposure to a subset of securities comprising the Parent Index, which may lead to a higher concentration of the Benchmark Indicator with respect to the Parent Index. As a consequence, the performance of the Benchmark Indicator may be inferior to and/or more volatile than that of the Parent Index.

**- Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

**- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the Compartment is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the Compartment's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

**- Risk related to a change of the tax regime affecting the underlyings**

Any change of the tax legislation applicable to the Compartment's underlyings can affect the Compartment's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the Compartment (and/or to its counterparty in the FFI), the Compartment's net asset value may be affected.

**- Risk related to regulations**

In case of change of the regulations in any country in which the Compartment is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the equities may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the Compartment's underlyings, the Compartment's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the equities.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of Compartment equities. The calculation of the Compartment's net asset value can also be affected.

If the event persists, the Compartment's manager will decide on measures having to be adopted, which can have an impact on the Compartment's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

- i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,
- ii) The Benchmark Indicator is definitively discontinued by its supplier,
- iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,
- iv) The supplier of the index makes a significant change to formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the Compartment at a reasonable cost,
- v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components negotiated over-the-counter (such as bonds, for example) become non-liquid,
- vi) The Benchmark Indicator's components are impacted by transaction costs relative to the execution, delivery versus payment or specific fiscal constraints, without these costs being reflected in the Benchmark Indicator's performance.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the Compartment (and/or in a valuation of the ST by the Compartment's counterparty in a future financial instrument), the Compartment's net asset value may be affected, notably should the actual treatment of the ST by the Compartment differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Risk related to the exchange hedging specific to the Daily Hedged C-EUR and Daily Hedged D-EUR equities classes

In order to hedge the EUR/USD exchange risk on the Daily Hedged C-EUR and Daily Hedged D-EUR equities classes, the Compartment uses a hedging strategy intended to reduce the impact of the evolution between the currency of the Benchmark Indicator and the currency of the equity class. Because of the monthly implementation of this hedge and of its imperfection, Daily Hedged C-EUR and Daily Hedged D-EUR equities classes can therefore be subject to costs or downward market movements that will impact on the net asset value of these equities.

- Risk related to the exchange hedging specific to the Daily Hedged C-GBP and Daily Hedged D-GBP equities classes

In order to hedge the GBP/USD exchange risk on the Daily Hedged C-GBP and Daily Hedged D-GBP, the Compartment uses a hedging strategy intended to reduce the impact of the evolution between the currency of the Benchmark Indicator and the currency of the equity class. Because of the monthly implementation of this hedge and of its imperfection, Daily Hedged C-GBP and Daily Hedged D-GBP equities classes can therefore be subject to costs or downward market movements that will impact on the net asset value of these equities.

- Risk related to the exchange hedging specific to the Daily Hedged C-CHF and Daily Hedged D-CHF equities classes

In order to hedge the CHF/USD exchange risk on the Daily Hedged C-CHF and Daily Hedged D-CHF, the Compartment uses a hedging strategy intended to reduce the impact of the evolution between the currency of the Benchmark Indicator and the currency of the equity class. Because of the monthly implementation of this hedge and of its imperfection, Daily Hedged C-CHF and Daily Hedged D-CHF equities classes can therefore be subject to costs or downward market movements that will impact on the net asset value of these equities.

- Risk linked to recourse to derivative instruments

The Compartment may have recourse to FFI traded over-the-counter or listed FFI that notably can take the form of future exchange contracts. The recourse to FFI may involve a series of risks, at the level of the FFI and especially the following risks: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk linked to the tax regime, risk linked to the regulations, operational risk and liquidity risk. These risks may affect directly a FFI and may lead to an adjustment or to the early termination of the FFI transaction which may possibly affect the net asset value of the Compartment.

**Eligible subscribers and typical investor profile:**

The Compartment is open to any subscriber.

An investor who subscribes to this Compartment desires exposure to the companies' equity market located in the United States, with a large capitalization.

The amount that it is reasonable to invest in this Compartment depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this Compartment's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

**Information:** This fiscal year has an exceptional term of 5 months.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The Compartment's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux.*
- *Creation date of the Multi Units France mutual fund: 4 March 2002.*
- *Compartment approval date by the AMF (Financial Markets Authority): 24 March 2017.*
- *Compartment creation date: 9 June 2017.*

## Activity report

The net asset value of the unit D-USD of the Lyxor FTSE US Quality Low Vol Dividend (DR) UCITS ETF Compartment shows an evolution of 3.47% over the fiscal year (dividends reinvested) and stands at USD 103.4739 on 31/10/2017, resulting in the fund's performance being equal to 3.47% since inception (dividends reinvested).

The fund replicates the performance of the FTSE USA Qual/Vol/Yield Factor 5% Capp index, listed in US dollars (USD).

This index has shown an evolution of 3.29% over the fiscal year. Since the USD class is valued in the currency of the index, the evolution of its net asset value is not subject to currency risk.

This gap between the annual performance of the UCITS and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees payable to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the FTSE USA Qual/Vol/Yield Factor 5% Capp index, the MF will use a direct replication method, which means that the MF will invest mainly in a basket of balance sheet assets made of securities making up the Benchmark Indicator.

To achieve the highest possible correlation with the performance of the FTSE USA Qual/Vol/Yield Factor 5% Capp index, the MF may also, on an ancillary basis, engage in transactions involving Future Financial Instrument (FFI). These transactions could for example be futures contracts on indices and/or hedging swaps entered into in particular to minimise the MF's tracking error.

