

LYXOR MSCI EMU GROWTH (DR) UCITS ETF

PROSPECTUS

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PROSPECTUS COMPLIANT WITH DIRECTIVE 2009/65/EC

GENERAL CHARACTERISTICS

LEGAL STRUCTURE

A French common fund ("fonds commun de placement")

NAME

LYXOR MSCI EMU GROWTH (DR) UCITS ETF (hereinafter the "Fund")

LEGAL STRUCTURE AND MEMBER STATE IN WHICH THE FUND WAS CREATED

A French FCP common fund formed in France.

DATE ESTABLISHED AND INTENDED TERM

This Fund was approved by the Autorité des Marchés Financiers (Financial Markets Authority) on 11 March 2005 and was established on 1 April 2005 for a period of 99 years.

KEY INFORMATION

ISIN code	Allocation of distributable amounts	Currency	Eligible investors	Minimum amount for subscription / redemption (primary market) and purchase/sale amount (secondary market)	Listing exchange
FR0010168765	Distribution and/or Accumulation	EUR	The Fund is available to all investors	EUR 100,000 on the primary market N/A on the secondary market ⁽¹⁾	Deutsche Boerse (Frankfurt); NYSE Euronext (Paris), Borsa Italiana (Milan), Six Swiss Exchange (Zurich) Bolsa de Madrid

1) There is no minimum purchase or sale amount unless required by the relevant exchange(s).

WHERE TO OBTAIN THE MOST RECENT ANNUAL AND INTERIM REPORTS

The most recent annual reports and the asset inventory statement will be sent out within eight business days at the investor's request in writing to:

LYXOR INTERNATIONAL ASSET MANAGEMENT.

17 Cours Valmy - 92987 Paris La Défense France.

e-mail: contact@lyxor.com.

More information can be requested on Lyxor's website at www.lyxoretf.com.

SERVICE PROVIDERS

INVESTMENT MANAGEMENT COMPANY

LYXOR INTERNATIONAL ASSET MANAGEMENT.

A French simplified joint-stock company (Société par Actions Simplifiée - SAS).

Registered office: 17 Cours Valmy - 92987 Paris La Défense France.

Postal address: Tour Société Générale - A08 - 17, Cours Valmy - 92987 Paris-La Défense Cedex - FRANCE.

REMUNERATION POLICY

The management company has established a remuneration policy that complies with current regulations. This policy is consistent with the economic strategy, objectives, values and interests of the management company, of the funds it manages and of the investors in these funds, and includes measures intended to avoid conflicts of interest.

The management company's remuneration policy provides a balanced framework where the remuneration of the relevant employees is based on the following principles:

- The management company's remuneration policy is consistent with sound and effective risk management, encourages such management and does not encourage risk-taking that would be incompatible with the risk profiles, this prospectus or the other constitutional documents of the funds which the management company manages;
- The remuneration policy was approved by the management company's supervisory board, which reviews the policy's general principles at least once a year;
- The remuneration of internal control personnel is based on the achievement of control objectives and is independent of the financial performance of the business activities controlled;
- When remuneration is performance-based, its total amount is determined on the basis of the assessed performance of the individual employee, his or her operating unit and the relevant funds in accordance with their risk exposure, and on the basis of the management company's overall performance when individual employee performance is assessed, while taking into account both financial and non-financial criteria;
- An appropriate balance must be established between the fixed and variable components of the total remuneration;
- Above a certain threshold, a substantial part of remuneration, and in any case at least 50% of the entire variable component, shall depend on exposure to an index the components and functioning of which ensure that the interests of employees are aligned with those of investors;
- Above a certain threshold a substantial part of remuneration, and in any case at least 40% of the entire variable component, shall be deferred for an appropriate time;
- The variable remuneration, including the deferred portion, shall only be paid or shall only vest if such payment or vesting is consistent with the management company's overall financial situation, and if such payment or vesting is justified by the performance of the operating units, the funds and the relevant employee.

Up-to-date information on the remuneration policy may be found on the Internet at: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>

DEPOSITARY & CUSTODIAN

THE DEPOSITARY

The Depositary is Société Générale S.A., acting through its Securities Services department (the "Depositary"). Société Générale, which has its registered office at 29, boulevard Haussmann in Paris (75009), is registered in the Paris trade register under No. 552 120 222, has been approved by the French Prudential Supervision and Resolution Authority (the ACPR) and is also subject to the supervision of the French Financial Markets Authority (the AMF).

The Depositary's duties and potential conflicts of interest

The Depositary is responsible for three things — monitoring the compliance of the management company's decisions, holding the assets of investment funds in custody and monitoring the cash flows of these investment funds.

The Depositary's main objective is to protect the interests of each fund's shareholders and investors.

Potential conflicts of interest may be identified, particularly if the Management Company maintains a business relationship with Société Générale that extends beyond the latter's Depositary duties, for example, if the Management Company delegates to Société Générale the task of calculating the net asset value of the funds of which Société Générale is the Depositary, or when there is a group relationship between the Management Company and the Depositary.

In order to manage such situations, the Depositary has set up and maintains a policy for managing conflicts of interest which serves to:

- Identify and examine potential conflict-of-interest situations
- Record, manage and follow up conflict-of-interest situations, by:
 - (i) using ongoing measures to deal with conflicts of interest, such as segregating duties, separating line and staff functions, monitoring "insiders", and using dedicated IT environments;
 - (ii) and also, on a case-by-case basis:
 - (a) implementing appropriate preventive measures such as drawing up ad hoc "watch lists", setting up Chinese walls, checking that transactions are dealt with appropriately, and/or informing any clients who may be affected;
 - (b) or otherwise, refusing to engage in activities that may result in a conflict of interest.

Custodial functions which the Depositary may delegate, delegates and sub-delegates, and the identification of conflicts of interest that may require such delegation

The Depositary is responsible for the custody of assets (as defined under Article 22.5 of Directive 2009/65/EC as amended by Directive 2014/91/EU). In order to provide custodial services in a large number of countries and enable investment funds to achieve their investment objectives, the Depositary has appointed sub-custodians in the countries where the Depositary normally does not have a direct local presence. These entities are listed on the Internet at:

http://www.securitiesservices.societegenerale.com/uploads/tx_bisgnews/Global_list_of_sub_custodians_for_SGSS_2016_05.pdf

In accordance with Article 22 bis 2. of the UCITS V directive, the process for appointing and supervising sub-custodians complies with the highest standards of quality and includes the management of potential conflicts of interest that may arise when sub-custodians are appointed. The Depositary has prepared an effective policy for identifying, preventing and managing conflicts of interest in compliance with national and international regulations and international standards.

The delegation of the Depositary's custodial functions may result in conflicts of interest. The latter have been identified and are monitored. The Depositary's conflict-of-interest policy includes measures to prevent the occurrence of conflict-of-interest situations and to ensure that, in the course of its business activities, the Depositary always acts in the best interests of the investment funds. These preventive measures consist most notably in ensuring the confidentiality of the information exchanged, physically separating activities that may result in a conflict

of interest, determining and classifying remuneration and pecuniary and non-pecuniary benefits, and implementing a policy and measures that govern the acceptance of gifts and hospitality.

Investors may obtain the most recent information on the above policy measures upon request.

TRANSFER AGENT AND REGISTRAR

By delegation from Lyxor International Asset Management:

SOCIÉTÉ GÉNÉRALE

A credit institution founded on 4 May 1864 by special decree of Napoleon III.

Registered office: 29, bd Haussmann - 75009 Paris – FRANCE.

Postal address: 32 rue du champ de tir - 44000 Nantes - France

AUDITOR

PRICEWATERHOUSECOOPERS AUDIT.

A French joint-stock company.

Registered office: 3, rue de Villiers - 92208 Neuilly-sur-Seine - France.

Signatory: Marie-Christine Jetil.

ADMINISTRATION AND ACCOUNTING

LYXOR INTERNATIONAL ASSET MANAGEMENT will delegate the Fund's administration and accounting to:

Société Générale, a credit institution founded on 4 May 1864 by special decree of Napoleon III.

