ASSET MANAGEMENT BY
LYXOR

17 June 2014

LYXOR UCITS ETF MSCI KOREA (the "Fund")

Prospectus Amendment relating to cessation to be a PEA-compliant scheme

This letter is for your information only and no action is required to be taken. Unless otherwise defined in this notice, terms and expressions used in this notice shall have the same meanings ascribed to them under the Prospectus of the Fund.

Dear Unitholders,

We hereby inform you that the Fund's compliance to the PEA scheme ("Plan d'Epargne en Actions" (PEA), which means a French savings plan in stocks) will come to an end on 17 October 2014 (the "**PEA-compliance Cessation Date**").

Schemes under the PEA have to invest at least 75% of its NAV directly in companies with head offices in a member state of the European Union or in another state that is a party to the agreement on the European Economic Area.

The evolution of the tax and regulatory environment (especially the introduction of the financial transaction tax) implies that a PEA-compliant Fund will underperfom a non PEA-compliant Fund due to additional costs that impact PEA-compliant assets. As a consequence, the Manager has decided to remove the Fund's compliance to the PEA scheme.

The cessation of the Fund to be a PEA-compliant scheme is not expected to have any adverse impact on Singapore Unitholders, except for the Fund's investment constraint mentioned above that is lifted. As a consequence, no action is required to be taken. However, the Fund's Prospectus will be modified to reflect the change. The amended prospectus will be effective on the next relodgement date after the PEA-compliance Cessation Date, i.e. 22 August 2015.

<u>The below paragraph in the Investment Strategy section will be no longer applicable after the PEA-compliance Cessation Date.</u>
"In addition, as at the date of this Prospectus, the Fund is a PEA compliant scheme ("Plan d'Epargne en Actions" (PEA), which is a French savings plan). Schemes under the PEA have to be invested at least 75% directly in companies with head offices in a member state of the European Union or in another state that is a party to the agreement on the European Economic Area and has signed a tax treaty with France that contains an administrative assistance clause for the purpose of fighting fraud and tax evasion."

The other features of the Fund, such as: Investment Objective, Benchmark index, fees and Charges, Risks, remains unchanged.

Lyxor International Asset Management

This letter does not constitute part of the Fund's offering document. Investment involves risk. Past performance is not indicative of future return. Please refer to the Prospectus of the Fund for further details. In case of any inconsistency between the Prospectus of the Fund and this letter, the Prospectus of the Fund shall prevail.