

LYXOR HONG KONG (HSI) UCITS ETF

rapport
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FONDS COMMUN DE PLACEMENT - FCP DE DROIT FRANÇAIS

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Management company	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy – 92987 Paris La Défense Cedex.
Depository and Custodian	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
Underwriter	SOCIÉTÉ GÉNÉRALE 75886 Paris Cedex 18.
Statutory auditor	PRICEWATERHOUSECOOPERS AUDIT 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 index-based fund of the UCITS ETF type.

Terms of determination and allocation of amounts available for distribution

D-EUR units and D-USD units: The management company reserves the right to capitalise and/or distribute all or part of the incomes. The net capital gains generated will be capitalised.

USD units: The management company reserves the right to capitalise and/or distribute all or part of the amounts available for distribution.

Management objective

The MF's management objective is to obtain an exposure to the Hong Kong equities market by reproducing the evolution of the Hang Seng Index Net Total Return index (the "Benchmark Indicator"), while insofar as possible minimizing the tracking error between the MF's performances and those of the benchmark indicator.

The anticipated level of the ex-post tracking error under normal market conditions is 0.15%.

Benchmark indicator

The benchmark indicator is the Hang Seng Index Net Total Return index (net dividends reinvested), listed in Hong Kong dollars (HKD).

The Benchmark Indicator is an equities index calculated each market day in Hong Kong by Hang Seng Indexes Company Limited, located in Hong Kong, and published on the Hang Seng Indexes Company Limited website, as well as on the Reuters.

The Benchmark Indicator is a weighted basket of Chinese equities, revised according to fluctuations that are independent of the market. It is based on marketable securities listed in the first Section of the Hong Kong stock exchange (SEHK).

The securities in the Benchmark Indicator are selected according to their high liquidity and their market capitalisation, and are considered to be characteristic of the development of the overall market of Hong Kong securities. They are drawn from the main economic sectors and represent approximately 70% of the capitalisation of the eligible securities listed in the first Section of the Hong Kong stock exchange (SEHK). The securities comprising the index are shares of companies registered in Hong Kong and listed on the Hong Kong market as well as "H shares" (the shares of Chinese companies registered in the People's Republic of China and designated by the Chinese government with the intention of their listing on the Hong Kong stock exchange).

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

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 as from February 2014, at the following Internet site: <http://www.hsi.com.hk/HSI-Net/>

Benchmark indicator revision and composition

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

Changes in index components and index selection criteria are available on the Internet site at: <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

Hang Seng Indexes Company Limited, a subsidiary of Hang Seng Bank, calculates and publishes the Hang Seng Index Total Return indices for the Hong Kong Stock Exchange and is responsible for the calculation and dissemination of the Benchmark Index.

The Benchmark Indicator's closing price is available on Hang Seng Indexes Company Limited's Internet site: www.hsiservices.com

The Benchmark indicator is also calculated in real time every Hong Kong stock exchange trading day.

The Benchmark Indicator is available in real time via Reuters and Bloomberg.

Reuters code: .HSIDVN

Bloomberg code: HSI1N

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 reach its management objective using the indirect replication method which means that it will enter into one or more OTC swap contracts enabling it to reach its investment objective. The objective of these swap contracts will be to exchange (i) the value of the MF's assets, which will consist of balance sheet assets (excluding any securities received as guarantees), for (ii) the value of the securities that underlie the Benchmark Indicator.

The securities held as assets by the MF may notably be securities that make up the Benchmark Indicator, as well as other international and Euro zone equities, from all economic sectors, listed on all markets, including the small caps markets.

The basket of assets held may be adjusted daily such that its value will generally be at least 100% of the net assets. When necessary, this adjustment will be made to ensure that the counterparty risk arising from the aforementioned swap contract will be neutralized.

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 forward 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.

As part of the management of its exposure, the MF may be exposed up to 20% of its assets in 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.

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 within the small cap markets.

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

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

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.

The investment in undertakings for collective investment in transferable securities (“CIU”) compliant with the Directive 2009/65/EC is limited to 10% of the assets of the MF. As part of these investments, the MF can subscribe to units or equities of CIU managed 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 established on the basis of foreign laws.

When the MF receives securities as guarantee under the conditions and limits of this section’s paragraph 8 below, they will also constitute balance sheet assets received in full ownership by the MF, given that they are received by the MF in full ownership. As part of a 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 use Index-linked swaps traded over the counter, thereby swapping 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 (in compliance with the description contained in this section’s paragraph 1 above).

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 achieve 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 may have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

6. Cash borrowing

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

7. Temporary securities acquisition and sale operations

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

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.

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 the mark-to-market price at least on a daily basis and assets showing strong price volatility must not be accepted as a 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.

Notwithstanding the condition specified in (d) above, the MF may receive a basket of financial guarantees with an exposure to a single issuer corresponding to more than 20% of its net asset value provided that:

- such received financial guarantees are 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 organization to which one or more Member States belong; and
- such financial guarantees consists of at least six different issues of which none exceeds 30% of the MF's assets.

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 UCITS 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

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

Guarantees received in cash shall, at the discretion of the manager, be either:

- (i) deposited with an enabled institution;
- (ii) invested in high-quality State bonds;
- (iii) used for reverse repurchase transactions, on the condition that such transactions are performed with credit institutions which are subject to prudential regulation and on the condition that the UCITS may at any time withdraw the total amount of the liquidity, taking into account accrued interest;
- (iv) invested in short-term money mutual funds, as they are defined in the guidelines for a common definition of European money mutual funds.

Reinvested cash financial guarantees must be diversified, in compliance with the applicable requirements for non-cash financial guarantees.

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 a Benchmark Indicator 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)

Should the MF (or one of its counterparties for future financial instrument (“FFI”)) adjust its exposure and 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 share price can deviate from its indicative net asset value. The liquidity of the MF’s units 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 every 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 achieved

Nothing guarantees that the management objective will be achieved. 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 the 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 the 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 the 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 index,
- iv) The supplier of the index 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.

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 D-EUR units

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 index. 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 index has increased.

Exchange risk linked to the classes of USD units and D-USD

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.

