

Paris, 5 February 2019

**INFORMATION FOR UNIT-HOLDERS OF THE FUND  
Lyxor MSCI EM Latin America UCITS ETF**

	<b>ISIN Code</b>
<b>Lyxor MSCI EM Latin America UCITS ETF</b>	<b>Acc</b> FR0010410266

After the merger, the unit-holders of the FCP fund Lyxor MSCI EM Latin America UCITS ETF will become shareholders in a Luxembourg SICAV fund. Please note that upon completion of the merger you will deal directly with the Luxembourg SICAV and that all questions and disputes concerning the rights and obligations of shareholders in respect of their investment in the Luxembourg SICAV shall be subject to the sole jurisdiction of the courts of Luxembourg. We draw your attention to the fact that regulatory requirements can vary greatly from one country to another.

Furthermore, the functioning of Luxembourg registers of shareholders and unit-holders may deprive you of the exercise of your investor rights with Luxembourg authorities or courts, thus depriving you of any right to claims or recourse. The reason for this is that investors may directly assert their investor rights against an investment company or a fund only if their names are recorded in the register of shareholders or unit-holders, which, in turn, requires direct subscription to the SICAV fund, without the intervention of an intermediary.

Dear shareholder,

According to our records you hold units in the FCP fund **Lyxor MSCI EM Latin America UCITS ETF** (hereinafter the "**Absorbed Fund**" or the "**Fund**").

To improve economic efficiency and provide investors with an internationally-recognised investment vehicle, at the request of Lyxor International Asset Management (hereinafter "**LIAM**"), the Fund in which you are a unit-holder will be merged into **Lyxor MSCI EM Latin America UCITS ETF**, a sub-fund (hereinafter the "**Absorbing Sub-fund**") of MULTI UNITS LUXEMBOURG (MUL) a Luxembourg SICAV fund.

Upon completion of this merger by absorption, the Absorbing Sub-fund will receive all of the assets of the Absorbed Fund; consequently, this merger will expose the unit-holders of the Fund to the Absorbing Sub-fund's investments.

When this merger is completed, the unit-holders of the Fund will become shareholders in the MUL fund.

**1. The merger**

This merger by absorption will not modify the investment strategy for the Fund's unit-holders.

The benchmark index and the replication and investment methods of the Absorbed Fund and the Absorbing Sub-fund are identical, since the investment strategy for both is to achieve the highest possible correlation with the performance of the benchmark index using a direct replication method, which means that the Absorbing Sub-fund will enter into one or more over-the-counter swap agreements to enable it to achieve its investment objective.

All other characteristics of the Absorbed Fund and the Absorbing Sub-fund are also identical, including the investment policy and strategy, the typical investor profile, the risk profile, the frequency of net asset value calculation, trading days, the accounting currency, the requirements for submitting subscription and redemption orders, share/unit category characteristics, fees and expenses and the method used to determine the overall risk exposure.

Lyxor International Asset Management  
Tours Société Générale - 17 cours Valmy  
92987 Paris - La Défense Cedex - France  
www.lyxor.com

This absorption merger was approved by the AMF on 25 January 2019 and has also been approved by the Commission de Surveillance du Secteur Financier (hereinafter the “CSSF”).

The Fund is an undertaking for the collective investment in transferable securities (hereinafter “UCITS”) and more specifically in global equities. It was approved by the AMF on 12 December 2006 and created on 15 May 2007. LIAM is the Absorbed Sub-fund’s management company and Société Générale is its depository.

The Absorbing Sub-fund is a UCITS that was approved by the CSSF on 5 October 2018 and will be launched on the Merger Date. LIAM is the Absorbing Sub-fund’s management company and Société Générale Bank & Trust S.A. (in Luxembourg) is its depository.

Unless you decide otherwise, the units of the Absorbed Fund will be automatically merged into the Absorbing Sub-fund on 14 March 2019 (the “Merger Date”).

During a period of 30 calendar days after the date this letter is posted, primary market investors (i.e. who subscribe for and redeem shares directly with LIAM) may redeem their units from LIAM and/or the depository without having to pay a redemption fee, provided that they comply with the minimum redemption requirements specified in the prospectus of the Absorbed Fund.

Units in the Fund that are purchased on the secondary market cannot generally be directly sold back to the Fund. As a result, investors on trade their units on a stock exchange may incur brokerage and/or transaction fees on their transactions. These investors will also trade at a price that reflects the existence of a bid-ask spread<sup>(1)</sup>. The management company invites investors to contact their usual broker for further information on the brokerage fees that may apply to them and the bid-ask spreads they are likely to incur.

Please note: To complete this merger through absorption as smoothly as possible, the subscription and redemption of the Absorbed Fund’s units on the primary market will be suspended on 11 March 2019 at 6.30 p.m (Paris time).

## **2. Consequences**

This merger by absorption will not modify the risk profile for the Absorbed Fund’s unit-holders.

**Will the risk-return profile be modified?: NO**  
**Will the risk-return profile be increased?: NO**  
**Will fees or charges be increased?: NO**

The Absorbing Sub-fund and the Absorbed Fund have the same investment objectives.