The fund's risk and yield profile has been classed as category 4 given its exposure to the Benchmark Index.

The basket of securities held may be adjusted daily so that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to make the market value of the aforementioned future swap less than or equal to zero, which will ensure that the counterparty risk arising from the swap will be fully neutralized.

There is no Tracking Error because the fund was launched less than a year ago. The level of the tracking error for the period was of 0.02%.

*The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

### Regulatory information

**Transfer commission** (*not audited by the auditor*)

None.

### Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

### Procedure for the choice of intermediaries

The manager selects intermediaries that are necessarily included in the list of intermediaries agreed upon by the management company. This list is established on the basis of objective criteria that notably take into account the quality of the services rendered and the applied price conditions.

In compliance with article 314-82 of the AMF General Regulations, the report relative to the intermediation expenses is available on our Internet site at the address: [www.lyxor.fr](http://www.lyxor.fr)

### Overall risk of the Compartment

The management company's method for measuring the overall risk of the Compartment: the method chosen is the commitment method.



## ESG criteria

Pursuant to articles L533-22-1 and D533-16-1 of the Monetary and Financial Code.

### 1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](http://Lyxor.com) and is revised each year.

For this fund the SRI Policy includes the following key areas:

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the UCI does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy

For ETF Funds ("Exchange Traded Fund") which aims to track its underlying benchmark index via a physical replication. These funds offer a transparent exposure to the underlying benchmark index.

To apply exclusion or a stock selection based on ESG criteria would imply to diverge from the benchmark and a higher tracking error.

Lyxor has implemented a shareholder engagement. The Lyxor voting policy has been published and available on Lyxor website, [Lyxor.com](http://Lyxor.com).

For the reporting year, the voting scope does not include this fund.

### 2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

### Portfolio ESG Rating as of 2017-10-31

ESG score	Environmental	Social	Governance
4.8	5.9	4.2	4.6

Portfolio rated 100%  
Nb Securities rated 143

Pillars	Themes	Score	Weight
<b>Environment</b>		<b>5.9</b>	<b>29.7%</b>
	Climate Change	7.7	8.5%
	Environmental Opportunities	5.8	9.4%
	Natural Capital	5.1	8.4%
	Pollution & Waste	5.5	5.4%
<b>Social</b>		<b>4.2</b>	<b>41.3%</b>
	Human Capital	4.2	20.4%
	Product Liability	3.3	13.9%
	Social Opportunities	5.7	5.8%
	Stakeholder Opposition	8.4	1.4%
<b>Governance</b>		<b>4.6</b>	<b>29.0%</b>
	Corporate Behavior	4.4	9.9%
	Corporate Governance	4.7	19.0%

Breakdown of companies according to their ESG rating

Leaders (AAA,AA)	24%
Average (A, BBB,BB)	60%
Laggards (B,CCC)	16%

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Consumer Discretionary	0.1%	0.8%	0.1%	5.6%	4.0%	0.1%	0.2%	
Consumer Staples	0.1%	6.8%	2.8%	0.5%	4.1%	3.5%		
Energy				5.4%		1.6%		
Financials			1.5%	1.0%			0.1%	
Health Care	0.0%		3.7%	5.2%	0.8%	0.9%	3.0%	
Industrials	2.4%	2.5%	5.7%	1.5%	1.4%		0.1%	
Information Technology	1.1%	8.3%	2.1%	1.8%	0.4%	1.2%		
Materials		0.1%		0.8%	0.0%	0.4%		
Real Estate		0.2%	0.4%	0.6%	3.8%	1.8%		
Telecommunication Services					2.3%	3.5%		
Utilities	0.7%	0.7%	1.3%	2.7%	0.4%	0.1%		

## ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries. For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance: Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance: Financial Governance, Political Governance

Source : The Company carbon footprint data are provided by the MSCI agency

## Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies.

The severity of the assessment through color-coded alerts :

- Red indicates involvement in one or more very severe controversies
- Orange indicates involvement in controversies just shy of the criteria for a red flag
- Yellow indicates significant controversy
- Green indicates no involvement in any major ESG controversies

Red Flag	4%
Orange Flag	38%
Yellow Flag	33%
Green Flag	24%

## Portfolio Carbon Footprint as of 2017-10-31

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales
124	286	311

Portfolio rated by weight	100%
Scope 1 reported (vs estimated)	95%
Scope2 reported (vs estimated)	82%
Scope 1& 2 estimations are based on MSCI methodology	

## Carbon Measurement methodology

Definition : The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO2e/\$M invested : It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital.

Carbon Intensity tons CO2e/\$M sales : An intensity metric that shows the fund's proprietary share of the portfolio companies' carbon dioxide emissions relative to the fund's proprietary share of the portfolio companies' income shall be used when reporting the equity portfolio's carbon footprint.

Weighted Average Carbon Intensity tons CO2e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope : Carbon emissions are separated into scope 1 + scope 2 emissions.

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles).

Scope 2 emissions: indirect emissions (electricity, generated steam).

Source : The Company carbon footprint data are provided by the MSCI agency.

Please note that while each of the metrics is applicable to equity portfolios, the Portfolio-level Carbon Emissions (#1), Total Carbon Emissions (#2), and Carbon Intensity metrics (#3), are not applicable to fixed income and multi-asset class portfolios. These metrics utilize an ownership methodology that is not relevant to bond holders. The Weighted Average Carbon Intensity metric (#4), is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

## Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk.

The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels).