Registered office address: 29, bd Haussmann – 75009 Paris – France.

The services that Société Générale provides to Lyxor International Asset Management consist of assistance with the Fund's administrative management and bookkeeping, and, more specifically, calculating net asset value, providing the information and supporting material needed to produce interim and annual reports and statistics to Banque de France.

MARKET MAKERS

The following financial institution (the "Market Maker") is responsible for making a market in the Fund's units:

Societe Generale Corporate and Investment Banking - Tour Societe Generale, 17 Cours Valmy, 92987 Paris-La Défense, FRANCE.

MANAGEMENT AND OPERATIONS: GENERAL CHARACTERISTICS

UNIT CHARACTERISTICS

Units are registered in a register in the name of the entities that keep the accounts of unit-holders on their behalf. The register is kept by the Depositary. Each Fund unit-holder has a co-ownership right to the Fund's net assets that is proportional to the number of units held. The units do not bear any voting rights as all decisions are made by the management company. The units are held in bearer form and will not be divided into fractions.

LISTING OF THE FUND'S UNITS ON A REGULATED MARKET

- When units are listed on Euronext Paris, as indicated in the "Key Information" section, investors should note the following rules:

Pursuant to article D 214-22-1 of the French Monetary and Financial Code the units or shares of undertakings for collective investments in transferable securities may be admitted to trading, provided that these undertakings have a system to ensure that the market price of their units or shares does not differ significantly from their net asset value. Under NYSE Euronext Paris rules trading in the Fund's units is also subject to a 'reservation threshold' of 1.5% above or below the Fund's indicative net asset value or "iNAV" (see the "Indicative Net Asset Value" section), as published by NYSE Euronext Paris and updated on an estimated basis during trading in accordance with the change in the MSCI EMU Growth Net Total Return index.

To comply with NYSE Euronext Paris' reservation thresholds (see the "Indicative Net Asset Value" section) the Market Makers will ensure that the market price of the Fund's units does not differ from the Fund's indicative Net Asset Value by more than 1.5%.

- When the units are listed on an exchange other than Euronext Paris, as indicated in the "Key Information" section, investors should note the following:

Investors wishing to acquire units in the Fund listed on an exchange listed in the "Key Information" section should familiarize themselves with the guidelines laid down by the relevant market undertaking in compliance with local regulations, and if necessary should seek assistance from their usual brokers on the relevant exchange(s).

BALANCE SHEET DATE

The last business day in France in January.

First balance sheet date: the last business day in France in January 2006

TAXATION

Investors should note that the following information is just a general summary of the applicable tax regime, under current French law, for investment in a French FCP fund. Investors are therefore advised to consider their specific situation with their usual tax advisor.

France:

The Fund is eligible for French equity savings (PEA) plans.

The Fund shall remain in compliance with asset restrictions which qualify it for purchase under an Equity Savings Plan, i.e. more than 75% of the shares held are in companies with their head office in a member state of the European Union or in another state that is party to the European Economic Area agreement and which has signed a tax convention with France that includes an administrative assistance clause for the purpose of fighting fraud and tax evasion.

The Fund is eligible for unit-linked life insurance policies.

1. Taxation of the Fund

In France, the co-ownership status of FCP funds means that they are not subject to corporate income tax and therefore inherently benefit from some tax transparency. Income received and generated by the Fund through its management activities is not therefore taxable at the level of the Fund.

Outside France (in the countries in which the Fund invests), capital gains on the disposal of foreign negotiable securities and income from foreign sources received by the Fund through its management activities may, if applicable, be subject to tax (generally in the form of withholding tax). In certain limited cases, foreign taxation may be reduced or cancelled in the presence of any applicable tax treaties.

2. Taxation of Fund unit-holders

2.1 French resident unit-holders

The Fund's distributions to French residents, as well as capital gains or losses, are subject to prevailing tax legislation.

Investors are advised to consider their specific situation with their usual tax advisor.

2.2 Non-French resident unit-holders

The terms of a tax treaty or lack thereof may make the Fund's distributions subject to a standard deduction at source or withholding tax in France.

Moreover, capital gains realized on the purchase/disposal of FCP fund units are generally tax-exempt.

Unit holders resident outside France will be subject to the applicable tax legislation in their country of residence.

INFORMATION ON THE AUTOMATIC AND COMPULSORY EXCHANGE OF TAX INFORMATION

The management company may collect and report to tax authorities information that concerns investors in the Fund for the sole purpose of complying with Article 1649 AC of the French General Tax code and with Council Directive 2014/107/EU of 9 December 2014 which amended Directive 2011/16/EU on the automatic and compulsory exchange of tax information.

Investors are entitled to access information that concerns them and have this information corrected or deleted if necessary and may exercise these rights vis-à-vis the financial institution pursuant to the French data privacy act of 6 January 1978 (the "loi information et libertés") but also agree to provide the information the financial institution requires for its reporting purposes.

INFORMATION CONCERNING THE FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")

France and the United States have concluded a Model I intergovernmental agreement ("IGA"), to enable the enforcement in France of the U.S. Foreign Account Tax Compliance Act ("FATCA"), the purpose of which is to prevent tax evasion by U.S. taxpayers who hold financial assets abroad. The term "U.S. taxpayer" means a U.S. citizen or resident individual, a partnership or corporation organized in the United States or under the laws of the United States or any State thereof, a trust if (i) a court located in the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more U.S. taxpayers have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States

The Fund has been registered with the U.S. tax authorities as a “reporting financial institution”. As such, the Fund is required, as of 2014, to report information to the U.S. tax authorities concerning certain asset holdings of, or payments to, certain U.S. taxpayers or non-U.S. financial institutions that are considered as non participating to FATCA, via automatic information exchange between French and U.S. tax authorities. Investors will be responsible for certifying their FATCA status with their financial intermediary or with the management company, as applicable.

Since the Fund will observe its obligations under IGA as implemented in France, it will be considered FATCA compliant and should therefore be exempt from withholding tax under FATCA on certain U.S. source income or products.

It is recommended that investors whose units are held by a custodian in a jurisdiction that is not a party to an IGA ask their custodian what the custodian’s intentions are with respect to FATCA. Some custodians may require additional information from investors to comply with their obligations under FATCA or with the obligations of the custodian’s jurisdiction. Moreover, the scope of obligations under FATCA or under an IGA may vary depending on the custodian’s jurisdiction. Investors should therefore seek advice from their financial advisor.

MANAGEMENT AND OPERATIONS: SPECIFIC CHARACTERISTICS

ISIN CODE:

FR0010168765

CLASSIFICATION

Eurozone country equities.

The Fund will always be at least 60% exposed to one or more exchanges on which equities issued in one or more European Union countries are traded, including the French market.

The Fund is a UCITS ETF type index tracker.

INVESTMENT OBJECTIVE

The Fund's investment objective is to replicate the performance of the MSCI EMU Growth Net Total Return index (the "**Benchmark Index**"), denominated in euros (EUR), whether positive or negative, while minimising the tracking error between the Fund's performance and that of the Benchmark Index.

The expected ex-post tracking error under normal market conditions is 0.20%.

BENCHMARK INDEX

The Benchmark Index is the MSCI EMU Growth Net Total Return index (net dividends reinvested).

The Benchmark Index is an equity index calculated and published by international index provider MSCI.

The Benchmark Index is a sub-set of the MSCI EMU Standard equity index and has the same basic characteristics, which include capitalisation-weighting of index stocks with free-float adjustment, the same investment universe and classification by sector using the Global Industry Classification Standard (GICS).

The Benchmark Index consists of a group of companies in the MSCI EMU index that are representative of 'growth' stocks.

A growth stock is generally a company that offers good prospects for earnings growth and has financial ratios that are generally superior than the average for its sector and for the market in general.

MSCI uses the following ratios and indicators to determine whether or not a company is a growth stock:

- the ratio of forecast long-term earnings over the share price
- the ratio of forecast short-term earnings over the share price
- return on equity multiplied by (1- the dividend payout ratio)
- the ratio of historic long-term earnings growth over the share price
- the ratio of historic long-term revenue growth over the share price (this ratio does not apply to companies that do not yet generate revenue).

