

Singapore, 4 March 2016

**IMPORTANT ANNOUNCEMENT**

**LYXOR UCITS ETF JAPAN (TOPIX®) (the “Fund”)  
 (Stock Code: CW4)**

**Modifications to the Fund**

FUND NAME	SGX counter name / SGX stock code	Class of Units	ISIN CODE
Lyxor UCITS ETF JAPAN (TOPIX®)	Lyxor Japan US\$ / CW4	USD	FR0010477430

LYXOR INTERNATIONAL ASSET MANAGEMENT (the “**Manager**”), in its capacity as the manager of the aforementioned fund, has decided to make the following modifications to this Fund:

**1- Nature of the modification:**

- A modification of the investment strategy that affects the investment methodology.

This modification was approved by l’Autorité des Marchés Financiers (“**AMF**”) on 1 March 2016 and will come into effect on 10 March 2016.

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

The investment method to be used as of 10 March 2016 is the “physical replication” method, which consists in investing the Fund’s portfolio directly and mainly in the securities that make up the TOPIX® Gross Total Return index (hereinafter the “**Benchmark Index**”) so as to obtain the highest possible correlation with the Benchmark Index and thus achieve the Fund’s investment objective.

Also as of 10 March 2016, the Fund may also use efficient portfolio management techniques and enter securities repurchase and/or lending agreements. The Fund may receive collateral under securities repurchase agreements.

Prior to 10 March 2016 the investment strategy will be to continue to use a swap contract to secure the Benchmark Index’s return.

The “Investment Strategy” section of the prospectus and the product highlights sheet (PHS), which indicate the financial instruments in which the Fund may invest to achieve its investment objective, will

also be modified.

If you are not satisfied with the proposed transaction and you acquired your units in the Fund on the primary market (i.e. you subscribed for them directly with the Manager) you may redeem them with the Manager and/or through the Participating Dealer at no cost within one month after the date of this announcement, subject to the minimum redemption requirement specified in the Fund's prospectus. The Participating Dealer may however charge additional fees and you should contact the relevant Participating Dealer for further details.

Otherwise, you may sell your units on the secondary market, pursuant to the usual terms of your broker or other financial intermediary. The Manager will charge no subscription or redemption fee on Fund units that are bought or sold in the secondary market, i.e. on SGX where the units are listed. However, your broker or other financial intermediaries may charge broker fees and the usual SGX clearing fee for trading of units on the SGX will apply.

## 2- Consequences

- Risks
  - The specific risks of the Fund described in the prospectus will be modified: Yes

The change in the investment strategy has made it necessary to amend the prospectus's "Risks" section. Accordingly, changes to the "Risks" section will include adapting the counterparty risk, the risk of using derivative instruments and tracking error risk (the anticipated ex-post tracking error under normal market conditions is 0.15% (prior to 10 March 2016) and 0.25% (after 10 March 2016)) to reflect this new physical replication method, along with including the risks associated with securities repurchase agreements.

In observing this new physical replication method, the Fund may employ a "sampling" replication strategy that involves investing 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 in securities that are not constituents of the Benchmark Index.

- The risks have been increased: Yes

The Fund may use various techniques to manage its portfolio efficiently. As of 10 March 2016, the Fund may enter into securities repurchase and/or lending agreements. For this purpose, the Fund may receive securities that serve as collateral to reduce the counterparty risk of these transactions. However, if a counterparty to these transactions 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. However, 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 completely neutralise the Fund's counterparty risk.

- Expenses have been increased: No (However, the Fund will now charge additional subscription and redemption fees (which will be retained by the Fund) for primary market transactions to cover the costs of adjusting the portfolio).
- Summary of the Fund's new investment strategy, the modified / added risks and additional subscription and redemption fees of the Fund which will take effect from 10 March 2016 are indicated in the Schedule hereto.

### 3- Change of fund name

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

CURRENT FUND NAME	FUND NAME AS OF 10 MARCH 2016
Lyxor UCITS ETF JAPAN (TOPIX®)	LYXOR JAPAN (TOPIX®) (DR) UCITS ETF

There is no change to the SGX counter name and SGX stock code for the Fund.

### 4- Modification of the Fund's accounting currency

The Manager has decided to change the Fund's accounting currency, as shown below.

