LYXOR INTERNATIONAL ASSET MANAGEMENT (LIAM)

# LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF

(also known as LYXOR UCITS ETF CHINA ENTERPRISE (HSCEI))

rapport annuel

FONDS COMMUN DE PLACEMENT - FCP DE DROIT FRANÇAIS

FISCAL YEAR ENDING ON: 30.10.2015

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|---|---|
| **Management company** | LYXOR INTERNATIONAL ASSET MANAGEMENT<br>17, cours Valmy – 92987 Paris La Défense Cedex. |
| **Depository and Custodian** | SOCIÉTÉ GÉNÉRALE<br>75886 Paris Cedex 18. |
| **Underwriters** | SOCIÉTÉ GÉNÉRALE<br>75886 Paris Cedex 18. |
| **Auditors** | PRICEWATERHOUSE COOPERS AUDIT<br>63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex. |

# INFORMATION ON THE INVESTMENTS AND MANAGEMENT

**Classification:**

International equities.

At least 60% of the MF is permanently exposed in a foreign equity market or in equity markets of several countries, possibly including the French market. The MF is an index-based fund of the UCITS ETF type.

**Terms of determination and allocation of amounts available for distribution:**

**Units C-EUR and C-USD:** Capitalisation of all the amounts available for distribution.

**Units USD:** The management company reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The generated net capital gains will be capitalised.

**Management objective:**

The MF's management objective is to reproduce the evolution of the Hang Seng China Enterprises Index Net Total Return index while insofar as possible minimizing the tracking error between the MF's performances and those of the Hang Seng China Enterprises Index Net Total Return index.

The anticipated level of the ex-post tracking error under normal market conditions is 0.3%.

**Benchmark indicator:**

The Benchmark Indicator is the Hang Seng China Enterprises Index Net Total Return index (net dividends reinvested), listed in Hong Kong dollars (HKD) (the "Benchmark Indicator").

The Benchmark Indicator is published and calculated by Hang Seng Indexes Company Limited. It consists of the main Chinese securities known as "H-shares". This type of equity groups the equities of Chinese companies registered in the People's Republic of China and designated by the Chinese government for the purpose of their listing on the Hong Kong Stock Exchange. They are therefore listed and traded in Hong Kong Dollars (HKD). Any investor, whether or not a Chinese resident, can invest in this category of equities. This Benchmark Indicator therefore genuinely reflects the Chinese economy, since it can only include companies from the People's Republic of China, unlike the Hang Seng Index, which consists not only of "H-Shares" but also of foreign equities, notably British equities.

The monitored performance is that of the Benchmark Indicator closing prices.

An exhaustive description and the complete methodology for the construction of the Benchmark Indicator as well as information on the composition and relative weights of the Benchmark Indicator's components will be available on the Internet site: http://www.hsi.com.hk/.

**Benchmark Indicator revision and composition**

The Benchmark Indicator components are reviewed by Hang Seng Indexes Company Limited quarterly.

Changes in index components and Benchmark Indicator selection criteria are available on the Internet site: http://www.hsi.com.hk/HSI-Net/HSI-Net

The rebalancing frequency indicated above does not affect the cost of implementing the Investment strategy.

**Benchmark Indicator publication**

The Benchmark Indicator is available via Reuters and Bloomberg. Reuters code: .HSCEDVN

Bloomberg code: HSI21N

The Benchmark Indicator's closing price is available on the Internet site: http://www.hsi.com.hk/

**Investment strategy:**

**1. Strategy employed**

The MF will comply with the investment rules dictated by the European Directive no. 2009/65/EC dated 13 July 2009.

In pursuit of the greatest possible correlation with the performance of the Benchmark Indicator, the MF 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 (i) the value of the MF's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Benchmark Indicator.

The equities in the MF's assets will notably be equities that make up the Benchmark Indicator, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

As part of the management of its exposure, the MF can use up to 20% of its assets to acquire equities from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity when this proves to be justified by exceptional conditions within the market, notably when certain securities are heavily dominant and/or in the event of high volatility of a financial instrument and of securities from an economic sector represented by the Benchmark Indicator, in particular in the event of a public offering affecting one of the securities making up the Benchmark Indicator or in the event of a significant restriction of liquidity affecting one or more financial instruments making up the Benchmark Indicator.

In the present case, the manager intends to use primarily the following assets:

**2. Balance sheet assets (excluding integrated derivatives)**

The MF may hold, in compliance with the ratios contained in the regulation, international equities (from all economic sectors, listed on all markets) including the small capitalisation markets.

The aforementioned equities will be chosen on the basis of criteria:

- of eligibility, in particular:
  - Subordination to the main market indices or to the Benchmark Indicator,
  - Liquidity (minimal thresholds applied to mean daily volumes of transactions and to the equity market capitalisation),
  - Rating of the country of the issuer's head office (requirement of a minimal threshold in S&P rating or equivalent),
- of diversification, notably:
  - Issuer (application of ratios applicable to the eligible assets of an UCITS, as specified in Art. R214-21 of the [French] Monetary and Financial Code),
  - Geographical area,
  - Sector.

The equities basket held may be adjusted on a daily basis so that its value be higher or equal to 100% of the net assets in most cases. Where necessary, the aim of this adjustment will be that the market value of future exchange contract described hereinafter be lower or equal to nil, what will lead to the neutralisation of the counterparty risk resulting from the exchange contract.

For more information on the abovementioned eligibility and diversification criteria, in particular the list of the eligible indices, investors can visit the following Internet site: www.lyxoretf.com.

Information relative to (i) the updated composition of the basket of the balance sheet assets held in the MF's portfolio and (ii) the market value of the future exchange operation entered into by the MF are available on the page dedicated to the MF on the Internet site www.lyxoretf.com. The update frequency and/or the update date of the aforesaid information is also indicated on the same page of the aforesaid Internet site.

The investment on collective investment undertakings ("CIU") that comply with Directive 2009/65/EC is limited to 10% of the net assets. As part of these investments, the MF can subscribe to units or equities of CIU by the management company, or a company with which it is linked. The manager will not invest in units or equities of AIF or other investment funds that were formed under a foreign law.

When the MF 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.

As part of the future optimisation of the MF's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

**3. Off-balance sheet assets (derivative instruments)**

The MF will have recourse to index-linked swaps traded over-the-counter, exchanging the value of the MF's assets (or of any other financial instrument or asset held by the MF, where appropriate) against the value of the Benchmark Indicator (as described in part 1 of this section).

As part of a future optimisation of the MF management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including future financial instruments other than index-linked swaps.

In compliance with its best execution policy, the management company considers that the Société Générale is the counterparty that generally makes it possible to obtain the best possible result with these future financial instruments. These future financial instruments (including index-linked swaps) can therefore be traded with the Société Générale, without prior open competition involving several counterparties.

The counterparty of the aforesaid future financial instruments (the "Counterparty") will have no discretionary power regarding the composition of the MF's investment portfolio, nor regarding the underlying assets of the future financial instruments.

**4. Securities with integrated derivatives**

None.

**5. Deposits**

Up to a maximum of 20% of its net assets, the MF can have recourse to deposits with credit institutions belonging to the same group as the depositary in order to optimise its cash management.

**6. Cash borrowings**

Up to a maximum of 10% of its net assets, the MF may temporarily have recourse to borrowings.

**7. Temporary securities acquisition and sale operations**

None. The manager will not have recourse to temporary securities acquisition and/or sale operations.

**8. Financial guarantees**

In all cases in which the MF is subject to a counterparty risk as a result of the deployed investment strategy, notably in the event of the MF's use of forward swap contracts traded over the counter, the MF can receive securities that are considered as guarantees in order to reduce the counterparty risk related to these operations. The portfolio of received guarantees can be adjusted each day in order for its value to be greater than or equal to the level of the counterparty risk borne by the MF in most cases. The objective of this adjustment will be to ensure that the level of counterparty risk borne by the MF is totally neutralized.

The manager is prohibited from receiving cash guarantees.

Any financial guarantee received by the MF will be provided to the MF in full ownership and listed in the MF's account opened in the books of its depositary. As such, the received financial guarantees will be listed amongst the MF's assets.

Any financial guarantee received by the MF within this framework must comply with the criteria defined by the prevailing laws and regulations, notably in terms of liquidity, valuation, credit quality of the issuers, correlation, risks related to the management of securities, and applicability. The received guarantees must, in particular, comply with the following conditions:

(a) Any received guarantee must be of high quality, very liquid and traded on a regulated market or in a multilateral trading system with transparent pricing, in order to be sold quickly at a price close to the prior valuation;

(b) They must be valued at least on a daily basis and assets showing strong price volatility must not be accepted as guarantee except in case of the application of a sufficiently cautious discount;

(c) They must be issued by an entity that is independent of the counterparty and must not be highly correlated with the counterparty's performances;

(d) They must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure per issuer of 20% of the MF's net asset value;

(e) The MF's Management Company must be able to fully realise them at any time, without consultation with the counterparty nor approval of the latter.

In compliance with the aforesaid conditions, the guarantees received by the MF can include:

(i) Liquid assets or equivalents, notably including short-term bank assets and money market instruments;

(ii) Bonds issued or guaranteed by an OECD Member State, by its local public authorities or by institutions and supranational bodies of a Community, regional or worldwide nature, or by any other country, provided that conditions (a) to (e) (above) have been fully met;

(iii) Equities or units issued by money market funds that calculate a daily net asset value and that have a rating of AAA or equivalent;

(iv) Equities or units issued by CIU investing primarily in bonds/equities as indicated in points (v) and (vi) below;

(v) Bonds issued or guaranteed by first-class issuers, offering suitable liquidity;

(vi) Equities admitted to trading or traded on a regulated market of an EU Member State, on a stock market of an OECD Member State or on a stock market of another country provided that conditions (a) to (e) (above) have been fully met and that these equities are included within a first-class index.