The objective of the Absorbing Sub-fund and the Absorbed Fund is to replicate the performance of the MSCI Emerging Markets Latin America Net Total Return index, whether positive or negative, while minimising the tracking error between their performance and that of their benchmark index.

However, whereas the expected ex post tracking error between the Absorbed Fund’s performance and that of its Benchmark Index under normal market conditions is 0.1%, the Absorbing Sub-fund’s tracking error will be 1%.

You will find the merger procedure calendar in Schedule 1, information on the exchange of units in Schedule 2, and a comparison between the characteristics of the Absorbed Fund and the Absorbing Sub-fund in Schedule 3.

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<sup>1</sup> The difference between the prices at which a market intermediary is willing to buy and sell a given security.

### 3. Key points for investors

LIAM informs investors that if an Absorbed Fund unit class is listed on an exchange, the corresponding Absorbing Sub-fund share class is or will be listed on the same exchange.

Unlike an FCP, whose unit-holders enjoy none of the rights of shareholders, a SICAV open-ended investment company can issue shares in response to investor demand. Upon completion of this merger you will therefore become a shareholder of the MULTI UNITS LUXEMBOURG SICAV and will be entitled to express your opinion at annual and extraordinary shareholder meetings.

Investors should also note that the merger may affect their personal tax situation for the following reasons: the Absorbed Fund is established in France, whereas the Absorbing Sub-fund is established in Luxembourg; the Absorbed Fund is a an FCP fund and was therefore formed under contract law, whereas the Absorbing Sub-fund is an open-ended investment company (SICAV); and as a result of the merger itself. Investors are therefore invited to consult with their advisor as to any consequences the merger may have on their personal situation.

LIAM recommends that investors carefully read the "Risk Profile" section of the Absorbing Sub-fund's prospectus and the "Risk and Return Profile" section of its Key Information for Investors Document (KIID). The KIID and the prospectus are both available in French and free of charge at [www.lyxoretf.com](http://www.lyxoretf.com) or from [client-services-etf@lyxor.com](mailto:client-services-etf@lyxor.com)

The management company will provide unit-holders, upon request, with (i) additional information on the merger, (ii) a copy of the independent auditor's report, (iii) a copy of the depository's report and (iv) a copy of the merger agreement.

Should you require any further information, we recommend that you contact your advisor.

We thank you for your trust and loyalty.

Yours faithfully

The Chairman

### Schedule 1: Merger calendar

Absorbed Fund	Suspension of primary market subscriptions & redemptions	Effective merger date	Based on the NAV of	Shares to be received by the Absorbing Sub-fund
<b>Lyxor MSCI EM Latin America UCITS ETF</b>	11 March 2019 at 6.30 p.m. (Paris time)	14 March 2019	14 March 2019	<b>MULTI UNITS LUXEMBOURG - Lyxor MSCI EM Latin America UCITS ETF</b>

### Schedule 2: Information on the merger

As shown in the merger calendar (see Schedule 1 above), the Absorbed Fund in which you are a unit-holder will be merged into the Absorbing Sub-fund on 14 March 2019 (the “**Merger Date**”). This absorption merger was approved by the AMF on 25 January 2019 and has also been approved by the Commission de Surveillance du Secteur Financier (hereinafter the “CSSF”).

All of the Absorbed Fund's assets and liabilities will be transferred to the Absorbing Sub-fund. The Absorbed Fund will automatically be dissolved on the merger completion date.

The Absorbing Sub-fund will be created by contributing all of the Absorbed Fund's assets at the merger completion date.

In exchange for the assets contributed, the Absorbing Sub-fund will issue shares that will be attributed to the Absorbed Fund's unit-holders.

For each unit class held in the Absorbed Fund, a corresponding share class will be issued in the Absorbing Sub-fund of equivalent value on 14 March 2019.

The Absorbing Sub-fund share class will be created on 14 March 2019 at an initial net asset value equivalent to the net asset value of the Absorbed Fund's unit class at that date.

There will therefore be no odd lots nor cash adjustments since the merger will involve the exchange of one Absorbed Fund unit for one Absorbing Sub-fund share of equal value.

The statutory auditor and the company auditor will furthermore certify the accounts of the Absorbed Fund and the Absorbing Sub-fund respectively, on the date specified for valuation.

Société Générale, the depository, will handle the exchange of the Absorbed Fund's units for the Absorbing Sub-fund's shares.

The depository will also inform the Euroclear France members that hold the accounts of the former Absorbed Fund's investors of the number of Absorbing Sub-fund shares to which the latter are entitled.

Lastly, LIAM will bear all merger expenses.

#### **Tax consequences of the merger by absorption (for investors resident in France for tax purposes)**

The merger transaction described in this letter is subject to the laws in effect on the Merger Date.

Accordingly, the tax regime that applies to the exchange of shares depends on the shareholder's category as shown below. Shareholders may also be subject to disclosure requirements in some cases.