The MSCI methodology and calculation method are based on a variable number of companies in the Benchmark Index

A full description and the complete methodology used to construct the Benchmark Index and information on the composition and respective weightings of the Benchmark Index components are available on the Internet at www.msci.COM.

The performance tracked is that of the Benchmark Index's closing price.

BENCHMARK INDEX COMPOSITION AND REBALANCING

The MSCI indices are reviewed quarterly to account for events that may affect the market capitalisation of an index component (i.e. the number of shares issued and its free float) or its sector classification. The principal changes in a company's capital structure may be implemented in real time (merger or acquisition, large rights issues or IPOs).

The exact composition of the Benchmark Index and MSCI's rules for rebalancing the index are available on the Internet at www.msci.com

The frequency with which the Benchmark Index is rebalanced does not affect the cost of implementing the Investment Strategy.

BENCHMARK INDEX PUBLICATION

The official MSCI indices are calculated on a daily basis at closing prices using the official closing stock market prices for the constituent stocks.

The Benchmark Index is available via Reuters and Bloomberg.

On Reuters: MIEM0000GNEU

On Bloomberg: M7EM000G

The closing price of the Benchmark Index is available on MSCI's website at www.msci.com: <http://www.msci.com/products/indices/licensing/constituents.html>

The performance tracked is that of the Benchmark Index's closing price in euros.

INVESTMENT STRATEGY

1. Strategy employed

The Fund will comply with the investment rules set out in the European Directive 2009/65/EC of 13 July 2009.

To achieve the highest possible correlation with the performance of the Benchmark Index, the Fund will employ a direct replication method, which means that the Fund will invest mainly in the securities that underlie the Benchmark Index.

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

On an ancillary basis, and once again to ensure the highest possible correlation with the performance of the Benchmark Index, the Fund may also enter into contracts involving derivative financial instruments ("DFI"). Such contracts for this purpose may involve index futures and/or swaps to hedge risk and in particular to minimize the Fund's tracking error.

To ensure transparency on the use of the direct index replication method (i.e. either full replication of the Benchmark Index or sampling to limit replication costs) and on its consequences in terms of the assets in the Fund's portfolio, information on the updated composition of the basket of "balance sheet" assets in the Fund's portfolio is available on the page dedicated to the Fund accessible on Lyxor's website at 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.

The Fund will at all times invest at least 75% of its assets in companies with head offices in a member state of the European Union or in another country that is a member of the European Economic Area and which has signed a tax convention with France that includes an administrative assistance clause for the purpose of fighting tax fraud and evasion. This minimum investment requirement qualifies the Fund for French 'PEA' equity savings plans.

Up to 20% of the Fund's assets may be exposed to equities issued by the same entity. This 20% limit may be increased to 35% for a given issuing entity when this is shown to be justified by exceptional market conditions and in particular when certain securities are largely dominant and/or in the event of strong volatility that affects a financial instrument or securities linked to an economic sector represented in the Benchmark Index, particularly in the event of a public offering that substantially affects a Benchmark Index security or in the event of a significant drop in the liquidity of one or more of the Benchmark Index's financial instruments.

2. Balance sheet assets (excluding embedded derivatives)

The Fund will mainly be invested in the securities that make up the Benchmark Index.

Investment in undertakings for collective investment in transferrable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the Fund's net assets. The Fund may invest in the units or shares of UCITS managed by the management company or by a company that is related to the management company. The fund manager will not invest in the shares or units of alternative investment funds (AIF) or other investment funds that were formed under a foreign law.

When the Fund 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.

To optimize the Fund's management, the manager reserves the right to use other instruments in accordance with the regulations in order to achieve its investment objective.

3. Off-balance sheet assets (derivatives)

The Fund may invest, on an ancillary basis, in derivatives traded on a regulated or over-the-counter market.

If over-the-counter derivatives are used, in keeping with its best execution policy, the management company considers that Société Générale would be the counterparty that is generally able to obtain the best possible execution for these derivative financial instruments which would be used for hedging purposes in accordance with the Sub-fund's investment strategy. Accordingly, all of 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 embedded derivatives

N/A

5. Cash deposits

In order to optimize its cash management, the Fund may deposit funds representing up to 20% of its net assets with lending institutions that belong to the same group as the depositary/custodian.

6. Cash borrowing

The Fund may temporarily borrow up to 10% of its net assets.

7. Securities financing transactions

The Fund may use various techniques to manage its portfolio efficiently in compliance with Article R214-18 of the French Monetary and Financial Code and may in particular temporarily dispose of securities.

- Maximum proportion of assets under management for which securities financing transactions may be entered into: up to 25% of the Fund's assets.
- Expected proportion of assets under management for which securities financing transactions may be entered into: 20% of the Fund's assets.

For this purpose, the management company may select an intermediary (hereinafter the "Agent"), to provide the following services in connection with the Fund's temporary disposals of securities. If such an Agent is used, it may be authorized to (i) engage in, on the Fund's behalf, transactions involving the lending of securities, pursuant to one or more internationally recognized master securities lending agreements, such as the Global Master Securities Lending Agreements (GMSLA), and (ii) invest, on the Fund's behalf, the liquid assets received as collateral for these securities lending transactions, in accordance with and within the limits of the securities lending agreement, the rules of this prospectus and the applicable regulations.

The Fund will be entitled to all income from such temporary disposals of securities, net of the direct and indirect operating costs of these transactions. These operating costs, which are incurred to ensure efficient portfolio management, are borne by the Fund's management company, by the Agent and/or by the other intermediaries involved in these transactions in connection with their services. These direct and indirect operating costs will be calculated as a percentage of the Fund's gross income. The Fund's annual report provides information on these direct and indirect operating costs and on the entities to whom these costs are paid.

The relevant fund will be entitled to all income from securities lending transactions less the direct and indirect operating costs borne by the Agent and, if applicable, by the management company. Since these direct and indirect costs do not increase the Fund's overall operating costs they are not included in its ongoing charges. The Fund's annual report will provide the following information, if applicable :

- the risk exposure resulting from efficient portfolio management transactions
- the identity of the counterparty(ies) to these efficient portfolio management transactions
- the type and amount of collateral received by the Fund to reduce counterparty risk
- the income obtained from efficient portfolio management transactions during the relevant period and the direct and indirect operating costs associated with these transactions.

8. Financial guarantees

Whenever the investment strategy exposes to the Fund to counterparty risk, and in particular when the Fund uses over-the-counter swaps, the Fund may accept eligible securities as collateral to reduce the counterparty risk associated with these swaps. The portfolio of collateral received may be adjusted daily to ensure that its value is at least sufficient to cover the Fund's counterparty risk in most cases. The purpose of this adjustment is to neutralize the Fund's counterparty risk.

The Fund will have full title to all collateral received, which will be deposited in the Fund's account with the depositary. This collateral will therefore be included in the Fund's assets.

All collateral the Fund receives for this purpose must comply with the applicable laws and regulations, with respect in particular to liquidity, valuation, the credit-worthiness of securities issuers, correlation, and the risks of collateral management and enforceability. All collateral received must in particular meet the following criteria:

- (a) all collateral must be of high quality, be highly liquid and tradable on a regulated market or on a multilateral trading facility, with transparent pricing to enable the collateral to be rapidly sold near its estimated price;
- (b) this collateral must be valued, at the marked-to-market price, at least daily and assets with highly volatile prices are not acceptable as collateral, unless a sufficiently prudent discount or "haircut" is applied;
- (c) the issuer of this collateral must be independent of the counterparty and must not be closely correlated with the counterparty's financial performance;
- (d) collateral must be sufficiently diversified in terms of country, market and issuer, with exposure to any single issuer not exceeding 20% of the Fund's net asset value;
- (e) collateral must be immediately enforceable by the Fund's management company without informing the counterparty and without its approval.

Notwithstanding the condition specified in (d) above, the Fund may accept a basket of securities collateral that increases its exposure to a single issuer to more than 20% of its net asset value provided that:

- such securities collateral is 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 securities collateral consists of at least six different issues of securities of which no single issue exceeds 30% of the Fund's assets.

