

Paris, La Défense, 4 September 2020

RE: Modification of the following fund:

FUND NAME	SHARE CLASS	ISIN CODE
LYXOR World Water UCITS ETF	Dist	FR0010527275

Dear shareholder,

We are sending you this letter to inform you that LYXOR INTERNATIONAL ASSET MANAGEMENT, in its capacity as the delegated asset manager of the MULTI UNITS FRANCE fund and of the aforementioned sub-fund (hereinafter “the **Fund**”), has decided to make the following modification:

1- Nature of the modification

- A change of the investment strategy that affects the investment methodology

This modification was approved by l’Autorité des Marchés Financiers (AMF) on 10 August 2020.

In response to investor demand, Lyxor International Asset Management has decided to expand its range of physical exchange traded funds (ETF) and therefore modify the Fund’s investment strategy.

As of 7 October 2020 (at the closing), the strategy the Fund will employ to achieve its investment objective will be to directly or “physically” replicate the World Water CW Net Total Return index (hereinafter the “**Benchmark Index**”), which means that the Fund’s portfolio will be directly and mainly invested in the equity securities that compose the Benchmark Index.

Until 7 October 2020 (at the closing) the investment strategy will be to continue to use a swap contract to secure the Benchmark Index’s return.

As of 7 October 2020 (at the closing), the Fund may also invest, on an ancillary basis, in derivative instruments traded over-the-counter or listed on a regulated market, in the best interests of its unit-holders.

The Fund may employ efficient portfolio management techniques and among other things engage in securities financing transactions.

Accordingly, changes have been made to the “Investment strategy” section of the prospectus and the key investor information document (KIID), which specifies the financial instruments in which the Fund may invest to achieve its investment objective.

In addition to the aforementioned modification, LIAM has also decided to change the expected tracking error under normal market conditions as shown below:

Before the change	After the change
The expected ex-post tracking error under normal market conditions is 1%.	The expected maximum ex-post tracking error under normal market conditions is 2%.

The purpose of this change is to harmonise the expected ex-post tracking error with that indicated in the prospectuses of ETF funds that have the same characteristics.

Investors should note that if:

- **they agree to the aforementioned modification, they do not have to do anything**
- **they do not agree to this modification, they may redeem their units at no expense; and**
- **they are uncertain about this modification, they should contact their financial advisor or fund distributor.**

2- Consequences of this modification

- Risk profile
 - The risk-return profile is modified: Yes

The change in the investment strategy has made it necessary to amend the prospectus's "Risk profile" section. As a result, the "Risk of using derivative instruments" and the "Counterparty risk" sections have been amended, and a "Risk of securities financing transactions" section and a "Risk of imperfect benchmark index replication" section have been added.

- The risk-return profile has increased: Non
- Fees have increased: Yes

Subscription and redemption fees kept by the Fund: When the modification is effective the Fund will be entitled to a maximum subscription fee of 1% of the subscription amount and a maximum redemption fee of 1% of the redemption amount.

During a period of one month after the date this letter is posted, primary market investors (i.e. who/which subscribe for and redeem shares directly from the Management Company) may redeem their shares from the Management Company and/or from its depository without having to pay a redemption fee, provided that they comply with the minimum redemption requirements specified in the Prospectus.

Shares in the Fund that are purchased on the secondary market cannot generally be directly sold back to the Fund. As a result, investors operating on the stock market 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 ¹. 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.

- The amendments made to the Prospectus are indicated in the Appendix hereto.
 - Change of fund name

The Management Company has decided to change the name of the Fund, as shown below.

¹ A bid-ask spread is the difference between a security's ask price and its bid price in the mark.

Fund name	The Fund's name as of 07/10/2020
LYXOR WORLD WATER UCITS ETF	LYXOR WORLD WATER (DR) UCITS ETF

3- Key points for investors

We remind that it is necessary and important that investors acquaint themselves with the Fund's Prospectus and Key Investor Information Document (KIID), which are available on Lyxor's website at www.lyxoretf.fr. These documents are also available on the AMF's website at www.amf-france.org and may be provided by the Management Company upon request.