Legal risk

The MF may bear a legal risk related to the conclusion of any Total Return Swap contract (TRS) as laid down in Regulation (EU) 2015/2365.

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 equities market and, more specifically, to the performance of the most significant securities listed in Hong Kong.

The amount that it is reasonable to invest in this MF depends on your personal situation. To determine this amount, you must take into account your personal wealth and/or estate, cash requirements at the present and for five years, but also your 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 treatment

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 CIU's complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to LYXOR INTERNATIONAL ASSET MANAGEMENT, 17, cours Valmy - 92800 Puteaux - France.*
- *Approval date by the Financial Markets Authority: 1 September 2006.*
- *Fund creation date: 26 September 2006.*

Activity report

The net asset value of the D-EUR Unit of the LYXOR HONG KONG (HSI) UCITS ETF MF shows an evolution of 24.51% over the fiscal year (dividends reinvested) and stands at EUR 27.6197 on 31/05/2017, meaning a fund performance of 109.25% since inception (dividends reinvested).

The net asset value of the D-USD Unit of the LYXOR HONG KONG (HSI) UCITS ETF MF shows an evolution of 25.79% over the fiscal year (dividends reinvested) and stands at USD 31.0718 on 31/05/2017, meaning a fund performance of 38.69% since inception (dividends reinvested).

The net asset value of the USD Unit of the LYXOR HONG KONG (HSI) UCITS ETF MF shows an evolution of 25.79% over the fiscal year and stands at USD 3.1313 on 31/05/2017, meaning a fund performance of 55.99% since inception.

The fund replicates the performance of the Hang Seng Index NR Index, listed in Hong Kong dollars (HKD), representative of the market values listed in the forts SEHK.

This index has shown an evolution of 27.60% over the fiscal year. The D-EUR, D-USD, USD classes 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 an increase of 1.33% compared to the HKD, the USD shows an increase of 0.31% compared to the HKD.

This gap between the annual performance of the UCITS 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,
- 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 Index NR Index, the MF will reach its management objective using the indirect replication method which means that it will enter into one or more OTC swap contracts enabling it to reach its investment objective. The objective of these swap contracts will be to exchange (i) the value of the MF's assets, which will consist of balance sheet assets (excluding any securities received as guarantees), for (ii) the value of the securities that underlie the Hang Seng Index NR Index.

The equities in the MF's assets will notably be equities making up the Hang Seng Index NR Index, as well as other European equities, from all economic sectors, listed on all markets, including the small caps markets.

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

On 31/05/2017, the tracking error reached the level of 0.0350% for the MF. The level of the target tracking error for the period was of 0.15%.

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

Pursuant to articles L533 22-1 and D533-16-1 of the Monetary and Financial Code.

1. Description of Environmental, Social, and Governance (ESG) criteria (reference II-2°)

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions.

Lyxor’s SRI Policy is available under the website Lyxor.com and is revised each year. For this fund the SRI Policy includes the following key areas:

a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them (reference III-1°-a)

The fund applies exclusions of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons)

b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues (reference III-2°)

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources.

The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

Lyxor is using a variety of external information sources, including the following extra-financial rating agencies: MSCI-ESG Research, Vigeo-Eiris, ISS Ethix and Sustainalytics.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

Lyxor uses the services of ISS-Ethix to identify companies that are considered in breach of its Defence Policy.

c) Description of the methodology of the ESG analysis and the results (reference III-3°a)

More than 80 listed and non-listed securities in nearly 20 countries around the world are prohibited.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

For the swap based vehicles, the financial exposition via the derivative product is reported on a monthly basis.

d) Description of how the results of the analysis on ESG issues are integrated in investment policies (reference II-2°-d)

The exclusion described above is applied to 100% of the fund holdings.

Potfolio ESG Rating as of May 31, 2017

ESG score 4.12	Environmental 4.71	Social 4.00	Governance 4.00
Leaders (AAA,AA)	5%	% Portfolio rated	100%
Average (A, BBB,BB)	56%		
Laggards (B,CCC)	39%	Nb Securities rated	50

Portfolio Exposure to ESG Controversies

Shows the percentage of portfolio securities with Red, Orange, Yellow and Green flagged ESG controversies

Red Flag	0%
Orange Flag	5%
Yellow Flag	6%
Green Flag	89%

The severity of the assessment through color-coded alerts.

- Red indicates involvement in one or more very severe controversies;
- Orange indicates involvement in controversies just shy of the criteria for a red flag;
- Yellow indicates significant controversies;
- Green indicates no involvement in any major ESG controversies.

ESG Measurement methodology (Corporate & Government issuers)

The underlying notes of the environmental, social and governance pillars aim to establish the risk Companies. They assess the financial risks associated with exposure to ESG factors and their management.

The risk scale ranges from 0 (high risk) to 10 (low risk).

Security scores at the Theme and ESG Pillar level are absolute and comparable across all industries.

For Sectors and Themes, the portfolio-level score is based only on the subset of securities that have relevant scores. Security weights of the subset are rebalanced to equal 100%.

The weightings of the three criteria, Environmental, Social, and Governance, take into account the specific issues of each sector.

For Corporate: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Climate Change, Natural Capital, Pollution & Waste, Env Opportunities
- Social: Human Capital, Product Liability, Stakeholder Opposition, Soc Opportunities
- Governance; Corporate Governance, Stakeholder Opposition, Soc Opportunities

For Government: Metrics exposure and management of Key ESG issues cover the following themes:

- Environment: Env Externalities, Natural Resources
- Social: Human Capital, Economic Environment
- Governance; Financial Governance, Political Governance

Source: The Company carbon footprint data are provided by the MSCI agency

2. Description of integration of climate risks and the contribution to the energy transition (Reference II-2°)

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles.

