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Responses to investor questions on the mergers by absorption of
Lyxor MSCI USA UCITS ETF

Table of contents

Key information on the merger	3
Lyxor MSCI USA UCITS ETF will be merged on 20 September	
Main fund's characteristics will remain unchanged	3
Secondary market trading and over the counter trading at NAV will remain possible but primary market suspension will limit tradable volumes.	3
The merger may have consequences on tax and accounting treatment in some countries	3
The situation after the merger	4
Will the fund's underlying exposure change?	4
Will codes of the absorbed fund will be modified?	4
Will the absorbing fund trade on the same trading venues?	4
Will there be any change in fund's management fees?	4
The merger process	5
How will the merger take place?	5
What fund will be involved in the merger and when will it be merged?	5
What is the timetable for the merger?	5
Why merge this fund?	5
Will the cost of the merger affect the net asset value of the fund?	6
Will I have to pay anything because of the merger?	6
How will the merger affect the trading of the fund?	6
Will I be able to sell and purchase shares in the absorbed fund before the merger?	6
How will the net asset value of the absorbing fund be calculated?	6
How many shares in the new fund will I hold?	7
How will the merger affect my taxes?	7
Do I have to do anything?	7
What if I don't want to participate in this merger?	7

Responses to questions on merger of Lyxor MSCI USA UCITS ETF

KEY INFORMATION ON THE MERGER

Lyxor MSCI USA UCITS ETF will be merged on 20 September

Lyxor International Asset Management (“Lyxor”) intends to merge Lyxor MSCI USA UCITS ETF, a French FCP. This fund will be absorbed by a sub-fund of Multi Units France, a French SICAV umbrella, on Thursday 20 September.

Main fund's characteristics will remain unchanged

The absorbing fund will have its main characteristics in line with the absorbed fund. In particular:

- main fund's identifiers will remain identical:
 - ISIN codes (FR0010296061);
 - Bloomberg codes for Euronext; Xetra; Borsa Italiana; SIX Swiss Exchange and London Stock Exchange listings;
 - Settlements codes (Sedol, Valor, WKN).
- absorbing fund will track the same index - there will be no change in economic or currency exposure nor in the price or total gross or net performance of the index; furthermore synthetic risk and reward indicator (SRRI) will remain identical;
- investment strategy and index replication method will be unchanged, meaning the merger will have no affect on the risks to which you are currently exposed;
- total expense ratio and entry/exit fees will be at the exact same level, merger will not increase your costs;

Secondary market trading and over the counter trading at NAV will remain possible but primary market suspension will limit tradable volumes.

Trading on the secondary market will be maintained on most venues throughout the merger process and you will be able to place orders on Euronext Paris, for example.

Your intermediary will also be in capacity to trade over the counter both at a risk price and at NAV – Lyxor will calculate and disseminate NAV.

However, trading on the primary market will be suspended for four days which will accordingly restrict the capacity of market makers and authorised market participants to create and redeem shares in the fund and to execute large orders (either in the secondary market or OTC).

The merger may have consequences on tax and accounting treatment in some countries

Generally speaking, you may have to pay the following taxes:

- on fund capital gains that are considered to be realised at the merger date;
- on fund income that is considered to be capitalised at the merger date and will become taxable;
- on the registration of the absorbing share class in your account, which will be subject to a stamp tax.

Depending on your tax status and country of residence, you may have to pay one or more of the above taxes or may not have to pay any. The tax treatment of your investments depends on your particular situation. If you are not sure about your tax situation, you should seek advice from a competent, professional tax advisor.

The situation after the merger

Will the fund's underlying exposure change?

The absorbing fund on the merger date will track the same index as previously, there will be no change in economic or currency exposure nor in the price or total gross or net performance of the index.

Furthermore, absorbed fund and its respective absorbing fund will have the same synthetic risk and reward indicator (SRRI).

The same index replication method will also be used. Therefore, the merger will have no affect on the risks to which you are currently exposed.

Lyxor International Asset Management is the management company of FCP fund that will be absorbed and of the French SICAV fund (Multi Units France) in which sub-funds will be created. There will therefore be no change in the management company.

Will codes of the absorbed fund will be modified?

Main fund's identifiers will remain identical:

- ISIN code;
- Bloomberg codes for Euronext; Xetra; Borsa Italiana; SIX Swiss Exchange and London Stock Exchange listings;
- Settlements codes (Sedol, Valor, WKN).

Will the absorbing fund trade on the same trading venues?

Lyxor's absorbing fund will be listed on the same trading venues as are the absorbed fund. Bloomberg tickers will remain identical.

On the secondary market you will be able to trade:

- the absorbed fund up to the merger date;
- the absorbing fund as of the first business day following the merger date.

Will there be any change in fund's management fees?

The total management fees charged by the management company will be the same for absorbed fund and absorbing fund.

The merger process

How will the merger take place?

The chairman of Lyxor International Asset Management (LIAM) and Multi Units France General Meeting of shareholder have decided to merge Lyxor MSCI USA UCITS ETF. This French FCP will be merged into a sub-fund of the French SICAV Multi Units France.