In accordance with the above conditions the collateral accepted by the Fund may consist of:

- (i) cash and cash-equivalent assets, which for example include short-term bank deposits and balances and money-market instruments;
- (ii) Bonds issued or guaranteed by an OECD member state, or by its local government entities, or by an EU, regional or global supranational institution or organisation, or by any country provided that conditions (a) to (e) above are fully complied with;
- (iii) Shares or units issued by money-market funds that calculate a daily net asset value and have an AAA or equivalent credit rating;
- (iv) The shares or units of UCITS that invest mainly in the bonds and/or equities indicated in (v) and (vi) below;
- (v) Bonds issued or guaranteed by first-class issuers offering sufficient liquidity;
- (vi) Equities admitted for trading or traded on a regulated exchange of an EU member country, on a stock exchange of an OECD member country or on a stock exchange of another country provided that conditions (a) to (e) above are fully complied with and that these equities are components of a major index.

Collateral discount policy:

The Fund's management company shall apply a discount to the collateral accepted by the Fund for these securities lending and repo transactions. The amount of these discounts will depend mainly on the following:

- The nature of the collateral asset;
- The collateral's maturity (if applicable);
- The credit rating of the collateral issuer (if applicable).

A higher discount may be applied to collateral received in a currency other than the euro.

Reinvestment of collateral:

The non-cash collateral received will not be sold, reinvested or pledged.

Cash collateral may, at the manager's discretion, be:

- (i) deposited with an authorized 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 fund may recover the full cash amount at any time with accrued interest;
- (iv) invested in short-term money market funds that meet the guidelines for a common EU definition of money market funds.

All cash collateral that is reinvested must be invested in a diversified manner in compliance with the rules that apply to the acceptance of non-cash collateral.

RISK PROFILE

Investors' money will be invested mainly in the financial instruments selected by the management company. These instruments are subject to market trends and contingencies.

Equity risk

The price of an equity security can increase or decrease in accordance with changes in the issuer's risk exposure or in the economic conditions of the market in which the security is traded. Equity markets are more volatile than fixed income markets, where under stable macroeconomic conditions income over a given period of time can be estimated with reasonable accuracy.

Capital risk

The capital invested is not guaranteed. Investors therefore may not recover all or part of their initial investment, particularly in the event that the Benchmark Index posts a negative return over the investment period.

Liquidity risk (primary market)

The Fund's liquidity and/or value may be adversely affected if, when the Fund or a counterparty to a financial derivative instrument (FDI) is rebalancing its exposure, the underlying financial markets are restricted, closed, or subject to large bid/offer spreads. An inability, due to low trading volume, to execute the trades required to replicate the Benchmark Index may also adversely affect the subscription, conversion or redemption of shares or units.

Liquidity risk (secondary market)

The price of the Fund's listed shares or units may deviate from the Fund's indicative net asset value. The liquidity of shares or units traded on a given exchange may be adversely affected by a suspension in trading for various reasons, for example:

- i) the calculation of the Benchmark Index is suspended or stopped
- ii) trading in the market(s) in the Benchmark Index's underlying assets is suspended
- iii) an exchange cannot obtain or calculate the indicative net asset value
- iv) a market maker fails to comply with an exchange's rules
- v) an exchange's IT, electronic or other system fails.

Benchmark Index tracking risk

Replicating the performance of the Benchmark Index by investing in all of its constituents may prove to be very difficult to implement and costly. The Fund manager may therefore use various optimization techniques, such as 'sampling', which consists in investing in a selection of representative securities (and not all securities) that constitute the Benchmark Index, in proportions that differ from those of the Benchmark Index 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 Fund to perform differently from that Benchmark Index.

Counterparty risk

The Fund may use FDI on an ancillary basis.

This will expose the Fund to the risk of bankruptcy, settlement default or any other type of default by the counterparty to the contract or transaction. The Fund will in particular be exposed to counterparty risk resulting from the use of financial derivative instruments (FDI) traded over the counter. In compliance with UCITS guidelines, counterparty risk cannot exceed 10% of the Fund's total assets per counterparty. When Société Générale is a counterparty to an FDI and/or a transaction involving the temporary disposal of securities, a conflict of interests may arise between the Fund's Management Company and Société Générale.

Risk that the investment objective is not fully achieved

There is no guarantee that the investment objective will be achieved, as no asset or financial instrument can ensure that the Benchmark Index will be automatically and continuously replicated, particularly in the event of one or more of the following risks:

- Risk of using financial derivative instruments

The Fund may invest in derivative financial instruments (DFI), traded over the counter or on regulated markets, such as swaps. These FDI involve various risks, such as counterparty risk, hedging disruption, Benchmark Index disruption, taxation risk, regulatory risk, operational risk and liquidity risk. These risks can materially affect an FDI and could lead to an adjustment or even the early termination of the FDI transaction, which could adversely affect the Fund's net asset value.

- Risk due to a change in the tax regime

A change in the tax regime of a jurisdiction where the Fund is domiciled, authorized for sale or listed could adversely affect the taxation of investors. In such an event, the fund manager shall not be liable to any investor with respect to any payment that may have to be made to a competent tax authority.

- Risk of a change in the taxation of the Fund's underlying assets

A change in the taxation of the Fund's underlying assets could adversely affect the taxation of the Fund. In such an event a discrepancy between the estimated taxation and the actual taxation of the Fund and/or of the Fund's FDI counterparty may adversely affect the Fund's net asset value.

- Regulatory risk affecting the Fund

In the event of a change in the regulatory regime in a jurisdiction where the Fund is domiciled, authorized for sale or listed, the subscription, conversion or redemption of share or units may be adversely affected.

- Regulatory risk affecting the Fund's underlying assets

In the event of a change in the regulations that govern the Fund's underlying assets, the Fund's net asset value and the subscription, conversion or redemption of shares or units may be adversely affected.

- Benchmark Index disruption risk

If an event adversely affects the Benchmark Index, the Fund manager may be required, as provided for by law, to suspend the subscription and redemption of the Fund's shares or units. The calculation of the Fund's net asset value could also be adversely affected.

If the disruption of the Benchmark Index persists, the Fund manager will determine an appropriate course of action, which could decrease the Fund's net asset value.

A 'Benchmark Index event' includes but is not limited to the following situations:

- i) the Benchmark Index is deemed to be inaccurate or does not reflect actual market developments,
- ii) the Benchmark Index is permanently cancelled by the index provider,
- iii) the index provider is unable to indicate the level or value of the Benchmark Index,
- iv) the index provider makes a material change in the Benchmark Index calculation formula or method (other than a minor modification such as an adjustment to the Benchmark Index's underlying components or their respective weightings) which the Fund cannot effectively replicate at a reasonable cost.

v) a Benchmark Index component becomes illiquid because it is no longer traded on a regulated market or because its trading over-the-counter (e.g. bonds) is disrupted;
vi) the Benchmark Index components are exposed to higher transaction costs for execution or settlement/delivery, or to specific tax constraints and these costs are not reflected in the Benchmark Index's performance

- Corporate action risk

An unforeseen change, by the issuer of a security that is a component of the Benchmark Index, in a planned corporate action that is in contradiction with a previous official announcement on which the Fund based its valuation of the corporate action (and/or on which the Fund's counterparty to a financial derivative instrument or transaction based its valuation of the corporate action) can adversely affect the Fund's net asset value, particularly if the Fund's treatment of the corporate event differs from that of the Benchmark Index.

- Legal risk

The Fund may be exposed to a legal risk arising from financing transaction contracts as indicated in EU Regulation No. 2015/2365.

- Currency risk associated with the Fund's listing exchanges

The Fund may be listed on an exchange or multilateral trading facility in a currency that is not the currency of the Benchmark Index. Investors who purchase units in the Fund in a currency that is not that of the Benchmark index are exposed to currency risk. As a result, due to changes in exchange rates the value of an investment that is made in a currency other than that of the Benchmark Index may decrease even though the value of the Benchmark Index increases.