**Policy related to discounts**:

The MF's management company will apply a margin to the financial guarantees received by the MF. The applied margins will notably depend on the following criteria:

- Nature of the asset received as guarantee;
- Maturity of the asset received as guarantee (if applicable);
- Rating of the issuer of the asset received as guarantee (if applicable).

**Reinvestment of received guarantees:**

Received financial guarantees will not be sold, reinvested or pledged.

**Risk profile:**

The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the MF, the bearer is primarily exposed to the following risks:

**Equity risk**

An equity price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market.

The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the incomes.

**Risk related to low diversification of the Benchmark Indicator**

The Benchmark Indicator to which the investors are exposed covers a given region, sector or strategy and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the MF's underlyings.

**Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of capital loss. The entire or part of the invested amount may not be recovered, notably should the performance of the Benchmark Indicator be negative over the investment period.

**Liquidity risk (primary market)**

If, when the MF (or one of its counterparties for future financial instrument (FFI)) adjust its exposure, the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the MF could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the Benchmark Indicator, this can also have consequences on the processes related to the subscription, conversion or redemption of units.

**Liquidity risk on a place of listing**

The MF's equity price can deviate from its indicative net asset value. The liquidity of the MF's units or equities on a place of listing can be affected by any suspension, that could notably be due to:

i) Suspension or stoppage of the calculation of the Benchmark Indicator, and/or

ii) Suspension of the market(s) of the underlyings used by the Benchmark Indicator, and/or

iii) The impossibility for a given place of listing to obtain or calculate the MF's indicative net asset value, and/or

iv) A market maker's violation of the rules applicable to this marketplace, and/or

v) A failure of this marketplace's IT or electronic systems.

**Counterparty risk**

The MF is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of FFI traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the MF's assets per counterparty.

In case of a Counterparty's default, the contract relating to FFIs can be terminated early. The MF will then make every effort to achieve its management objective by signing, if relevant, another contract relating to FFIs with a third party counterparty, under the market conditions prevailing at the time of the occurrence of this event.

The realisation of this risk can notably have impacts on the MF's ability to achieve its management objective, in particular the replication of the Benchmark Indicator.

When Société Générale is involved as a counterparty of the FFIs, conflicts of interest can arise between the MF's Management Company and the FFI's counterparty. The Management Company manages these conflict of interest risks by setting up procedures intended to identify and limit them, and to ensure their equitable resolution, if relevant.

**Risk related to the exposure to Emerging markets**

The MF's exposure to emerging markets results in a greater risk of loss that would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the Benchmark Indicator.

**Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the Benchmark Indicator, notably should one or more of the following risks arise:

- Risk related to the use of derivative instruments

In order to achieve its investment objective, the MF uses FFI traded over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the Benchmark Indicator. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the Benchmark Indicator, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment or early termination of the FFI transaction, which could affect the MF's net asset value.

- Risk related to a change of the tax regime

Any change to the tax legislation in any of the countries in which the MF is established, authorised for marketing or listed can affect the tax treatment of investors. In this case, the MF's manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

- Risk related to a change of the tax regime affecting the underlyings

Any change of the tax legislation applicable to the MF's underlyings can affect the MF's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the MF (and/or to its counterparty in the FFI), the MF's net asset value may be affected.

- Risk related to regulations

In case of change of the regulations in any country in which the MF is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of units may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the MF's underlyings, the MF's net asset value can be affected, as can the processes for the subscription, conversion and redemption of units.

- Risk related to events affecting the Benchmark Indicator

In case of events affecting the Benchmark Indicator, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of MF units. The calculation of the MF's net asset value can also be affected.
If the event persists, the MF's manager will decide on measures having to be adopted, which can have an impact on the MF's net asset value.

"Events affecting the Benchmark Indicator" are understood to mean the following situations:

i) The Benchmark Indicator is considered to be incorrect or not reflective of the market's actual evolution,

ii) The Benchmark Indicator is definitively discontinued by the supplier of the index,

iii) The supplier of the index is incapable of providing the level or value of the said Benchmark Indicator,

iv) The supplier of the Benchmark Indicator makes a significant change to the formula or calculation method of the Benchmark Indicator (other than a minor modification such as the adjustment of the underlyings used with this Benchmark Indicator or of the respective weightings between its various components), that cannot be effectively replicated by the MF at a reasonable cost,

v) One or more components of the Benchmark Indicator becomes non-liquid, with the listing being suspended on an organised market, or components traded over-the-counter (such as bonds, for example) become non-liquid,

vi) The Benchmark Indicator's components are impacted by transaction fees relative to the execution, delivery versus payment or specific fiscal constraints, without these fees being reflected in the Benchmark Indicator's performance.

- Operational risk

In case of an operational failure within the management company or of one of its representatives, investors may incur delays in the processing of subscriptions, conversions and redemptions of the units, or other disturbances.

- Securities transaction risk

Should the issuer of a security underlying the Benchmark Indicator undertake an unanticipated review of a securities transaction ("ST"), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the MF (and/or in a valuation of the ST by the MF's counterparty in a future financial instrument), the MF's net asset value may be affected, notably should the actual treatment of the ST by the MF differ from the ST's treatment in the methodology used by the Benchmark Indicator.

- Exchange risk linked to the class of units C-EUR (EUR/HKD)

The abovementioned class of units is exposed to an exchange risk to the extent that it is listed in a currency other than that of the Benchmark Indicator. The net asset value of the abovementioned class of units can therefore decrease due to fluctuating exchange rates even though the value of the benchmark Indicator has increased.

- Exchange risk linked to the classes of units USD and C-USD (USD/HKD)

The abovementioned classes of units are exposed to an exchange risk to the extent that they are listed in a currency other than that of the Benchmark Indicator. The net asset value of the abovementioned classes of units can therefore decrease due to fluctuating exchange rates even though the value of the Benchmark Indicator has increased.

**Subscribers concerned and typical investor profile:**

The MF is open to any subscriber.

An investor subscribing to this MF wishes to obtain an exposure to the Chinese equity market and more specifically to the performance of the "H shares", which are equities of Chinese companies registered in the People's Republic of China and designated by the Chinese government for the purpose of their listing on the Hong Kong Stock Exchange.

The amount that it is reasonable to invest in this MF depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this MF's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers. The minimum recommended investment term is greater than 5 years.

**Indications on the tax regime:**

Investors should take note that the following information constitutes only a general summary of the tax regime applicable to an investment in a French MF, under the current French tax legislation. Investors are therefore requested to study their personal situations with their usual tax advisers.

**France:**

The MF can serve as the support for a life insurance contract listed in units of account.

**1. On the level of the MF**

In France, the co-ownership status of MFs means that they are automatically exempt from corporate tax; by nature, they therefore benefit from a certain degree of transparency. As such, the incomes collected and generated by the MF through its management are not taxable at the level of the MF itself.

Abroad (in countries in which the MF is invested), capital gains on the sale of foreign transferable securities and foreign income received by the MF as part of its management may, if relevant, be subject to tax (generally in the form of a withholding tax). In certain limited cases, the foreign taxation can be reduced or cancelled in the presence of tax agreements that may be applicable.

**2. On the level of the bearers of MF units**

2.1 Bearers residing in France

The sums distributed by the MF to French residents as well as the capital gains or losses on transferable securities are subject to the applicable taxation. Investors are invited to study their personal situations with their usual tax advisers.

2.2 Bearers not residing in France

Subject to any applicable tax agreements, the sums distributed by the MF may, in certain circumstances, be subject to a levy or withholding tax in France. Moreover, the capital gains realised on the purchase/sale of the MF's units are generally tax exempt.

Bearers residing outside of France will be subject to the provisions of the tax legislation applicable in their country of residence.

**Information relative to the "FATCA" law**

France and the United States have signed a Model I intergovernmental agreement ("IGA") for the implementation in France of the American law known as the "FATCA" law that targets tax evasion amongst American taxpayers holding financial assets abroad. The expression "American taxpayers" refers to a natural person who is an American citizen or resident, a partnership or company created in the United States or by virtue of American federal law or of the laws of one of the American States, or a trust if (i) a court located in the United States has, pursuant to the law, the power to issue orders or decisions substantially relating to all questions relative to the trust's administration and if (ii) one or more American taxpayers has a right of control over all of the trust's substantial decisions, or over the estate of a deceased person who was a citizen or resident of the United States.

The MF has been registered as a "reporting financial institution" with the American tax authorities. As such, the MF is required to provide the French tax authorities, for 2014 and subsequent years, with information regarding certain holdings or sums paid to certain American taxpayers or to non-American financial institutions considered as non participants in the FATCA that will be the subject of an automatic information exchange between the French and American tax authorities. Investors will be required to certify their FATCA status to their financial intermediary or to the management company, as relevant.

As a result of the MF's application of its obligations under the IGA as implemented in France, the MF will be considered as complying with the FATCA and should be exempt from the withholding tax established by the FATCA on certain revenues or proceeds from American sources.

For investors whose units are held through an account holder located in a jurisdiction that has not signed an IGA, it is recommended that they should consult this account holder in order to be informed of its intentions with regard to the FATCA. Moreover, certain account holders may be required to collect additional information from investors in order to comply with their obligations under the FATCA or of the country in which the account is held. Also, the scope of the obligations under the FATCA or an IGA can vary according to the account holder's jurisdiction. Investors should therefore check with their usual tax advisers.