In addition to carbon footprint, in regard with the communication on how climate risk are taken into account and the contribution of a portfolio to the energy and ecological transition and its alignment with the international goal of limiting global warning to 2 degrees by degrees By 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio Carbon Footprint
- Portfolio exposure to transition risk
- Portfolio exposure to issuers offering environmental solutions

Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

Portfolio Carbon Footprint

Carbon Emissions tons CO ₂ e / \$M invested 80.8	Carbon Intensity tons CO ₂ e / \$M sales 161.7	Weighted Average Carbon Intensity tons CO ₂ e / \$M sales 162.2	% Portfolio rated 100% % Scope 1 reported (vs estimated) 16% % Scope 2 reported (vs estimated) 35%
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Scope 1&2 estimations are based on MSCI methodology

Carbon Measurement methodology

Definition: The carbon footprint aims to account for the greenhouse gas emissions produced by the companies held in portfolio.

Carbon Emissions tons CO₂e / \$M invested: It measures the volume of greenhouse gas (GHG) emissions that the portfolio is responsible for, in proportion to its share capital

Carbon Intensity tons CO₂e / \$M sales: An intensity metric that shows the fund’s proprietary share of the portfolio companies’ carbon dioxide emissions relative to the fund’s proprietary share of the portfolio companies’ income shall be used

Weighted Average Carbon Intensity tons CO₂e / \$M sales: The Weighted Average Carbon Intensity is the sum product of the portfolio weights and Carbon Intensities.

Scope: Carbon emissions are separated into scope 1 + scope 2 emissions

Scope 1 emissions: direct greenhouse gas emissions (combustibles, refrigerants, fuel consumption of owned vehicles)

Scope 2 emissions: indirect emissions (electricity, generated steam)

Source: The Company carbon footprint data are provided by the MSCI agency

Portfolio exposure to transition risk

The data below represents portfolio exposure to issuers with fossil fuel reserves (in terms of the weight of the portfolio), which may be stranded in the context of a low carbon transition. Thermal coal reserves are the most carbon intensive and therefore the most at risk. The brown area is defined as the percentage of MWh generated from fossil fuels or Share of fossil fuel energies or share of the portfolio invested in fossil fuel extraction (to reflect products and services exposed to fossil fuels)

Fossil Fuel Reserves	7%
Thermal Coal	3%
Natural Gaz	6%
Oil	6%

Portfolio exposure to issuers offering environmental solutions

The data represent the portfolio's exposure to issuers offering environmental solutions (in terms of the weight of the portfolio) and the type of solutions proposed: energy efficiency, alternative energy, sustainable water, pollution prevention or sustainable construction. These emitters are likely to benefit from a low carbon transition.

The Green area is defined as the percentage of outstandings invested in companies whose activity contributes to the fight against climate change (to reflect eco-solutions / green products)

% issuer with a revenue dedicated to environmental solutions between:

[0-19.9%]	7%
[20-49.9%]	2%
[50-100%]	0%

Information on the compensation policy:

The management company has established a compensation policy in compliance with the regulations in force. This policy complies with the economic strategy, the objectives, and the values and interests of the management company and the Funds which it manages, as well as those of the investors in these Funds, and includes measures designed to avoid conflicts of interest.

The compensation policy of the management company implements a balanced system whereby the compensation of the employees concerned is based on the below principles, in particular:

- the compensation policy of the management company is compatible with efficient and healthy risk management, encouraging such an approach, and discouraging any risk-taking which would be incompatible with the risk profiles, the present brochure, or the other governing documents of the Funds managed by the management company;
- the compensation policy was adopted by the Supervisory Board of the management company, which adopts and re-examines the general principles of such policy at least once a year;
- personnel engaged in monitoring functions are compensated in accordance with the achievement of the objectives linked to their position, regardless of the performance of the sectors that they monitor;
- when the compensation varies according to performances, its amount is established by combining the evaluation of the performance of the person concerned and the valuation of the business unit or the Funds, and with regard to their risks and the results of the entirety of the management company during the evaluation of individual performances, taking financial and non-financial criteria into account;
- an appropriate balance is established between the fixed and variable components of the overall compensation;
- above a certain threshold, a large portion (which in all cases is at least 50% of the entire variable component of the compensation) consists of exposure to an index the components and the operational rules of which guarantee the alignment of the interests of the personnel concerned and those of the investors;
- above a certain threshold, a substantial portion (and in all cases at least 40%) of the variable component of the compensation is delayed for an appropriate period;
- variable compensation, including the delayed part, is only paid or acquired if it is compatible with the overall financial situation of the management company and if it is justified by the performances of the business unit, the Funds and the person concerned.

The updated details of the compensation policy are available on the following website: <http://www.lyxor.com/fr/menu-corporate/nous-connaître/mentions-reglementaires/>

Transparency of securities financing operations and reuse of financial instruments SFTR regulation
(Accounting currency of the CIU)

1. General information.

1.1. Amount of securities and raw materials loaned in proportion with the total assets that can be loaned, defined as excluding the cash and cash equivalents.

	Securities lending
% of assets that can be loaned	-

1.2. Amount of the assets committed to each type of securities financing operation and total return swap, expressed in absolute value (in the currency of the collective investment undertaking) and in proportion with the assets under management of the collective investment undertaking.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Absolute value	-	-	-	-	93,477,141
% of assets under management	-	-	-	-	67.05

2. Concentration data

2.1. The ten biggest issuers of guarantees for all types of securities financing operations and total return swaps (breakdown of the volumes of guarantees and raw materials received, with the names of the issuers).

1	Name	DIAGEO PLC
	Amount	4,784,128

2.2. The ten main counterparties for each type of securities financing operation and total return swap separately (name of the counterparty and gross volume of operations in progress).

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Name	-	-	-	SOCIETE GENERALE
	Amount	-	-	-	93,477,141

3. Aggregated operation data for each type of securities financing operation and total return swap separately, broken down according to the following categories.

3.1. Type and quality of the guarantees.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Cash	-	-	-	-	-
Security	-	-	-	-	4,784,128
Rating or literary	Not applicable				

3.2. Guarantee maturity.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	-
More than 1 year	-	-	-	-	-
Open	-	-	-	-	4,784,128

3.3. Guarantee currency.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Currency	-	-	-	GBP
	Amount	-	-	-	4,784,128

3.4. Maturity of the securities financing operations and total return swaps.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Under 1 day	-	-	-	-	-
1 day to 1 week	-	-	-	-	-
1 week to 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 months to 1 year	-	-	-	-	93,477,141
More than 1 year	-	-	-	-	-
Open	-	-	-	-	-

3.5. Countries where the counterparties are established.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
1	Country	-	-	-	FRANCE
	Amount	-	-	-	93,477,141

3.6. Settlement and clearing.

	Securities lending	Securities borrowing	Repo operations	Reverse repo operations	TRS
Tripartite	-	-	-	-	-
Central counterparty	-	-	-	-	-
Bilateral	-	-	-	-	93,477,141

4. Data on the reuse of guarantees (collateral).

Financial guarantees received in a non-cash form shall not be sold, reinvested or pledged.