- Risk arising from securities financing transactions

If a borrower of securities defaults on its obligation there could be a risk that the value of the collateral received by the Fund 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 collateral and/or (iv) the illiquidity of the market in which the collateral received is listed. If cash collateral is reinvested such reinvestment could (i) increase leverage and thereby the risk of loss and volatility and/or (ii) expose the Fund to a market that is not aligned with its investment objective, and/or (iii) produce income that is less than what the Fund must pay on its collateral. The Fund may also not receive the securities it lent by the specified time, which would reduce its capacity to meet investor redemption orders.

ELIGIBLE INVESTORS AND TYPICAL INVESTOR PROFILE

The Fund is available to all investors.

Investors in this Fund seek exposure to eurozone equity markets and more specifically to the stock-market performance of a selection of eurozone equities that are considered to be "growth stocks".

The amount that can be reasonably invested in the Fund depends on each investor's personal situation. To determine this amount, investors must take into account their personal wealth and/or estate, their cash requirements currently and for the next five years, and their willingness to take on risk or their preference for more prudent investment. Investors are also advised to diversify their investments sufficiently so as not to be exposed solely to this Fund's risks.

All investors are therefore asked to consider their specific situation with the help of their usual investment advisor.

The recommended minimum investment period is at least five years.

CURRENCY

The euro.

CALCULATION AND ALLOCATION OF DISTRIBUTABLE AMOUNTS

The management company reserves the right to distribute distributable amounts one or more times a year and/or accumulate all or part of these amounts.

DISTRIBUTION FREQUENCY

If a distribution is decided, the management company reserves the right to distribute distributable amounts in one or more annual distributions.

UNIT CHARACTERISTICS

Subscription orders may be placed for a specific monetary amount or for a whole number of units.

Only a whole number of units may be redeemed.

SUBSCRIPTION AND REDEMPTION

1. SUBSCRIPTION AND REDEMPTION ON THE PRIMARY MARKET

Subscription/redemption requests for units in the Fund will be processed by the Depositary from 10:00am to 5:00pm (Paris time) every day that the Fund's net asset value is to be published, provided that prices are quoted for a significant proportion of the Benchmark Index components (hereinafter a "Primary Market Day"), and will be executed at the net asset value on the Primary Market Day, hereinafter the "reference NAV". Subscription/redemption requests submitted after 5:00pm (Paris time) on a Primary Market Day will be processed as if received from 10:00am to 5:00pm (Paris time) on the following Primary Market Day. Orders to subscribe for or redeem units in the Fund must be made for a whole number of units and for a minimum amount of at least 100,000 euros.

Subscriptions and redemptions in cash:

Subscriptions and redemptions shall be made exclusively in cash and executed at the ref NAV.

Delivery and settlement:

Settlement/delivery of subscriptions and redemptions shall be completed within five French business days after the subscription or redemption order is received.

Date and frequency of net asset value calculation

The net asset value will be calculated and published every day that the Fund's net asset value is to be published, providing that the market on which the Fund's units are traded is open and The net asset value will be calculated and published daily, provided that at least one exchange on which the Fund's units are listed is open and that orders placed in the primary and secondary markets can be funded.

The Fund's net asset value is calculated using the Benchmark Index's closing price.

The Fund's net asset value is denominated in EUR.

The net asset value of the unit classes that are denominated in another currency than the Fund's accounting currency (if applicable) is calculated using the exchange rate between the accounting currency and the currency of the unit class, at the applicable WM Reuters rate on the date the reference NAV is calculated.

2. PURCHASES AND SALES ON THE SECONDARY MARKET

A COMMON PROVISIONS

For any purchase or sale of units in the Fund executed directly on an exchange on which the Fund is admitted or will be admitted for continuous trading, no minimum purchase or sale amount is required other than that which may be required by the relevant exchange(s).

Shares or units in a listed fund that are purchased on the secondary market cannot generally be directly sold back to that fund. Investors must therefore buy and sell their shares or units on a secondary market through an intermediary (e.g. a broker) and may consequently incur costs. Furthermore, there is a possibility that investors may pay more than the indicative net asset value when buying shares or units and receive less than the indicative net asset value when selling shares or units.

If the stock market value of a listed fund's shares or units differs significantly from their indicative net asset value, or if trading in the fund's share or units is suspended, investors may be authorized, subject to the conditions set forth below, to redeem their units on the primary market directly from the fund, without being subject to the minimum redemption amount requirement set forth herein in the section entitled "SUBSCRIPTION AND REDEMPTION FEES (charged only on primary market transactions)".

The management company shall decide whether to allow such primary market redemptions and for how long, on the basis of the following criteria for assessing the significance of a market disruption:

- The suspension or strong disturbance of secondary trading on a given exchange is relatively frequent;
- The link between the market disruption and secondary market operators (such as the default of one or more of the Market Makers of a given exchange, or a breakdown or malfunction of an exchange's IT or operating systems), excluding a disruption caused by a source external to the secondary exchange on which the shares or units of the fund are traded, such as an event that affects the liquidity and valuation of all or some of the Benchmark Index's components;
- Any other objective circumstance that could adversely affect the fair treatment and/or the interests of the Fund's unit-holders.

Notwithstanding the provisions concerning fees presented in the section entitled "SUBSCRIPTION AND REDEMPTION FEES (charged only on primary market transactions)", redemptions made in the primary market in this case shall only be subject to a net redemption fee of 0.08% paid to the Fund and which serves to cover its trading costs.

In such exceptional cases when redemption in the primary market is allowed, the Management Company shall post on Lyxor's website at www.lyxor.etf.com the procedure that investors must observe to redeem their units in the primary market. The Management Company shall also make this procedure available to the market undertaking that handles trading in the Fund's units.

B SPECIAL PROVISIONS

- a) If the Fund's units are listed on Euronext Paris, as indicated in the "Key Information" section, investors should note the following rules:

Negotiability of units and information about the financial institutions acting as Market Makers:

The unit are freely negotiable on the Euronext Paris regulated market under the following conditions and according to the applicable legal and regulatory provisions.

The Fund units will be listed on a specific trading list, the rules for which are defined in the following instructions published by Euronext Paris SA:

- Instruction No. 4-01 " Universal Trading Platform Manual"

- Appendix to Instruction N4-01 (Appendix to the Euronext Market Trading Manual

- Instruction No. 6-04 "Documentation to be provided when filing a listing application for an ETF, ETN, ETV and open-ended undertakings for collective investment other than ETFs"

Pursuant to article D 214-22-1 of the French Monetary and Financial Code the units or shares of undertakings for collective investments in transferable securities may be admitted to trading, provided that these undertakings have a system to ensure that the market price of their units or shares does not differ significantly from their net asset value. Under Euronext Paris SA's rules trading in the Fund's units is also subject to a 'reservation threshold' of 1.5% above or below the Fund's indicative net asset value or "iNAV" (see the "Indicative Net Asset Value" section), as published by Euronext Paris SA and updated on an estimated basis during trading in accordance with the change in the Benchmark Index.

To comply with Euronext Paris SA's reservation threshold requirement (see the section entitled "Indicative net asset value") the Market Makers will ensure that the market price of the Fund's units does not differ from the Fund's indicative Net Asset Value by more than 1.5%.

Euronext Paris SA may suspend trading in the Fund's units pursuant to the terms of its operating rules, if the aforementioned reservation threshold limit is exceeded.

Euronext Paris SA will also suspend trading in the Fund's units in the following cases:

- the Benchmark Index is no longer traded or calculated
- Euronext Paris SA cannot obtain the Benchmark Index's level
- Euronext Paris SA cannot obtain the Fund's net asset value.

In accordance with the terms and conditions governing admission to trading on Euronext Paris, the Market Makers undertake to provide market-making services for the Fund's units as soon as they are admitted to trading on the Euronext Paris exchange.

In particular, the Market Makers undertake to carry out market-making operations by maintaining a significant presence in the market, which initially entails the setting of a bid/ask spread.

More specifically, the Market Makers are required by contract with Euronext Paris SA to ensure that the Fund maintains:

- a maximum global spread of 1.5% between the bid and offer price in the centralised order book.
- a minimum nominal trading value of EUR 100,000.