***For more details, the complete prospectus can be obtained by requesting it from the management company.***

- *The net asset value is available from the head office of LYXOR INTERNATIONAL ASSET MANAGEMENT. The latest annual and documents and the asset composition statement will be sent out within eight business days at the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92987 Paris La Défense Cedex - France.*
- *Approval date by the AMF (French Financial Markets Authority): 8 July 2005.*
- *Fund creation date: 21 July 2005.*

# Activity report

The net asset value of the unit C-EUR of the LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF MF shows an evolution of 11.41%* over the fiscal year and stands at EUR 131.387 on 30/10/2015, meaning a fund performance of 170.65% since inception.

The net asset value of the unit C-USD of the LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF MF shows an evolution of -1.77%* over the fiscal year and stands at USD 145.1441 on 30/10/2015, meaning a fund performance of -2.58% since inception.

The net asset value of the unit USD of the LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF MF shows an evolution of -1.77%* over the fiscal year and stands at USD 14.5244 on 30/10/2015, meaning a fund performance of 71.41% since inception.

The fund replicates the performance of the Hang Seng China Ente NR index, listed in Hong Kong dollars (HKD), representative of the Chinese equity market.

This index has shown an evolution of -0.62% over the fiscal year. The classes C-EUR, C-USD and USD not being valued to the index currency, the evolution of their net asset value is subject to the exchange risk. During the fiscal year, the EUR shows a decrease of 11.89% compared to the HKD and the USD shows a decrease of 0.07% compared to the HKD.

This gap between the annual performance of the CIU and that of its Benchmark Index can be explained by the result of the various parameters listed below:

- The operating and management fees as well as the external management fees to the management company,
- The costs for accessing the local markets of the securities of the replicated indexing,
- The costs or gains related to the instruments used as part of the replication of the indexing.

In pursuit of the greatest possible correlation with the performance of the Hang Seng China Ente NR index, the MF 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 (i) the value of the MF's assets, which will consist of cash and/or balance sheet assets (excluding any securities received as collateral), for (ii) the value of the securities that underlie the Hang Seng China Ente NR index.

The equities in the MF's assets will notably be equities that make up the Hang Seng China Ente NR index, as well as other international equities, from all economic sectors, listed on all markets, including the small capitalisation markets.

The fund's risk and yield profile has been classed as category 6 given its exposure to the Benchmark Index.

On 30/10/2015, the tracking error reached the level of 0.0480% for the MF. The level of the target tracking error for the period was of 0.3%.

The discrepancy between the target tracking error and the actual tracking error was not significant which shows a compliance with the TE objective set at the beginning of the year.

The counterparty for the Index-Linked Swaps obtained by the fund is: Société Générale.

** The figures referring to past performance relate to past periods and are not a reliable indicator of future results.*

**Regulatory information**

**Transfer commission** *(not audited by the auditor)*

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the CIU that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the Financial Markets Authority General Regulations, be consulted either on the management company's website or at its head office (upon request).

**Overall risk of the CIU**

The management company's method for measuring the overall risk of the CIU: the method chosen is the commitment method.

**ESG criteria**

In accordance with Article D. 533-16-1 of the [French] Monetary and Financial Code, subscribers are informed of the fact that the CIU does not simultaneously take into account the social, environmental and governance quality criteria in its investment policy.

# Auditor's report



**AUDITOR'S REPORT**
**ON THE ANNUAL ACCOUNTS**
**Fiscal year closing on 30 October 2015**

**LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF**
UCITS INCORPORATED IN THE FORM OF A MUTUAL FUND
Governed by the [French] Monetary and Financial Code

Management Company
LYXOR INTERNATIONAL ASSET MANAGEMENT
17, cours Valmy
92800 PUTEAUX

Ladies, Gentlemen,

As part of the mission entrusted to us by the fund management company's management bodies, we hereby present our report relative to the fiscal year closing on 30 October 2015 concerning:

- the verification of the annual accounts of UCITS incorporated in the form of a mutual fund LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF, as they are attached to this report;
- the bases of our assessments;
- the specific verifications and information required by law.

The annual accounts have been closed under the responsibility of the fund management company. It is our duty to express an opinion on these accounts based on our audit.

## 1. OPINION ON THE ANNUAL ACCOUNTS

We have conducted our audit in accordance with the generally accepted auditing standards in France. These standards require that we apply the procedures necessary to obtain reasonable assurance that the annual financial statements do not include any significant misstatements. An audit involves verifying, by sampling and other selection methods, the elements underlying the amounts and information contained in the annual financial statements. It also involves assessing the implemented accounting principles, the significant estimates that have been used, and assessing the overall presentation of the financial statements. We feel that the collected evidence is sufficient and appropriate to form the basis of our opinion.

We certify that, in accordance with French accounting rules and principles, the annual financial statements are truthful and in order, and present a fair picture of the operating profits and losses for the past fiscal year, as well as the financial situation and assets of the UCITS incorporated in the form of a mutual fund at the end of said fiscal year.

Without calling into the question the opinion expressed above, we draw your attention to the change of accounting regulation laid down in the accounting methods and rules of the appendix.

## 2. JUSTIFICATION OF THE ASSESSMENTS

In application of the provisions of article L.823-9 of the Commercial Code relative to the justification of our assessments, we inform you of the fact that the assessments we made concerned the appropriateness of the implemented accounting principles and the reasonable nature of the significant estimated that have been used.

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Société d'expertise comptable inscrite au tableau de l'ordre de Paris - Ile de France. Société de commissariat aux comptes membre de la compagnie régionale de Versailles. Société Anonyme au capital de 2 510 460 €. Siège social : 63, rue de Villiers 92200 Neuilly-sur- Seine. RCS Nanterre 672 006 483. TVA n° FR 76 672 006 483. Siret 672 006 483 00362. Code APE 6920 Z. Bureaux : Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.



**LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF**

The assessments made in this way are in line with our approach for the audit of the annual accounts, taken as a whole, and they therefore contributed to the formulation of our opinion as expressed in the first part of this report.

## 3. SPECIFIC INFORMATION AND AUDIT PROCEDURES

We have also conducted the auditing procedures required by law, in accordance with the applicable professional standards in France.

We have no observations to report regarding the truthfulness or consistency with the annual accounts of the information included in the annual report and in the reports sent to the shareholders concerning the situation and annual accounts.

Neuilly sur Seine, date of the electronic signature

*Document authenticated via electronic signature*

The auditor
PricewaterhouseCoopers Audit

Marie-Christine Jetil

2016.01.26 16:35:41 +0100

# ANNUAL ACCOUNTS

# BALANCE SHEET assets

| | 30.10.2015 | 31.10.2014 |
|---|---|---|
| Currency | EUR | EUR |
| **Net fixed assets** | **-** | **-** |
| **Deposits** | **-** | **-** |
| **Financial instruments** | **682 456 398,38** | **754 015 689,72** |
| • **EQUITIES AND SIMILAR SECURITIES** | | |
| Traded on a regulated or similar market | 682 456 398,38 | 733 876 491,72 |
| Not traded on a regulated or similar market | - | - |
| • **BONDS AND SIMILAR SECURITIES** | | |
| Traded on a regulated or similar market | - | - |
| Not traded on a regulated or similar market | - | - |
| • **DEBT SECURITIES** | | |
| Traded on a regulated or similar market | | |
| *Negotiated debt securities* | - | - |
| *Other debt securities* | - | - |
| Not traded on a regulated or similar market | - | - |
| • **COLLECTIVE INVESTMENT UNDERTAKINGS** | | |
| General UCITs and investment funds intended for non-professionals and equivalent, of other countries | - | 20 139 198,00 |
| Other Funds intended for non-professionals and equivalent, of other EU member states | - | - |
| General professional Funds and equivalent, of other EU member states and listed securitisation entities | - | - |
| Other professional investment Funds and equivalent of other EU member states and non-listed securitisation entities | - | - |
| Other non-European entities | - | - |
| • **TEMPORARY SECURITIES TRANSACTIONS** | | |
| Receivables representing financial securities under reverse repurchase agreements | - | - |
| Receivables representing loaned financial securities | - | - |
| Financial securities borrowed | - | - |
| Financial securities under repurchase agreements | - | - |
| Other temporary transactions | - | - |
| • **FINANCIAL CONTRACTS** | | |
| Operations on a regulated or similar market | - | - |
| Other operations | - | - |
| • **OTHER FINANCIAL INSTRUMENTS** | - | - |
| **Receivables** | **13 968 840,98** | **2 348 571,61** |
| Future foreign exchange operations | - | - |
| Other | 13 968 840,98 | 2 348 571,61 |
| **Financial accounts** | **0,41** | **0,06** |
| Liquidities | 0,41 | 0,06 |
| **Other Assets** | **-** | **-** |
| **Total assets** | **696 425 239,77** | **756 364 261,39** |

# BALANCE SHEET liabilities

| | 30.10.2015 | 31.10.2014 |
|---|---|---|
| Currency | EUR | EUR |
| **Shareholders' equities** | | |
| • Capital | 651 257 995,50 | 641 407 769,63 |
| • Non-distributed prior net capital gains and losses | - | - |
| • Carried forward | - | - |
| • Net capital gains and losses of the fiscal year | 27 954 487,75 | 109 560 176,51 |
| • Profit and loss during the fiscal year | 2 545 302,62 | 725 767,39 |
| **Total shareholders' equity** *(amount representing the net assets)* | **681 757 785,87** | **751 693 713,53** |
| **Financial instruments** | **341 003,24** | **1 920 785,19** |
| • **SALE OPERATIONS ON FINANCIAL INSTRUMENTS** | - | - |
| • **TEMPORARY FINANCIAL SECURITIES TRANSACTIONS** | | |
| Debts representing financial securities under repurchase agreements | - | - |
| Debts representing borrowed financial securities | - | - |
| Other temporary transactions | - | - |
| • **FINANCIAL CONTRACTS** | | |
| Operations on a regulated or similar market | - | - |
| Other operations | 341 003,24 | 1 920 785,19 |
| **Debts** | **14 326 450,66** | **2 749 762,67** |
| Future foreign exchange operations | - | - |
| Other | 14 326 450,66 | 2 749 762,67 |
| **Financial accounts** | **-** | **-** |
| Bank loans and overdrafts | - | - |
| Loans | - | - |
| **Total liabilities** | **696 425 239,77** | **756 364 261,39** |