5. Retention of the guarantees received by the collective investment undertaking in connection with securities financing operations and total return swaps.

Number of custodians		1
1	Name	SOCIETE GENERALE
	Amount	4,784,128

6. Retention of the guarantees provided by the collective investment undertaking in connection with securities financing operations and total return swaps.

The custodian, Société Générale S.A., exercises three types of responsibility; respectively, the monitoring of the regularity of the decisions of the management company, the monitoring of cash flows of the CIU and the custody of the assets of the CIU.

Société Générale S.A also works with a limited number of sub-custodians, selected according to the most rigorous quality standards, including the management of possible conflicts of interest which may arise from these appointments. The Custodian has established an effective policy for identification, prevention and management of conflicts of interest, in compliance with national and international regulations as well as international norms.

7. Data on the earnings and costs for each type of securities financing operation and total return swap.

The CIU shall utilise over-the-counter index-linked swaps trading the value of the CIU's assets (or, as the case may be, any other asset held by the CIU) against the value of the Benchmark Indicator.

The revenue and costs linked to these Total Return Swaps (TRS) are included in the assessment of the instruments as well as in the result presented in the statement of net assets and the statement of net asset values.

Auditor's report



**AUDITOR'S REPORT
ON THE ANNUAL ACCOUNTS
Fiscal year closing on 31 May 2017**

LYXOR HONG KONG (HSI) UCITS ETF
UCITS INCORPORATED IN THE FORM OF A MUTUAL FUND
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 management company's management bodies, we hereby present our report relative to the fiscal year closing on 31 May 2017 concerning:

- the verification of the annual accounts of UCITS incorporated in the form of a mutual fund LYXOR HONG KONG (HSI) 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 funds 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 applicable professional 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 for 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 UCITS created in the form of a mutual fund at the end of said fiscal year.

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.

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.

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LYXOR HONG KONG (HSI) UCITS ETF

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 documents sent to the shareholders concerning the company's situation and annual accounts.

Neuilly sur Seine, date of the electronic signature

Document authenticated via electronic signature

The auditor
PricewaterhouseCoopers Audit

Marie-Christine Jetil

2017.09.11 18:12:09 +0200

ANNUAL ACCOUNTS

BALANCE SHEET assets

	31.05.2017	31.05.2016
Currency	EUR	EUR
Net fixed assets	-	-
Deposits	-	-
Financial instruments	139,502,166.78	93,199,050.31
• EQUITIES AND SIMILAR SECURITIES		
Traded on a regulated or similar market	136,630,635.14	93,199,050.31
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		
<i>Negotiated debt securities</i>	-	-
<i>Other debt securities</i>	-	-
Not traded on a regulated or similar market	-	-
• COLLECTIVE INVESTMENT UNDERTAKINGS		
General UCITS and Investment Fund intended for non-professionals and equivalent, of other countries	-	-
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	2,871,531.64	-
• OTHER FINANCIAL INSTRUMENTS	-	-
Receivables	2,110,071.27	1,662,500.52
Future foreign exchange operations	-	-
Other	2,110,071.27	1,662,500.52
Financial accounts	0.02	0.52
Liquidities	0.02	0.52
Other Assets	-	-
Total assets	141,612,238.07	94,861,551.35

BALANCE SHEET liabilities

	31.05.2017	31.05.2016
Currency	EUR	EUR
Shareholders' equities		
• Capital	115,915,182.46	135,388,153.30
• Non-distributed prior net capital gains and losses	-	-
• Carried forward	-	-
• Net capital gains and losses of the fiscal year	23,416,951.26	-43,163,121.65
• Result of the fiscal year	90,297.03	762,635.18
Total shareholders' equity <i>(amount representing the net assets)</i>	139,422,430.75	92,987,666.83
Financial instruments	-	160,607.52
• 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	-	160,607.52
Debts	2,189,807.32	1,713,277.00
Future foreign exchange operations	-	-
Other	2,189,807.32	1,713,277.00
Financial accounts	-	-
Bank loans and overdrafts	-	-
Loans	-	-
Total liabilities	141,612,238.07	94,861,551.35

Off-balance sheet commitments

	31.05.2017	31.05.2016
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	93,477,141.28	74,884,173.18
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

Profit and loss account

	31.05.2017	31.05.2016
Currency	EUR	EUR
Earnings on financial transactions		
• Earnings on deposits and financial accounts	-	-
• Earnings on equities and similar securities	181,915.20	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt securities	3,391,139.90	11,078,892.77
• Earnings on temporary financial securities acquisitions and sales	-	-
• Earnings on financial contracts	-	-
• Other financial products	-	-
Total (I)	3,573,055.10	11,078,892.77
Charges on financial operations		
• Charges on temporary financial securities acquisitions and sales	-	-
• Charges on financial contracts	-	-
• Charges on financial debts	-6.59	-21.54
• Other financial charges	-	-
Total (II)	-6.59	-21.54
Profit and loss on financial operations (I - II)	3,573,048.51	11,078,871.23
Other earnings (III)	-	-
Management fees and depreciation charges (IV)	-747,350.14	-1,192,038.49
Net profit and loss of the fiscal year (L.214-17-1) (I - II + III - IV)	2,825,698.37	9,886,832.74
Adjustment of the fiscal year's incomes (V)	80,164.10	-1,194,929.10
Advances on result paid for the fiscal year (VI)	-2,815,565.44	-7,929,268.46
Earnings (I - II + III - IV +/- V - VI):	90,297.03	762,635.18

1 Accounting rules and methods

The annual accounts are presented in the form required by Regulation ANC 2014-01 that repealed the amended CRC Regulation 2003-02.

