

MULTI UNITS LUXEMBOURG

Société d'Investissement à Capital Variable

R.C.S. Luxembourg B 115.129

Annual report including the audited financial statements
as at December 31, 2019

No subscriptions can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus and the Key Investor Information Document ("KIID"), accompanied by a copy of the latest annual report including the audited financial statements and a copy of the latest semi-annual report, if published thereafter.

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Organisation and Administration

Registered Office

28-32, Place de la gare,
L-1616 Luxembourg
Grand Duchy of Luxembourg

Promoter

Société Générale
29, boulevard Haussmann,
F-75009 Paris
France

Board of Directors

Chairman:

Lucien CAYTAN
1, rue des Foyers,
L- 1537 Luxembourg
Grand Duchy of Luxembourg

Directors:

Arnaud LLINAS
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France

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Grand Duchy of Luxembourg

(Until August 14, 2019)

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Grand Duchy of Luxembourg

Grégory BERTHIER
Lyxor International Asset Management S.A.S.
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France

(From December 20, 2019)

Martin RAUSCH
Commerz Funds Solutions S.A.
22, boulevard Royal,
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Management Company

Lyxor International Asset Management S.A.S.
Tour Société Générale,
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France

Depositary and Paying Agent

Société Générale Bank and Trust
11, avenue Emile Reuter,
L-2420 Luxembourg
Grand Duchy of Luxembourg

Administrative, Corporate and Domiciliary Agent

Société Générale Bank and Trust
Operational center
28-32, Place de la gare,
L-1616 Luxembourg
Grand Duchy of Luxembourg

Registrar and Transfer Agent

Société Générale Bank and Trust
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L-1616 Luxembourg
Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers, *Société coopérative*
2, rue Gerhard Mercator,
L-2182 Luxembourg
Grand Duchy of Luxembourg

Legal advisor

Arendt & Medernach S.A.
41A, avenue JF Kennedy,
L-2082 Luxembourg
Grand Duchy of Luxembourg

General information on the Fund

MULTI UNITS LUXEMBOURG (the “Fund”) has been incorporated on March 29, 2006 under Luxembourg laws as a Société d’Investissement à Capital Variable (“SICAV”) for an unlimited period of time. The Fund is governed by the provisions of Part I of the amended Luxembourg Law of December 17, 2010 relating to Undertakings for Collective Investment.

The Articles of Incorporation were deposited with the Register of Commerce and Companies of Luxembourg and have been published in the Mémorial C, Recueil des Sociétés et Associations (the “Mémorial”) on April 14, 2006. The Articles of Incorporation have been amended for the last time on January 28, 2014 and were published in the Mémorial on April 4, 2014.

The Fund is registered with the Register of Commerce and Companies of Luxembourg under number B 115.129.

The Fund aims to provide investors with professionally managed Sub-Funds investing in a wide range of transferable securities and money market instruments in order to achieve an optimum return from capital invested while reducing investment risk through diversification.

In addition, the Fund aims to provide investors with professionally managed index Sub-Funds whose objective is to replicate the composition of a certain financial index recognised by the Luxembourg supervisory authority.

As at December 31, 2019, 2 Sub-Funds are available to investors:

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

The investment objective of the Sub-Fund MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF (the “Sub-Fund”) is to track both the upward and the downward evolution of the Hang Seng China Enterprises Index Net Total Return index (the “Index”) denominated in Hong Kong dollars (HKD), and representative of the major Chinese equities known as “H-shares”, while minimizing the volatility of the difference between the return of the Sub-Fund and the return of the Index (the “Tracking Error”). The anticipated Tracking Error under normal market conditions is 1.00%.

The investment objective of the Sub-Fund MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF (the “Sub-Fund”) is to track both the upward and the downward evolution of the MSCI AC Asia Pacific-ex Japan Net Total Return index (the “Index”) denominated in US Dollars and representative of the overall performance of large-cap and mid-cap stocks across main Asian Pacific excluding Japan, while minimizing the volatility of the difference between the return of the Sub-Fund and the return of the Index (the “Tracking Error”). The anticipated Tracking Error under normal market conditions is 1.00%.

Information to the Shareholders

The Annual General Meeting of the Shareholders is held at the registered office of the Fund in Luxembourg each year on the first Friday of April at 10 a.m. (Luxembourg time) or, if any such day is not a business day, on the next following business day.

Notices of all general meetings are sent by mail to all registered Shareholders at their registered address at least 8 days prior to such meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majority at such meeting.

Audited annual reports and unaudited semi-annual reports are made available for public inspection at each of the registered offices of the Fund and the Administrative Agent within four, respectively two months following the relevant accounting period, and the latest Annual Report shall be available at least fifteen days before the annual general meeting.

The financial period of the Fund ends on December 31st of each year.

The list of changes in the portfolio for the year ended December 31, 2019 is available, free of charge, at the registered office of the Fund.

Report of the Board of Directors of the SICAV

LYXOR CHINA ENTERPRISE (HSCEI) UCITS ETF

The investment objective of the sub-fund is to track the performance of Hang Seng China Enterprises Index Net Total Return Index HKD (Ticker:HSI21N).

Performances over the period:

Share name	ISIN	Share currency	Performance over the accounting year			Share performance since inception
			Share	Index	Foreign exchange	
Lyxor China Enterprise (HSCEI) UCITS ETF - Acc	LU1900068914	EUR	15.38% ⁽¹⁾	16.79% ⁽³⁾	-2.28% ⁽²⁾	211.49%
Lyxor China Enterprise (HSCEI) UCITS ETF - USD	LU1900069136	USD	13.30% ⁽¹⁾	14.68% ⁽³⁾	-0.48% ⁽²⁾	100.34%

(1)«The difference between the yearly performance of the fund and its index is due to:
- the management and the administrative fees;
- index replication costs;
- taxation incurred in relation to the methodology used in the Benchmark Index»

(2)«Since the Share Class NAV is not calculated in the Index currency, the share class may be exposed to currency risk.
The calculation methodology for the Foreign Exchange rate during the period is share currency/ index currency.»

(3)«When the Benchmark Index is denominated in a currency other than the share currency, the performance of the Benchmark Index is converted into the share's currency for comparison purpose. FOREX transactions are executed on a daily basis (WM Reuters 5 pm rate on the relevant date).»

The Tracking Error is 0.0300% for the sub-fund. The Tracking Error target for the year was 1%.

The tracking error has remained below the anticipated tracking error due to market conditions and replication techniques implemented by the management teams.

With regards to Tracking error computation, performance until 22/02/2019 corresponds to performance of Lyxor China Enterprise (HSCEI) UCITS ETF . This fund was absorbed by the fund on 22/02/2019.

Index Linked Swap's counterparty is : Soci t  G n rale.

The figures relating to past performances refer or relate to past periods and are not a reliable indicator of future results.

The sub-fund is the result of a merger/absorption. The performances mentioned in the report are calculated from the inception date of the absorbed fund.

Report of the Board of Directors of the SICAV (continued)

LYXOR MSCI AC ASIA PACIFIC EX JAPAN UCITS ETF

The investment objective of the sub-fund is to track the performance of MSCI AC Asia Pacific Ex Japan Net Total Return Index (Ticker:NDUECAPF).