Weight of the portfolio	
Fossil Fuel Reserves	8%
Thermal Coal	1%
Natural Gaz	7%
Oil	7%

## Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

Issuer with a revenue dedicated to environmental solutions between:	
1-19.9%	26%
20-49.9%	7%
50-100%	0%

**Information on the compensation policy:**

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>.

**Transparency of securities financing operations and reuse of financial instruments SFTR regulation**

*(Accounting currency of the Compartment)*

In the course of the fiscal year, the Compartment did not perform financing operations subject to the Securities Financing Transactions Regulation, i.e. repos, securities or commodities lending/borrowing transactions, buy-sell back or sell-buy back transactions, margin lending transactions, or total return swaps (TRS).

## **ANNUAL ACCOUNTS**

## BALANCE SHEET assets

	31.10.2017	-
Currency	USD	USD
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>10,407,757.22</b>	-
• <b>EQUITIES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	10,407,757.22	-
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT SECURITIES</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>COLLECTIVE INVESTMENT UNDERTAKINGS</b>		
General UCITS and AIF intended for non-professionals and equivalent, of other countries	-	-
Other Funds intended for non-professionals and equivalent, of other EU member states	-	-
General professional Funds and equivalent, of other EU member states and listed securitisation entities	-	-
Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities	-	-
Other non-European entities	-	-
• <b>TEMPORARY SECURITIES TRANSACTIONS</b>		
Receivables representing financial securities under reverse repurchase agreements	-	-
Receivables representing loaned financial securities	-	-
Financial securities borrowed	-	-
Financial securities under repurchase agreements	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Receivables</b>	<b>13,408.38</b>	-
Future foreign exchange operations	-	-
Other	13,408.38	-
<b>Financial accounts</b>	<b>6,102.44</b>	-
Liquidity	6,102.44	-
<b>Other Assets</b>	-	-
<b>Total assets</b>	<b>10,427,268.04</b>	-

## BALANCE SHEET liabilities

	31.10.2017	-
Currency	USD	USD
<b>Shareholders' equity</b>		
• Capital	10,248,102.06	-
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	107,079.52	-
• Earnings of the fiscal year	70,340.36	-
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>10,425,521.94</b>	<b>-</b>
<b>Financial instruments</b>	-	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</b>		
Debts representing financial securities under repurchase agreements	-	-
Debts representing borrowed financial securities	-	-
Other temporary transactions	-	-
• <b>FINANCIAL CONTRACTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	-
<b>Debts</b>	<b>1,746.10</b>	<b>-</b>
Future foreign exchange operations	-	-
Other	1,746.10	-
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>10,427,268.04</b>	<b>-</b>

## Off-balance sheet commitments

Currency	31.10.2017	
	USD	USD
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.10.2017	-
Currency	USD	USD
<b>Earnings on financial transactions</b>		
• Earnings on deposits and financial accounts	24.25	-
• Earnings on equities and similar securities	69,897.13	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	-	-
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
<b>Total (I)</b>	<b>69,921.38</b>	<b>-</b>
<b>Charges on financial operations</b>		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-14.78	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-14.78</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>69,906.60</b>	<b>-</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-6,723.08	-
<b>Net earnings of the fiscal year (L.214-17-1) (I - II + III - IV)</b>	<b>63,183.52</b>	<b>-</b>
Adjustment of the fiscal year's earnings (V)	7,156.84	-
Advances on result paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>70,340.36</b>	<b>-</b>



## 1. Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

**Information:** This fiscal year has an exceptional term of 5 months.

### **Assessment rules**

The Compartment's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities.

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the day of calculation of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the net asset value calculation date. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the net asset value calculation date. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.
- In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.
- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary acquisitions and sales of securities are assessed at the market price.
- Units and equities of UCITS operating under French law are assessed at the last net asset value known on the calculation date of the Compartment's net asset value.
- Units and equities of UCITS operating under foreign law are assessed at the last unit net asset value known on the calculation date of the Compartment's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the Compartment's reference currency are the exchange rates disseminated by WM Reuters fixing the day of closing of the Compartment's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

#### Financial instruments received as collateral

These financial instruments are listed under the "Financial instruments" item according to their nature, and the debt representing the obligation to return financial instruments is recorded on the liabilities side, for the same value, under the "Other temporary operations" item.

These financial instruments are valued according to the same valuation rules as financial securities of a similar nature, as presented above.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the Compartment) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the Compartment) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the Compartment).

#### Operation and management fees

These fees include all of the fees invoiced directly to the Compartment, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and the management company.

For this Compartment, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the Compartment has exceeded its objectives and are therefore invoiced to the Compartment;
- Transaction commissions invoiced to the Compartment.

For more details on the fees actually invoiced to the Compartment, refer to the Statistical Part of the Key Investor Information Document "KIID".

Fees invoiced to the Compartment	Basis	Schedule, rate maximum C-USD and D-USD equities	Schedule, rate maximum Daily Hedged C-GBP and Daily Hedged D-GBP Daily Hedged C-EUR and Daily Hedged D-EUR Daily Hedged C-CHF and Daily Hedged D-CHF equities
Financial management fees and administrative fees external to the portfolio management company (Auditor, Depository, distribution, lawyers) including tax <sup>(1)</sup>	Net assets	0.30%	0.40%

# appendix

Outperformance commissions	Net assets	None
Transactions commissions	Collection on each transaction	None

#### Accounting currency

The Compartment's accounting is carried out in US dollars (USD).

#### Indication of accountancy changes declared to each of the bearers individually

- Occurred change: None.
- Future change: None.