# Off-balance sheet commitments

| | 30.10.2015 | 31.10.2014 |
|---|---|---|
| Currency | EUR | EUR |
| **Hedging** | | |
| • Commitments on regulated or similar markets | | |
| - Futures market | - | - |
| - Options market | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |
| • Over-the-counter commitments | | |
| - Futures market | - | - |
| - Options market | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |
| • Other commitments | | |
| - Futures market | - | - |
| - Options market | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |
| **Other operations** | | |
| • Commitments on regulated or similar markets | | |
| - Futures market | - | - |
| - Options market | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |
| • Over-the-counter commitments | | |
| - Futures market | - | - |
| - Options market | - | - |
| - Credit derivatives | - | - |
| - Performance swaps | 526 779 211,62 | 646 628 034,58 |
| - Contracts for Differences (CFD) | - | |
| • Other commitments | | - |
| - Futures market | - | - |
| - Options market | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | |

# Profit and loss account

| | 30.10.2015 | 31.10.2014 |
|---|---|---|
| Currency | EUR | EUR |
| **Earnings on financial transactions** | | |
| • Earnings on deposits and financial accounts | - | - |
| • Earnings on equities and similar securities | 9 491 883,69 | 5 191 443,87 |
| • Earnings on bonds and similar securities | - | - |
| • Earnings on debt securities | - | - |
| • Earnings on temporary financial securities acquisitions and sales | - | - |
| • Earnings on financial contracts | - | - |
| • Other financial products | - | - |
| **Total (I)** | **9 491 883,69** | **5 191 443,87** |
| **Charges on financial operations** | | |
| • Charges on temporary financial securities acquisitions and sales | - | - |
| • Charges on financial contracts | - | - |
| • Charges on financial debts | - | - |
| • Other financial charges | - | - |
| **Total (II)** | **-** | **-** |
| **Profit and loss on financial operations (I - II)** | **9 491 883,69** | **5 191 443,87** |
| Other earnings (III) | - | - |
| Management fees and depreciation charges (IV) | -6 019 335,10 | -4 605 585,99 |
| **Net profit and loss of the fiscal year (L.214-17-1) (I - II + III - IV)** | **3 472 548,59** | **585 857,88** |
| Adjustment of the fiscal year's incomes (V) | -927 245,97 | 139 909,51 |
| Advances on profit and loss paid for the fiscal year (VI) | - | - |
| **Profit and loss (I - II + III - IV +/- V - VI):** | **2 545 302,62** | **725 767,39** |

# 1 Accounting rules and methods

appendix

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02. This regulation includes the new AIFM classification for CIUs, but does not modify the applicable accounting principles nor the assessment methods for assets and liabilities.

As indicated in our presentation note on the ANC, the terminology and distribution of the CIU heading on the asset side of the balance sheet have been modified as follows, and can be explained in the following terms:

- The sub-heading "UCITS and general purpose Investment funds intended for non-professionals and equivalent from other countries" corresponds with the former Sub-heading "Coordinated European UCITS and French general purpose UCITS".
- The sub-heading "Other Funds intended for non-professionals and equivalents from other European Union Member States" corresponds with the former sub-heading "UCITS reserved for certain investors – FCPR – FCIMT".
- The sub-heading "General purpose professional funds and equivalents from other European Union Member States and listed securitisation entities" corresponds with the former sub-heading "listed Investment funds and SPV".
- The sub-heading "Other Professional investment funds and equivalents from other European Union Member States and non-listed securitisation entities" corresponds with the former sub-heading "non-listed Investment funds and SPV".
- The sub-heading "Other non-European institutions" was introduced as a result of Regulation n° 2014-01.

**Assessment rules**

The MF's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2003-02 of the Accounting regulatory committee dated 2 October 2003 relative to the chart of accounts of CIU (1st part).

The financial instruments traded on a regulated market are assessed at the closing price on the day before the date of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily traded.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- Negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.
- Firm future financial instruments traded on organised markets are assessed at the clearing price on the day before the net asset value calculation date. Conditional future financial instruments traded on organised markets are assessed at the market value on the day before the net asset value calculation date.

Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

- Deposits are assessed at their nominal value, plus any related interest that has accrued.
- Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.
- Temporary securities acquisitions and sales are assessed at the market price.
- Units and equities of collective investment undertakings operating under French law are assessed at the last net asset value known on the calculation date of the MF's net asset value.
- Units and equities of CIU operating under foreign law are assessed at the last unit net asset value known on the calculation date of the MF's net asset value.
- Financial instruments traded on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments listed in a currency other than the MF's reference currency are the exchange rates disseminated by the fixing WM Reuters the day of the MF's net asset value.

appendix

**Posting method for the negotiation fees**

The chosen method is that of included fees.

**Posting method of incomes from fixed income securities**

The chosen method is that of the coupon received.

**Valuation methods for off-balance sheet commitments**

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the CIU) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the CIU) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the CIU).

**Operation and management fees**

These fees include all of the fees invoiced directly to the MF, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock exchange tax, etc.) and the transfer commission which, if relevant, may notably be collected by the depository and management company.

For this MF, the following fees can be added to the operation and management fees (see summary Table hereinafter):

- Outperformance commissions: these commissions reward the management company when the MF has exceeded its objectives and are invoiced to the MF;
- Transfer commissions invoiced to the MF.

For more details on the fees actually invoiced to the MF, refer to the Statistical Part of the Key Investor Information Document "KIID".

| Fees invoiced to the CIU | Basis | Schedule rate |
|---|---|---|
| Management fees and external management fees payable to the portfolio management company (CAC, Depository, distribution, lawyers) including tax (1) | Net assets | maximum 0.65% per year |
| Outperformance commission | Net assets | None |
| Transfer commissions | Collection on each transaction | None |

(1) including all fees excluding transaction fees, outperformance fees and fees related to investments in CIU.

**Accounting currency**

The MF's accounting is carried out in Euro.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change:
- As from 29 October 2015, change of the Fund's name, LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF then became LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of units**

**UNITS C-EUR and C-USD:** Capitalisation of all of the amounts available for distribution.

**UNITS USD:** The management company reserves the right to capitalise and/or distribute all or part of the amounts available for distribution, one or more times each year. The generated net capital gains will be capitalised.

appendix

appendix

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# 2. Evolution of the net assets

| | 30.10.2015 | 31.10.2014 |
|---|---|---|
| Currency | EUR | EUR |
| **Net assets at the start of the fiscal year** | **751 693 713,53** | **795 632 142,94** |
| Subscriptions (including subscription commission acquired by the CIU) | 789 492 019,19 | 367 453 417,70 |
| Redemptions (less the redemption commission acquired by the CIU) | -1 003 306 636,89 | -494 044 971,17 |
| Capital gains generated on deposits and financial instruments | 207 374 121,81 | 91 803 644,79 |
| Capital losses generated on deposits and financial instruments | -115 669 914,74 | -57 421 024,78 |
| Capital gains generated on financial contracts | 4 059 394 927,05 | 1 901 514 638,51 |
| Capital losses generated on financial contracts | -4 057 588 040,20 | -1 820 123 215,70 |
| Transaction fees | -164 010,42 | - |
| Exchange differentials | -8 708 646,70 | 889 123,73 |
| Changes to the estimate difference of the deposits and financial instruments: | 54 187 922,70 | -35 597 043,63 |
| *- Estimate difference fiscal year N* | *91 328 765,92* | *37 140 843,22* |
| *- Estimate difference fiscal year N-1* | *37 140 843,22* | *72 737 886,85* |
| Changes to the estimate difference of financial contracts: | 1 579 781,95 | 1 001 143,26 |
| *- Estimate difference fiscal year N* | *-341 003,24* | *-1 920 785,19* |
| *- Estimate difference fiscal year N-1* | *-1 920 785,19* | *-2 921 928,45* |
| Previous fiscal year distribution of net capital gains and losses | - | - |
| Previous fiscal year distribution on profit and loss | - | - |
| Net profit and loss of the fiscal year before adjustment account | 3 472 548,59 | 585 857,88 |
| Advance(s) paid during the fiscal year on net capital gains and losses | - | - |
| Advance(s) paid during the fiscal year on profit and loss | - | - |
| Other elements | - | - |
| **Net assets at the end of the fiscal year** | **681 757 785,87** | **751 693 713,53** |

# 3. Information supplements

**3.1 Financial instruments: breakdown by the instrument's legal or economic type**

3.1.1 Breakdown of the "Bonds and similar securities" item by type of instrument

| | Traded on a regulated or similar market | Not traded on a regulated or similar market |
|---|---|---|
| Index-linked bonds | - | - |
| Convertible bonds | - | - |
| Fixed-rate bonds | - | - |
| Variable-rate bonds | - | - |
| Zero-coupon bonds | - | - |
| Participating securities | - | - |
| Other instruments | - | - |

3.1.2 Breakdown of the "Debt securities" item by legal or economic type

| | Traded on a regulated or similar market | Not traded on a regulated or similar market |
|---|---|---|
| Treasury Bills | - | - |
| Commercial papers | - | - |
| Certificates of deposit | - | - |
| Medium-term notes ("*BMTN*") | - | - |
| Other instruments | - | - |