Assessment rules of the assets

The MF's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2014-01 of the Accounting Regulatory Committee dated 14 January 2014 relative to the chart of accounts of undertakings for collective investment in transferable securities. The financial instruments traded on a regulated market are assessed at the opening price on the day before the calculation day of the net asset value. When these financial instruments are traded on several regulated markets at the same time, the chosen opening 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 linear distribution, 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 current 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 current 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 calculation day of the net asset value. Conditional future financial instruments traded on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. The management company independently carries out a verification of this assessment.
- 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 market value, under the management company's responsibility.
- Temporary securities acquisitions and sales are assessed at the market price.
- Units and equities in undertakings for collective investment in transferable securities 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 market value, under the management company's responsibility.

appendix

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 published by the fixing WM Reuters the day of the MF's net asset value.

Posting method for the trading fees

The chosen method is that of included fees.

Posting method of incomes from fixed income securities

The chosen method is that of the collected coupon.

Assessment methods for off-balance sheet commitments

Off-balance sheet operations are assessed 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 market tax, etc.) and the transfer commission which, if relevant, may notably be collected by the custodian 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 asset	maximum 0.65%
Outperformance commission	Net asset	None
Transfer commissions	Collection on each transaction	None

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

Accounting currency

The MF 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: None.
- 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

D-EUR units and D-USD units: The management company reserves the right to capitalise and/or distribute all or part of the incomes. The net capital gains generated will be capitalised.

USD units: The management company reserves the right to capitalise and/or distribute all or part of the amounts available for distribution.

appendix

IMPORTANT INFORMATION CONCERNING THE INDEX PROVIDER

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2. Evolution of the net assets

Currency	31.05.2017 EUR	31.05.2016 EUR
Net assets at the start of the fiscal year	92,987,666.83	292,816,703.84
Subscriptions (including subscription commission acquired by the CIU)	45,554,064.64	25,111,755.51
Redemptions (less the redemption commission acquired by the CIU)	-21,775,398.81	-148,728,231.83
Capital gains generated on deposits and financial instruments	25,821,234.73	21,739,720.42
Capital losses generated on deposits and financial instruments	-16,258,267.08	-68,369,500.27
Capital gains generated on financial contracts	310,115,344.91	498,559,985.30
Capital losses generated on financial contracts	-300,497,746.78	-533,091,173.62
Transaction fees	-	-
Exchange rate differentials	-1,697,295.91	216,343.23
Changes to the estimate difference of the deposits and financial instruments:	-121,880.12	3,938,917.08
- <i>Estimate difference fiscal year N</i>	1,861,123.29	1,983,003.41
- <i>Estimate difference fiscal year N-1</i>	1,983,003.41	-1,955,913.67
Changes to the estimate difference of financial contracts:	3,032,139.16	-1,069,851.79
- <i>Estimate difference fiscal year N</i>	2,871,531.64	-160,607.52
- <i>Estimate difference fiscal year N-1</i>	-160,607.52	909,244.27
Previous fiscal year distribution of net capital gains and losses	-	-
Previous fiscal year distribution on profits	-747,563.74	-94,565.32
Net profit and loss of the fiscal year before adjustment account	2,825,698.37	9,886,832.74
Advance(s) paid during the fiscal year on net capital gains and losses	-	-
Advance(s) on profits paid during the fiscal year	-2,815,565.44	-7,929,268.46
Other elements	-0.01	-
Net assets at the end of the fiscal year	139,422,430.75	92,987,666.83

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 (" <i>BMTN</i> ")	-	-
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	-	93,477,141.28	-	-
Over-the-counter commitments	-	-	-	-
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	-	-	-	0.02
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	0.02	-	-	-	-
Liabilities					
Temporary financial securities operations	-	-	-	-	-
Financial accounts	-	-	-	-	-
Off-balance sheet					
Hedging	-	-	-	-	-
Other operations	-	93,477,141.28	-	-	-

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	54,125,782.90	41,628,954.34	3,483,053.68	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
CIU	-	-	-	-
Temporary financial securities operations	-	-	-	-
Receivables	-	-	-	-
Financial accounts	0.02	-	-	-
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	2,110,071.27
Future currency exchange operations:	
Future purchases of currency	-
Total traded amount of future Sales of currencies	-
Other receivables:	
Account receivable	2,110,071.27
-	-
-	-
-	-
-	-
Other operations	-
Debts	2,189,807.32
Future currency exchange operations:	
Future sales of currencies	-
Total traded amount of future Purchases of currencies	-
Other debts:	
Deferred settlements purchases	2,110,071.27
Accrued expenses	79,736.05
-	-
-	-
-	-
Other operations	-

3.6 Shareholders' equity

Number of units issued/redeemed during the fiscal year:	Subscriptions		Redemptions	
	Number of units	Amount	Number of units	Amount
DISTRIBUTABLE A UNITS / FR0010361675	1,632,533	42,716,066.43	602,600	14,999,191.25
BD UNIT / FR0010375741	-	-	-	-
DISTRIBUABLE ED UNIT / FR0010581421	235,664	5,837,998.21	260,900	6,776,207.56
Subscription / redemption commission by unit category:		Amount		Amount
DISTRIBUTABLE A UNITS / FR0010361675		-		-
BD UNIT / FR0010375741		-		-
DISTRIBUABLE ED UNIT / FR0010581421		-		-
Remittances by unit category:		Amount		Amount
DISTRIBUTABLE A UNITS / FR0010361675		-		-
BD UNIT / FR0010375741		-		-
DISTRIBUABLE ED UNIT / FR0010581421		-		-
Commissions acquired by the CIU by unit category:		Amount		Amount
DISTRIBUTABLE A UNITS / FR0010361675		-		-
BD UNIT / FR0010375741		-		-
DISTRIBUABLE ED UNIT / FR0010581421		-		-

3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets	%
Unit category:	
DISTRIBUTABLE A UNITS / FR0010361675	0.65
BD UNIT / FR0010375741	0.65
DISTRIBUABLE ED UNIT / FR0010581421	0.65
Performance commissions (variable fees): amount of costs for the year	Amount
Unit category:	
DISTRIBUTABLE A UNITS / FR0010361675	-
BD UNIT / FR0010375741	-
DISTRIBUABLE ED UNIT / FR0010581421	-
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 CIU 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	4,784,128.20
- 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	-
- Swaps	2,871,531.64