Performances over the period:

Share name	ISIN	Share currency	Performance over the accounting year			Share performance since inception
			Share	Index	Foreign exchange	
Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF - Acc	LU1900068328	EUR	20.32% ⁽¹⁾	21.35% ⁽³⁾	-1.81% ⁽²⁾	127.83%
Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF - USD	LU1900068674	USD	18.15% ⁽¹⁾	19.16%		106.11%

(1)«The difference between the yearly performance of the fund and its index is due to:

- the management and the administrative fees;
- index replication costs;
- taxation incurred in relation to the methodology used in the Benchmark Index»

(2)«Since the Share Class NAV is not calculated in the Index currency, the share class may be exposed to currency risk. The calculation methodology for the Foreign Exchange rate during the period is share currency/ index currency.»

(3)«When the Benchmark Index is denominated in a currency other than the share currency, the performance of the Benchmark Index is converted into the share's currency for comparison purpose. FOREX transactions are executed on a daily basis (WM Reuters 5 pm rate on the relevant date).»

The Tracking Error is 0.0339% for the sub-fund. The Tracking Error target for the year was 1%.

The tracking error has remained below the anticipated tracking error due to market conditions and replication techniques implemented by the management teams.

With regards to Tracking error computation, performance until 22/02/2019 corresponds to performance of Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF . This fund was absorbed by the fund on 22/02/2019.

Index Linked Swap's counterparty is : Société Générale.

The figures relating to past performances refer or relate to past periods and are not a reliable indicator of future results.

The sub-fund is the result of a merger/absorption. The performances mentioned in the report are calculated from the inception date of the absorbed fund.

Since the year end we have seen the development of the coronavirus covid-19 outbreak initially in China and now reaching most continents. At present it is not possible to assess the detailed impact, of this emerging risk, on the companies in our portfolio but there is growing concern about the impact on the world economy. There has been a significant correction in the financial markets in the last few weeks. The Board and Manager continue to watch the efforts of governments to contain the spread of the virus and monitor the economic impact, if any, on the companies in our portfolio.



Audit report

To the Shareholders of
Multi Units Luxembourg

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Multi Units Luxembourg (the "Fund") and of each of its sub-funds as at 31 December 2019, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund's financial statements comprise:

- the statement of net assets as at 31 December 2019;
- the statement of operations and changes in net assets for the year then ended;
- the schedule of investments as at 31 December 2019; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Fund, for the year then ended, are disclosed herebelow.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



For the year ended 31 December 2019, we have provided the following non-audit services:

We have reviewed on a quarterly basis the interim financial information of Multi Units Luxembourg - Lyxor SG Global Quality Income NTR UCITS ETF and Multi Units Luxembourg - Lyxor S&P 500 UCITS ETF which comprises the Net Asset Value statement including details of the assets and liabilities of the above mentioned sub-funds. We issued reports on review of interim financial information, in accordance with ISRE 2410, as at 31 March 2019, 30 June 2019, 30 September 2019 and 31 December 2019. Those reports are prepared in the context of, and solely under the terms and conditions set in the "Information Sharing Agreement" dated 12 March 2014 and 21 May 2015, signed between PricewaterhouseCoopers, Société coopérative and PricewaterhouseCoopers Audit.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><i>Valuation of complex OTC derivatives instruments</i></p> <p>The valuation of such investments is considered to be a Key Audit Matter due to the potential magnitude of material misstatement, combined with the complexity and/or judgement associated with estimating their fair value.</p> <p>Refer to Note 2 of the financial statements for the valuation policy for such instruments.</p>	<p>We gained an understanding of the internal control structure and operating effectiveness of key controls surrounding valuation of OTC derivative instruments through observations, inquiries, and tests of all intervening parties in the valuation process. In addition, we gained an understanding of internal controls implemented by the Management Company including key controls over the fair value process.</p> <p>As of 31 December 2019, a number of the Fund's sub funds (refer to Note 7 of financial statements) invested in complex OTC derivative instruments. Such instruments are composed by total return swaps.</p> <p>For complex OTC derivatives such as, total return swaps, we independently determined a range of acceptable values, through the use of internally developed models using recognised methodologies, taking into account the key terms of the contracts and observable market data.</p> <p>In addition, for a sample of OTC derivatives, we compared the value of such derivatives to the counter-valuation performed by the Fund's Management Company.</p>

Existence of OTC derivatives and collateral

The existence of such assets is considered to be a Key Audit Matter due to the potential magnitude of material misstatement combined with the higher inherent risk for assets that cannot be held by the Depositary Bank.

We gained an understanding of the internal control structure and operating effectiveness of key controls surrounding authorisation, completeness and accuracy of OTC derivative transactions and the reconciliation process in place for these instruments.

We obtained from the Depositary Bank, the confirmation (through the inventory statement as required by the CSSF Circular 16/644) of the ownership by the Fund of all OTC derivative instruments and collateral amounts linked to these contracts (including those that cannot be held in custody). We agreed all positions as per Depositary Bank inventory statement to the Fund's accounting records.

In addition, we independently confirmed a sample of positions directly with counterparties.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.



Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;
- conclude on the appropriateness of the Board of Directors of the Fund’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s or any of its sub-funds’ ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other



matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “Réviseur d’entreprises agréé” of the Fund by the General Meeting of the Shareholders on 2 August 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 14 years.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 16 April 2020

Frédéric Botteman

Statement of Net Assets

(expressed in the Sub-Fund's currency)

		MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF	MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF	Combined
	Notes	EUR	EUR	EUR
ASSETS				
Securities portfolio at cost		552 230 201	390 804 317	943 034 518
Net unrealised profit/ (loss)		35 262 111	16 725 900	51 988 011
Securities portfolio at market value	2.2	587 492 312	407 530 217	995 022 529
Cash at bank		4	105	109
Receivable for securities sold		5 726 141	76 840 860	82 567 001
Receivable on swaps		2 986 802	5 835 976	8 822 778
Swaps at market value	2.4, 6	42 219	-	42 219
		596 247 478	490 207 158	1 086 454 636
LIABILITIES				
Bank Overdraft		-	154	154
Payable for securities purchased		5 012 897	7 877 723	12 890 620
Payable on swaps		3 700 046	74 799 113	78 499 159
Management fees payable	3	320 421	227 705	548 126
Swaps at market value	2.4, 6	-	136 991	136 991
		9 033 364	83 041 686	92 075 050
TOTAL NET ASSETS		587 214 114	407 165 472	994 379 586

Statement of Operations and Changes in Net Assets

(expressed in the Sub-Fund's currency)

		MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF ⁽¹⁾	MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF ⁽¹⁾	Combined
	Notes	EUR	EUR	EUR
Net assets at the beginning of the year		-	-	-
INCOME				
Dividends, net	2.10	11 191 509	4 995 786	16 187 295
		11 191 509	4 995 786	16 187 295
EXPENSES				
Management fees	3	3 024 728	2 011 916	5 036 644
Transaction costs		78 442	60 656	139 098
		3 103 170	2 072 572	5 175 742
Net investment income/ (loss)		8 088 339	2 923 214	11 011 553
Net realised gains/ (losses) on				
- securities sold	2.6	29 974 445	34 168 090	64 142 535
- swaps	2.5	(56 226 611)	(18 236 596)	(74 463 207)
		(26 252 166)	15 931 494	(10 320 672)
Net realised result for the year		(18 163 827)	18 854 708	690 881
Change in net unrealised profit/ (loss) on				
- securities		35 262 111	16 725 899	51 988 010
- swaps		42 220	(136 990)	(94 770)
		35 304 331	16 588 909	51 893 240
Result of operations		17 140 504	35 443 617	52 584 121
Movements in capital				
Subscriptions		780 509 471	548 716 640	1 329 226 111
Redemptions		(210 435 861)	(176 994 785)	(387 430 646)
		570 073 610	371 721 855	941 795 465
Net assets at the end of the year		587 214 114	407 165 472	994 379 586

⁽¹⁾ For the period from the launch date of the sub-fund (refer to the note 1 to this report) till December 31, 2019.
The accompanying notes form an integral part of these financial statements.