We advise you to regularly consult with your financial advisor to obtain any additional information concerning your investments.

The Management Company

APPENDIX: Table showing the sections that were modified

	CURRENT VERSION	NEW VERSION
ISIN CODES	Dist share class: FR0010527275	Dist share class: FR0010527275
Management objective (tracking error)	The expected ex-post tracking error under normal market conditions is 1%.	The expected maximum ex-post tracking error under normal market conditions is 2%.
- Investment strategy		
1. Strategy employed	<p>The Sub-fund will comply with the investment rules of the European Directive 2009/65/EC of 13 July 2009.</p> <p>To achieve the highest possible correlation with the performance of the Benchmark Index, the Sub-fund will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective. These swap contracts will serve to exchange the value of the Sub-fund's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for the value of the securities that underlie the Benchmark Index.</p> <p>The Sub-fund's securities may consist of those that make up the Benchmark Index, as well as other international equities from all economic sectors, listed on all exchanges including small-cap exchanges</p> <p>The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will aim to neutralise the counterparty risk arising from the aforementioned swap contract.</p> <p>Information on the updated composition of the basket of 'balance sheet' assets in the Sub-fund's portfolio and the value of the swap contract concluded by the Sub-fund is available on the page dedicated to the Sub-fund on Lyxor's website at www.lyxoret.com. The frequency of any updates and/or the date on which the aforementioned information is</p>	<p>The Sub-fund will comply with the investment rules of the European Directive 2009/65/EC of 13 July 2009.</p> <p>To achieve the highest possible correlation with the performance of the Benchmark Index, the Sub-fund will achieve its investment objective by employing a direct replication method, which means that it will invest mainly in the securities that make up the Benchmark Index.</p> <p>In order to optimise the direct replication method that is used to track the Benchmark Index, the Sub-fund, represented by its delegated asset manager, 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 Sub-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.</p> <p>On an ancillary basis, and once again to ensure the highest possible correlation with the performance of the Benchmark Index, the Sub-fund may also enter into contracts involving derivative financial instruments ("DFI"). These transactions could for example be futures contracts on indices and/or swaps for hedging purposes and in particular to minimise the Sub-</p>

	<p>updated is also indicated on the same page of the aforementioned website.</p> <p>In managing its exposure, no more than 20% of the Sub-fund's assets may be exposed to the equities of a given issuer. This 20% limit will be checked on each Benchmark Index rebalancing date, using the Benchmark Index calculation method which limits exposure to a given issuer's equities to 20%, this calculation being performed by the Benchmark Index sponsor or calculation agent. This 20% limit may be increased to 35% for a given issuing entity when this is shown to be justified by exceptional market conditions, in particular when certain securities are largely dominant and/or in the event of strong volatility affecting a financial instrument or securities linked to an economic sector represented in the Benchmark Index. This could be the case, for example, 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.</p>	<p>fund's tracking error. The Sub-fund also reserves the right to invest in debt instruments or over-the-counter derivatives including swaps, futures and CFD, mainly for the purpose of gaining exposure to securities traded in emerging markets that are constituents of the Benchmark index and which could be particularly expensive and/or complex to invest in.</p> <p>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 Sub-fund's portfolio, information on the updated composition of the basket of 'balance sheet' assets in the Sub-fund's portfolio is available on the page dedicated to the Sub-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.</p> <p>In managing its exposure, no more than 20% of the Sub-fund's assets may be exposed to the equities of a given issuer. This 20% limit may be increased to 35% for a given issuing entity when this is shown to be justified by exceptional market conditions, in particular when certain securities are largely dominant and/or in the event of strong volatility affecting a financial instrument or securities linked to an economic sector represented in the Benchmark Index. This could be the case, for example, 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.</p> <p>The manager currently intends to invest mainly in the assets indicated below.</p>
<p>2. Balance sheet assets (excluding embedded derivatives)</p>	<p>In accordance with regulatory ratios, the Sub-fund can hold in its portfolio global equities in all economic sectors and listed on any exchange, including "small-cap" exchanges.</p> <p>The aforementioned equities will be selected on the basis of the following:</p> <ul style="list-style-type: none"> - eligibility criteria, including: <ul style="list-style-type: none"> o their inclusion in major stock exchange indices or in the Benchmark Index 	<p>The Sub-fund will comply with the investment rules of the European Directive 2009/65/EC of 13 July 2009.</p> <p>The Sub-fund will mainly be invested in the securities that make up the Benchmark Index.</p> <p>The Sub-fund may invest up to 10% of its assets in the shares or units of the following collective investment undertakings (CIU) or investment funds:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> French and foreign UCITS that comply with