3.10 Allocation of the earnings table *(in the CIU currency of account)*

Advances paid during the fiscal year

Date	Unit category	Overall amount	Unit amount	Total tax credits	Unit tax credits
06/07/16	A	1,485,891.26	0.42	-	-
06/07/16	BD	66,588.98	0.61	-	-
06/07/16	ED	188,777.14	0.61	-	-
14/12/16	A	944,536.32	0.24	-	-
14/12/16	BD	29,279.75	0.02	-	-
14/12/16	ED	99,349.71	0.03	-	-
Total advances		2,814,423.16	2.13	-	-

	31.05.2017	31.05.2016
Allocation of the profit/loss	EUR	EUR
Amounts still to be allocated		
Carried forward	-	-
Profit and loss	90,297.03	762,635.18
Total	90,297.03	762,635.18

DISTRIBUTABLE A UNITS / FR0010361675	31.05.2017	31.05.2016
Currency	EUR	EUR
Allocation		
Distribution	90,452.02	655,573.78
Carried forward for the fiscal year	-	-
Capitalisation	1,365.28	21.63
Total	91,817.30	655,595.41
Information relative to the units and resulting in a distribution right		
Number of units	4,522,601.00	3,492,668.00
Unit distribution	0.02	0.1877
Tax credits linked to the allocation of the profit/loss	-	-

BD UNIT / FR0010375741	31.05.2017	31.05.2016
Currency	EUR	EUR
Allocation		
Distribution	10,917.10	31,694.61
Carried forward for the fiscal year	-	-
Capitalisation	43.29	7,362.33
Total	10,960.39	39,056.94
Information relative to the units and resulting in a distribution right		
Number of units	1,559,586.00	1,559,586.00
Unit distribution	0.00	0.0203
Tax credits linked to the allocation of the profit/loss	-	-

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DISTRIBUABLE ED UNIT / FR0010581421	31.05.2017	31.05.2016
Currency	EUR	EUR
Allocation		
Distribution	-	55,433.93
Carried forward for the fiscal year	-	-
Capitalisation	-12,480.66	12,548.90
Total	-12,480.66	67,982.83
Information relative to the units and resulting in a distribution right		
Number of units	-	393,169
Unit distribution	-	0.1410
Tax credits linked to the allocation of the profit/loss	-	-

3.11. Allocation table of the amounts available for distribution related to the net capital gains and losses
*(in the CIU currency of account)***Advances on net capital gains and losses paid for the fiscal year**

Date	Overall amount	Unit amount
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
Total advances	-	-

	31.05.2017	31.05.2016
Allocation of the net capital gains and losses	EUR	EUR
Amounts still to be allocated		
Non-distributed prior net capital gains and losses	-	-
Net capital gains and losses of the fiscal year	23,416,951.26	-43,163,121.65
Advances paid on net capital gains and losses of the fiscal year	-	-
Total	23,416,951.26	-43,163,121.65

DISTRIBUTABLE A UNITS / FR0010361675	31.05.2017	31.05.2016
Currency	EUR	EUR
Allocation		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	15,747,030.59	-23,941,256.04
Total	15,747,030.59	-23,941,256.04
Information relative to the units and resulting in a distribution right		
Number of units	-	-
Distribution per unit	-	-

BD UNIT / FR0010375741	31.05.2017	31.05.2016
Currency	EUR	EUR
Allocation		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	1,605,207.81	-5,610,881.65
Total	1,605,207.81	-5,610,881.65
Information relative to the units and resulting in a distribution right		
Number of units	-	-
Distribution per unit	-	-

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DISTRIBUTABLE ED UNIT / FR0010581421	31.05.2017	31.05.2016
Currency	EUR	EUR
Allocation		
Distribution	-	-
Non-distributed net capital gains and losses	-	-
Capitalisation	6,059,712.86	-13,610,983.96
Total	6,059,712.86	-13,610,983.96
Information relative to the units and resulting in a distribution right		
Number of units	-	-
Distribution per unit	-	-

3.12 Table of the earnings and other characteristic elements of the MF during the last 5 fiscal years

Fund creation date: 26 September 2006.

Currency					
EUR	31.05.2017	31.05.2016	29.05.2015	30.05.2014	31.05.2013
Net assets	139,422,430.75	92,987,666.83	292,816,703.84	96,136,651.22	150,095,787.79

DISTRIBUTABLE A UNITS / FR0010361675	Currency of the unit and of the NAV: EUR				
	31.05.2017	31.05.2016	29.05.2015	30.05.2014	31.05.2013
Number of circulating units	4,522,601	3,492,668	8,823,542	3,963,502	6,241,502
Net asset value	27.6197	22.999	31.1465	21.3268	21.9077
Unit distribution on net capital gains and losses (including advances)	-	-	-	-	-
Unit distribution (including advances)*	0.68	1.12	0.76	0.72	0.71
Unit tax credit transferred to unit holders (natural persons) (1)	-	-	-	-	-
Unit capitalisation *	3.48	-6.85	8.50	0.32	-0.87

* 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 profit and loss and net capital gains or losses on the number of circulating units. This calculation method is applied since 1 January 2013.

⁽¹⁾ In pursuant to the Fiscal Instruction of 4 March 1993 of 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 circulating units on that date.

BD UNIT / FR0010375741	Currency of the unit and of the NAV: USD				
	31.05.2017	31.05.2016	29.05.2015	30.05.2014	31.05.2013
Number of circulating units	1,559,586	1,559,586	1,559,586	1,734,586	1,314,586
Net asset value	3.1313	2.5776	3.4431	2.9317	2.855
Unit distribution on net capital gains and losses (including advances)	-	-	-	-	-
Unit distribution (including advances)*	0.63	0.11	0.07	0.06	0.07
Unit tax credit transferred to unit holders (natural persons) (1)	-	-	-	-	-
Unit capitalisation *	1.02	-3.59	3.17	0.29	3.77

* 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 profit and loss and net capital gains or losses on the number of circulating units. This calculation method is applied since 1 January 2013.