Statistical information

MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF

	Currency	31/12/19	31/12/18	31/12/17
Class Acc				
Number of shares		3 144 635	-	-
Net asset value per share	EUR	151.1279	-	-
Class Dist				
Number of shares		7 403 544	-	-
Net asset value per share	USD	16.9767	-	-
Total Net Assets	EUR	587 214 114	-	-

MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

	Currency	31/12/19	31/12/18	31/12/17
Class Acc				
Number of shares		6 688 111	-	-
Net asset value per share	EUR	57.4508	-	-
Class Dist				
Number of shares		3 990 818	-	-
Net asset value per share	USD	6.4488	-	-
Total Net Assets	EUR	407 165 472	-	-

MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF

Schedule of Investments

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market					
Shares					
23 843	ABB LTD	SEK	482 105	510 772	0.09
93 433	ABBOTT LABORATORIES	USD	7 244 592	7 229 925	1.23
66 927	ALLY FINANCIAL INC	USD	1 834 002	1 822 084	0.31
1 681	ALPHABET INC	USD	2 042 369	2 002 254	0.34
11 353	AMAZON.COM INC	USD	18 192 141	18 689 111	3.18
16 398	APPLE INC	USD	4 245 095	4 289 775	0.73
27 939	ASX LTD	AUD	1 377 159	1 371 887	0.23
931 725	AXA SA	EUR	19 929 598	23 395 615	3.98
19 945	BERKSHIRE HATHAWAY INC - B	USD	3 628 198	4 024 537	0.69
27 142	BIOGEN INC	USD	7 274 418	7 174 918	1.22
428 597	BNP PARIBAS SA	EUR	20 336 928	22 642 780	3.86
5 947	BOEING CO	USD	1 915 857	1 725 875	0.29
79 453	CHEVRON CORP	USD	8 461 733	8 529 961	1.45
452 631	CIE DE SAINT-GOBAIN	EUR	14 914 191	16 521 032	2.81
66 146	COLGATE-PALMOLIVE CO	USD	4 099 206	4 056 562	0.69
204	COOPER COS INC	USD	58 424	58 390	0.01
14 869	COSTCO WHOLESALE CORP	USD	3 941 593	3 893 360	0.66
2 216	CRACKER BARREL OLD COUNTRY STORE INC	USD	326 759	303 508	0.05
86 542	DELTA AIR LINES INC	USD	4 337 989	4 508 665	0.77
166 559	DISCOVERY COMMUNICATIONS INC - C	USD	4 061 797	4 524 173	0.77
7 106	DUPONT DE NEMOURS INC	USD	417 685	406 419	0.07
18 082	EDWARDS LIFESCIENCES CORP	USD	3 857 147	3 757 995	0.64
162 048	ELECTRICITE DE FRANCE SA	EUR	2 051 755	1 608 813	0.27
19 846	EMERA INC	CAD	741 423	760 654	0.13
438 367	ENGIE SA	EUR	5 810 555	6 312 485	1.07
11 752	ESSILORLUXOTTICA SA	EUR	1 259 227	1 595 922	0.27
20 383	FACEBOOK INC	USD	3 577 923	3 727 047	0.63
36 288	FEDEX CORP	USD	5 143 510	4 888 293	0.83
12 375	FIRST SOLAR INC	USD	566 540	616 931	0.11
11 834	FLEETCOR TECHNOLOGIES INC	USD	3 124 266	3 033 299	0.52
111 377	FORD MOTOR CO	USD	899 580	922 767	0.16
41 327	FUJITSU LTD	JPY	3 464 250	3 479 271	0.59
850 000	GAZPROM PJSC - ADR REG	USD	5 883 701	6 230 557	1.06
154 615	GREAT-WEST LIFECO INC	CAD	3 536 642	3 532 904	0.60
17 547	GRIFOLS SA	EUR	361 468	364 978	0.06
86 845	GRIFOLS SA	USD	1 829 790	1 801 889	0.31
90 918	HARTFORD FINANCIAL SERVICES GROUP INC	USD	5 100 841	4 922 126	0.84
66 000	HERSHEY CO	USD	8 963 584	8 642 031	1.47
17 609	IAC/INTERACTIVECORP	USD	3 424 922	3 907 865	0.67
15 639	INTEL CORP	USD	790 656	833 848	0.14
1 150	INTUITIVE SURGICAL INC	USD	513 503	605 633	0.10
9 175	JOHNSON & JOHNSON	USD	1 148 282	1 192 300	0.20
51 818	LABORATORY CORP OF AMERICA HOLDINGS	USD	7 876 280	7 809 400	1.33
26 893	LOWE'S COS INC	USD	2 841 295	2 869 226	0.49

MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF

Schedule of Investments (continued)