3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

| | Securities under reverse repurchase agreement sold | Securities borrowed sold | Securities acquired with redemption right sold | Short sales |
|---|---|---|---|---|
| Equities | - | - | - | - |
| Bonds | - | - | - | - |
| Debt securities | - | - | - | - |
| Other investments | - | - | - | - |

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

| | Rate | Equities | Exchange | Other |
|---|---|---|---|---|
| **Hedging** | | | | |
| Commitments on regulated or similar markets | - | - | - | - |
| Over-the-counter commitments | - | - | - | - |
| Other commitments | - | - | - | - |
| **Other operations** | | | | |
| Commitments on regulated or similar markets | - | - | - | - |
| Over-the-counter commitments | - | 526 779 211,62 | - | - |
| Other commitments | - | - | - | - |

**3.2 Breakdown by rate types of the asset, liability and off-balance sheet items**

| | Fixed rate | Variable rate | Revisable rate | Other |
|---|---|---|---|---|
| **Assets** | | | | |
| Deposits | - | - | - | - |
| Bonds and similar securities | - | - | - | - |
| Debt securities | - | - | - | - |
| Temporary financial securities operations | - | - | - | - |
| Financial accounts | - | - | - | 0,41 |
| **Liabilities** | | | | |
| Temporary financial securities operations | - | - | - | - |
| Financial accounts | - | - | - | - |
| **Off-balance sheet** | | | | |
| Hedging | - | - | - | - |
| Other operations | - | - | - | - |

**3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items**

| | 0 - 3 months | 3 months - 1 year | 1 - 3 years | 3 - 5 years | > 5 years |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Deposits | - | - | - | - | - |
| Bonds and similar securities | - | - | - | - | - |
| Debt securities | - | - | - | - | - |
| Temporary financial securities operations | - | - | - | - | - |
| Financial accounts | 0,41 | - | - | - | - |
| **Liabilities** | | | | | |
| Temporary financial securities operations | - | - | - | - | - |
| Financial accounts | - | - | - | - | - |
| **Off-balance sheet** | | | | | |
| Hedging | - | - | - | - | - |
| Other operations | - | 526 779 211,62 | - | - | - |

**3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items**
*This breakdown is given for the main listing or assessment currencies, with the exception of the currency for the keeping of the accounts.*

| By main currency | USD | JPY | CHF | Other currencies |
|---|---|---|---|---|
| **Assets** | | | | |
| Deposits | - | - | - | - |
| Equities and similar securities | 159 790 403,91 | 38 531 799,99 | 13 135 787,32 | - |
| Bonds and similar securities | - | - | - | - |
| Debt securities | - | - | - | - |
| CIU | - | - | - | - |
| Temporary financial securities operations | - | - | - | - |
| Receivables | - | - | - | - |
| Financial accounts | - | - | - | - |
| Other assets | - | - | - | - |
| **Liabilities** | | | | |
| Sale operations on financial instruments | - | - | - | - |
| Temporary financial securities operations | - | - | - | - |
| Debts | - | - | - | - |
| Financial accounts | - | - | - | - |
| **Off-balance sheet** | | | | |
| Hedging | - | - | - | - |
| Other operations | - | - | - | - |

**3.5 Receivables and Debts: breakdown by type**
*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future foreign exchange operations by type of operation (purchase/sale).*

| | |
|---|---|
| **Receivables** | |
| Future currency exchange operations: | **13 968 840,98** |
| Future purchases of currency | - |
| Total traded amount of future Sales of currencies | - |
| Other receivables: | |
| Deferred settlement sales | 8 788 140,03 |
| Account receivable | 5 180 700,95 |
| - | - |
| - | - |
| - | - |
| Other operations | - |
| **Debts** | |
| Future currency exchange operations: | **14 326 450,66** |
| Future sales of currencies | - |
| Total traded amount of future Purchases of currencies | - |
| Other debts: | |
| Payable accounts | 8 439 568,56 |
| Deferred settlement purchases | 5 529 272,42 |
| Accrued expenses | 357 609,68 |
| - | - |
| - | - |
| Other operations | - |

### 3.6 Shareholders' equity

| | | **Subscriptions** | | **Redemptions** |
|---|---|---|---|---|
| Unit category issued/redeemed during the fiscal year: | Number of units | Amount | Number of units | Amount |
| Unit USD / FR0010377010 | - | - | 209 359 | 3 920 561,59 |
| Unit C-EUR / FR0010204081 | 3 146 661 | 453 169 473,10 | 4 689 383 | 720 644 122,77 |
| Unit C-USD / FR0010581413 | 2 137 596 | 336 322 546,09 | 1 758 962 | 278 741 952,53 |
| Subscription / redemption commission by unit category: | | Amount | | Amount |
| Unit USD / FR0010377010 | | - | | - |
| Unit C-EUR / FR0010204081 | | - | | - |
| Unit C-USD / FR0010581413 | | - | | - |
| Retrocessions by unit category: | | Amount | | Amount |
| Unit USD / FR0010377010 | | - | | - |
| Unit C-EUR / FR0010204081 | | - | | - |
| Unit C-USD / FR0010581413 | | - | | - |
| Commissions acquired by the CIU by unit category: | | Amount | | Amount |
| Unit USD / FR0010377010 | | - | | - |
| Unit C-EUR / FR0010204081 | | - | | - |
| Unit C-USD / FR0010581413 | | - | | - |

### 3.7 Management fees

| Operating and management fees (fixed fees) as % of the average net assets | **%** |
|---|---|
| Unit category: | |
| Unit USD / FR0010377010 | **0,65** |
| Unit C-EUR / FR0010204081 | **0,65** |
| Unit C-USD / FR0010581413 | **0,65** |

| Outperformance commissions (variable fees): amount of costs for the year | **Amount** |
|---|---|
| Unit category: | |
| Unit USD / FR0010377010 | **-** |
| Unit C-EUR / FR0010204081 | **-** |
| Unit C-USD / FR0010581413 | **-** |
| Retrocession of management fees: | |
| - Total amount of fees retroceded to the CIU | **-** |
| - Breakdown by "target" CIU: | |
| - CIU 1 | - |
| - CIU 2 | - |
| - CIU 3 | - |
| - CIU 4 | - |

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the UCITS with indication of the capital guarantees ..... **None**
3.8.2 Description of the other commitments received and/or given ..... **None**

### 3.9 Other information

| | |
|---|---|
| 3.9.1 Current value of the financial instruments that are the subject of temporary acquisition: | |
| - Financial instruments sold under forward repurchase agreements | - |
| - Other temporary operations | - |
| 3.9.2 Current value of the financial instruments comprising security deposits: | |
| Financial instruments received as guarantees and not included in the balance sheet: | |
| - equities | - |
| - bonds | - |
| - debt securities | - |
| - other financial instruments | - |
| Financial estimates given as guarantees and maintained in their original item: | |
| - equities | - |
| - bonds | - |
| - debt securities | - |
| - other financial instruments | - |
| 3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (MF) and CIU managed by these entities: | |
| - CIU securities | - |
| - Swaps | **-341 003,24** |

**3.10 Allocation of the profit and loss table** *(in the CIU accounting currency)*

**Advances paid during the fiscal year**

| Date | Unit category | Overall amount | Unit amount | Total tax credits | Unit tax credits |
|---|---|---|---|---|---|
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| **Total advances** | | - | - | - | - |

| | 30.10.2015 | 31.10.2014 |
|---|---|---|
| **Allocation of the profit/loss** | EUR | EUR |
| **Sums still to be allocated** | | |
| Carried forward | - | - |
| Profit and loss | 2 545 302,62 | 725 767,39 |
| **Total** | **2 545 302,62** | **725 767,39** |

| Unit USD / FR0010377010 | 30.10.2015 | 31.10.2014 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Carried forward for the fiscal year | - | - |
| Capitalisation | 136 955,93 | 34 176,86 |
| **Total** | **136 955,93** | **34 176,86** |
| **Information relative to the units and resulting in a distribution right** | | |
| Number of units | - | - |
| Unit distribution | - | - |
| **Tax credits linked to the allocation of the profit and loss** | **-** | **-** |

| Unit C-EUR / FR0010204081 | 30.10.2015 | 31.10.2014 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Carried forward for the fiscal year | - | - |
| Capitalisation | 2 082 829,36 | 659 144,00 |
| **Total** | **2 082 829,36** | **659 144,00** |
| **Information relative to the units and resulting in a distribution right** | | |
| Number of units | - | - |
| Unit distribution | - | - |
| **Tax credits linked to the allocation of the profit and loss** | **-** | **-** |

| UNIT C-USD / FR0010581413 | **30.10.2015** | **31.10.2014** |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Carried forward for the fiscal year | - | - |
| Capitalisation | 325 517,36 | 32 446,53 |
| **Total** | **325 517,36** | **32 446,53** |
| **Information relative to the units and resulting in a distribution right** | | |
| Number of units | - | - |
| Unit distribution | - | - |
| **Tax credits linked to the allocation of the profit and loss** | **-** | **-** |

**3.11. Allocation table of the distributable sums related to the net capital gains and losses**
*(in the CIU accounting currency)*