⁽¹⁾ In pursuant to the Fiscal Instruction of 4 March 1993 of 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 circulating units on that date.

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DISTRIBUABLE ED UNIT / FR0010581421	Currency of the unit and of the NAV: USD				
	31.05.2017	31.05.2016	29.05.2015	30.05.2014	31.05.2013
Number of circulating units	367,933	393,169	420,169	369,300	477,300
Net asset value	31.0718	25.6201	34.1715	29.12	28.4078
Unit distribution on net capital gains and losses (including advances)	-	-	-	-	-
Unit distribution (including advances)*	0.61	1.10	0.76	0.72	0.70
Unit tax credit transferred to unit holders (natural persons) (1)	-	-	-	-	-
Unit capitalisation *	16.43	-34.58	70.45	0.36	2.34

* 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 profit and loss and net capital gains or losses on the number of circulating units. This calculation method is applied since 1 January 2013.

⁽¹⁾ In pursuant to the Fiscal Instruction of 4 March 1993 of 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 circulating units on that date.

4. Inventory as of 31.05.2017

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>Investment Securities</i>						
<i>Equity</i>						
ES0167050915	ACS	OWN SPECIFIC	137,376.00	4,885,777.44	EUR	3.50
DE0008404005	ALLIANZ SE-NOM	OWN SPECIFIC	7,829.00	1,337,976.10	EUR	0.96
US02079K3059	ALPHABET INC	OWN SPECIFIC	2,854.00	2,505,251.10	USD	1.80
US0231351067	AMAZON.COM	OWN SPECIFIC	2,176.00	1,924,671.52	USD	1.38
JP3112000009	ASAHI GLASS CO LTD	OWN SPECIFIC	471,977.00	3,431,101.16	JPY	2.46
FR0000120628	AXA	OWN SPECIFIC	108,400.00	2,573,416.00	EUR	1.85
ES0113211835	BANCO BILBAO VIZCAYA ARGENTA	OWN SPECIFIC	357,751.00	2,594,410.25	EUR	1.86
ES0113900J37	BANCO SANTANDER SA	OWN SPECIFIC	1,213,139.00	7,013,156.56	EUR	5.03
CH0009002962	BARRY CALLEBAUT N	OWN SPECIFIC	758.00	968,400.74	CHF	0.69
US2003401070	COMERICA INC	OWN SPECIFIC	71,272.00	4,345,405.35	USD	3.12
DE0007100000	DAIMLER	OWN SPECIFIC	48,625.00	3,141,661.25	EUR	2.25
GB0002374006	DIAGEO	PGARAN	179,081.00	4,784,128.20	GBP	3.43
CH0016440353	EMS-CHEMIE HOLDING N	OWN SPECIFIC	1,848.00	1,155,849.26	CHF	0.83
US30303M1027	FACEBOOK A	OWN SPECIFIC	48,184.00	6,489,949.88	USD	4.65
JP3802400006	FANUC LTD	OWN SPECIFIC	28,791.00	5,040,335.38	JPY	3.62
JP3802300008	FAST RETAILING	OWN SPECIFIC	8,585.00	2,561,288.30	JPY	1.84
JP3818000006	FUJITSU LTD	OWN SPECIFIC	356,231.00	2,314,087.71	JPY	1.66
US3682872078	GAZPROM PJSC-SPON ADR REG	OWN SPECIFIC	1,857,405.00	6,877,106.02	USD	4.93
JP3854600008	HONDA MOTOR CO LTD	OWN SPECIFIC	115,185.00	2,887,200.78	JPY	2.07
US40434L1052	HP INC	OWN SPECIFIC	177,703.00	2,964,613.86	USD	2.13
JP3205800000	KAO CORP	OWN SPECIFIC	18,790.00	1,055,147.27	JPY	0.76
US55315J1025	MINING AND METALLURGICAL COMPANY NORIL SK ADR	OWN SPECIFIC	305,709.00	3,768,009.55	USD	2.70
JP3902400005	MITSUBISHI ELECTRIC CORP	OWN SPECIFIC	221,091.00	2,714,903.25	JPY	1.95
JP3885780001	MIZUHO FINANCIAL GROUP INC	OWN SPECIFIC	6,571,273.00	10,188,278.23	JPY	7.31
US69343P1057	OIL COMPANY LUKOIL ADR 1 SH	OWN SPECIFIC	122,506.00	5,202,011.12	USD	3.73

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Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
CH0018294154	PSP SWISS PROPERTY N	OWN SPECIFIC	3,456.00	290,170.59	CHF	0.21
JP3320800000	SAPORO HOLDINGS	OWN SPECIFIC	127,025.00	3,278,977.92	JPY	2.35
DE000SHA0159	SCHAEFFLER AG	OWN SPECIFIC	299,635.00	4,406,132.68	EUR	3.16
CH0024638212	SCHINDLER HOLDING N	OWN SPECIFIC	1,093.00	202,325.55	CHF	0.15
CH0024638196	SCHINDLER HOLDING PS	OWN SPECIFIC	4,538.00	866,307.54	CHF	0.62
JP3414750004	SEIKO EPSON CORP	OWN SPECIFIC	403,832.00	7,543,870.01	JPY	5.41
JP3351600006	SHISEIDO CO LTD	OWN SPECIFIC	20,473.00	613,764.33	JPY	0.44
DE0007236101	SIEMENS AG-NOM	OWN SPECIFIC	68,708.00	8,729,351.40	EUR	6.26
US78409V1044	S&P GLOBAL INC	OWN SPECIFIC	6,132.00	778,755.82	USD	0.56
US8725401090	TJX COMPANIES INC	OWN SPECIFIC	91,206.00	6,100,136.29	USD	4.38
US89400J1079	TRANSUNION	OWN SPECIFIC	22,255.00	865,065.41	USD	0.62
FR0000127771	VIVENDI	OWN SPECIFIC	140,428.00	2,710,962.54	EUR	1.94
US94946T1060	WELLCARE HEALTH PLANS	OWN SPECIFIC	11,878.00	1,814,709.12	USD	1.30
US9843321061	YAHOO INC	OWN SPECIFIC	234,422.00	10,490,097.86	USD	7.52
Total Equity				141,414,763.34		101.43
Total Investment Securities				141,414,763.34		101.43
Interest rate swap						
SWAP03598560	FEES LEG D EUR LYX E	OWN SPECIFIC	1.00	71,244.66	EUR	0.05
SWAP03598594	FEES LEG D USD LYX E	OWN SPECIFIC	1.00	5,950.04	EUR	0.00
SWAP03598532	FEES LEG USD LYX ETF	OWN SPECIFIC	1.00	2,541.67	EUR	0.00
SWAP03598524	INDEX LEG D EUR LYX	OWN SPECIFIC	83,713,344.51	124,912,907.52	EUR	89.59
SWAP03598550	INDEX LEG D USD LYX	OWN SPECIFIC	6,863,552.90	10,166,626.55	EUR	7.29
SWAP03598521	INDEX LEG USD LYX ET	OWN SPECIFIC	2,900,243.87	4,342,896.32	EUR	3.11
SWAP03598588	VRAC LEG LYX ETF HON	OWN SPECIFIC	93,477,141.28	-136,630,635.12	EUR	-98.00
Total Interest rate swap				2,871,531.64		2.06
Cash						
AT BANK OR PENDING						
	RECEIVABLE ON SWAP	OWN SPECIFIC	0.00	2,110,071.27	EUR	1.51
	DEF. PURCHASES EUR SECURITIES	OWN SPECIFIC	0.00	-2,110,071.27	EUR	-1.51