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market (continued)					
Shares (continued)					
119 151	LVMH MOET HENNESSY LOUIS VUITTON SE	EUR	35 381 889	49 352 343	8.41
7 093	MARATHON PETROLEUM CORP	USD	374 402	380 716	0.06
13 926	MARSH & MCLENNAN COS INC	USD	1 300 925	1 382 179	0.24
109 659	MICROSOFT CORP	USD	15 584 804	15 405 990	2.62
611 301	MITSUBISHI UFJ FINANCIAL GROUP INC	JPY	2 986 802	2 972 626	0.51
17 107	MOTOROLA SOLUTIONS INC	USD	2 479 295	2 455 788	0.42
438 817	MUELLER WATER PRODUCTS INC	USD	4 414 218	4 683 321	0.80
1 130	NETFLIX INC	USD	355 476	325 732	0.06
8 594	NIKE INC - B	USD	726 173	775 642	0.13
101 622	NORTHERN TRUST CORP	USD	10 043 828	9 618 104	1.64
494 864	NTT DATA CORP	JPY	6 067 662	5 951 137	1.01
1 842	NVIDIA CORP	USD	396 980	386 123	0.07
14 802	ONEOK INC	USD	972 534	997 833	0.17
1 452 452	ORANGE SA	EUR	19 818 708	19 056 170	3.25
30 183	ORMAT TECHNOLOGIES INC	USD	2 085 936	2 003 775	0.34
76 829	OSAKA GAS CO LTD	JPY	1 368 264	1 316 931	0.22
93 828	PAYPAL HOLDINGS INC	USD	9 471 076	9 041 759	1.54
194 673	PFIZER INC	USD	6 721 820	6 794 911	1.16
26 487	PHILIP MORRIS INTERNATIONAL INC	USD	2 026 095	2 007 821	0.34
4 989	PSP SWISS PROPERTY AG - REG	CHF	590 716	613 183	0.10
95 341	QORVO INC	USD	10 058 555	9 872 146	1.68
43 528	QUEBECOR INC	CAD	961 850	991 013	0.17
2 382	REGENERON PHARMACEUTICALS INC	USD	596 572	796 787	0.14
382 800	RELIANCE WORLDWIDE CORP LTD	AUD	987 749	968 477	0.16
255 856	RENAULT SA	EUR	15 333 450	10 792 006	1.84
9 730	ROCHE HOLDING AG	CHF	2 803 628	2 810 690	0.48
521 303	SANOFI	EUR	38 107 249	46 719 174	7.97
74 923	SCHAEFFLER AG	EUR	751 103	721 359	0.12
118 147	SISTEMA PJSFC - GDR REG	USD	408 750	513 005	0.09
121 010	SONY CORP	JPY	7 271 367	7 341 683	1.25
11 355	S&P GLOBAL INC	USD	2 741 307	2 762 123	0.47
63 968	SUMITOMO MITSUI FINANCIAL GROUP INC	JPY	2 160 539	2 117 449	0.36
82 833	SYNCHRONY FINANCIAL	USD	2 687 961	2 657 297	0.45
55 731	TARGET CORP	USD	5 575 867	6 365 498	1.08
33 316	TEXAS INSTRUMENTS INC	USD	3 520 856	3 807 670	0.65
11 152	TLG IMMOBILIEN AG	EUR	315 602	317 274	0.05
217 785	TMK PJSC - REG	USD	705 151	720 776	0.12
129 976	TOKIO MARINE HOLDINGS INC	JPY	6 633 970	6 519 699	1.11
927 551	TOTAL SA	EUR	46 131 749	45 635 508	7.78
55 582	TOYOTA MOTOR CORP	JPY	3 527 229	3 514 777	0.60
63 704	UNION PACIFIC CORP	USD	9 805 872	10 260 175	1.75
4 998	UNITED AIRLINES HOLDINGS INC	USD	397 731	392 226	0.07
30 592	UNITED PARCEL SERVICE INC - B	USD	3 299 334	3 190 289	0.54
415 136	VINCI SA	EUR	34 066 060	41 098 464	7.01

MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF

Schedule of Investments (continued)

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market (continued)					
Shares (continued)					
925 384	VIVENDI SA	EUR	22 181 454	23 893 415	4.07
7 698	XYLEM INC/NY	USD	536 456	540 334	0.09
5 815	ZURICH INSURANCE GROUP AG	CHF	2 154 812	2 124 321	0.36
21 816	3M CO	USD	3 451 396	3 428 756	0.58
Total Shares			552 230 201	587 492 312	100.05
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			552 230 201	587 492 312	100.05
Total Investments			552 230 201	587 492 312	100.05

MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF

Economic and Geographical Classification of Investments

Economic classification	%	Geographical classification	%
Pharmaceuticals & Biotechnology	11.53	France	52.55
Construction & Materials	10.77	United States of America	37.69
Oil & Gas Producers	10.35	Japan	5.66
Personal Goods	9.23	Russia	1.27
Nonlife Insurance	7.22	Switzerland	1.03
General Retailers	5.42	Canada	0.90
Software & Computer Services	5.28	Australia	0.40
Media	4.89	Spain	0.37
Banks	4.72	Germany	0.18
Financial Services	4.64		
Technology Hardware & Equipment	4.28		100.05
Health Care Equipment & Services	3.59		
Fixed Line Telecommunications	3.25		
Industrial Transportation	3.12		
Automobiles & Parts	2.72		
Gas, Water & Multiutilities	1.64		
Food & Drug Retailers	1.47		
Leisure Goods	1.25		
Travel, Leisure & Catering	0.89		
Support Services	0.69		
Life Insurance	0.60		
General Industrials	0.58		
Electricity	0.40		
Tobacco	0.34		
Aerospace & Defense	0.29		
Alternative Energy	0.27		
Industrial Engineering	0.18		
Real Estate Investment & Services	0.16		
Industrial Metals & Mining	0.12		
Mobile Telecommunications	0.09		
Chemicals	0.07		
	100.05		

MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

Schedule of Investments

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market					
Shares					
4 865	ACUITY BRANDS INC	USD	548 763	598 102	0.15
9 510	ADECCO GROUP AG - REG	CHF	531 759	535 605	0.13
11 993	ADOBE INC	USD	3 269 209	3 523 752	0.87
1 712	ALPHABET INC	USD	2 041 747	2 039 179	0.50
36 288	AMERICAN AIRLINES GROUP INC	USD	896 113	927 162	0.23
7 870	AMGEN INC	USD	1 617 135	1 690 175	0.42
10 849	APPLE INC	USD	2 833 927	2 838 137	0.70
16 427	AUTODESK INC	USD	2 643 667	2 684 808	0.66
320 455	AXA SA	EUR	6 854 532	8 046 625	1.98
31 703	BANK OF AMERICA CORP	USD	996 734	994 726	0.24
340 885	BNP PARIBAS SA	EUR	16 174 993	18 008 955	4.42
17 511	BOEING CO	USD	5 823 405	5 081 856	1.25
154 327	BROTHER INDUSTRIES LTD	JPY	2 927 139	2 873 049	0.71
33 700	CADENCE DESIGN SYSTEMS INC	USD	2 050 871	2 082 345	0.51
22 305	CASTELLUM AB	SEK	438 252	466 998	0.11
80 169	CBOE GLOBAL MARKETS INC	USD	8 478 089	8 570 405	2.10
7 083	CBRE GROUP INC	USD	375 016	386 741	0.09
7 357	CELANESE CORP - A	USD	812 743	806 943	0.20
254 233	CIE DE SAINT-GOBAIN	EUR	8 376 977	9 279 505	2.28
5 136	CIGNA CORP	USD	772 910	935 644	0.23
5 698	CITIGROUP INC	USD	382 575	405 535	0.10
33 806	COLGATE-PALMOLIVE CO	USD	2 067 767	2 073 234	0.51
13 159	CRACKER BARREL OLD COUNTRY STORE INC	USD	1 828 940	1 802 285	0.44
2 506	CROWDSTRIKE HOLDINGS INC - A	USD	145 711	111 336	0.03
15 256	DAIKIN INDUSTRIES LTD	JPY	1 982 842	1 932 205	0.47
2 779	DIGITAL REALTY TRUST INC	USD	283 752	296 443	0.07
134 404	DISCOVERY COMMUNICATIONS INC - C	USD	3 158 754	3 650 760	0.90
4 656	DUPONT DE NEMOURS INC	USD	260 199	266 294	0.07
1 356	EDWARDS LIFESCIENCES CORP	USD	207 854	281 818	0.07
305 073	ENGIE SA	EUR	4 043 743	4 393 051	1.08
63 614	EXELON CORP	USD	2 561 626	2 583 663	0.63
36 926	FACEBOOK INC	USD	6 250 220	6 751 948	1.66
10 508	FORTINET INC	USD	783 703	999 407	0.25
2 191	F5 NETWORKS INC	USD	306 215	272 582	0.07
1 334	GEBERIT AG - REG	CHF	657 920	666 632	0.16
640 302	GENERAL ELECTRIC CO	USD	6 412 771	6 365 942	1.56
19 600	HASBRO INC	USD	1 808 082	1 844 059	0.45
28 786	HEALTHPEAK PROPERTIES INC	USD	867 669	883 967	0.22
3 989	HUNTINGTON INGALLS INDUSTRIES INC	USD	913 335	891 546	0.22
7 770	IAC/INTERACTIVECORP	USD	1 529 369	1 724 352	0.42
14 824	IDEX CORP	USD	2 156 243	2 271 473	0.56
10 591	INCYTE CORP	USD	693 144	823 881	0.20
878	INTUITIVE SURGICAL INC	USD	425 456	462 387	0.11
1 331 771	ITOCHU CORP	JPY	25 197 784	27 669 785	6.80

MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

Schedule of Investments (continued)

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market (continued)					
Shares (continued)					
24 000	KAKAKU.COM INC	JPY	539 086	549 498	0.13
103 437	KEYCORP	USD	1 780 936	1 865 091	0.46
1 981	LENNAR CORP	USD	107 336	98 459	0.02
7 236	LIVE NATION ENTERTAINMENT INC	USD	428 189	460 719	0.11
3 721	LONZA GROUP AG - REG	CHF	1 140 948	1 209 068	0.30
86 635	LVMH MOET HENNESSY LOUIS VUITTON SE	EUR	25 726 262	35 884 217	8.80
5 582	MARATHON PETROLEUM CORP	USD	309 593	299 613	0.07
24 535	MCDONALD'S CORP	USD	4 316 392	4 319 253	1.06
7 588	MERCK KGAA	EUR	789 911	799 396	0.20
47 915	METLIFE INC	USD	2 099 800	2 175 704	0.53
2 237	MICROSOFT CORP	USD	310 254	314 276	0.08
43 563	MITSUBISHI ELECTRIC CORP	JPY	548 831	535 129	0.13
58 464	MITSUBISHI HEAVY INDUSTRIES LTD	JPY	2 068 304	2 035 903	0.50
1 194 434	MITSUBISHI UFJ FINANCIAL GROUP INC	JPY	5 835 976	5 808 276	1.43
50 155	MURATA MANUFACTURING CO LTD	JPY	2 715 180	2 773 604	0.68
2 903	NETFLIX INC	USD	821 122	836 814	0.21
71 488	NEWELL BRANDS INC	USD	1 222 134	1 224 053	0.30
9 427	NEWS CORP - B	USD	121 669	121 858	0.03
91 706	NEXON CO LTD	JPY	1 122 036	1 090 058	0.27
79 246	NGK SPARK PLUG CO LTD	JPY	1 482 054	1 386 295	0.34
96 400	NITORI HOLDINGS CO LTD	JPY	13 367 552	13 611 946	3.34
1 735 643	NTT DATA CORP	JPY	21 281 191	20 872 499	5.13
13 168	NTT DOCOMO INC	JPY	329 850	327 938	0.08
105 612	OMRON CORP	JPY	5 725 224	5 558 175	1.37
880	ONEOK INC	USD	56 479	59 323	0.01
138	ORIX JREIT INC	JPY	257 679	266 186	0.07
257 920	OSAKA GAS CO LTD	JPY	4 593 353	4 421 025	1.09
40 847	PAYPAL HOLDINGS INC	USD	3 712 402	3 936 232	0.97
76 700	PROCTER & GAMBLE CO	USD	8 583 149	8 534 370	2.10
850	PSP SWISS PROPERTY AG - REG	CHF	101 012	104 471	0.03
243 986	RENAULT SA	EUR	14 622 081	10 291 329	2.53
6 568	RH	USD	1 205 644	1 249 237	0.31
5 176	SALESFORCE.COM INC	USD	679 818	749 955	0.18
236	SGS SA - REG	CHF	561 053	575 562	0.14
44 373	SIG COMBIBLOC GROUP AG	CHF	591 910	631 101	0.15
49 257	SONY CORP	JPY	3 006 014	2 988 425	0.73
598 605	SUMITOMO MITSUI FINANCIAL GROUP INC	JPY	20 205 364	19 814 842	4.87
8 467	SUNRISE COMMUNICATIONS GROUP AG	CHF	590 253	592 378	0.15
62 108	SYNCHRONY FINANCIAL	USD	2 078 421	1 992 436	0.49
23 103	SYNOPSYS INC	USD	2 799 040	2 864 978	0.70
90 299	TEIJIN LTD	JPY	1 571 921	1 513 771	0.37
1 425	TELENOR ASA	NOK	23 778	22 747	0.01
500 000	TERUMO CORP	JPY	15 868 089	15 923 737	3.91
237	TESLA INC	USD	53 900	88 324	0.02

MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

Schedule of Investments (continued)

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market (continued)					
Shares (continued)					
113 448	TLG IMMOBILIEN AG	EUR	3 154 759	3 227 596	0.79
5 826	TOKYO ELECTRON LTD	JPY	1 084 792	1 142 632	0.28
506 043	TOTAL SA	EUR	25 168 049	24 897 315	6.11
93 804	TOYOTA MOTOR CORP	JPY	5 952 793	5 931 779	1.46
55 110	UNITED TECHNOLOGIES CORP	USD	7 382 698	7 352 582	1.81
18 725	VAIL RESORTS INC	USD	4 064 883	4 000 728	0.98
779	VARIAN MEDICAL SYSTEMS INC	USD	94 079	98 553	0.02
2 386	VERISIGN INC	USD	408 167	409 563	0.10
127 142	VINCI SA	EUR	10 433 273	12 587 058	3.09
311 351	VIVENDI SA	EUR	7 463 083	8 039 083	1.97
35 869	WALT DISNEY CO	USD	4 781 245	4 621 589	1.14
195 980	WESTROCK CO	USD	6 893 537	7 491 761	1.84
1 598	WILLIAM LYON HOMES	USD	29 879	28 444	0.01
192 059	YAMADA DENKI CO LTD	JPY	873 738	910 011	0.22
11 546	ZURICH INSURANCE GROUP AG	CHF	4 278 497	4 217 955	1.04
Total Shares			390 804 317	407 530 217	100.09
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			390 804 317	407 530 217	100.09
Total Investments			390 804 317	407 530 217	100.09

MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

Economic and Geographical Classification of Investments

Economic classification	%	Geographical classification	%
Banks	11.51	Japan	34.36
Software & Computer Services	11.35	France	32.28
Personal Goods	9.32	United States of America	30.24
Support Services	7.07	Switzerland	2.10
Oil & Gas Producers	6.19	Germany	0.99
Construction & Materials	5.68	Sweden	0.11
Automobiles & Parts	4.35	Norway	0.01
Health Care Equipment & Services	4.35		
Media	4.24		100.09
General Retailers	4.01		
Financial Services	3.56		
General Industrials	3.56		
Aerospace & Defense	3.05		
Nonlife Insurance	3.01		
Travel, Leisure & Catering	2.83		
Household Goods & Home Construction	2.43		
Gas, Water & Multiutilities	2.16		
Electronic & Electrical Equipment	2.05		
Industrial Engineering	1.88		
Technology Hardware & Equipment	1.75		
Leisure Goods	1.19		
Pharmaceuticals & Biotechnology	1.11		
Real Estate Investment & Services	1.03		
Chemicals	0.64		
Electricity	0.63		
Life Insurance	0.53		
Real Estate Investment Trusts	0.36		
Fixed Line Telecommunications	0.15		
Mobile Telecommunications	0.09		
Alternative Energy	0.01		
	100.09		

Notes to the financial statements

1 - General

MULTI UNITS LUXEMBOURG (the "Fund") was incorporated on March 29, 2006 under Luxembourg laws as a *Société d'Investissement à Capital Variable* ("SICAV") for an unlimited period of time. The Fund is governed by the Provisions of Part I of the Luxembourg law of December 17, 2010, as amended relating to Undertakings for Collective Investment.