#### Indication of other changes declared to each of the bearers individually *(Not certified by the auditor)*

- Occurred change: None.
- Future change: None.

#### Indication and justification of the changes to estimates and application provisions

None.

#### Indication of the nature of the errors corrected during the fiscal year

None.

#### Indication of the rights and conditions attached to each category of equities

**C-USD, Daily Hedged C-GBP, Daily Hedged C-EUR, Daily Hedged C-CHF equities:**  
Capitalisation of all the amounts available for distribution.

**D-USD, Hedged D-GBP, Daily Hedged D-EUR, Daily Hedged D-CHF equities:** The management company reserves the right to capitalise and/or distribute all or part of the result, one or more times each year. The realised net capital gain will be capitalised.

appendix

Lyxor FTSE US Quality Low Vol Dividend (DR) UCITS ETF is in no way sponsored, endorsed, sold or promoted by FTSE International Limited (hereinafter "FTSE"), or any company of the London Stock Exchange Group ("LSEG"), (hereinafter collectively referred to as the "Holders").

The Holders provide no guarantee and make no commitment, whether explicit or implied as to (i) the income to be obtained from using the FTSE USA Qual/Vol/Yield Factor 5% Capped Index Benchmark Indicator, (ii) the level the Benchmark Indicator may reach at any given time or date, or of any other type or (iii) to the matching of the Benchmark Indicator with the objectives for which the latter is connected with the Lyxor FTSE US Quality Low Vol Dividend (DR) UCITS ETF. The Holders have not provided and will not provide financial or investment advice, or recommendations concerning the Benchmark indicator to LIAM or its clients. The Benchmark Indicator is calculated by or on behalf of FTSE and LSEG. The Holders disclaim all liability (whether due to negligence or any other reason) for any error that may adversely affect the Index with respect to anyone whomsoever and shall not be obliged to inform anyone of such an error.

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## **2. Evolution of the net assets**

	31.10.2017	-
Currency	USD	USD
<b>Net assets at the start of the fiscal year</b>	-	-
Subscriptions (including subscription commission acquired by the Compartment)	10,041,565.52	-
Redemptions (less the redemption commission acquired by the Compartment)	-	-
Capital gains generated on deposits and financial instruments	145,231.74	-
Capital losses generated on deposits and financial instruments	-38,152.94	-
Capital gains generated on financial contracts	-	-
Capital losses generated on financial contracts	-	-
Negotiation fees	-	-
Exchange differentials	-	-
Changes to the estimate difference of the deposits and financial instruments:	213,694.10	-
- <i>Estimate difference fiscal year N</i>	213,694.10	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Changes to the estimate difference of financial contracts:	-	-
- <i>Estimate difference fiscal year N</i>	-	-
- <i>Estimate difference fiscal year N-1</i>	-	-
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on result	-	-
Net earnings of the fiscal year before adjustment account	63,183.52	-
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) paid during the fiscal year on result	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>10,425,521.94</b>	<b>-</b>

### **3. Information supplements**

#### **3.1 Financial instruments: breakdown by the instrument's legal or economic type**

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Debt instruments" item by legal or economic instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by non-financial issuers	-	-
Negotiable EUropean Commercial Paper (NEU CP) issued by bank issuers	-	-
Negotiable EUropean Medium Term Note (NEU MTN)	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	6,102.44
<b>Liabilities</b>				
Temporary financial securities operations	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary financial securities operations	-	-	-	-	-
Financial accounts	6,102.44	-	-	-	-
<b>Liabilities</b>					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

### 3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	-	-	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Other assets	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary financial securities operations	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>	-	-	-	-
Hedging				
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>	<b>13,408.38</b>
Future currency exchange operations:	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Coupons receivable	13,408.38
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>1,746.10</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Accrued expenses	1,746.10
-	-
-	-
-	-
-	-
Other operations	-

LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

### 3.6 Shareholders' equity

		Subscriptions		Redemptions	
		Number of	Amount	Number of	Amount
Number of equities issued/redeemed during the fiscal year:	Equities			Equities	
EQUITY D-USD / FR0013235256	100,755	10,041,565.52		-	-
Subscription / redemption commission by equity category:		Amount		Amount	
EQUITY D-USD / FR0013235256		4,015.02		-	
Remittances by equity category:		Amount		Amount	
EQUITY D-USD / FR0013235256		-		-	
Commissions acquired by the Compartment by equity category:		Amount		Amount	
EQUITY D-USD / FR0013235256		4,015.02		-	

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Equity category:	
EQUITY D-USD / FR0013235256	0.19
Performance commissions (variable fees): amount of costs for the fiscal year	Amount
Equity category:	
EQUITY D-USD / FR0013235256	-
Retrocession of management fees:	
- Total amount of fees retroceded to the Compartment	-
- Breakdown by "target" CIU:	
- CIU 1	-
- CIU 2	-
- CIU 3	-
- CIU 4	-



### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the Compartment with indication of the capital guarantees ..... **None**  
 3.8.2 Description of the other commitments received and/or given.....**None**

### 3.9 Other information

3.9.1	Current value of the financial instruments that are the subject of temporary acquisition:	
	- Financial instruments sold under forward repurchase agreements	-
	- Other temporary operations	-
3.9.2	Current value of the financial instruments comprising security deposits:	
	Financial instruments received as guarantees and not included in the balance sheet:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
	Financial estimates given as guarantees and maintained in their original item:	
	- equities	-
	- bonds	-
	- debt securities	-
	- other financial instruments	-
3.9.3	Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (mutual fund) and UCITS managed by these entities:	
	- CIU securities	-
	- Swaps	-