LYXOR HONG KONG (HSI) UCITS ETF

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
	USD SGP BANK	OWN SPECIFIC	0.00	0.02	USD	0.00
<i>Total AT BANK OR PENDING</i>				<i>0.02</i>		<i>0.00</i>
MANAGEMENT FEES						
	PRCOMGESTADM	OWN SPECIFIC	0.00	-79,736.05	EUR	-0.06
<i>Total MANAGEMENT FEES</i>				<i>-79,736.05</i>		<i>-0.06</i>
<i>Total Cash</i>				<i>-79,736.05</i>		<i>-0.06</i>
Files						
<i>ADI REME: Deposit of Collateral (File)</i>						
PDC-01771040	PDC LYXOGB0002374006	PGAR1	-4,167,214.87	-4,784,128.20	GBP	-3.43
<i>Total ADI REME: Deposit of Collateral (File)</i>				<i>-4,784,128.20</i>		<i>-3.43</i>
<i>Total Files</i>				<i>-4,784,128.20</i>		<i>-3.43</i>
Total LYXOR HONG KONG (HSI) UCITS ETF				139,422,430.75		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, P.O. Box 5070, 8021 Zurich.

Calculation of the Total Expense Ratio (in compliance with the recommendations of the Swiss Funds & Asset Management Association SFAMA)

Annual closing of the collective investment:	31-May	
UCITS management commission:	0.65	% including tax
Average assets of the fund for the period from 01/06/16 to 31/05/17:	115,505,421.73	
Average fortune of the D-EUR Unit for the period from 01/06/16 to 31/05/17:	99,874,162.87	

Excerpt from the income statement

Expenses in euros	Annual report 31/05/2016	Half-yearly report 30/11/2016	Annual report 31/05/2017
Fund management commission	1,092,112.21	301,788.14	645,671.15
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Depository bank commission	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	1,092,112.21	301,788.14	645,671.15
Total operating expenses including bonus	1,092,112.21	301,788.14	645,671.15

Calculation of the TER for 12 months, from 01/06/16 to 31/05/17:

TER, including performance fee

$$(689,588.78 / 99,874,162.87) * 100$$

0.65 %

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

0.00

LYXOR HONG KONG (HSI) UCITS ETF
Fiscal year closing on 31/05/2017

Average fortune of the USD Unit for the period from 01/06/16 to 31/05/17: 4,045,610.90

Expenses in euros	Annual report 31/05/2016	Half-yearly report 30/11/2016	Annual report 31/05/2017
Fund management commission	25,084.11	12,633.56	26,259.61
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Depository bank commission	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	25,084.11	12,633.56	26,259.61
Total operating expenses including bonus	25,084.11	12,633.56	26,259.61

Calculation of the TER for 12 months, from 01/06/16 to 31/05/17:

TER, including performance fee

$$(26,259.61 / 4,045,610.9) * 100$$

0.65 %

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

0.00

LYXOR HONG KONG (HSI) UCITS ETF
Fiscal year closing on 31/05/2017

Average fortune of the D-USD Unit for the period from 01/06/16 to 31/05/17: 11,585,647.96

Expenses in euros	Annual report 31/05/2016	Half-yearly report 30/11/2016	Annual report 31/05/2017
Fund management commission	74,842.17	41,207.83	75,419.38
Performance fee to be paid to the manager of collective investments of capital	0.00	0.00	0.00
Depository bank commission	0.00	0.00	0.00
Other expenses	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Total operating expenses	74,842.17	41,207.83	75,419.38
Total operating expenses including bonus	74,842.17	41,207.83	75,419.38

Calculation of the TER for 12 months, from 01/06/16 to 31/05/17:

TER, including performance fee

$$(75,419.38 / 11,585,647.96) * 100$$

0.65 %

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

0.00

LYXOR HONG KONG (HSI) UCITS ETF
Fiscal year closing on 31/05/2017

Performance of the fund

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

	Annual performance from 31/05/2016 to 31/05/2017	Annual performance from 29/05/2015 to 31/05/2016	Annual performance from 30/05/2014 to 29/05/2015
LYXOR HONG KONG (HSI) UCITS ETF			
D-EUR Unit	+24.51%	-23.40%	+51.17%
USD Unit	+25.79%	-22.22%	+21.09%
D-USD Unit	+25.79%	-22.22%	+21.47%
HSI® (Hang Seng Index) (HKD)			
D-EUR Unit	+27.60%	-21.27%	+22.62%
USD Unit	+27.60%	-21.27%	+22.62%
D-USD Unit	+27.60%	-21.27%	+22.62%

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.