The merged fund will therefore be absorbed into 'absorbing fund'. On the merger date, this will entail:

- creation of the absorbing fund;
- liquidation of the absorbed fund, after calculation of its last net asset value and the transfer of all of its assets and liabilities to the absorbing fund;
- simplified corporate action: no exchange of share will take place as ISIN remain identical, solely shares classification will change from "FCP" to "SICAV".

This merger will be conducted in compliance with the UCITS V Directive. Accordingly, the cost of the merger will not be borne by you directly or by the fund, but by the management company (Lyxor International Asset Management).

What fund will be involved in the merger and when will it be merged?

Lyxor plans to merge the Lyxor MSCI USA UCITS ETF fund, which is subject to French law, on Thursday 20 September 2018:

Each share class of this fund will be merged into an equivalent class (i.e. accumulation/distribution/hedged), will be traded on the same trading venues and have a passport that is valid for the same countries.

What is the timetable for the merger?

Key merger dates.

Event	Date
Publication of merger notice	14/08/2018
Announcement of the merger's share exchange ratio	13/09/2018
Last tradable net asset value on the primary market	17/09/2018
Last absorbed fund's trading day on the secondary market	20/09/2018 at market close
Merger date	20/09/2018
First day of absorbing fund's trading on the secondary market	21/09/2018 at market open
First tradable net asset value on the primary market	24/09/2018

Why merge this fund?

The chairman of Lyxor International Asset Management (LIAM) and Multi Units France General Meeting of shareholder have decided to merge this fund to provide investors with an investment vehicle that is recognised internationally.

Responses to questions on merger of Lyxor MSCI USA UCITS ETF

Will the cost of the merger affect the net asset value of the fund?

The legal, administrative and advisory fees and expenses in relation to the fund merger will not be borne by you, nor by the fund, but by the management company (Lyxor International Asset Management).

Lyxor will also pay any transfer tax or duty that might be required to transfer the fund's assets.

So overall the merger will have no impact on the fund's net asset value.

Will I have to pay anything because of the merger?

The merger could have tax consequences.

The tax treatment of your investments and of the fund merger will depend on your individual tax situation. If you are not sure about your tax situation, you should seek advice from a competent, professional tax advisor.

How will the merger affect the trading of the fund?

Lyxor will temporarily suspend transactions on the primary market. However, the net asset values will continue to be calculated as explained in fund's prospectus and, when possible, the indicative net asset value will be indicated.

More specifically, it should be noted that:

- Transactions on the primary market will be suspended for four days (the last net asset value will be tradable on Monday 17 September 2018 and the first net asset value will be tradable on Monday 24 September 2018);
- Trading on the secondary market will not be suspended;
- Intermediaries offering over the counter (OTC) trading both at risk price and at NAV should be able to propose the same service during the operation

Will I be able to sell and purchase shares in the absorbed fund before the merger?

The absorbed fund will continue to be traded on exchange between the announcement date and the merger date.

You may continue to buy and sell shares on the secondary market during the operation.

However, you should note that primary market transactions will be suspended for four days and that this could disrupt the execution of large orders on the secondary market.

How will the net asset value of the absorbing fund be calculated?

The absorbing fund will be created on the merger date. All of the absorbed fund's assets and liabilities will be transferred to the absorbing fund at this time and the associated costs will be borne by Lyxor.

The subscription and redemption of the absorbed fund's shares will also be suspended on the primary market.

As a result, on the merger date the first net asset value of the absorbing fund will be equal to the last net asset value of its respective absorbed fund. This first net asset value will serve as a reference for the indicative net asset value, which will be indicated on the absorbing fund's first trading day.

There will be no interruption in the publication of the net asset value:

- up to and including the merger date, the absorbed fund's net asset value will be published daily, and
- the day following the merger date, the absorbing fund's net asset value will be published daily as indicated in its prospectus.

Responses to questions on merger of Lyxor MSCI USA UCITS ETF

How many shares in the new fund will I hold?

On the merger date, the absorbing fund will be created and it will receive all of the absorbed fund's assets and liabilities. The absorbing fund's net asset value per share will therefore be identical to the absorbed fund's last net asset value per share.

You will therefore own the same number of shares in the absorbing fund as you currently own in the absorbed fund.

How will the merger affect my taxes?

The change in fund share class may have consequences on tax and accounting treatment in some countries.

Generally speaking, you may have to pay the following taxes:

- on fund capital gains that are considered to be realised at the merger date;
- on fund income that is considered to be capitalised at the merger date and will become taxable;
- on the registration of the absorbing share class in your account, which will be subject to a stamp tax.

Depending on your tax status and country of residence, you may have to pay one or more of the above taxes or may not have to pay any.

The tax treatment of your investments depends on your particular situation. If you are not sure about your tax situation, you should seek advice from a competent, professional tax advisor.

Do I have to do anything?

The merger will be managed by your service providers (i.e. your depositary) and you therefore won't have to do anything.

Depending on the investor's country, specific tax forms may have to be filed.

The tax treatment of investments will depend on each investor's particular situation. Investors who are uncertain about their tax situation or tax filing obligations in respect of the fund merger should seek advice from a competent, professional tax advisor.

What if I don't want to participate in this merger?

If you don't want to participate in the merger you should sell your shares on the secondary market before the merger date. This may entail broker or other intermediary fees.

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The market information displayed in this document is based on data at a given moment and may change from time to time.



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LIAM is an investment management company authorized
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