FUND'S CURRENT ACCOUNTING CURRENCY	FUND'S CURRENT ACCOUNTING CURRENCY AS OF 18 MARCH 2016
Euros	Japanese Yen

### 5- Key points for investors

During a period of one month after the date of this announcement, i.e. 4 March 2016, primary market investors (i. e. investors who subscribe for and redeem units directly from the Manager) may redeem their units from the Manager and/or through the Participating Dealer without having to pay a redemption fee, provided that they comply with the minimum redemption requirements specified in the prospectus. The Participating Dealer may however charge additional fees and you should contact the relevant Participating Dealer for further details.

The Manager will charge no subscription or redemption fee for units purchased or sold in the secondary market on any exchange where the Fund is traded. However, market intermediaries may charge broker fees and the usual SGX clearing fee for trading of units on the SGX will apply. Such fees are not kept by the Manager.

We remind that it is necessary and important that investors acquaint themselves with the Fund's modified prospectus and product highlights sheet (PHS), which are expected to be available on Lyxor's website at [www.lyxoretf.com.sg](http://www.lyxoretf.com.sg) from 17 March 2016. These documents are also expected to be available from 17 March 2016 from the Fund's Singapore Representative, RBC Investor Services Trust Singapore Limited at 20 Cecil Street, Equity Plaza #28-01, Singapore 049705 upon request.

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

- If you do not accept the modification you may redeem your units at no redemption fee charged by the Manager (within a month after the date of this announcement).
- If you do accept the modification no action on your part will be necessary.
- Investors who are uncertain about the modification should contact their financial advisor or broker.

Please do not hesitate to contact Lyxor ETF Client Service Hotline by phone at +65 6423-2638 or by email at [info@lyxoretf.com.sg](mailto:info@lyxoretf.com.sg), should you have questions regarding the above matter.

**The Manager**

**Summary**

	<b>WITH EFFECT FROM 10 MARCH 2016</b>
<b>Investment strategy</b>	[Hatched pattern]
<b>1. Strategy employed</b>	<p>The Fund will comply with the investment rules set out in 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 Fund will employ a direct replication method, which means that the Fund will invest mainly in the securities that underlie the Benchmark Index.</p> <p>In order to optimise the direct replication method that is used to track the Benchmark Index, the Fund, represented by the Manager, may decide to employ a “sampling” technique that consists in investing in a selection of representative Benchmark Index securities in order to reduce the costs of investing directly in all of the various Benchmark Index securities. 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.</p> <p>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 financial derivative instruments (“FDIs”). Such contracts for this purpose may involve index futures and/or swaps to hedge risk and in particular to minimise the Fund’s tracking error.</p> <p>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.</p> <p>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.</p> <p>To optimise the Fund's management and achieve its investment objective, the Manager reserves the right to use other instruments in accordance with applicable French regulations.</p>
<b>2. Balance sheet assets (excluding embedded derivatives)</b>	The Fund will comply with the investment rules set forth in the European Directive 2009/65/EC of 13 July 2009.

	<p>The Fund will mainly be invested in the securities that make up the Benchmark Index.</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 Fund's net assets. The Fund may invest in the units or shares of UCITS managed by the Manager or by a company that is related to the Manager. The Manager will not invest in the shares or units of alternative investment funds (AIF) or other non-UCITS funds.</p> <p>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.</p> <p>To optimise the Fund's management and achieve its investment objective, the Manager reserves the right to use other instruments in accordance with applicable French regulations.</p>
<p><b>3. Off-balance sheet assets (derivatives)</b></p>	<p>The Fund may invest, on an ancillary basis, in derivatives traded on a regulated or over-the-counter market.</p> <p>If over-the-counter derivatives are used, in keeping with its best execution policy, the Manager 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 Fund's investment strategy. Accordingly, all or some of these derivatives may be traded with Société Générale without having to seek a competitive bid from another counterparty.</p>
<p><b>7. Securities financing transactions</b></p>	<p>The Fund may use various techniques to manage its portfolio efficiently in compliance with Article R214-18 of the French Monetary and Financial Code, including securities financing transactions.</p> <p>For this purpose the Manager may name an intermediary (referred to as the "Agent") to perform the tasks specified below in relation to the Fund's securities financing transactions. If such an Agent is used it may be authorised to (i) lend securities on behalf of the Fund under a master securities lending agreement, such as the Global Master Securities Lending Agreement (GMSL) and/or in compliance with another similar internationally recognised master agreement, and to (ii) invest, on behalf of the Fund, any cash collateral received from the lending of securities, pursuant to the terms and conditions of the securities lending agreement, the rules of the prospectus and the applicable regulations.</p> <p>The Fund shall be entitled to all income from such securities financing transactions, net of any direct and indirect operating costs.</p> <p>These operating costs, which are incurred to manage the portfolio more efficiently, are borne by the Manager, the Agent and/or other intermediaries that are involved in these transactions. These direct and indirect operating costs will be calculated as a percentage of the Fund's gross income. More information on these operating costs and on the entities to which these costs are paid will be provided in the Fund's annual report.</p>