As at December 31, 2019, 2 Sub-Funds are available to investors:

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

By Circular Resolution, dated February 26, 2019 the Board of Directors decided to launch as of February 21, 2019 several Sub-Funds and Classes as follow :

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF, Class Acc and Class Dist
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF, Class Acc and Class Dist

Within each Sub-Fund, the Fund may create different Classes of Shares which are entitled to regular dividend payments ("Distribution Shares") or with earnings reinvested ("Capitalisation Shares"), or which differ also by the targeted investors, their reference currencies, their currency hedging policy, by the management fees or the subscription/redemption fees.

Capitalisation and distribution shares have been issued during the year ended December 31, 2019.

The amounts invested in the several Classes of Shares of one Sub-Fund are themselves invested in a common underlying portfolio of investments within the Sub-Fund, although the Net Asset Value per share of each Class of Shares may differ as a result of either the distribution policy, the *taxe d'abonnement* and/or the management fees and/or the subscription and redemption fees for each Class.

Sub-Funds	Class of shares	ISIN Code	Distribution Capitalisation
MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF	Class Acc	LU1900068914	Capitalisation
	Class Dist	LU1900069136	Distribution
MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF	Class Acc	LU1900068328	Capitalisation
	Class Dist	LU1900068674	Capitalisation

The following Sub-Funds are listed in NYSE Euronext Paris Stock Exchange:

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

The following Sub-Funds are listed in Deutsche Boerse Frankfurt Stock Exchange:

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

The following Sub-Funds are listed in Borsa Italiana Milan Stock Exchange:

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

The following Sub-Funds are listed in SIX Swiss Stock Exchange:

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

The following Sub-Funds are listed in London Stock Exchange:

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

Notes to the financial statements (continued)

The following Sub-Fund is listed in Luxembourg Stock Exchange:

- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

The following Sub-Fund are listed in SGX Stock Exchange:

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

2 - Significant accounting policies

2.1 Presentation of financial statements

The financial statements are prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment.

2.2 Valuation of investment in securities

2.2.1 Securities listed on a recognised stock exchange or dealt in on any other regulated market that operates regularly, is recognised and is open to the public, are valued at their last available closing prices, or, in the event that there should be several such markets, on the basis of their last available closing prices on the main market for the relevant security.

2.2.2 In the event that the last available closing price does not, in the opinion of the Board of Directors, truly reflect the fair market value of such securities, the value is defined by the Board of Directors based on the reasonably foreseeable sales proceeds determined prudently and in good faith.

2.2.3 Securities not listed or traded on a stock exchange or not dealt in on another regulated market are valued on the basis of the probable sales proceeds determined prudently and in good faith by the Board of Directors.

2.2.4 Securities not listed or traded on a stock exchange or not dealt in on another regulated market are valued at their face value with interest accrued.

2.2.5 In case of short term instruments which have a maturity of less than 90 days, the value of the instrument based on the net acquisition cost, is gradually adjusted to the repurchase price thereof. In the event of the material changes in market conditions, the valuation basis of the investment is adjusted to the new market yields.

2.2.6 Investments in open-ended UCIs are valued on the basis of the last available net asset value of the units or shares of such UCIs.

2.2.7 All other securities and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

2.2.8 The Fund may more specifically enter into securities lending transactions provided that the following rules are complied with in addition to the abovementioned conditions:

- The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- The Fund may only lend securities to a borrower either directly or through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction;
- The Fund may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.
- The Fund and the Management Company have appointed the Securities Lending Agent. The Securities Lending Agent has been authorised (i) to enter into securities lending transactions including but not limited to Global Master Securities Lending Agreements ("GMSLA"), and /or any other internationally recognized master agreement) on behalf of the Fund and (ii) to invest any cash received/held on behalf of the Fund as collateral pursuant to such securities lending transactions, in accordance with and within the limits set forth in the agency securities lending agreement, the rules set out in the Prospectus and the applicable regulations.

Notes to the financial statements (continued)

Any income generated by securities lending transactions (reduced by any applicable direct or indirect operational costs and fees arising there from and paid to the Securities Lending Agent and, as the case may be, to the Management Company) will be payable to the relevant Sub-Fund. As these direct and indirect operational costs do not increase the costs of running the Sub-Fund, they have been excluded from the ongoing charges. For the avoidance of doubt securities lending transaction will be limited to Sub-Fund applying Direct Replication investment policy.

2.3 Valuation of Futures

The value of financial derivative instruments traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these financial derivative instruments on exchanges and Regulated Markets on which the particular financial derivative instruments are traded by the Fund;

provided that if financial derivative instruments could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the value of such financial derivative instruments shall be such value as the Directors may deem fair and reasonable. The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Fund.

2.4 Valuation of total return swaps

Swaps linked to indexes or financial instruments are valued at their market value, net present value of future cash flows, based on the applicable index or financial instrument, in accordance with the procedure laid down by the Board of Directors.

2.5 Net realised gains or losses on performance swaps

The realised on swaps in the Statement of Operations and Changes in Net Assets includes the balances on swaps paid or received by the Fund in the context of the increase / decrease of the composition of the securities basket, or paid / received in the context of subscriptions / redemptions at the Fund's level.

2.6 Net realised gains or losses resulting from investments

The realised gains or losses resulting from the sales of investments are calculated on an average cost basis.

2.7 Foreign exchange translation

The accounts of each Sub-Fund are maintained in the reference currency of the Sub-Fund and the financial statements are expressed in that currency.

The acquisition cost of securities expressed in a currency other than the reference currency is translated into the reference currency at the exchange rates prevailing on the date of purchase.

Income and expenses expressed in other currencies than the reference currency are converted at exchange rates ruling at the transaction date.

Assets and liabilities expressed in other currencies than the reference currency are converted at exchange rates ruling at the year-end.

The realised or unrealised gains and losses on foreign exchange are recognised in the Statement of Operations and Changes in Net Assets in determining the increase or decrease in net assets.

2.8 Forward foreign exchange contracts

Net change in unrealised profits and losses on forward foreign exchange contracts are valued on the basis of forward exchange rates prevailing at the relevant valuation date and are included in the Statement of Operations and Changes in Net Assets.

Forward foreign exchange contracts are disclosed in the Statement of Net Assets under the item "Net unrealised profit/loss on forward foreign exchange contracts".

Net change in unrealised profits and losses and net realised gain/loss are recorded in the Statement of Operations and Changes in Net Assets.