The obligations of the Fund's Market Makers will be suspended in the following cases:

- the Benchmark Index is no longer traded or calculated
- if trading is substantially disrupted, for example due to a widespread shift in prices or an event that makes normal market making impossible.

Indicative net asset value:

Euronext Paris SA will calculate and publish, each Trading Day (as defined below) and during trading hours, the Fund's indicative net asset value (hereinafter "iNAV"). The iNAV is a measure of the intra-day value of the Fund's net asset value based on the most recent data. The iNAV is not the value at which investors buy and sell units in the Fund on the secondary market.

A "**Trading Day**" is a day on which NSYE Euronext is normally open and on which the Benchmark Index is normally published.

The Fund's iNAV is a theoretical net asset value calculated every 15 seconds by Euronext SA throughout the Paris trading day and is based on the level of the Benchmark Index. The iNAV enables investors to compare the prices that the Market Makers offer on the market with the theoretical value calculated by Euronext.

The iNAV will be calculated every day that the net asset value is normally calculated and published.

For the calculation of the Fund's iNAV during the Paris trading session (from 9.05 am to 5.35 pm), Euronext Paris SA will use the Benchmark Index value published by Reuters. If one or more stock exchanges on which the Benchmark Index's constituent equities are listed are closed (on a public holiday as indicated on the TARGET calendar) and if the iNAV cannot be calculated, trading in the Fund's units may be suspended.

Lyxor International Asset Management, the Fund's management company, will provide Euronext Paris SA with all the financial and accounting data it needs to calculate the Fund's iNAV and in particular:

- The day's estimated net asset value
- The official net asset value of the previous business day
- The level of the Benchmark Index on the previous business day.

These data will serve as a basis for Euronext Paris SA's calculations to determine the Fund's iNAV in real time every Trading Day.

Additional information about the indicative net asset value of a unit listed on an exchange may, depending on the terms and limits set by the relevant market undertaking, be provided on this exchange's website. This information is also available on the Reuters or Bloomberg pages that specifically concern the unit. This information is also available on the Reuters or Bloomberg pages dedicated to the particular unit. Additional information about the Bloomberg and Reuters codes for the indicative net asset values of all UCITS ETF type unit classes is also available in the "Term Sheets" section of Lyxor's website at www.lyxoretf.com.

b) If the Fund's units are listed on an exchange other than Euronext Paris, as indicated in the "Key Information" section, investors should note the following:

Investors wishing to acquire units in the Fund or obtain more information regarding the market-making terms that govern the listing and trading of units on the types of exchanges indicated in the "Key Information" section are advised to familiarize themselves with the guidelines laid down by the relevant market undertaking in compliance with local regulations, and to seek if necessary the assistance of their usual broker(s) for executing trades on the relevant exchange(s).

FEES AND CHARGES

SUBSCRIPTION AND REDEMPTION FEES (charged only on primary market transactions)

The subscription and redemption fees shown below respectively increase the subscription price paid by the investor and decrease the redemption price received. Fees kept by the Fund compensate it for the expenses it incurs in investing in the Fund's assets or in divesting these assets. Any fees that are not kept by the Fund are paid to the management company, marketing agent or other service provider.

Fees paid by investors upon subscription or redemption	Base	Maximum charge
Subscription fee not kept by the Fund	NAV per unit × number of units	The higher value of either EUR 50,000 per subscription order or 5% payable to third parties
Subscription fee kept by the Fund	NAV per unit × number of units	0.25%
Redemption fee not kept by the Fund	NAV per unit × number of units	The higher value of either EUR 50,000 per redemption request or 5% of payable to third parties
Redemption fee kept by the Fund	NAV per unit × number of units	0.06%

(1) The management company adjusts these fees whenever necessary to ensure that primary market investors bear no more than the actual costs of adjusting the portfolio, for example when subscription and redemption orders are placed at the same net asset value or when an order is large enough to enable the manager to reduce execution costs.

OPERATIONAL AND MANAGEMENT FEES

These fees cover all the costs invoiced directly to the Fund, except for transaction expenses, which include intermediary fees (brokerage, stock market taxes etc.) and any turnover fee that may be charged by the depositary or the management company

For this Fund the following fees may be charged in addition to the operating and management fees (see table below):

- incentive fees, which the Fund pays to the management company when the Fund exceeds its objectives
- turnover fees charged to the Fund.

For more information on the fees or expenses that the Fund must pay, see the Statistics section of the Key Investor Information Document).

Fees charged to the Fund	Base	Maximum charge
Financial management and administrative fees that are external to the management company (auditor, depositary, fund distribution and legal fees) including tax ⁽¹⁾	Net asset value	0.40% per annum
Incentive fee	Net asset value	N/A
Turnover fee	Charge on each transaction	N/A
Cost of securities financing transactions	The amount of the transaction	35% of the income from the transaction

(1) Includes all fees and expenses except for transaction expenses, incentive fees and fees associated with investment in UCITS or alternative investment funds.

COMMERCIAL INFORMATION

Distribution of this prospectus and the offer or purchase of units in the Fund may be subject to restrictions with regard to certain persons or in certain countries by virtue of national regulations applying to such persons or such countries. Investors are therefore responsible for ensuring that they are authorised to subscribe to or invest in this Fund. The information in this prospectus therefore cannot be construed to be an offer or solicitation to buy or sell units in the Fund in a country where such offer or solicitation is unlawful.

The Fund's unit classes will not be registered pursuant to the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and cannot be offered, assigned, transferred or allocated to the United States of America, or to:

- (A) any "U.S. Person", as this term is defined under Regulation S of the U.S. Securities Act) and (ii) by U.S. regulations as defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986 as amended. The Fund's unit classes will not be offered to U.S. Persons.
- (B) anyone other than those persons considered to be "non-US Persons" as this term is defined under U.S. regulations pursuant to the Commodity Futures Trading Commission, Rule 4.7 (a) (1) (iv).

The Fund's unit classes will only be offered for sale outside of the United States of America to non-U.S. Persons.

For the purpose of this document, the term "U.S. Person" shall mean, among other things, any individual who resides in the United States of America, any entity organized or formed under the laws of the United States of America, certain entities organized or formed outside of the United States of America by one or more U.S. persons, or any account held on behalf of such a U.S. person.

Before making an investment in the Fund, investors should seek the advice of their financial, tax and legal advisers.

PLACE AND METHOD OF NET ASSET VALUE PUBLICATION OR COMMUNICATION

At the registered office of LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92987 Paris La Défense CEDEX - France.

The Fund's net asset value will be calculated and published on each Trading Day.

IMPORTANT INFORMATION ABOUT THE BENCHMARK INDEX PROVIDER

LYXOR MSCI EMU GROWTH (DR) UCITS ETF (the "Fund") is in no way sponsored, endorsed, sold or promoted by MSCI Inc. ("MSCI"), nor by any MSCI subsidiary, nor by any entity involved in establishing the MSCI indices. The MSCI indices are the sole property of MSCI, and the MSCI indices are trademarks registered by MSCI and its subsidiaries and have been licensed, for specific purposes, by Lyxor Asset Management. Neither MSCI, nor any subsidiary of MSCI, nor any of the entities involved in producing or calculating the MSCI indices have made any statement or any warranty, either expressed or implied, to holders of units in the Fund or, more generally, to the general public, concerning the merits of trading in units of investemnt funds in general or in units of this Fund in particular or the ability of any MSCI index to replicate the performance of the global equities market. MSCI and its subsidiaries are the owners of certain names, registered trademarks and the MSCI indices, which are determined, constructed and calculated by MSCI without any consultation with Lyxor International Asset Management or the Fund. Neither MSCI, nor any MSCI subsidiary, nor any of the entities involved in the production of the MSCI indices are obliged to take into consideration the needs of Lyxor International Asset Management or holders of the Fund's units when determining, constructing or calculating the MSCI indices. Neither MSCI, nor any MSCI subsidiary, nor any of the entities involved in the production of the MSCI indices make any decision concerning the launch date, pricing, quantity of the Fund's units or the determination and calculation of the formula used to establish the Fund's net asset value. Neither MSCI, nor any MSCI subsidiary, nor any of the entities involved in the production of the MSCI indices accept any responsibility for or obligations concerning the administration, management or marketing of the Fund.