	<ul style="list-style-type: none"> o liquidity (must exceed a minimum daily trading volume and market capitalisation) o credit rating of the country where the issuer has its registered office (must have a least a minimum S&P or equivalent rating) - diversification criteria, and in particular with respect to: o the issuer (application of investment ratios to assets that qualify for UCITS, pursuant to Art. R214-21 of the French monetary and financial code) o geographic region o economic sector. <p>Investors may find more information on the above eligibility and diversification criteria, and in particular the list of eligible indices, on Lyxor's website at www.lyxoretf.com.</p> <p>Investment in undertakings for collective investment in transferrable securities ("UCITS") that comply with Directive 2009/65/EC is limited to 10% of the Sub-fund's net assets. The Sub-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.</p> <p>When the Sub-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.</p> <p>To optimise the Sub-fund's management and achieve its investment objective, the asset manager reserves the right to use other financial instruments, in compliance with regulations.</p>	<p>Directive 2009/65/EC. The Sub-fund may invest in shares or units of UCITS that are managed by the Management Company or by a company that is related to the Management Company.</p> <p><input type="checkbox"/> French AIF or AIF established in another Member State of the European Union (specify the eligible types of AIF)</p> <p><input type="checkbox"/> other foreign investment funds.</p> <p>When the Sub-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.</p> <p>To optimise the Sub-fund's management and achieve its investment objective, the asset manager reserves the right to use other financial instruments, in compliance with regulations.</p>
<p>3. Off-balance sheet assets (derivatives)</p>	<p>The Sub-fund will use OTC index-linked swaps that swap the value of the Sub-fund's assets (or of any other financial instrument the Sub-fund may hold) for the value of the Benchmark Index (as described in part 1 of this section).</p> <p>To optimise the Sub-fund's management, the manager reserves the right to use other instruments, in compliance with regulations, to achieve its investment objective, such as derivative financial instruments other than index-linked swaps.</p> <p>In accordance with its best execution policy, the management company considers that Société</p>	<p>The Sub-fund may engage in transactions involving derivatives traded on a regulated market or over the counter.</p> <ul style="list-style-type: none"> - Maximum proportion of assets under management for which total return swaps (TRS) may be entered into: up to 100%. - Expected proportion of assets under management for which total return swaps (TRS) may be entered into: 0%.