Notes to the financial statements (continued)

2.9 Combined financial statements

The combined Statement of Net Assets and combined Statement of Operations and Changes in Net Assets represent the total of the Statements of Net Assets Assets and Statements of Operations and Changes in Net Assets of the individual Sub-Funds, converted in Euro, based on exchange rates applicable at year-end.

2.10 Income

Dividends are credited to income on the date upon which the relevant securities are first listed as ex-dividend. Interest income is accrued on a daily basis.

2.11 Formation expenses

The formation expenses of the Fund are borne by the Management Company.

3 - Management fees

Following a Main Delegation Agreement dated March 29, 2006, as amended, Lyxor Asset Management Luxembourg S.A. was appointed as Management Company of the Sub-Funds.

Following a Novation Agreement dated February 28, 2014, Lyxor International Asset Management S.A.S was appointed as Management Company of the Sub-Funds.

A management fee is payable monthly in arrears to the Management Company in compensation for its services. Such fee was payable monthly and is set for the period under review at the following rates of the Net Asset Value (inclusive of VAT):

Sub-Fund	Share Management Class	fee
MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF	Class Acc	0.65%
	Class Dist	0.65%
MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF	Class Acc	0.60%
	Class Dist	0.60%

4 - Depositary, Administrative, Registrar Agent and other fees

As Administrative, Corporate and Domiciliary Agent, Société Générale Bank & Trust is entitled to receive fees and commissions for its services rendered to the Sub-Funds. Such fees are payable by the Management Company out of the Total Fee it receives to cover structural costs.

As Depositary, Société Générale Bank & Trust S.A. is entitled to receive a fee for its services rendered to the Sub-Fund. Such fee is payable by the Management Company out of the Total Fee it receives from the Fund.

As Registrar and Transfer Agent, Société Générale Bank & Trust is entitled to receive fees and commissions for its services rendered to the Sub-Fund. Such fees are payable by the Management Company out of the Total Fee it receives from the Fund.

5 - Taxation

The amended Law of December 17, 2010 lays down that Sub-Funds of umbrella UCI established under the Law of December 20, 2002 are exempted of the *taxe d'abonnement* if they comply with following conditions stated in the article 175 e):

- whose securities are listed or dealt in on a stock exchange or another market which is regulated, operates regularly and is recognised and open to the public;
- whose exclusive object is to replicate the performance of one or several indices.

Considering that all classes of shares of all Sub-Funds of the Fund described in the Prospectus comply with the conditions required by the article 175 e) of the amended Law of December 17, 2010, the Board of Directors decided, by a Circular Resolution dated December 31, 2010, that all Sub-Funds and their classes of shares are exempted of the *taxe d'abonnement* as from January 1, 2011.

Notes to the financial statements (continued)

The Fund is not liable to any Luxembourg tax other than a once-and-for-all tax of EUR 1250 that was paid upon incorporation. Investment income from dividends and interest received by the Fund may be subject to withholding taxes at varying rates. Such withholding taxes are usually not recoverable.

6 - Total return swap agreements

The total return swaps entered into by the Sub-Funds are governed by the Master Index Swap Confirmation Agreement dated as of November 13, 2014, signed between Société Générale and Lyxor International Asset Management on behalf of the Sub-Funds, (the "Master Agreement").

The terms and conditions of the swap transactions are detailed for each swap transaction in appendices to this Master Agreement.

Under the Master Agreement, the Sub-Fund pays to Société Générale an amount reflecting the performance of the basket of securities (including income received) held by the Sub-Fund, and receives an amount reflecting the performance of an index (see below the index for each Sub-Fund).

The performance difference between the two legs is adjusted by (i) the difference of repo rate between the basket of securities held by the Sub-Fund and the index components, (ii) the difference between the index components dividend level in the index methodology and their market price, and (iii) pricing parameters linked to the index replication.

The market value of those swaps, used only for index replication purpose are booked in the caption "Swap at market value" of the Statement of Net Assets.

The counterparty of the total return swaps is Société Générale (France) for all the Sub-Funds.

As at December 31, 2019, the Company holds the following Total Return Swaps, with the safekeeping of collateral received by the collective investment undertaking as part of Total Return Swaps.

According to the prospectus, Investment Grade is defined BBB- or above from Fitch and S&P, and Baa3 or above from Moody's. All the bonds received in collateral are Investment Grade.

As at December 31, 2019, the collateral fully covered the market value of the total return swaps:

Lines captioned "basket of securities" in the tables below should be read in accordance with the swap details presented per Sub-fund and do not have to be considered as swap positions.

6.1 MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF

Maturity Date	Contract	Underlying	Currency	Nominal	Market Value (expressed in EUR)
20-01-20	Index Swap	Hang Seng China Ente NR	EUR	571 164 024	587 534 531
20-01-20	Index Swap	Basket of securities	EUR	-	(587 492 312)
					42 219

6.2 MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

Maturity Date	Contract	Underlying	Currency	Nominal	Market Value (expressed in EUR)
20-01-20	Index swap	MSCI AC Daily TR Net Asia Ex Japan	EUR	381 365 127	407 393 226
20-01-20	Index swap	Basket of securities	EUR	-	(407 530 217)
					(136 991)

Data on reuse of collateral

Non-cash collateral received by the Company may not be sold, re-invested or pledged.

Notes to the financial statements (continued)

7 - Exchange rates

The following exchange rates have been used for the preparation of these financial statements:

As at December 31, 2019:

1 EUR =	1.59685	AUD	1 EUR =	1.45560	CAD
1 EUR =	1.08700	CHF	1 EUR =	121.98770	JPY
1 EUR =	9.86375	NOK	1 EUR =	10.50775	SEK
1 EUR =	1.12250	USD			

8 - Operating and management expenses (TER)

These expenses cover all the fees charged directly to the Fund. The expenses rates for the period as from January 1, 2019 to December 31, 2019 are the following:

Sub-Fund	Share Class	Rate p.a.
MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF	Class Acc	0.65%
	Class Dist	0.65%
MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF	Class Acc	0.60%
	Class Dist	0.60%

9 - Subsequent event

As of January 27, 2020, Société Générale Bank & Trust's name will be changed into Société Générale Luxembourg.

Global risk exposure (Unaudited information)

1/ In terms of risk management, the commitment approach is used in order to determine the global risk for:

- MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF
- MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

The level of leverage using the commitment approach is determined in accordance with CSSF circular 11-512 which is further clarified in ESMA Guidelines 10-788.

Remuneration policy (Unaudited information)

COMPENSATION OF THE STAFF OF LYXOR INTERNATIONAL ASSET MANAGEMENT (2019 ACCOUNTING YEAR)

1.1 COMPENSATION POLICY AND PRACTICES

The compensation awarded by Lyxor International Asset Management to its employees consists of fixed compensation and may, if economic conditions permit, include a variable component in the form of a discretionary bonus. These bonuses are not related to the performance of the managed vehicles (no profit-sharing in the capital gains).

Lyxor International Asset Management applies the Société Générale Group compensation policy. This Group policy takes into consideration the remuneration provisions of directives 2011/61/EU of the European Parliament and of the Council of 8 June 2011 ("AIFM Directive") and 2014/91/EU of the European Parliament and of the Council of 23 July 2014 ("UCITS V Directive"), which apply to the investment fund management sector.