**Advances on net capital gains and losses paid for the fiscal year**

| Date | Overall amount | Unit amount |
|---|---|---|
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| **Total advances** | **-** | **-** |

| | 30.10.2015 | 31.10.2014 |
|---|---|---|
| **Allocation of the net capital gains and losses** | EUR | EUR |
| **Sums still to be allocated** | | |
| Non-distributed prior net capital gains and losses | - | - |
| Net capital gains and losses of the fiscal year | 27 954 487,75 | 109 560 176,51 |
| Advances paid on net capital gains and losses of the fiscal year | - | - |
| **Total** | **27 954 487,75** | **109 560 176,51** |

| Unit USD / FR0010377010 | 30.10.2015 | 31.10.2014 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Non-distributed net capital gains and losses | - | - |
| Capitalisation | -6 934 348,47 | 3 632 594,28 |
| **Total** | **-6 934 348,47** | **3 632 594,28** |
| **Information relative to the units and resulting in a distribution right** | | |
| Number of units | - | - |
| Unit distribution | - | - |

| Unit C-EUR / FR0010204081 | 30.10.2015 | 31.10.2014 |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Non-distributed net capital gains and losses | - | - |
| Capitalisation | 68 370 362,81 | 100 741 192,52 |
| **Total** | **68 370 362,81** | **100 741 192,52** |
| **Information relative to the units and resulting in a distribution right** | | |
| Number of units | - | - |
| Unit distribution | - | - |

| UNIT C-USD / FR0010581413 | **30.10.2015** | **31.10.2014** |
|---|---|---|
| Currency | EUR | EUR |
| **Allocation** | | |
| Distribution | - | - |
| Non-distributed net capital gains and losses | - | - |
| Capitalisation | -33 481 526,59 | 5 186 389,71 |
| **Total** | **-33 481 526,59** | **5 186 389,71** |
| **Information relative to the units and resulting in a distribution right** | | |
| Number of units | - | - |
| Unit distribution | - | - |

**3.12 Table of the profit and loss and other characteristic elements of the MF during the last 5 fiscal years**
*Fund creation date: 21 July 2005.*

| currency EUR | **30.10.2015** | 31.10.2014 | 31.10.2013 | 31.10.2012 | 31.10.2011 |
|---|---|---|---|---|---|
| **Net assets** | **681 757 785,87** | 751 693 713,53 | 795 632 142,94 | 973 724 463,47 | 836 163 619,35 |

| Unit USD / FR0010377010 | Currency of the unit and of the net asset value: USD | | | | |
|---|---|---|---|---|---|
| | **30.10.2015** | 31.10.2014 | 31.10.2013 | 31.10.2012 | 31.10.2011 |
| **Number of outstanding units** | **2 789 934** | 2 999 293 | 3 471 770 | 5 005 770 | 4 849 770 |
| **Net asset value** | **14,5244** | 14,7867 | 14,247 | 13,8402 | 13,4228 |
| **Unit distribution on net capital gains and losses (including advances)** | **-** | - | - | - | - |
| **Unit distribution (including advances)*** | **-** | - | - | 0,01 | 0,31 |
| **Unit tax credit transferred to holders (natural persons) (1)** | **-** | - | - | - | - |
| **Unit capitalisation*** | **-2,43** | 1,22 | 2,37 | - | 0,02 |

** The amounts of the unit distribution, the unit capitalisation and the tax credits are indicated in the accounting currency of the CIU. The unit capitalisation corresponds to the sum of the result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.*
*(1) In pursuant to the Fiscal Instruction of 4 March 1993 from the Directorate General for taxes, the unit tax credit will be determined on the ex-dividend date by distribution of the total amount of the tax credits between the outstanding units on that date.*

| Unit C-EUR / FR0010204081 | Currency of the unit and of the net asset value: EUR | | | | |
|---|---|---|---|---|---|
| | **30.10.2015** | 31.10.2014 | 31.10.2013 | 31.10.2012 | 31.10.2011 |
| **Number of outstanding units** | **4 246 117** | 5 788 839 | 6 920 639 | 8 384 139 | 7 892 639 |
| **Net asset value** | **131,387** | 117,9322 | 104,718 | 106,7286 | 96,2335 |
| **Unit distribution on net capital gains and losses (including advances)** | **-** | - | - | - | - |
| **Unit distribution (including advances)*** | **-** | - | - | 0,16 | 3,15 |
| **Unit tax credit transferred to holders (natural persons) (1)** | **-** | - | - | - | - |
| **Unit capitalisation*** | **16,59** | 17,51 | -7,38 | - | 0,20 |

** The amounts of the unit distribution, the unit capitalisation and the tax credits are indicated in the accounting currency of the CIU. The unit capitalisation corresponds to the sum of the result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.*
*(1) In pursuant to the Fiscal Instruction of 4 March 1993 from the Directorate General for taxes, the unit tax credit will be determined on the ex-dividend date by distribution of the total amount of the tax credits between the outstanding units on that date.*

UNIT C-USD / FR0010581413 Currency of the unit and of the net asset value: USD

| | **30.10.2015** | 31.10.2014 | 31.10.2013 | 31.10.2012 | 31.10.2011 |
|---|---|---|---|---|---|
| **Number of outstanding units** | **663 573** | 284 939 | 329 769 | 238 273 | 311 273 |
| **Net asset value** | **145,1441** | 147,7653 | 142,3669 | 138,301 | 134,2285 |
| **Unit distribution on net capital gains and losses (including advances)** | **-** | - | - | - | - |
| **Unit distribution (including advances)*** | **-** | - | - | 0,16 | 3,15 |
| **Unit tax credit transferred to holders (natural persons)** [(1)] | **-** | - | - | - | - |
| **Unit capitalisation*** | **-49,96** | 18,31 | -13,60 | - | 0,20 |

** The amounts of the unit distribution, the unit capitalisation and the tax credits are indicated in the accounting currency of the CIU. The unit capitalisation corresponds to the sum of the result and the capital gains or losses on the number of outstanding units. This calculation method is applied from 1 January 2013.*

*(1) In pursuant to the Fiscal Instruction of 4 March 1993 from the Directorate General for taxes, the unit tax credit will be determined on the ex-dividend date by distribution of the total amount of the tax credits between the outstanding units on that date.*

# appendix

## 4. inventory

| Security code | Name of the security | Security status | Quantity | Market value | Listing currency | % Net Assets |
|---|---|---|---|---|---|---|
| **LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF** | | | | | | |
| ***Transferable Securities*** | | | | | | |
| ***Equity*** | | | | | | |
| US30226D1063 | EXTREME NETWORKS INC | OWN SPECIFIC | 125 368,00 | 407 433,23 | USD | 0,06 |
| US98956P1021 | ZIMMER BIOMET HOLDINGS INC | OWN SPECIFIC | 4 126,00 | 390 581,47 | USD | 0,06 |
| US9843321061 | YAHOO INC | OWN SPECIFIC | 549 711,00 | 17 725 710,24 | USD | 2,60 |
| US91324P1021 | UNITEDHEALTH GROUP | OWN SPECIFIC | 6 295,00 | 671 185,53 | USD | 0,10 |
| US9100471096 | UNITED CONTINENTAL | OWN SPECIFIC | 11 935,00 | 651 608,97 | USD | 0,10 |
| US8064071025 | HENRY SCHEIN INC | OWN SPECIFIC | 2 596,00 | 356 528,46 | USD | 0,05 |
| US7134481081 | PEPSICO INC | OWN SPECIFIC | 6 949,00 | 642 844,62 | USD | 0,09 |
| US6745991058 | OCCIDENTAL PETROLEUM CORP | OWN SPECIFIC | 4 178,00 | 281 924,70 | USD | 0,04 |
| US61945C1036 | MOSAIC CO THE -WI | OWN SPECIFIC | 9 779,00 | 299 128,60 | USD | 0,04 |
| US6092071058 | MONDELEZ INTERNATIONAL | OWN SPECIFIC | 7 428,00 | 310 393,77 | USD | 0,05 |
| US58933Y1055 | MERCK AND CO INC | OWN SPECIFIC | 434 499,00 | 21 499 764,94 | USD | 3,15 |
| US50540R4092 | LABORATORY CORP | OWN SPECIFIC | 2 778,00 | 308 669,46 | USD | 0,05 |
| US44107P1049 | HOST HOTELS & RESORTS INC | OWN SPECIFIC | 20 790,00 | 326 158,24 | USD | 0,05 |
| US3755581036 | GILEAD SCIENCES INC | OWN SPECIFIC | 71 220,00 | 6 971 455,76 | USD | 1,02 |
| US3682872078 | GAZPROM PJSC-SPON ADR REG | OWN SPECIFIC | 3 473 030,00 | 13 236 279,64 | USD | 1,94 |
| US3647601083 | GAP INC | OWN SPECIFIC | 14 571,00 | 359 048,22 | USD | 0,05 |
| US3364331070 | FIRST SOLAR INC | OWN SPECIFIC | 12 883,00 | 665 579,88 | USD | 0,10 |
| US31428X1063 | FEDEX CORP | OWN SPECIFIC | 5 028,00 | 710 287,78 | USD | 0,10 |
| US30303M1027 | FACEBOOK A | OWN SPECIFIC | 357 599,00 | 33 009 885,51 | USD | 4,84 |
| US30219G1085 | EXPRESS SCRIPTS HLD | OWN SPECIFIC | 247,00 | 19 314,59 | USD | 0,00 |
| US2810201077 | EDISON INTERNATIONAL | OWN SPECIFIC | 6 149,00 | 336 882,70 | USD | 0,05 |
| US2788651006 | ECOLAB INC | OWN SPECIFIC | 2 557,00 | 278 581,41 | USD | 0,04 |
| US25470M1099 | DISH NETWORK CORP | OWN SPECIFIC | 46 238,00 | 2 635 773,20 | USD | 0,39 |
| US1897541041 | COACH INC | OWN SPECIFIC | 5 223,00 | 147 519,67 | USD | 0,02 |
| US1567001060 | CENTURYTEL INC | OWN SPECIFIC | 14 147,00 | 361 279,02 | USD | 0,05 |
| US1313473043 | CALPINE CORP W/I | OWN SPECIFIC | 155 034,00 | 2 176 777,57 | USD | 0,32 |
| US1255091092 | CIGNA CORP | OWN SPECIFIC | 2 264,00 | 274 717,39 | USD | 0,04 |
| US09247X1019 | BLACKROCK INC A | OWN SPECIFIC | 1 051,00 | 334 875,73 | USD | 0,05 |
| US09062X1037 | BIOGEN INC | OWN SPECIFIC | 385,00 | 101 250,49 | USD | 0,02 |
| US0846707026 | BERKSHIRE HATAW B | OWN SPECIFIC | 9 397,00 | 1 157 090,43 | USD | 0,17 |
| US0367521038 | ANTHEM INC | OWN SPECIFIC | 2 624,00 | 330 538,72 | USD | 0,05 |
| NL0000303600 | ING GROEP NV-CVA | OWN SPECIFIC | 2 463 062,00 | 32 598 625,57 | EUR | 4,78 |
| NL0000009538 | KONINKLIJKE PHILIPS N.V. | OWN SPECIFIC | 836,00 | 20 557,24 | EUR | 0,00 |
| FR0010242511 | ELECTRICITE DE FRANCE SA | OWN SPECIFIC | 152 249,00 | 2 578 336,82 | EUR | 0,38 |
| FR0000133308 | ORANGE | OWN SPECIFIC | 1 452 452,00 | 23 290 067,82 | EUR | 3,42 |
| FR0000131906 | RENAULT SA | OWN SPECIFIC | 271 263,00 | 23 255 376,99 | EUR | 3,41 |
| | | OWN SPECIFIC | | | | |