	<p>Générale is the counterparty that is generally able to obtain the best possible execution for these derivative instruments. Accordingly, these derivative financial instruments (including index-linked swaps) may be traded via Société Générale without having to seek a competitive bid from another counterparty.</p> <p>The counterparty of the derivative financial instruments referred to above (the "Counterparty") will have no discretionary power over the composition of the Sub-fund's portfolio nor over the underlying assets of the derivative financial instruments.</p> <p>Maximum proportion of assets under management for which total return swaps (TRS) may be entered into: up to 100%. - Expected proportion of assets under management for which total return swaps (TRS) may be entered into: up to 100%.</p>	<p>In the event of the default of a counterparty to a total return swap (TRS) or of the premature termination of a TRS, the Fund may be exposed to the performance of its balance sheet assets until it enters into a new TRS with another counterparty. In such an event, the Sub-fund could suffer losses and/or may have to bear fees/expenses that could adversely affect its capacity to achieve its investment objective. Lorsque le Compartiment conclut plusieurs contrats d'échange sur rendement global avec une ou plusieurs contreparties, les risques mentionnées ci-dessus s'appliquent à la portion des actifs engagées au titre du contrat résilier et/ou dont la contrepartie est défaillante.</p> <p>Counterparties to derivative financial instruments will have no discretionary power over the composition of the Sub-fund's investment portfolio, nor over the underlying assets of these derivative instruments, in accordance with regulatory limits and requirements.</p> <p>When Société Générale is a counterparty to DFI, conflict-of-interests situations may arise between the Management Company and Société Générale. These situations will be dealt with in accordance with the Management Company's conflicts-of-interests policy.</p>
<p><u>4. Securities with embedded derivatives</u></p>	<p>N/A</p>	<ul style="list-style-type: none"> • Risks that the fund manager seeks to mitigate: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Equity <input type="checkbox"/> Interest rate <input type="checkbox"/> Currency <input type="checkbox"/> Credit <input type="checkbox"/> Other (specify) <ul style="list-style-type: none"> • Purpose (all transactions must be consistent with the investment objective) <input type="checkbox"/> Hedging <input checked="" type="checkbox"/> Exposure <input type="checkbox"/> Arbitrage <input type="checkbox"/> Other (specify) <ul style="list-style-type: none"> • Types of instruments used: EMTN • Strategies involving the use of

		<p>embedded derivatives to achieve the investment objective: derivatives will be used on an ancillary basis (up to a maximum of 10% of net assets).</p>
<p>7. Securities financing transactions</p>	<p>N/A</p>	<p>Pursuant to its investment strategy, the Sub-fund may use various efficient portfolio management techniques in compliance with Article R214-18 of the French monetary and financial code, and in particular:</p> <ul style="list-style-type: none"> • Types of securities financing transactions used: <ul style="list-style-type: none"> <input type="checkbox"/> Repos and reverse repos pursuant to the French monetary and financial code <input checked="" type="checkbox"/> Securities borrowing and lending pursuant to the French monetary and financial code <input type="checkbox"/> Other (specify) • Purpose (all transactions must be consistent with the investment objective) <ul style="list-style-type: none"> <input type="checkbox"/> Cash management <input checked="" type="checkbox"/> Optimise the Sub-fund's income <input type="checkbox"/> Other (specify) <p>Maximum proportion of assets under management for which securities financing transactions may be entered into: up to 25% of the Sub-fund's assets.</p> <p>Expected proportion of assets under management for which securities financing transactions may be entered into: 0% of the Sub-fund's assets.</p> <p>For this purpose, the Management Company has appointed Société Générale as its intermediary (hereinafter the "Agent"). If transactions involving the temporary disposal of securities are engaged in, the Agent may be authorised to (i) lend securities, on the Sub-fund's behalf, under framework agreements, such as global master securities lending agreements (GMSLA) and/or any other internationally recognised framework agreement, and (ii) invest, on the Sub-fund's behalf, any liquid assets received as collateral for these securities lending transactions, subject to the restrictions specified in the securities lending agreement, the rules of this prospectus and the applicable regulations.</p> <p>It should be noted that the Management Company is a subsidiary of the Société Générale group and is therefore tied to the Agent.</p> <p>When Société Générale S.A. is appointed as an Agent, it is not authorised to act as a counterparty to securities lending transactions.</p>