**3.10 Allocation of the earnings table** *(in the Compartment's currency of account)*

**Advances paid during the fiscal year**

Date	Equity category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>	-	-	-	-	-

LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	-
<b>Allocation of the earnings</b>	USD	USD
<b>Sums still to be allocated</b>		
Carried forward	-	-
Earnings	70,340.36	-
<b>Total</b>	<b>70,340.36</b>	<b>-</b>

EQUITY D-USD / FR0013235256	31.10.2017	-
Currency	USD	USD
<b>Allocation</b>		
Distribution	69,520.95	-
Carried forward for the fiscal year	-	-
Capitalisation	819.41	-
<b>Total</b>	<b>70,340.36</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	100,755	-
Distribution per unit	0.69	-
<b>Tax credits linked to the allocation of the profit and loss</b>	<b>-</b>	<b>-</b>

**3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses**  
(in the Compartment's currency of account)

**Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total advances</b>	-	-

LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

	31.10.2017	-
<b>Allocation of the net capital gains and losses</b>	USD	USD
<b>Sums still to be appropriated</b>		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	107,079.52	-
Advances paid on net capital gains and losses of the fiscal year	-	-
<b>Total</b>	<b>107,079.52</b>	<b>-</b>

EQUITY D-USD / FR0013235256	31.10.2017	-
Currency	USD	USD
<b>Allocation</b>		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	107,079.52	-
<b>Total</b>	<b>107,079.52</b>	<b>-</b>
<b>Information relative to the equities and resulting in a distribution right</b>		
Number of equities	-	-
Distribution per unit	-	-

LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

**3.12 Table of the earnings and other characteristic elements of the Compartment during the last 5 fiscal years**  
*Compartment creation date: 9 June 2017.*

Currency					
USD	<b>31.10.2017</b>	-	-	-	-
<b>Net assets</b>	<b>10,425,521.94</b>	-	-	-	-

EQUITY D-USD / FR0013235256		Currency of the equity and of the NAV: USD			
	<b>31.10.2017</b>	-	-	-	-
<b>Number of circulating equities</b>	<b>100,755</b>	-	-	-	-
<b>Net asset value</b>	<b>103.4739</b>	-	-	-	-
<b>Distribution per unit on capital gains and losses (including advances)</b>	<b>-</b>	-	-	-	-
<b>Distribution per unit (including advances)*</b>	<b>0.69</b>	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup></b>	<b>-</b>	-	-	-	-
<b>Unit capitalisation *</b>	<b>1.07</b>	-	-	-	-

\* The amounts of the distribution per unit, the unit capitalisation and the tax credits are indicated in the accounting currency of the Compartment. The unit capitalisation corresponds to the operating result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.

<sup>(1)</sup> In pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the outstanding equities on that date.

## 4. Inventory as of 31.10.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
US0028241000	ABBOTT LABORATORIES	PROPRE	1,522.00	82,538.06	USD	0.79
IE00B4BNMY34	ACCENTURE SHS CLASS A	PROPRE	784.00	111,610.24	USD	1.07
US0091581068	AIR PRODUCTS & CHEMICALS INC	PROPRE	240.00	38,263.20	USD	0.37
US3635761097	A.J.GALLAGHER	PROPRE	311.00	19,695.63	USD	0.19
US0188021085	ALLIANT ENERGY CORP	PROPRE	228.00	9,863.28	USD	0.09
US02209S1033	ALTRIA GROUP INC	PROPRE	2,080.00	133,577.60	USD	1.28
GB0022569080	AMDOCS	PROPRE	190.00	12,369.00	USD	0.12
US0236081024	AMEREN CORPORATION	PROPRE	258.00	15,993.42	USD	0.15
US0255371017	AMERICAN ELECTRIC POWER INC	PROPRE	516.00	38,395.56	USD	0.37
US0304201033	AMERICAN WATER WORKS	PROPRE	136.00	11,935.36	USD	0.11
US0326541051	ANALOG DEVICES INC	PROPRE	540.00	49,302.00	USD	0.47
US00206R1023	AT&T INC	PROPRE	10,921.00	367,491.65	USD	3.52
US0530151036	AUTOMATIC DATA PROCESSING INC	PROPRE	700.00	81,382.00	USD	0.78
US0534841012	AVALONBAY COMMUNITIE	PROPRE	390.00	70,718.70	USD	0.68
US05351W1036	AVANGRID INC*	PROPRE	72.00	3,724.56	USD	0.04
US0536111091	AVERY DENNISON CORP	PROPRE	73.00	7,750.41	USD	0.07
US0758961009	BED BATH & BEYOND INC	PROPRE	106.00	2,109.40	USD	0.02
US0814371052	BEMIS CO	PROPRE	74.00	3,331.48	USD	0.03
US0970231058	BOEING CO	PROPRE	779.00	200,966.42	USD	1.93
US1101221083	BRISTOL MYERS SQUIBB CO	PROPRE	1,539.00	94,894.74	USD	0.91
US11133T1034	BROADRIDGE FINANCIAL SOLUTIONS	PROPRE	123.00	10,568.16	USD	0.10
US1344291091	CAMPBELL SOUP CO	PROPRE	232.00	10,989.84	USD	0.11
PA1436583006	CARNIVAL CORPORATION	PROPRE	366.00	24,298.74	USD	0.23
US15189T1079	CENTERPOINT ENERGY INC	PROPRE	478.00	14,139.24	USD	0.14
US1667641005	CHEVRON CORP	PROPRE	1,447.00	167,692.83	USD	1.61

LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US1713401024	CHURCH & DWIGHT INC	PROPRE	211.00	9,530.87	USD	0.09
US17275R1023	CISCO SYSTEMS INC	PROPRE	6,379.00	217,842.85	USD	2.09
US1890541097	CLOROX CO	PROPRE	183.00	23,154.99	USD	0.22
US1258961002	CMS ENERGY CORP	PROPRE	239.00	11,560.43	USD	0.11
US1912161007	COCA-COLA CO	PROPRE	4,640.00	213,347.20	USD	2.05
US1941621039	COLGATE PALMOLIVE CO	PROPRE	1,300.00	91,585.00	USD	0.88
US2091151041	CONSOLIDATED EDISON INC	PROPRE	313.00	26,933.65	USD	0.26
US2310211063	CUMMINS INC	PROPRE	188.00	33,253.44	USD	0.32
US1266501006	CVS HEALTH CORP	PROPRE	1,556.00	106,632.68	USD	1.02
US2371941053	DARDEN RESTAURANTS INC	PROPRE	161.00	13,245.47	USD	0.13
US25746U1097	DOMINION ENERGY INC	PROPRE	509.00	41,300.26	USD	0.40
US26138E1091	DR PEPPER SNAPPLE GROUP INC	PROPRE	201.00	17,217.66	USD	0.17
US2333311072	DTE ENERGY CO	PROPRE	166.00	18,336.36	USD	0.18
US26441C2044	DUKE ENERGY	PROPRE	695.00	61,375.45	USD	0.59
US2644115055	DUKE REALTY	PROPRE	569.00	16,205.12	USD	0.16
IE00B8KQN827	EATON CORP	PROPRE	375.00	30,007.50	USD	0.29
US2810201077	EDISON INTERNATIONAL	PROPRE	337.00	26,943.15	USD	0.26
US5324571083	ELI LILLY & CO	PROPRE	1,180.00	96,689.20	USD	0.93
US29364G1031	ENTERGY CORP	PROPRE	187.00	16,130.62	USD	0.15
US29476L1070	EQUITY RESIDENTIAL	PROPRE	1,617.00	108,759.42	USD	1.04
BMG3223R1088	EVEREST REINSURANCE GROUP	PROPRE	64.00	15,196.80	USD	0.15
US30040W1080	EVERSOURCE ENERGY	PROPRE	323.00	20,232.72	USD	0.19
US30161N1019	EXELON CORP	PROPRE	789.00	31,725.69	USD	0.30
US3021301094	EXPEDIT INTL WASH	PROPRE	140.00	8,173.20	USD	0.08
US30225T1025	EXTRA SPACE STORAGE INC	PROPRE	279.00	22,763.61	USD	0.22
US30231G1022	EXXON MOBIL CORP	PROPRE	6,307.00	525,688.45	USD	5.04
US3119001044	FASTENAL CO	PROPRE	380.00	17,848.60	USD	0.17
US3137472060	FEDERAL REALTY INVESTMT TR SBI	PROPRE	144.00	17,354.88	USD	0.17
US3379321074	FIRSTENERGY CORP	PROPRE	378.00	12,455.10	USD	0.12
US3448491049	FOOT LOCKER	PROPRE	100.00	3,008.00	USD	0.03



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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US3546131018	FRANKLIN RESOURCES INC	PROPRE	641.00	27,005.33	USD	0.26
CH0114405324	GARMIN LTD	PROPRE	246.00	13,926.06	USD	0.13
US3696041033	GENERAL ELECTRIC CO	PROPRE	6,617.00	133,398.72	USD	1.28
US3703341046	GENERAL MILLS INC	PROPRE	705.00	36,603.60	USD	0.35
US3719011096	GENTEX CORP	PROPRE	220.00	4,270.20	USD	0.04
US3724601055	GENUINE PARTS CO	PROPRE	262.00	23,116.26	USD	0.22
US36174X1019	GGP REGISTERED SHS	PROPRE	1,438.00	27,983.48	USD	0.27
US4180561072	HASBRO INC	PROPRE	110.00	10,184.90	USD	0.10
US4370761029	HOME DEPOT INC	PROPRE	1,940.00	321,613.20	USD	3.08
US4385161066	HONEYWELL INTERNATIONAL INC	PROPRE	708.00	102,065.28	USD	0.98
US4404521001	HORMEL FOODS	PROPRE	374.00	11,653.84	USD	0.11
US44106M1027	HOSPITALITY PROPERTIES TRUST	PROPRE	255.00	7,287.90	USD	0.07
US44107P1049	HOST HOTELS & RESORTS INC	PROPRE	1,911.00	37,379.16	USD	0.36
US4523081093	ILLINOIS TOOL WORKS INC	PROPRE	322.00	50,399.44	USD	0.48
US4581401001	INTEL CORP	PROPRE	9,066.00	412,412.34	USD	3.96
US4595061015	INTERNATIONAL FLAVORS & FRAGRANCES	PROPRE	75.00	11,056.50	USD	0.11
US4606901001	INTERPUBLIC GROUP OF COS INC	PROPRE	296.00	5,698.00	USD	0.05
US4592001014	INTL BUSINESS MACHINES CORP	PROPRE	1,331.00	205,053.86	USD	1.97
US8326964058	JM SMUCKER	PROPRE	89.00	9,438.45	USD	0.09
US4781601046	JOHNSON & JOHNSON	PROPRE	3,945.00	549,972.45	USD	5.28
US4878361082	KELLOGG CO	PROPRE	243.00	15,194.79	USD	0.15
US4943681035	KIMBERLY-CLARK CORP	PROPRE	615.00	69,193.65	USD	0.66
US5246601075	LEGGETT & PLATT INC	PROPRE	197.00	9,310.22	USD	0.09
US5311721048	LIBERTY PROPERTY TRUST	PROPRE	394.00	16,894.72	USD	0.16
US5017971046	LIMITED BRANDS INC	PROPRE	177.00	7,618.08	USD	0.07
US5486611073	LOWE'S COMPANIES INC	PROPRE	766.00	61,241.70	USD	0.59
US5543821012	MACERICH CO	PROPRE	303.00	16,543.80	USD	0.16
US5717481023	MARSH & MCLENNAN COMPANIES	PROPRE	1,661.00	134,424.73	USD	1.29
US57772K1016	MAXIM INTEGRATED PRODUCTS INC	PROPRE	415.00	21,804.10	USD	0.21
US5801351017	MC DONALD'S CORP	PROPRE	1,255.00	209,472.05	USD	2.01

LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF  
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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US5797802064	MCCORMICK NON VTG	PROPRE	133.00	13,237.49	USD	0.13
IE00BTN1Y115	MEDTRONIC PLC	PROPRE	1,169.00	94,127.88	USD	0.90
US58933Y1055	MERCK AND CO INC	PROPRE	3,678.00	202,621.02	USD	1.94
US61166W1018	MONSANTO	PROPRE	310.00	37,541.00	USD	0.36
US65339F1012	NEXTERA ENERGY INC	PROPRE	419.00	64,974.33	USD	0.62
GB00BWFY5505	NIELSEN HOLDINGS PLC	PROPRE	265.00	9,823.55	USD	0.09
US6541061031	NIKE INC -B-	PROPRE	977.00	53,725.23	USD	0.52
US6745991058	OCCIDENTAL PETROLEUM CORP	PROPRE	658.00	42,487.06	USD	0.41
US6819191064	OMNICOM GROUP INC	PROPRE	282.00	18,947.58	USD	0.18
US7033951036	PATTERSON COMPANIES	PROPRE	64.00	2,368.00	USD	0.02
US7043261079	PAYCHEX INC	PROPRE	742.00	47,332.18	USD	0.45
US7134481081	PEPSICO INC	PROPRE	1,605.00	176,919.15	USD	1.70
US7170811035	PFIZER INC	PROPRE	8,917.00	312,630.02	USD	3.00
US69331C1080	PG&E CORP	PROPRE	532.00	30,733.64	USD	0.29
US7181721090	PHILIP MORRIS INTERNATIONAL INC	PROPRE	2,515.00	263,169.60	USD	2.52
US7234841010	PINNACLE WEST CAPITAL CORP	PROPRE	112.00	9,823.52	USD	0.09
US69351T1060	PPL CORP	PROPRE	803.00	30,160.68	USD	0.29
US74005P1049	PRAXAIR INC	PROPRE	281.00	41,059.72	USD	0.39
US7427181091	PROCTER AND GAMBLE CO	PROPRE	4,407.00	380,500.38	USD	3.65
US7445731067	PUBLIC SERVICE ENTERPRISE GROU	PROPRE	582.00	28,634.40	USD	0.27
US74460D1090	PUBLIC STORAGE	PROPRE	751.00	155,644.75	USD	1.49
US7475251036	QUALCOMM INC	PROPRE	2,450.00	124,974.50	USD	1.20
US7551115071	RAYTHEON CO	PROPRE	280.00	50,456.00	USD	0.48
US7588491032	REGENCY CENTERS CORP	PROPRE	250.00	15,387.50	USD	0.15
US7607591002	REPUBLIC SERVICES INC	PROPRE	168.00	10,931.76	USD	0.10
US7703231032	ROBERT HALF INTL	PROPRE	125.00	6,471.25	USD	0.06
US7739031091	ROCKWELL AUTOMATION INC	PROPRE	93.00	18,676.26	USD	0.18
US80589M1027	SCANA CORP	PROPRE	128.00	5,521.92	USD	0.05
US8288061091	SIMON PROPERTY GROUP INC	PROPRE	1,032.00	160,300.56	USD	1.54
US8330341012	SNAP ON INC	PROPRE	58.00	9,151.24	USD	0.09