ALTHOUGH MSCI OBTAINS DATA INCORPORATED OR USED IN THE CALCULATION OF INDICES ORIGINATING FROM SOURCES THAT MSCI BELIEVES TO BE RELIABLE, NEITHER MSCI, NOR ANY OTHER PARTY INVOLVED IN THE CREATION OR CALCULATION OF THE MSCI INDICES GUARANTEES THE ACCURACY AND/OR THE COMPLETENESS OF THE INDICES OR ANY INCORPORATED DATA. NEITHER MSCI NOR ANY PARTY INVOLVED IN THE CREATION OR CALCULATION OF THE MSCI INDICES MAKES ANY WARRANTIES, EXPRESSED OR IMPLIED, CONCERNING THE RESULTS THAT THE HOLDER OF A MSCI LICENCE, CUSTOMERS OF SAID LICENSEE, COUNTERPARTIES, FUND UNITHOLDERS OR ANY OTHER PERSON OR ENTITY WILL ACHIEVE FROM THE USE OF THE INDICES OR ANY INCORPORATED DATA IN RELATION TO THE RIGHTS LICENSED OR FOR ANY OTHER PURPOSE.

NEITHER MSCI NOR ANY OTHER PARTY MAKES ANY WARRANTIES, EXPRESSED OR IMPLIED, AND MSCI DISCLAIMS ANY WARRANTIES CONCERNING THE COMMERCIAL VALUE OR SUITABILITY FOR A SPECIFIC PURPOSE OF THE INDICES OR INCORPORATED DATA. SUBJECT TO THE FOREGOING, UNDER NO CIRCUMSTANCES SHALL MSCI OR ANY OTHER PARTY BE HELD LIABLE FOR ANY LOSS, BE IT DIRECT, INDIRECT OR OTHER (INCLUDING LOSS OF EARNINGS) EVEN IF IT IS AWARE OF THE POSSIBILITY OF SUCH A LOSS.

ADDITIONAL INFORMATION

The Fund's units are admitted to trading by Euroclear France S.A.

Subscription and redemption orders are sent by investors' financial intermediaries (members of Euroclear France SA) to the Depository.

The Fund's prospectus, the Key Investor Information Document, the most recent annual reports and the asset inventory statement will be sent out within eight business days after the receipt of a written request from the investor to:

LYXOR INTERNATIONAL ASSET MANAGEMENT

17 Cours Valmy - 92987 Paris La Défense France.

E-mail: contact@lyxor.com

More information can also be requested from Lyxor International Asset Management on its website at www.lyxoretf.com.

Prospectus publication date: 19/05/2017.

Pursuant to Article L.533-22-1 of the French Monetary and Financial Code, information concerning the Management Company's possible inclusion of social, environmental and corporate governance objectives and performance criteria in its investment policy is available on the management company's website and in the Fund's annual report.

The AMF's website (www.amf-france.org) contains additional information on the list of regulatory documents and all the provisions relating to investor protection. This Prospectus shall be made available to investors prior to subscription.

INVESTMENT RULES

The Fund will comply with the investment rules set out in the European Directive 2009/65/EC of 13 July 2009.

The Fund may invest in the assets specified in Article L214-20 of the French Monetary and Financial Code, subject to the risk-diversification and investment ratio requirements of Articles R214-21 to R214-27 of said Code.

Notwithstanding the 10% limit under Paragraph II of Article R214-21 of the French Monetary and Financial Code, the Fund may invest up to 20% of its assets in the equities and debt securities of a single issuer, in compliance with Article R214-22-I, which deals with index-tracking funds. Pursuant to Article R214-22 II, the Fund may also increase this 20% limit for a single issuer to 35%, when this is shown to be justified by exceptional market conditions, and in particular when certain securities are largely dominant.

OVERALL RISK EXPOSURE

The commitment approach is used to calculate the Fund's overall risk exposure.

ASSET VALUATION AND ACCOUNTING RULES

A. VALUATION RULES

The Fund's assets are valued in accordance with applicable laws and regulations and most notably Regulation No. 2014-01 of 14 January 2014 of the Comité de la Régulation Comptable (the Accounting Regulations Committee), which applies to the chart of accounts for undertakings for collective investment in transferable securities.

Financial instruments traded on a regulated market are valued at the closing price recorded on the day prior to the calculation of the net asset value. If these financial instruments are traded on several regulated markets at the same time, the closing price used is that recorded on the regulated market on which they are principally traded.

However, in the absence of significant trading on a regulated market, the following financial instruments are valued using the following methods:

- Negotiable debt securities ("NDS") with a remaining life upon acquisition that is less than or equal to three months are valued by applying the difference between the acquisition value and the redemption value on a straight-line basis over the remaining life. However, the management company reserves the right to value these securities at their current value if it deems that they are particularly exposed to market risks (interest rates, etc). The rate applied is that of issues of equivalent securities adjusted by the risk margin relating to the issuer;
- NDS with a remaining life of more than three months upon acquisition but less than or equal to three months at the net asset value calculation date are valued by applying the difference between the most recent valuation and the redemption value on a straight-line basis over the remaining life. However, the management company reserves the right to value these securities at their current value if it deems that they are particularly exposed to market risks (interest rates, etc). The rate applied is that of issues of equivalent securities adjusted by the risk margin relating to the issuer;
- NDS with a remaining life at the net asset value calculation date that exceeds three months are valued at their current value. The rate applied is that of issues of equivalent securities adjusted by the risk margin relating to the issuer.
- Financial futures traded on organized markets are valued at the clearing price on the day prior to the calculation of the net asset value. Options traded on organized markets are valued at their market price on the day prior to the calculation of the net asset value. Forward contracts and over-the-counter options are valued at the price quoted by the counterparty. The management company monitors these prices independently.
- Bank deposits are valued at their nominal value plus accrued interest.
- Warrants, short and medium-term notes (bons de caisse), promissory notes and mortgage notes are valued under the management company's responsibility at their most likely trading value.
- Securities financing transactions are valued at the market price.
- Shares and units in UCITS under French law are valued at the last known net asset value on the day the Fund's net asset value is calculated.
- Shares and units in foreign investment funds are valued at the last known net asset value at the date the Fund's net asset value is calculated.
- Financial instruments traded on a regulated market and for which no price has been quoted or whose price has been corrected, are valued under the management company's responsibility at their most likely trading value.
- The exchange rates used to value financial instruments denominated in a currency other than the Fund's base currency are the rates published by WM Reuters on the day the Fund's net asset value is calculated.

B. ACCOUNTING METHOD FOR TRADING EXPENSES

Trading expenses are included in the initial cost of the transaction.

C. ACCOUNTING METHOD FOR INCOME FROM FIXED-INCOME SECURITIES

Income from fixed-income securities is accounted for using the cash-basis method.

D. DISTRIBUTION POLICY

For more information see the section entitled "Calculation and Allocation of Distributable amounts"

E. ACCOUNTING CURRENCY

The Fund's accounts are kept in euros.

SECTION 1
ASSETS AND UNITS

ARTICLE 1 - CO-OWNERSHIP OF UNITS

Co-ownership rights are expressed in units, with each unit corresponding to the same percentage of the Fund's assets. Each unit-holder has a co-ownership right to the Fund's assets proportional to the number of units held.

The Fund's term begins on the date it is approved by l'Autorité des Marchés Financiers (the French financial markets authority) and ends 99 years later unless the Fund is wound up prior to this or extended as provided for in these rules.

The Fund reserves the right to combine or divide units.

The units can be divided, if so decided by the management company's chairman, into 100 thousandths of units known as 'fractional units'.

Rules pertaining to the issue and redemption of units shall be applicable to fractional units, whose value shall be proportional to that of the unit they represent. All other provisions relating to units apply to fractions of units without the need to stipulate this, unless indicated otherwise.

