

May 22nd 2017

Lyxor ETF rises to number 2 spot in Europe as market continues to accelerate

- *European market has raised EUR 40Bn YTD*, almost as much as in the whole of 2016;*
- *Lyxor has attracted nearly 15% of all net new ETF inflows in Europe since start of year*;*
- *Lyxor is adapting its range to capture further market momentum.*

Lyxor ETF enjoyed a strong start to 2017, building on growing investor appetite to become Europe's second largest ETF provider with assets under management of EUR 60Bn*. Lyxor has secured nearly 15% of all new money flowing into the European market, and 18% of exchange traded volume since the beginning of the year, attracting net new assets of more than EUR 5.6Bn*.

Lyxor expects the European ETF market to continue its rapid ascent, with 2017 already shaping up as a record year with net new assets of EUR 40Bn year to date*, almost as much as in the whole of 2016. Arnaud Llinas, Head of ETFs and Indexing for Lyxor Asset Management, predicts that if the trend continues, the European ETF market could break the EUR 1,000Bn threshold by 2020.

Lyxor is reaping the benefit of investments made in 2016 to adapt to a rapidly-growing ETF market across all client segments. In particular, Lyxor ETF invested in its fixed income range, reaching the number 2 spot in this segment in Europe by AuMs*. Lyxor also added to its sales, marketing and portfolio management teams, doubling its ETF staff in the past four years. Going forward, Lyxor is planning to consolidate its position by capitalising on a strong culture for innovation. Upcoming initiatives include:

- A range of green ETFs starting with the first ever green bond ETF launched in March 2017;
- Completing the range of risk management ETFs designed to help investors protect against rising interest rates, inflation, currency fluctuation and increased volatility;
- New UK, US and Japanese Smart Beta dividend products.

In addition, Lyxor is looking to increase its European footprint by raising the proportion of Luxembourg-domiciled funds and increasing the share of physical ETFs to 50% to adapt to the needs of a new, more international client base. Lyxor's moves on replication and domicile are driven by a pragmatic

PRESS RELATIONS

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LYXOR INTERNATIONAL ASSET
MANAGEMENT
Société par actions simplifiée with share
capital of € 1 059 696

Registered in the Nanterre Trade and
Companies Register (RCS) under no. 419
223 375
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approach, and a desire to provide the best result for investors on every index they track. Lyxor will also continue to develop active ETF-based investment solutions for the retail distribution sector.

“The passive industry has doubled in size in the past ten years but there is still plenty of room to grow. What has changed today is the ETF market’s ever-growing client reach, as well as investors’ need not just for strategies providing market exposure, but for solutions to specific market challenges such as inflation or changing interest rates. With innovation as the cornerstone of its strategy, Lyxor has initiated important changes in 2016 to adapt to this challenge, which we believe will put us in a position of strength for the future,” Arnaud Llinas commented.

**All figures are as of May 15th 2017. Source: Lyxor International Asset Management / Bloomberg.*

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Notes to editors:

Lyxor Asset Management Group ("the Lyxor group"), wholly-owned directly or indirectly by Societe Generale and composed notably of two subsidiaries ⁽¹⁾⁽²⁾, is a European asset management specialist, an expert in all investment styles, active, passive or alternative.

From ETFs to multi-management, with EUR 122.3Bn* under management and advisory, Lyxor group creates innovative investment solutions to meet the long-term challenges of managing savings. Thanks to its experts and its engineering tradition and research, Lyxor group provides a recognised combination of performance and rigorous risk management.

(1) Lyxor Asset Management S.A.S. is approved by the «Autorité des marchés financiers» (French regulator) under the agreement # GP98019.

(2) Lyxor International Asset Management S.A.S. is approved by the «Autorité des marchés financiers» (French regulator) under the agreement # GP04024.

* Including EUR 15Bn assets under advisory. Equivalent to USD 130.6Bn in assets under management and advisory (including USD 16Bn assets under advisory) at the end of March 2017.

Lyxor International Asset Management ("Lyxor ETF"): Lyxor ETF, the original pioneers

Lyxor has been running ETFs since 2001, longer than any other European provider. Our pioneering spirit helped shape the market as you know it today. Over the last 15 years, we've become one of Europe's largest¹, most liquid ETF managers². And we've built one of its most far-reaching ranges, which spans all asset classes, and includes some of the largest and most efficient ETFs³.

We now offer more than 220 ways to explore the markets. So, whether investors are seeking essential core index exposure, or reaching out for more tactical opportunities in specific sectors or markets, we have a product to match their needs.

Staying true to our pioneering heritage, we continue to expand the frontiers of fixed income ETFs where we rank number 2⁴, while our groundbreaking smart beta range now ranks third for assets⁵.

We know choice alone isn't enough. So wherever you roam, you can be sure our quality charter sets standards of management few other providers can match.

(1) Source: Lyxor International Asset Management. Data refers to Assets Under Management. Data correct as of April 27th, 2017.

(2) Source: Lyxor International Asset Management. Data observed between January 2016 and December 2016.

(3) Source: Lyxor International Asset Management. Data correct as of April 27th, 2017.

(4) For assets under management. Lyxor International Asset Management, data on April 27th, 2017.

(5) Source Lyxor International Asset Management. Based on the launch of our first Smart Beta ETF on October 25th, 2006. As of April, 2017, Lyxor is the 3rd largest Smart Beta ETF provider with €3.4bn in AuM.

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Updated composition of the Lyxor UCITS ETFs investment portfolio is available on www.lyxoretf.com. Indicative net asset value is published on the Reuters and Bloomberg pages of the products, and might also be mentioned on the websites of the stock exchanges where the product is listed. The products are the object of market-making contracts, the purpose of which is to ensure the liquidity of the products on the exchange, assuming normal market conditions and normally functioning computer systems. Units of a specific Lyxor UCITS ETF managed by an asset manager and purchased on the secondary market cannot usually be sold directly back to the asset manager itself. Investors must buy and sell units on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units and may receive less than the current net asset value when selling them.

The Lyxor UCITS ETF including the one detailed in this press release include a risk of capital loss. The redemption value of these Lyxor UCITS ETF may be less than the amount initially invested. In a worst case scenario, investors could sustain the loss of their entire investment. There is no guarantee that the objective of any Lyxor UCITS ETF will be met. A Lyxor UCITS ETF may not always be able to replicate exactly the performance of the index.

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No U.S federal or state securities commission has reviewed or approved this document and more generally any documents with respect to or in connection with the fund. Any representation to the contrary is a criminal offence.

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