	<p>All income obtained from the lending of securities (from which must be deducted all direct and indirect operating costs borne by the Agent and if applicable by the Manager) shall be paid to the Fund. Since these direct and indirect costs do not increase the Fund's overall operating expenses they have been excluded from ongoing expenses.</p> <p>The Fund's annual report will provide the following information, if applicable:</p> <ul style="list-style-type: none"> <li>- the exposure resulting from the use of efficient portfolio management techniques/transactions</li> <li>- the identity of the counterparty(ies) involved in these transactions</li> <li>- the type and amount of collateral received by the Fund to reduce counterparty risk, and</li> <li>- the income generated by efficient portfolio management techniques over the relevant period, and any associated direct and indirect operating costs or expenses.</li> </ul>
<p><b>8. Collateral</b></p>	<p>Whenever the investment strategy exposes 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 completely neutralise the Fund's counterparty risk.</p> <p>The Manager will not accept cash collateral.</p> <p>The Fund will have full title to all collateral received, which will be deposited in the Fund's accounts with the Depository and Custodian. This collateral will therefore be included in the Fund's assets.</p> <p>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:</p> <ul style="list-style-type: none"> <li>a) all non-cash 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</li> <li>b) This collateral must be valued at least daily and assets with highly volatile prices are not acceptable as collateral, unless a sufficiently prudent discount or "haircut" is applied;</li> <li>c) The issuer of this collateral must be independent of the counterparty and must not be closely correlated with the counterparty's financial performance;</li> <li>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;</li> <li>e) collateral must be immediately enforceable by the Fund's management company without informing the counterparty and without its approval.</li> </ul> <p>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:</p>

- 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 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 European Union, 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 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:

Non-cash collateral will not be sold, reinvested or pledged.

The Manager does not currently accept cash as collateral but if cash collateral is accepted, then at the manager's discretion, cash collateral may either be:

- i) deposited with an authorised institution;



	<ul style="list-style-type: none"> <li>ii) invested in high-quality government bonds;</li> <li>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;</li> <li>iv) invested in short-term money market funds that meet the guidelines for a common European Union definition of money market funds.</li> </ul> <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><b>RISKS (Please note these risks are those which have been modified or added – Please refer to the modified prospectus and PHS for the full list of risks)</b></p>	<ul style="list-style-type: none"> <li>- Tracking error 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 Manager may therefore use various 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 in derivatives. The use of such optimisation techniques may increase the ex post tracking error and cause the Fund to perform differently from the Benchmark Index.</li> <li>- Counterparty risk  The Fund may use FDIs on an ancillary basis.   In this case, the Fund will be exposed to the risk that a counterparty with which the Fund has entered into a contract or transaction may go bankrupt or default on a settlement or other obligation. The Fund will in particular be exposed to counterparty risk resulting from the use of FDIs traded over the counter. In compliance with UCITS regulations, exposure to counterparty risk may not exceed 10% of the Fund’s total assets per counterparty. When Société Générale is the counterparty for a FDI transaction and/or a temporary securities financing transaction, conflicts of interest may arise between it and the Manager, which has procedures to identify and reduce such conflicts of interest and to resolve them equitably if necessary.</li> <li>- 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</li> </ul>

	<p>securities taken as collateral and/or (iv) the illiquidity of the market in which the collateral received is listed. If cash collateral is reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Fund to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of collateral the Fund must repay. The Fund could also fail to receive the securities lent by the date specified, which would diminish its capacity to accommodate investor redemptions.</p> <p>- Risk of using FDIs  The Fund may invest in FDIs, traded over the counter or on regulated markets, such as swaps. These FDIs involve various risks, such as counterparty risk, hedging disruption risk, Benchmark Index disruption risk, taxation risk, regulatory risk, operational risk and liquidity risk. These risks can materially affect a FDI and may require an adjustment of the FDI transaction or even its premature termination, which could adversely affect the Fund's net asset value.</p>
<p><b>FEES AND EXPENSES:</b></p>	<p>Additional subscription and redemption fee on primary market transactions to be kept by the Fund:</p> <p>Maximum of 0.03%*</p> <p>* The Manager 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.</p>