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US8425871071	SOUTHERN CO	PROPRE	861.00	44,944.20	USD	0.43
US8545021011	STANLEY BLACK AND DECKER INC.	PROPRE	107.00	17,285.85	USD	0.17
US8552441094	STARBUCKS	PROPRE	1,701.00	93,282.84	USD	0.89
US8718291078	SYSCO CORP	PROPRE	394.00	21,914.28	USD	0.21
US74144T1088	T ROWE PRICE GROUP INC	PROPRE	944.00	87,697.60	USD	0.84
US87612E1064	TARGET CORP	PROPRE	773.00	45,637.92	USD	0.44
CH0102993182	TE CONNECTIVITY LTD	PROPRE	316.00	28,746.52	USD	0.28
US8825081040	TEXAS INSTRUMENTS	PROPRE	2,338.00	226,061.22	USD	2.17
US4278661081	THE HERSHEY CO	PROPRE	177.00	18,793.86	USD	0.18
US8865471085	TIFFANY & CO	PROPRE	81.00	7,583.22	USD	0.07
US8725401090	TJX COMPANIES INC	PROPRE	787.00	54,932.60	USD	0.53
US9078181081	UNION PACIFIC CORP	PROPRE	821.00	95,063.59	USD	0.91
US9113121068	UNITED PARCEL SERVICE-B	PROPRE	1,123.00	131,986.19	USD	1.27
US9130171096	UNITED TECHNOLOGIES CORP	PROPRE	537.00	64,311.12	USD	0.62
US92343V1044	VERIZON COMMUNICATIONS INC	PROPRE	4,969.00	237,866.03	USD	2.28
US9182041080	VF CORP	PROPRE	410.00	28,556.50	USD	0.27
US9290421091	VORNADO REALTY TRUST	PROPRE	338.00	25,302.68	USD	0.24
US9314271084	WALGREEN BOOTS	PROPRE	761.00	50,431.47	USD	0.48
US9311421039	WAL-MART STORES INC	PROPRE	2,439.00	212,949.09	USD	2.04
US2546871060	WALT DISNEY COMPANY	PROPRE	1,370.00	133,999.70	USD	1.29
US94106L1098	WASTE MANAGEMENT INC	PROPRE	454.00	37,305.18	USD	0.36
US92939U1060	WEC ENERGY GRP	PROPRE	391.00	26,349.49	USD	0.25
US9487411038	WEINGARTEN RLTY SBI	PROPRE	349.00	10,627.05	USD	0.10
US3848021040	WW GRAINGER INC	PROPRE	77.00	15,222.90	USD	0.15
US98389B1008	XCEL ENERGY INC	PROPRE	528.00	26,146.56	USD	0.25
US9839191015	XILINX INC	PROPRE	341.00	25,128.29	USD	0.24
US88579Y1010	3 M	PROPRE	960.00	220,982.40	USD	2.12
<b>Total Equity</b>				<b>10,407,757.22</b>		<b>99.83</b>
<b>Total Investment Securities</b>				<b>10,407,757.22</b>		<b>99.83</b>

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Cash</i>						
<i>AT BANK OR PENDING</i>						
	USD SGP BANK	PROPRE	0.00	6,102.44	USD	0.06
<b>Total AT BANK OR PENDING</b>				<b>6,102.44</b>		<b>0.06</b>
<i>MANAGEMENT FEES</i>						
	PRCOMGESTADM	PROPRE	0.00	-1,746.10	USD	-0.02
<b>Total MANAGEMENT FEES</b>				<b>-1,746.10</b>		<b>-0.02</b>
<b>Total Cash</b>				<b>4,356.34</b>		<b>0.04</b>
<i>Coupons</i>						
<i>Equity</i>						
US0028241000	ABBOTT LABS	ACHLIG	1,522.00	282.33	USD	0.00
IE00B4BNMY34	ACCENTURE SHS CL A	ACHLIG	784.00	834.18	USD	0.01
US0091581068	AIR PRODS & CHEMS	ACHLIG	240.00	159.60	USD	0.00
US0188021085	ALLIANT ENERGY CORP	ACHLIG	228.00	50.27	USD	0.00
US00206R1023	AT&T INC	ACHLIG	10,921.00	3,745.90	USD	0.04
US1101221083	BRISTOL MYERS SQUI	ACHLIG	1,539.00	420.15	USD	0.00
US1890541097	CLOROX CO	ACHLIG	183.00	107.60	USD	0.00
US1941621039	COLGATE PALMOLIVE CO	ACHLIG	1,300.00	364.00	USD	0.00
US1266501006	CVS HEALTH	ACHLIG	1,556.00	544.60	USD	0.01
US2371941053	DARDEN RESTAURANTS	ACHLIG	161.00	71.00	USD	0.00
US3119001044	FASTENAL	ACHLIG	380.00	85.12	USD	0.00
US3703341046	GENERAL MILLS INC	ACHLIG	705.00	241.82	USD	0.00
US4180561072	HASBRO INC	ACHLIG	110.00	43.89	USD	0.00
US4404521001	HORMEL FOODS	ACHLIG	374.00	44.51	USD	0.00
US44106M1027	HOSPITALITY PROPER	ACHLIG	255.00	92.82	USD	0.00
US5486611073	LOWE'S COM INC	ACHLIG	766.00	219.84	USD	0.00
US5717481023	MARSH & MCLENNAN	ACHLIG	1,661.00	436.01	USD	0.00
US7043261079	PAYCHEX	ACHLIG	742.00	259.70	USD	0.00
US7234841010	PINNACLE WEST CAP	ACHLIG	112.00	54.49	USD	0.00
US7427181091	PROCTER & GAMBLE CO	ACHLIG	4,407.00	2,127.35	USD	0.02
US7551115071	RAYTHEON CO	ACHLIG	280.00	156.31	USD	0.00
US8825081040	TEXAS INSTRUMENTS	ACHLIG	2,338.00	1,014.69	USD	0.01

LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF  
(compartment of the Multi Units France mutual fund)

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
US92343V1044	VERIZON COMM INC	ACHLIG	969.00	2,052.20	USD	0.02
<i>Total Equity</i>				<i>13,408.38</i>		<i>0.13</i>
<i>Total Coupons</i>				<i>13,408.38</i>		<i>0.13</i>
<b>Total LYXOR FTSE US QUALITY LOW VOL DIVIDEND (DR) UCITS ETF</b>				<b>10,425,521.94</b>		<b>100.00</b>