		<p>If securities are lent:</p> <ol style="list-style-type: none"> 1. The Sub-fund shall be entitled to all income from securities financing transactions, net of any direct and indirect operating fees/expenses. 2. The aforementioned operating fees/expenses, which are incurred to manage the portfolio more efficiently, will be those borne by The Sub-fund's Management Company, the Agent (if applicable) and/or other intermediaries that are involved in these transactions. 3. The direct and indirect operating fees/expenses will be calculated as a percentage of the Sub-fund's gross income. Information on direct and indirect operating fees/expenses and on the entities to which these fees/expenses are paid will be provided in the Sub-fund's annual report. 4. Income from the lending of securities will be paid to the Sub-fund after deduction of any direct and indirect operating fees/expenses that may be borne by the Agent and the Management Company. Since these direct and indirect operating expenses do not increase the Sub-fund's operating expenses they have been excluded from ongoing charges. <p>If necessary, the Sub-fund's annual report will provide the following information:</p> <ul style="list-style-type: none"> - the risk exposure resulting from efficient portfolio management transactions - the identity of the counterparty(ies) involved in these transactions - the nature and amount of any collateral received to reduce the Sub-fund's counterparty risk, and; - the income obtained from efficient portfolio management transactions during the relevant period and the direct and indirect operating costs/expenses associated with these transactions. <p>When Société Générale is a counterparty to an efficient portfolio management transaction, conflict-of-interests situations may arise between the Management Company and</p>
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		Société Générale. These situations will be dealt with in accordance with the Management Company's conflicts-of-interests policy.
<p>8. Collateral contracts</p>	<p>Whenever the investment strategy exposes to the Sub-fund to counterparty risk, and in particular when the Sub-fund uses over-the-counter swaps, the Sub-fund may accept eligible securities as collateral to reduce the counterparty risk associated with these transactions. The portfolio of collateral received may be adjusted daily to ensure that its value is at least sufficient to cover the Sub-fund's counterparty risk in most cases. The purpose of this adjustment is to completely neutralise the Sub-fund's counterparty risk.</p> <p>The Sub-fund will have full title to all collateral received, which will be deposited in the Sub-fund's account with the depository. This collateral will therefore be included in the Sub-fund's assets.</p> <p>All collateral the Sub-fund receives for this purpose must comply with the applicable laws and regulations, with respect in particular to the liquidity and valuation of the collateral, the credit-worthiness of securities issuers, risk exposure correlation and the risks of collateral management and enforceability. All collateral received must in particular meet the following criteria:</p> <ul style="list-style-type: none"> (a) 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) Collateral must be valued at the mark-to-market price at least daily and assets with highly volatile prices are not acceptable as collateral, unless a sufficiently prudent discount is applied. (c) Collateral must be issued by an entity that is independent from the counterparty and must not be highly correlated with the counterparty's financial performance. (d) Collateral must be sufficiently diversified by country, market and issuer, and no exposure to a single issuer may exceed 20 % of the Sub-fund's net asset value. (e) Collateral must be immediately enforceable by the Sub-fund's 	<p>Whenever the investment strategy exposes to the Sub-fund to counterparty risk, and in particular when the Sub-fund uses over-the-counter swaps and enters into securities financing transactions, the Sub-fund may accept eligible securities as collateral to reduce the counterparty risk associated with these transactions. The portfolio of collateral received may be adjusted daily to ensure that its value is at least sufficient to cover the Sub-fund's counterparty risk in most cases. The purpose of this adjustment is to completely neutralise the Sub-fund's counterparty risk.</p> <p>The Sub-fund will have full title to all collateral received, which will be deposited in the Sub-fund's account with the depository. This collateral will therefore be included in the Sub-fund's assets. If a counterparty defaults on an obligation, the Sub-fund may dispose of the assets received from the counterparty in respect of the secured transaction to pay off the counterparty's debt to the Sub-fund.</p> <p>All collateral the Sub-fund receives for this purpose must comply with the applicable laws and regulations, with respect in particular to the liquidity and valuation of the collateral, the credit-worthiness of securities issuers, risk exposure correlation and the risks of collateral management and enforceability. All collateral received must in particular meet the following criteria:</p> <ul style="list-style-type: none"> (a) 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) Collateral must be valued at the mark-to-market price at least daily and assets with highly volatile prices are not acceptable as collateral, unless a sufficiently prudent discount is applied. (c) Collateral must be issued by an entity that is independent from the counterparty and must not be highly correlated with the counterparty's financial performance. (d) Collateral must be sufficiently diversified by country, market and issuer, and no exposure to a single