| Security code | Name of the security | Security status | Quantity | Market value | Listing currency | % Net Assets |
|---|---|---|---|---|---|---|
| FR0000127771 | VIVENDI | OWN SPECIFIC | 1 010 553,00 | 22 146 269,00 | EUR | 3,25 |
| FR0000125486 | VINCI SA | OWN SPECIFIC | 415 136,00 | 25 481 047,68 | EUR | 3,74 |
| FR0000125007 | COMPAGNIE DE SAINT-GOBAIN SA | OWN SPECIFIC | 474 394,00 | 18 112 362,92 | EUR | 2,66 |
| FR0000121667 | ESSILOR INTERNATIONAL | OWN SPECIFIC | 11 752,00 | 1 405 539,20 | EUR | 0,21 |
| FR0000121014 | LVMH MOET HENNESSY LOUIS VUITTON SE | OWN SPECIFIC | 156 771,00 | 26 588 361,60 | EUR | 3,90 |
| FR0000120628 | AXA | OWN SPECIFIC | 1 057 832,00 | 25 731 763,40 | EUR | 3,77 |
| FR0000120578 | SANOFI | OWN SPECIFIC | 558 138,00 | 51 264 975,30 | EUR | 7,52 |
| FR0000120271 | TOTAL | OWN SPECIFIC | 1 000 000,00 | 44 145 000,00 | EUR | 6,48 |
| FR0000120172 | CARREFOUR SA | OWN SPECIFIC | 80 084,00 | 2 376 092,28 | EUR | 0,35 |
| ES0177542018 | INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA | OWN SPECIFIC | 739 116,00 | 6 023 795,40 | EUR | 0,88 |
| DE000ENAG999 | E.ON SE | OWN SPECIFIC | 191 749,00 | 1 840 215,15 | EUR | 0,27 |
| DE000BAY0017 | BAYER AG | OWN SPECIFIC | 175 313,00 | 21 274 232,55 | EUR | 3,12 |
| DE000BASF111 | BASF SE | OWN SPECIFIC | 270 305,00 | 20 145 831,65 | EUR | 2,96 |
| DE000A1PHFF7 | HUGO BOSS AG | OWN SPECIFIC | 2 593,00 | 242 678,87 | EUR | 0,04 |
| DE0008404005 | ALLIANZ SE-NOM | OWN SPECIFIC | 80 490,00 | 12 826 081,50 | EUR | 1,88 |
| DE0007236101 | SIEMENS AG-NOM | OWN SPECIFIC | 102 909,00 | 9 416 173,50 | EUR | 1,38 |
| DE0007164600 | SAP SE | OWN SPECIFIC | 216 810,00 | 15 584 302,80 | EUR | 2,29 |
| DE0007100000 | DAIMLER | OWN SPECIFIC | 4 181,00 | 330 173,57 | EUR | 0,05 |
| DE0005810055 | DEUTSCHE BOERSE AG | OWN SPECIFIC | 74 704,00 | 6 256 460,00 | EUR | 0,92 |
| DE0005785802 | FRESENIUS MEDICAL CARE AG & CO | OWN SPECIFIC | 60 242,00 | 4 933 217,38 | EUR | 0,72 |
| DE0005785604 | FRESENIUS SE & CO KGAA | OWN SPECIFIC | 126 671,00 | 8 455 289,25 | EUR | 1,24 |
| DE0005557508 | DEUTSCHE TELEKOM AG-NOM | OWN SPECIFIC | 1 038 788,00 | 17 664 589,94 | EUR | 2,59 |
| DE0005552004 | DEUTSCHE POST AG-NOM | OWN SPECIFIC | 483 718,00 | 13 094 246,26 | EUR | 1,92 |
| DE0005190003 | BAYERISCHE MOTORENWERKE | OWN SPECIFIC | 76 262,00 | 7 119 820,32 | EUR | 1,04 |
| DE0005140008 | DEUTSCHE BANK AG-NOM | OWN SPECIFIC | 141 993,00 | 3 616 561,71 | EUR | 0,53 |
| CH0126881561 | SWISS RE AG | OWN SPECIFIC | 1 751,00 | 147 779,32 | CHF | 0,02 |
| CH0030170408 | GEBERIT AG-NOM | OWN SPECIFIC | 5 331,00 | 1 563 218,20 | CHF | 0,23 |
| CH0012138530 | CREDIT SUISSE GROUP AG-NOM | OWN SPECIFIC | 209 354,00 | 4 745 024,08 | CHF | 0,70 |
| CH0011075394 | ZURICH INSURANCE GROUP AG | OWN SPECIFIC | 25 073,00 | 6 016 691,06 | CHF | 0,88 |
| BE0974264930 | AGEAS NV | OWN SPECIFIC | 68 528,00 | 2 753 797,68 | EUR | 0,40 |
| BE0003793107 | ANHEUSER-BUSH INBEV | OWN SPECIFIC | 100 069,00 | 10 877 500,30 | EUR | 1,60 |
| BE0003562700 | GROUPE DELHAIZE | OWN SPECIFIC | 65 639,00 | 5 540 587,99 | EUR | 0,81 |
| US9427491025 | WATTS WATER TECHNOLOGIES CL-A | OWN SPECIFIC | 7 020,00 | 345 963,70 | USD | 0,05 |
| US92839U2069 | VISTEON CORP-W/I | OWN SPECIFIC | 73 484,00 | 7 255 601,21 | USD | 1,06 |
| US8725901040 | T-MOBILE US INC | OWN SPECIFIC | 125 208,00 | 4 294 691,64 | USD | 0,63 |
| US86732Y1091 | SUNEDISON | OWN SPECIFIC | 51 566,00 | 340 770,20 | USD | 0,05 |
| US78440X1019 | SL GREEN REALTY CORPOR | OWN SPECIFIC | 2 725,00 | 292 617,12 | USD | 0,04 |
| US75886F1075 | REGENERON PHARMA | OWN SPECIFIC | 630,00 | 317 888,65 | USD | 0,05 |
| US7140461093 | PERKINELMER INC | OWN SPECIFIC | 118 911,00 | 5 558 832,25 | USD | 0,82 |
| US69343P1057 | OIL COMPANY LUKOIL ADR 1 SH | OWN SPECIFIC | 76 374,00 | 2 509 732,68 | USD | 0,37 |
| US6762201068 | OFFICE DEPOT INC | OWN SPECIFIC | 354,00 | 2 441,93 | USD | |
| US67103H1077 | OREILLY AUTOMOTIVE INC | OWN SPECIFIC | 1 214,00 | 303 607,15 | USD | 0,05 |
| US63938C1080 | NAVIENT CORP. | OWN SPECIFIC | 523 918,00 | 6 255 808,10 | USD | 0,92 |
| US5745991068 | MASCO CORP | OWN SPECIFIC | 337 839,00 | 8 869 172,14 | USD | 1,30 |
| US49446R1095 | KIMCO REALTY CORP | OWN SPECIFIC | 11 852,00 | 287 220,42 | USD | 0,04 |
| US4698141078 | JACOBS ENGINEERING GROUP INC. | OWN SPECIFIC | 10 019,00 | 364 063,42 | USD | 0,05 |
| US2358511028 | DANAHER CORP | OWN SPECIFIC | 44 660,00 | 3 772 438,87 | USD | 0,55 |
| US1567821046 | CERNER CORP | OWN SPECIFIC | 6 281,00 | 376 922,55 | USD | 0,06 |
| US1296031065 | CALGON CARBON CORPORATION | OWN SPECIFIC | 13 296,00 | 207 025,94 | USD | 0,03 |
| JP3994400004 | WARABEYA NICHIYO | OWN SPECIFIC | 4 442,00 | 78 907,49 | JPY | 0,01 |