Resident natural person unit-holders: taxation is deferred (pursuant to Article 150-0 B of the French General Tax Code) provided that any cash adjustment paid to the client is less than 10% of the nominal value of the securities received.

In the case of a balancing payment greater than 10% of the nominal value of the securities received, the capital gain corresponding to the amount of this balancing payment is taxed in respect of the year of the merger transaction. However, the net income from the exchange of securities (excluding the capital gain corresponding to the balancing payment) is not taken into account for tax purposes in respect of the year of the merger, but in respect of the year in which the securities in the absorbing fund are sold. The securities exchanged are accordingly not included in the calculation of total portfolio securities sold, for the purpose of determining whether or not the limit for declaring security sales has been breached.

Thus, upon the sale or redemption of the shares in the absorbing fund, the capital gain is determined on the basis of the purchase price of the shares in the absorbed fund, plus or minus any cash adjustment received as the case may be.

Sole proprietor unit-holders whose income tax is based on their actual industrial, commercial or agricultural income: taxation is deferred. These taxpayers are treated either as resident natural person taxpayers (i.e. the securities are included in their personal assets) or are taxed on the basis of their professional capital gains (the securities are included in their professional assets).

In both cases, the net income from the exchange of securities is not taken into account for tax purposes in respect of the year of the merger, but in respect of the year in which the securities in the fund received in exchange are sold. Regarding professional capital gains (PCG): only the portion of the PCG that corresponds to a potential cash adjustment is immediately taxable. Upon the future sale or redemption of the fund units received in exchange, the PCG will be calculated as of the date these units were received and at their initial purchase price.

Legal-entity unit-holders subject to corporate income tax: taxation is deferred (pursuant to Article 38-5 bis of the French General Tax Code). Only the part of the capital gain that corresponds to a cash adjustment received is immediately taxable.

The net income from the exchange of securities (excluding any cash adjustment) is not included in the taxable income of the year of the merger but is included in that of the year in which the fund securities received in exchange are sold.

However, when an investor is subject to Article 209 OA of the French General Tax Code, the taxation of the valuation adjustments of the fund securities reduces the actual applicability of the tax deferral since the valuation adjustments have already been taxed and include some or all of the capital gain on the exchange of securities for the merger.

Non-profit institution unit-holders that meet the requirements of Article 206-5 of the French General Tax Code and non-resident shareholders: these investors are not subject to taxation in France in relation to this merger transaction (pursuant to Article 244 bis C of the French General Tax Code).

Investors should also note that the merger may affect their personal tax situation for the following reasons: the Absorbed Fund is established in France, whereas the Absorbing Sub-fund is established in Luxembourg; and the Absorbed Fund is an FCP fund (fonds commun de placement) and was formed under contract law, whereas the Absorbing Sub-fund is an open-ended investment company (SICAV). Investors are therefore invited to consult with their advisor as to any consequences the merger may have on their personal situation.

#### Liquidation of units (odd lots)

The liquidation of units in the Absorbed Fund that are not exchanged (i.e. an “odd lot”) is considered to be a sale of units from which any net income is immediately taxable under the rules that generally apply to the taxation of capital gains. More specifically, the taxation of any net income on the units exchanged within the limits of the share-exchange ratio is entitled to deferral, whereas any surplus units are considered to be sold and the net income from their sale is immediately taxable.

**Schedule 3: The key characteristics of the Absorbed Fund and the Absorbing Sub-fund**

	<b>Absorbed Fund</b>	<b>Absorbing Sub-fund</b>
<b>Name</b>	<b>Lyxor MSCI EM Latin America UCITS ETF</b>	<b>MULTI UNITS LUXEMBOURG – Lyxor MSCI EM Latin America UCITS ETF</b>
<b>Applicable law</b>	French law	Luxembourg law
<b>Supervisory authority</b>	AMF	CSSF
<b>Legal form</b>	An FCP fund	The sub-fund of a SICAV investment company
<b>Depository</b>	Société Générale (in France)	Société Générale Bank & Trust (S.A.) (in Luxembourg)
<b>Registrar and transfer agent</b>	Société Générale (in France)	Société Générale Bank & Trust (S.A.) (in Luxembourg)
<b>Fund administration</b>	Société Générale (in France)	Société Générale Bank & Trust (S.A.) (in Luxembourg)
<b>Statutory auditor</b>	Pricewaterhousecoopers Audit (in France)	Pricewaterhousecoopers Audit (in Luxembourg)

<b>Absorbed Fund unit class</b>	<b>→</b>	<b>Absorbing Sub-fund share class</b>
Acc FR0010410266	<b>→</b>	Acc LU1900066629

Lyxor International Asset Management  
Tours Société Générale - 17 cours Valmy  
92987 Paris - La Défense Cedex - France  
www.lyxor.com

Lyxor International Asset Management is a French simplified joint stock company ("SAS") with issued capital of 1,059,696 euros. It is registered in the Nanterre trade register under No. 419 223 375 and has its registered office at Tour Société Générale, 17 cours Valmy, 92800 Puteaux