	<p>Management Company without informing the counterparty and without its approval.</p> <p>Notwithstanding the condition specified in (d) above, the Sub-fund may accept a basket of securities collateral that increases its exposure to a single issuer beyond 20% of its net asset value provided that:</p> <ul style="list-style-type: none"> - 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 organisation 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 Sub-fund's assets. <p>In accordance with the above conditions the collateral the Sub-fund accepts may consist of:</p> <ul style="list-style-type: none"> (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) 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 	<p>issuer may exceed 20 % of the Sub-fund's net asset value.</p> <p>(e) Collateral must be immediately enforceable by the Sub-fund's Management Company without informing the counterparty and without its approval.</p> <p>Notwithstanding the condition specified in (d) above, the Sub-fund may accept a basket of securities collateral that increases its exposure to a single issuer beyond 20% of its net asset value provided that:</p> <ul style="list-style-type: none"> - 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 organisation 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 Sub-fund's assets. <p>In accordance with the above conditions the collateral the Sub-fund accepts may consist of:</p> <ul style="list-style-type: none"> (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) shares or units of UCITS that invest mainly in the bonds and/or equities indicated in (v)
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	<p>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.</p> <p><u>Collateral discount policy</u></p> <p>The Sub-fund's management company shall apply a discount to the collateral accepted by the Sub-fund. The amount of these discounts will depend mainly on the following:</p> <ul style="list-style-type: none"> - the nature of the collateral asset; - the collateral's maturity (if applicable); - the credit rating of the collateral issuer (if applicable). <p><u>Reinvestment of collateral</u></p> <p>Non-cash collateral will not be sold, reinvested or pledged.</p> <p>At the manager's discretion, cash collateral may either be:</p> <ul style="list-style-type: none"> (i) deposited with an authorised institution; (ii) invested in high-quality government bonds; (iii) used for reverse repurchase transactions, provided that these are entered into with credit institutions that are subject to prudential supervision and that the fund is able to withdraw the total amount of its cash collateral and the accrued interest at any time; (iv) invested in short-term money-market funds as defined in the guidelines for a common definition of European money-market funds. <p>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.</p>	<p>and (vi) below;</p> <ul style="list-style-type: none"> (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. <p><u>Collateral discount policy</u></p> <p>The Sub-fund's management company shall apply a discount to the collateral accepted by the Sub-fund. The amount of these discounts will depend mainly on the following:</p> <ul style="list-style-type: none"> - the nature of the collateral asset; - the collateral's maturity (if applicable); - the credit rating of the collateral issuer (if applicable). <p><u>Reinvestment of collateral</u></p> <p>Non-cash collateral will not be sold, reinvested or pledged.</p> <p>At the manager's discretion, cash collateral may either be:</p> <ul style="list-style-type: none"> (i) deposited with an authorised institution; (ii) invested in high-quality government bonds; (iii) used for reverse repurchase transactions, provided that these are entered into with credit institutions that are subject to prudential supervision and that the fund is able to withdraw the total amount of its cash collateral and the accrued interest at any time; (iv) invested in short-term money-market funds as defined in the guidelines for a common definition of European money-market funds. <p>All cash collateral that is reinvested must be invested in a diversified manner in compliance with the rules that apply to the Acceptance of</p>
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		<p>non-cash collateral.</p> <p>If the counterparty defaults on a securities financing transaction (i.e. an over-the-counter swap of securities and/or a repurchase agreement), the Sub-fund may be forced to sell the collateral received for this transaction under unfavourable market conditions and suffer a loss. If the Sub-fund is allowed to reinvest the cash collateral it has received, a loss could be suffered if the value of the securities purchased using this cash collateral declines.</p>
- COUNTERPARTY SELECTION POLICY	<p>COUNTERPARTY SELECTION POLICY</p> <p>The Management Company observes a policy for selecting financial counterparties and intermediaries when engaging in total return swaps (TRS) and other transactions on behalf of the Sub-fund.</p> <p>Only financial institutions established in an OECD country and which after analysis are deemed to be satisfactory are selected. This analysis is conducted using criteria that are specific to the Management Company's Risks department, which for example include financial stability, credit rating, risk exposure, credit spread, economic sector, and credit history.</p> <p>The list of approved counterparties is reviewed periodically or in the event of a market shock or a deterioration of the selection criteria. This review involves all of the Management Company's relevant departments, including Asset Management, Risks, Operations and Support Services. The counterparties thus selected are regularly monitored pursuant to the Management Company's Execution Policy. All incidents are subject to an escalation procedure for reporting to the Management Company's senior management and/or to the Société Générale Group's Risk department.</p>	<p>COUNTERPARTY SELECTION POLICY</p> <p>The Management Company selects its financial intermediaries and counterparties in accordance with a strict policy, particularly when the intermediary may enter into financial contracts (DFI and securities financing transactions) on the Sub-fund's behalf. Counterparties to financial contracts and financial intermediaries are rigorously selected among well-known and reputable counterparties and intermediaries on the basis of various criteria.</p> <p>The Risk Management function analyses the credit quality of these counterparties and also takes the following types of criteria into consideration when determining the initial universe of authorised counterparties:</p> <ul style="list-style-type: none"> - qualitative criteria, based on Standard and Poors' LT credit rating; - quantitative criteria, based on the LT CDS spread (e.g. absolute criteria, volatility and benchmark group comparison). <p>All subsequent counterparties must be validated by the Counterparties Committee, which is composed of the AM and Middle-Office managers, the CICO and the head of the Risk Management function. When a counterparty no longer meets any given criterion, the Counterparty Committee will meet to decide on the measures to be taken.</p> <p>In addition to the above, the Management Company observes its best execution policy. For more information about this policy and on the relative importance of the execution criteria for each asset class, see the Regulatory Information section of our website at www.lyxor.com.</p>
- RISK PROFILE	<p>Benchmark Index tracking risk:</p> <p>None</p>	<p>Benchmark Index tracking risk:</p> <p>Replicating the performance of the Benchmark Index by investing in all of its constituents may prove to be extremely difficult or costly. The Sub-fund manager may therefore use various</p>