| Security code | Name of the security | Security status | Quantity | Market value | Listing currency | % Net Assets |
|---|---|---|---|---|---|---|
| JP3830800003 | BRIDGESTONE CORP | OWN SPECIFIC | 14 305,00 | 480 325,78 | JPY | 0,07 |
| JP3813200007 | NACHI-FUJIKOSHI | OWN SPECIFIC | 83 488,00 | 341 959,49 | JPY | 0,05 |
| JP3733000008 | NEC CORP | OWN SPECIFIC | 386 369,00 | 1 086 904,78 | JPY | 0,16 |
| JP3705200008 | JAPAN AIRLINES | OWN SPECIFIC | 36 387,00 | 1 250 171,77 | JPY | 0,18 |
| JP3649800004 | NAGOYA RAILROAD | OWN SPECIFIC | 406 017,00 | 1 528 994,40 | JPY | 0,22 |
| JP3539220008 | T&D HOLDINGS INC | OWN SPECIFIC | 160 911,00 | 1 933 776,17 | JPY | 0,28 |
| JP3538690003 | TSI HOLDINGS CO LTD | OWN SPECIFIC | 69 643,00 | 445 117,86 | JPY | 0,07 |
| JP3538450002 | TOW CO LTD | OWN SPECIFIC | 8 490,00 | 51 715,61 | JPY | 0,01 |
| JP3519400000 | CHUGAI PHARM | OWN SPECIFIC | 34 585,00 | 1 014 430,96 | JPY | 0,15 |
| JP3493400000 | DIC CORP | OWN SPECIFIC | 672 153,00 | 1 663 949,11 | JPY | 0,24 |
| JP3435000009 | SONY CORP | OWN SPECIFIC | 210 393,00 | 5 492 480,06 | JPY | 0,81 |
| JP3422950000 | SEVEN & I HOLDINGS CO LTD | OWN SPECIFIC | 173 936,00 | 7 190 810,57 | JPY | 1,06 |
| JP3420600003 | SEKISUI HOUSE LTD | OWN SPECIFIC | 150 000,00 | 2 278 069,66 | JPY | 0,33 |
| JP3358000002 | SHIMANO | OWN SPECIFIC | 12 000,00 | 1 726 584,38 | JPY | 0,25 |
| JP3269600007 | KURARAY | OWN SPECIFIC | 185 568,00 | 2 088 104,86 | JPY | 0,31 |
| JP3248000006 | KIYO BANK | OWN SPECIFIC | 12 411,00 | 172 054,76 | JPY | 0,03 |
| JP3214350005 | KADOKAWA DWANGO | OWN SPECIFIC | 4 036,00 | 47 261,99 | JPY | 0,01 |
| JP3201200007 | OLYMPUS CORP | OWN SPECIFIC | 50 000,00 | 1 539 717,78 | JPY | 0,23 |
| JP3174600001 | OYO CORP | OWN SPECIFIC | 8 118,00 | 95 001,75 | JPY | 0,01 |
| JP3165650007 | NTT DOCOMO INC | OWN SPECIFIC | 364 505,00 | 6 446 339,15 | JPY | 0,95 |
| ES0105075008 | EUSKALTEL SA | OWN SPECIFIC | 1 589,00 | 16 207,80 | EUR | 0,00 |
| ES0105066007 | CELLNEX TELECOM S.A. | OWN SPECIFIC | 13 609,00 | 214 750,02 | EUR | 0,03 |
| DE000CLS1001 | CELESIO | OWN SPECIFIC | 149 309,00 | 3 777 517,70 | EUR | 0,55 |
| CH0021783391 | PARGESA HOLDING | OWN SPECIFIC | 2 343,00 | 135 127,56 | CHF | 0,02 |
| CH0010532478 | ACTELION N | OWN SPECIFIC | 4 184,00 | 527 947,10 | CHF | 0,08 |
| US92342Y1091 | VERIFONE HOLDINGS | OWN SPECIFIC | 6 786,00 | 185 153,70 | USD | 0,03 |
| JP3781490002 | PASONA GROUP | OWN SPECIFIC | 7 663,00 | 53 116,42 | JPY | 0,01 |
| US0537741052 | AVIS BUDGET GROUP | OWN SPECIFIC | 241 494,00 | 10 917 675,61 | USD | 1,60 |
| JP3802940001 | FIDEA HOLDINGS CO LTD | OWN SPECIFIC | 31 947,00 | 63 029,49 | JPY | 0,01 |
| JP3494600004 | SCREEN HOLDINGS CO LTD | OWN SPECIFIC | 84 000,00 | 453 701,01 | JPY | 0,07 |
| JP3980800001 | RENOWN INCORPORATED | OWN SPECIFIC | 66 100,00 | 69 420,45 | JPY | 0,01 |
| US2254471012 | CREE | OWN SPECIFIC | 15 511,00 | 353 706,69 | USD | 0,05 |
| JP3109800007 | ASATSU-DK INC | OWN SPECIFIC | 42 000,00 | 939 854,24 | JPY | 0,14 |
| ***Total Equity*** | | | | *682 456 398,38* | | *100,10* |
| ***Total Transferable Securities*** | | | | *682 456 398,38* | | *100,10* |
| ***Performance swap*** | | | | | | |
| SWAP00104881 | ELS-LYXOR ETF CHINA | | 28 500 149,10 | 36 736 645,27 | EUR | 5,39 |
| SWAP00116542 | ELS-LYXOR ETF CHINA | OWN SPECIFIC | 430 471 341,46 | 558 142 000,62 | EUR | 81,87 |
| SWAP00116620 | Lyxor ETF China Ente | OWN SPECIFIC | 526 779 211,62 | -682 456 398,37 | EUR | -100,10 |
| SWAP00167991 | ELS-LYXOR ETF CHINA | OWN SPECIFIC | 67 807 721,09 | 87 236 749,24 | EUR | 12,80 |
| ***Total Performance swap*** | | OWN SPECIFIC | | *-341 003,24* | | *-0,05* |
| ***Liquidities*** | | | | | | |
| ***AT BANK OR PENDING*** | | | | | | |
| | Receivable on swap | | | 5 180 700,95 | EUR | 0,76 |
| | Payable on swap | OWN SPECIFIC | | -8 439 568,56 | EUR | -1,24 |
| | EUR SGP bank | OWN SPECIFIC | | 0,41 | EUR | |
| | EUR securities deferred purchases | OWN SPECIFIC | | -5 529 272,42 | EUR | -0,81 |
| | EUR securities deferred sales | OWN SPECIFIC | | 8 788 140,03 | EUR | 1,29 |
| ***Total AT BANK OR PENDING*** | | | | *0,41* | | |
| ***MANAGEMENT FEES*** | | | | | | |

| Security code | Name of the security | Security status | Quantity | Market value | Listing currency | % Net Assets |
|---|---|---|---|---|---|---|
| | PrComGestAdm | OWN SPECIFIC | | -357 609,68 | EUR | -0,05 |
| *Total MANAGEMENT FEES* | | | | *-357 609,68* | | *-0,05* |
| *Total Liquidities* | | | | *-357 609,27* | | *-0,05* |
| **Total LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF** | | | | 681 757 785,87 | | 100,00 |

**APPENDIX TO THE REPORT**
**intended for Swiss subscribers**

This appendix makes the annual report with the FINMA requirements for the marketing in Switzerland. **It has not been certified by the accountants.**

Country of origin of the Fund
France.

Representative of the Swiss Fund
Société Générale, Paris, Zurich Branch, has been authorised by the FINMA as the Fund's representative in Switzerland while also assuming the payment service. The prospectus, articles of association, annual and semi-annual reports of the Fund, the KIIDs as well as the list of purchases and sales made by the Fund during the fiscal year can be obtained on request and at no cost from the representative's head office in Switzerland, Société Générale, Paris, Zurich Branch, Talacker 50, PO Box 1928, 8021 Zurich.

Calculation of the Total Expense Ratio and of the PTR

Annual closing of the collective investment: 31-Oct.

CIU management commission: 0.65 % including tax

Average fortune of the Fund for the period from 01/11/14 to 30/10/15: 926 302 898.79

excerpt of the profit and loss statement

| Expenses in thousands of euros | Annual report | Half-yearly report | Annual report |
|---|---|---|---|
| | 31/10/2014 | 30/04/2015 | 30/10/2015 |
| Fund management commission | 4 605 585.99 | 3 215 874.33 | 6 019 335.10 |
| Performance fee to be paid to the manager of collective investments | 0.00 | 0.00 | 0.00 |
| Custodian bank fee | 0.00 | 0.00 | 0.00 |
| Other charges | 0.00 | 0.00 | 0.00 |
| Taxes | 0.00 | 0.00 | 0.00 |
| Total operating expenses | 4 605 585.99 | 3 215 874.33 | 6 019 335.10 |

**Calculation of the TER for 12 months from 01/11/14 to 30/10/15:**

TER, including performance fee

6019335.10 / 926302898.79 * 100

**0.65** %

Performance fee as a share in percentage of the net average assets:

- %

Performance of the fund

The performances of the Fund's units calculated in compliance with the principles of the Swiss Fund Association are given below:

| | Annual performance from 31/10/2014 to 30/10/2015 | Annual performance from 31/10/2013 to 31/10/2014 | Annual performance from 31/10/2012 to 31/10/2013 |
|---|---|---|---|
| **LYXOR UCITS ETF CHINA ENTERPRISE (HSCEI)** | | | |
| Unit C-EUR | +11.41% | +12.62% | -1.88% |
| Unit USD | -1.77% | +3.79% | +2.94% |
| Unit C-USD | -1.77% | +3.79% | +2.94% |
| **HSCEI NR (HKD)** | | | |
| Unit C-EUR | -0.62% | +13.99% | +4.20% |
| Unit USD | -0.62% | +13.99% | +4.20% |
| Unit C-USD | -0.62% | +13.99% | +4.20% |

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Fund units.