Finally, the management company's chairman may, at his sole discretion, divide units by creating new units and allocating them to unit-holders in exchange for old units.

ARTICLE 2 - MINIMUM AMOUNT OF ASSETS

Units cannot be redeemed if the Fund's assets fall below €300,000. If the Fund's assets remain below this amount for 30 days, the management company shall make the necessary provisions to liquidate the Fund or proceed with one of the measures mentioned in Article 411-16 of the AMF General Regulations (Fund transfers).

ARTICLE 3 - ISSUE AND REDEMPTION OF UNITS

Units are issued at any time at the request of unit-holders on the basis of their net asset value plus, where appropriate, subscription fees.

Subscriptions and redemptions are carried out in accordance with the terms and procedures set out in the prospectus.

Fund units may be admitted to trading in accordance with the applicable regulations.

Subscriptions shall be fully paid up on the day the net asset value is calculated. Subscriptions must be paid up on cash.

Redemptions are carried out exclusively in cash, except when the Fund is liquidated and the unit-holders have agreed to be reimbursed in the form of securities. They will be paid by the depositary / registrar within five days after unit valuation.

However, if under exceptional circumstances redemption requires the prior realisation of the Fund's assets, this period could be extended but may not exceed 30 days.

Except in the case of inheritance or an inter-vivos distribution, the disposal or transfer of units between unit-holders or from unit-holders to a third party is equivalent to a redemption followed by subscription. If a sale or transfer involves a third party the beneficiary shall, if necessary, supplement the amount of the transaction until the minimum subscription amount stipulated in the prospectus is reached.

Pursuant to article L.214-8-7 of the French Financial and Monetary Code (Code monétaire et financiers), the redemption of units by the Fund as well as the issue of new units may be suspended on a temporary basis by the management company in exceptional circumstances and if this is considered to be necessary to protect the interests of the unit-holders.

If the Fund's assets fall below the minimum regulatory requirement no units shall be redeemed.

ARTICLE 4 - CALCULATION OF NET ASSET VALUE

The net asset value of the units shall be calculated in accordance with the valuation rules indicated in the prospectus.

SECTION 2

FUND OPERATION

ARTICLE 5 - THE MANAGEMENT COMPANY

The Fund is managed by the management company in accordance with the Fund's strategy.
The management company shall act on behalf of unit-holders under all circumstances and shall alone exercise any voting rights attached to the securities in the Fund's portfolio.

ARTICLE 5A - OPERATING RULES

The Fund's prospectus describes the instruments and deposits eligible for inclusion in the Fund's assets and the Fund's investment rules.

ARTICLE 5B - LISTING ON A REGULATED MARKET AND/OR A MULTI-LATERAL TRADING FACILITY

The units may be listed for trading on a regulated market and/or a multi-lateral trading facility, in compliance with applicable regulations. If the Fund's units are listed on a regulated market and it has an index-based investment objective, it must implement a means to ensure that the market price of its units does not deviate substantially from its net asset value.

ARTICLE 6 - THE DEPOSITARY

The depositary is responsible for the tasks incumbent upon it under the applicable laws and regulations, and for its contractual obligations to the management company. It must, in particular, ensure that the management company's decisions are lawful. The depositary shall take any protective measures it deems necessary. In the event of a dispute with the management company, it shall inform the AMF.

ARTICLE 7 - AUDITOR

A statutory auditor is appointed by the management company's chairman for a term of six financial years after approval from the Autorité des Marchés Financiers.
The auditor shall certify that accounts are true and fair.

The auditor may be reappointed.

The auditor shall inform the Autorité des marchés financiers as soon as possible of any event or decision concerning the collective investment scheme of which it gains knowledge in the course of its work that may:

- 1° constitute an infringement of applicable laws or regulations and which may have a significant effect on the Fund's financial situation, earnings or assets
- 2° compromise the operation of the Fund's business
- 3° result in a qualified opinion or a refusal to certify the accounts.

Assessments of the assets and the determination of exchange parities during transformation, merger or demerger operations are carried out under the auditor's control.

The auditor shall be responsible for the valuation of all contributions in kind.

The auditor shall certify the composition of the Fund's assets and other information before it is reported

The auditor's fees shall be agreed with the management company's chairman on the basis of the estimated work schedule.

The auditor certifies the financial statements serving as the basis for the payment of interim dividends.

The auditor fees shall be included in the management fees.

ARTICLE 8 - FINANCIAL STATEMENTS AND MANAGEMENT REPORT

At the close of each fiscal year, the management company shall draw up the financial statements and a report on the Fund's management for the year.

At least once every six months the management company will prepare an inventory of the Fund's assets under the depositary's supervision

The management company shall keep these documents available to unit-holders for four months after the end of the fiscal year and inform them of the income to which they are entitled:

These documents shall be dispatched by mail at the express request of unit-holders or made available to them at the management company's premises.

SECTION 3

ALLOCATION OF DISTRIBUTABLE AMOUNTS

ARTICLE 9 - ALLOCATION OF INCOME AND CAPITAL GAINS

The net income for the year is equal to the amount of interest, arrears, dividends, premiums, bonuses and directors' fees, as well as all income relating to securities that constitute the Fund's portfolio, plus income from temporary cash holdings, less management fees and borrowing costs.

Distributable amounts consist of the following:

1° The net income for the year, plus retained earnings and plus or minus the net revenue accruals for the year;

2° Realized capital gains, net of expenses, minus realized capital losses, net of expenses, recognized for the year, plus similar net capital gains recognized over the previous years that were not distributed or accumulated, minus or plus the balance of capital gains accruals.

The amounts indicated in points 1) and 2) above may be distributed independently of each other, in whole or in part.

The Fund may select either of the following three distribution options for each class of Fund unit:

Pure accumulation — All distributable amounts will be entirely reinvested

Pure distribution — All distributable amounts will be distributed to the closest rounded-off figure and interim dividends may be distributed.

Accumulation and/or Distribution — The management company decides how the distributable amounts are to be allocated each year. It may decide, during the year, to pay out one or more interim dividends up to the limit of the distributable amounts recognized when this dividend is decided.

The allocation of the distributable amounts is described in detail in the prospectus.

SECTION 4

MERGER - DEMERGER - DISSOLUTION - LIQUIDATION

ARTICLE 10 - MERGER - DEMERGER

The Management Company may transfer all or part of the Fund's assets to another UCITS or split the Fund into two or more other FCP funds.

Such mergers or demergers may only be carried out after unit-holders have been notified. A new certificate indicating the number of units held by each unit-holder will be issued for this purpose.

ARTICLE 11 - DISSOLUTION - EXTENSION

- If the Fund's assets remain below the level set out in Article 2 above for 30 days, the management company will duly inform the Autorité des Marchés Financiers and dissolve the Fund, unless it is merged with another fund.

- The management company may dissolve the Fund before it reaches its term. In this case it must inform the unit-holders of its decision and after this date shall not accept subscription or redemption orders.

- The management company shall also dissolve the Fund if the redemption of all units has been requested, if the depositary's appointment is terminated and no other depositary has been appointed or upon expiry of the Fund's term, if it has not been extended.

The management company shall inform the AMF by mail of the planned dissolution date and procedure and then send the AMF the auditor's report.

The decision to extend the Fund's term may be made by the management company with the depositary's approval. It must make this decision at least three months before the Fund's term is to expire and inform unit-holders and the AMF of this decision.

ARTICLE 12 - LIQUIDATION

In the event of dissolution, the management company, or the depositary, with the management company's approval, shall be responsible for liquidation. In such an event, they shall be entrusted with full powers to realize assets, pay off any creditors and distribute the remaining balance among the unit-holders in the form of cash or securities.

The auditor and the depositary shall continue to perform their duties until liquidation is completed.

SECTION 5

DISPUTES

ARTICLE 13 - COMPETENT COURTS - JURISDICTION

Any disputes concerning the Fund that may arise during its lifetime or upon its liquidation, either between the unit-holders or between the unit-holders and the management company or the depositary, shall be subject to the jurisdiction of the competent courts.