		<p>optimisation 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 or derivatives. The use of such optimisation techniques may increase the ex post tracking error and cause the Sub-fund to perform differently from the Benchmark Index.</p>
	<p>Counterparty risk</p> <p>The Sub-fund is exposed to the risk that a counterparty with which it has entered into a contract or transaction may go bankrupt or default on a settlement or other obligation. It is in particular exposed to counterparty risk resulting from the use of derivative financial instruments (DFI) traded over the counter with Société Générale or some other counterparty. In compliance with UCITS regulations, exposure to counterparty risk (whether the counterparty is Société Générale or another entity), cannot exceed 10% of the Sub-fund's total assets per counterparty.</p> <p>If a counterparty defaults on an obligation the DFI contract may be terminated before maturity. The Sub-fund will do everything in its power to achieve its investment objective by, if appropriate, entering into another Derivatives contract with another counterparty at the market conditions at the time of such an event.</p> <p>If this counterparty risk materialises it could have an impact on the Sub-fund's ability to achieve its investment objective of replicating the Benchmark Index.</p> <p>Where Société Générale acts as the DFI counterparty, conflicts of interest may arise between the Sub-fund's Management Company and the DFI counterparty. The Management Company has procedures to identify and reduce such conflicts of interest and to resolve them equitably if necessary.</p>	<p>Counterparty risk</p> <p>The Sub-fund is exposed to counterparty risk in particular, as a result of its use of over-the-counter derivative contracts (hereafter "OTC Derivative Contracts") and/or efficient portfolio management techniques (hereafter "EPMT"). It is exposed to the risk that a counterparty with which it has entered into an OTC Derivative Contract and/or an EPMT may go bankrupt or default on a settlement or other obligation. If a counterparty defaults, the OTC Derivative Contract and/or the EPMT may be terminated and the Sub-fund may, if necessary, enter into another OTC Derivative and/or EPMT with another counterparty, at the market conditions at the time of this default. If this risk materialises it could result in a loss and have an impact on the Sub-fund's ability to achieve its investment objective. In compliance with the regulations that apply to UCITS funds, exposure to counterparty risk may not exceed 10% of the Sub-fund's total assets per counterparty.</p>
	<p>N/A</p>	<p>- Risk of using efficient portfolio management techniques</p> <p>If the Sub-fund's counterparty to an efficient portfolio management technique (hereinafter "EPMT") defaults, this may expose the Sub-fund to the risk that the value of the collateral it has received is less than the value of the assets the Sub-fund transferred to the counterparty to the EPMT. 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)</p>

		of securities taken as collateral and/or (iv) the illiquidity of the market in which the collateral received is listed. Investors should note that (i) EPMT transactions may be entered into with Société Générale (which is a subsidiary of the same group as the Management Company) and/or (ii) that Société Générale may be appointed the Sub-fund's agent for EPMT.
	<p>Risk of using derivative financial instruments:</p> <p>In order to reach its investment objective, the Sub-fund can enter into transactions involving over-the-counter derivative financial instruments ("DFI"), such as swaps, in order to achieve the performance of the Benchmark Index. These DFI 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 a DFI and may require an adjustment of the DFI transaction or even its premature termination, which could adversely affect the Sub-fund's net asset value.</p>	<p>Risk of using derivative financial instruments:</p> <p>The Sub-fund may invest in Derivative Financial Instruments ("DFI") traded over the counter or listed on an exchange, and in particular in futures and/or swaps for hedging purposes. These DFI involve various risks, such as counterparty risk, hedging disruption risk, Benchmark Index disruption risk, taxation risk, regulatory risk and liquidity risk. These risks may affect a derivative instrument directly and may result in a modification or even the premature termination of the DFI contract, which could adversely affect the Sub-fund's net asset value.</p> <p>The risk of investing in DFI may be relatively high. Since the amount of money required to establish a position in a DFI may much less than the exposure thus obtained, each transaction involves "leverage". A relatively small market movement may therefore have a very large potential positive or negative impact on the Sub-fund.</p> <p>The market value of DFI is highly volatile and they may therefore be subject to large variations.</p> <p>The Sub-fund may invest in DFI traded over the counter. DFI traded over the counter may also be less liquid than transactions on an organised market, where the volumes traded are generally quite higher, and the prices of these DFI may therefore be more volatile.</p>

SUBSCRIPTION AND REDEMPTION FEES

Fees paid by investors and deducted from subscriptions or redemptions	Base	Maximum charge
Subscription fee not kept by the Sub-fund	NAV per share x the number of shares	The higher value of either EUR 50,000 per subscription order or 5% payable to third parties
Subscription fee kept by the Sub-fund	NAV per share x the number of shares	1%*
Redemption fee not kept by the Sub-fund	NAV per share x the number of shares	The higher value of either EUR 50,000 per redemption request or 5% of payable to third parties

Redemption fee kept by the Sub-fund	NAV per share x the number of shares	1%*
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No subscription or redemption fee will be charged for any purchase or sale of Sub-fund shares on an exchange where the Sub-fund is listed

* 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.

OPERATING AND MANAGEMENT FEES AND CHARGES

These fees and charges include all fees and charges that are charged directly to the Sub-fund, except for transaction expenses. Transaction expenses include intermediary fees (brokerage, stock market taxes etc.) and any transaction fee that may be charged, and usually by the depositary or the management company.

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

- incentive fees, which the Sub-fund pays to the Management Company when the Sub-fund exceeds its objectives;
- transaction fees, which are charged to the Sub-fund;
- the direct and indirect operational fees/expenses of securities financing transactions.

For more information on the fees and charges that are charged to the Sub-fund, see the Statistics section of the Key Investor Information Document (KIID).

Fees and charges charged to the Sub-fund	Base	Maximum charge
Investment management and administrative fees that are external to the management company, including tax ⁽¹⁾	Net assets	0.60% annual
Maximum indirect charges (management fees and expenses)	Net assets	N/A
Transaction fee	Charged on each transaction	N/A
Incentive fee	Net assets	N/A
The direct and indirect operational fees/expenses of securities financing transactions.	The income from these transactions	20% for the Management Company 15% for the Agent

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