In this framework, Lyxor International Asset Management notably implements, for all of the employees receiving deferred variable compensation, an indexing mechanism for a part of this variable compensation composed of multiple investment funds representing the activity of the Lyxor group, such as to ensure that the interests of the employees align with those of investors.

The Lyxor International Asset Management compensation policy insures notably the appropriate management of the risks and the compliance by its staff of the Rules and regulations.

The details of the compensation policy are available at the following website: <https://www.lyxor.com/en/policies-and-regulatory-notice>

1.2 BREAKDOWN OF FIXED AND VARIABLE COMPENSATION

Lyxor International Asset Management	Staff	Full Time Equivalent	Fixed Compensation (EUR)	Variable Compensation (EUR)	Total (EUR)
Lyxor International Asset Management personnel	144	100,18	8 120 026	5 252 678	13 372 704

Lyxor International Asset Management	Staff	Full Time Equivalent	Total Compensation (Fixed and Variable) (EUR)
Identified Population*	27	22,32	4 272 167
Of which Portfolio Management team	20	16,94	2 183 217
Of which other personnel identified	7	5,38	2 088 950

(*) Staff the professional activity of which may have a significant impact on the risk profile of Lyxor International Asset Management, or the AIF or UCITS managed by Lyxor International Asset Management, within the meaning of article L533-22-2 of the *Code monétaire et financier* (the French Financial Code).

Figures set forth in the tables above correspond to the amounts, before deduction of any tax and social costs, awarded to the staff in the context of the Annual Compensation Review occurred in the relevant accounting year, on the basis of the number of employees as at 31 December of the preceding accounting year. Please note that variable remuneration set out in table above are those awarded to the staff, and take into account amounts partially deferred to following years, and do not take into account the amount actually paid during this accounting year by virtue of a deferred remuneration awarded in a previous year. No carried interest was paid during the relevant accounting year.

SFT Regulation (Unaudited information)

Total return swaps

Following the Regulation 2015/2365 of the European Parliament and of the Council of November 25, 2015 on transparency of securities financing transactions, please find below details about total return swaps for the period ending December 31, 2019:

	MULTI UNITS LUXEMBOURG - Lyxor China Enterprise (HSCEI) UCITS ETF	MULTI UNITS LUXEMBOURG - Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF
Amount of Total Return Swaps expressed in absolute amount (in the currency of the sub-fund) *	587 214 114	407 165 472
Proportion of AUM	100%	100%
Maturity tenor of the Performance Swaps broken down in the following maturity buckets		
Less than one day	-	-
One day to one week	-	-
One week to one month	587 214 114	407 165 472
One month to three months	-	-
Three months to one year	-	-
Above one year	-	-
Open maturity	-	-
Total	587 214 114	407 165 472
Counterparty		
Name of counterparty	Société Générale	Société Générale
Country of domicile of the counterparty	France	France
Gross volume of outstanding transactions	see note 6	see note 6
Data on Collateral		
<i>Type of collateral</i>		
Cash	-	-
Securities	-	-
<i>Quality of collateral</i>		
Rating	-	-
Maturity tenor of the collateral broken down in the following maturity buckets (in sub-fund's currency)		
Less than one day	-	-
One day to one week	-	-
One week to one month	-	-
One month to three months	-	-
Three months to one year	-	-
Above one year	-	-
Open maturity	-	-
Total	-	-
Safekeeping of collateral received by the fund as part of total return swap		
Name of custodian	-	-
Cash	-	-
Securities	-	-
Proportion of collateral granted	-	-

The settlement and clearing of all swaps transactions are bilateral.

Returns and costs incurred from total return swaps transactions during the year ended December 31, 2019 are included in the valuation of the swaps.

* The amount of assets engaged in total return swaps is equal to the market value of the basket of securities engaged in total return swaps at the closing date, increased by the marked-to-market value of the TRS at the closing date.

Reporting on integration of Environmental, Social and Governance (ESG) Criteria (Unaudited Information)



Lyxor International Asset Management S.A.S. REPORTING ON INTEGRATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) CRITERIA as of December 2019 Lyxor China Enterprise (HSCEI) UCITS ETF

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 on fund holdings an exclusion 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 or their key components, depleted uranium munitions, as well as biological, chemical, nuclear or radiological weapons).

The fund applies on fund holdings an exclusion of firms, in application of the LYXOR Climate Policy related to the thermal coal.

LYXOR excludes companies whose turnover from activities related to the extraction of thermal coal is greater than 10% or companies that belong to the energy sector and from which more than 30% of the electricity production (mixed energy) comes from coal.

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:

- In the global context of the Societe Generale Group Environmental and Social Policies, LYXOR used the Defense List produced by the Group, based on ISS-Ethix data to identify companies considered in violation of its Defense policy,
- In the global context of the Societe Generale Group Environmental and Social Policies, LYXOR used the Global Compact List produced by the Group, based on Sustainalytics data to identify companies that are associated with serious and repeated breaches of criteria, standards and/or mandatory requirements relating to controversial sectors and products,
- In addition to internal research conducted on corporate governance, Lyxor uses ISS Proxy voting adviser for voting recommendations. These recommendations are based on the Lyxor's Voting Policy,
- MSCI and Sustainalytics ESG research to integrate ESG issues,
- Vigeo-Eiris to develop its ESG analysis and rating methodology applied to unlisted SME / ETI assets.

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

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

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.

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

The detailed results of our shareholder engagement are available in the Lyxor annual voting report published on the Website Lyxor.com.

This year, as part of its engagement policy, Lyxor conducted 36 discussions with 32 European companies. The topics discussed mainly concerned corporate governance but also the integration of extra-financial issues in the overall strategy of the company or measures taken to reduce their greenhouse gas emissions.

The exclusion described above is applied to the fund holdings.

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 warming to 2 degrees by 2100, we have decided to report whenever it is possible the following metrics calculated at portfolio level:

- Portfolio carbon footprint:

• Measuring the GHG emissions of its investments provides investors with an indication of their current financed emissions. For the sake of transparency, in these reports, Lyxor states that the main data on GHG emissions are based solely on scopes 1 & 2 due to the lack of availability of certain data, particularly those related to scope 3. For the total of carbon footprints, LYXOR indicates the percentage of the declarative data and estimates.

- In view of the Transition Risk and more specifically the stranded assets, Lyxor has chosen to present:

- The share of reserves (thermal coal, gas, oil) of which an investor would be responsible according to his investment in the portfolio (/ \$ M invested),
- Potential emissions from these same known reserves of fossil fuels (expressed in tCO₂e / \$ M invested),
- A focus is presented on potential emissions from high-impact fossil fuel reserves (thermal coal, oil sands, oil and shale gas).

- With regard to carbon risk management:

• Lyxor presents at the portfolio level a classification of issuers based on their efforts on energy initiatives (use of cleaner energy sources, management of energy consumption and efficiency operational, carbon reduction targets).

- In regards with the portfolio's exposure to issuers offering environmental solutions :

• Lyxor presents the revenue exposure for environmental solutions that contribute to the Sustainable Development Goals (SDGs).

Reporting on integration of Environmental, Social and Governance (ESG) Criteria (Unaudited Information) (continued)

Carbon Risk Management: Energy Initiatives

Companies have a variety of strategies to reduce emissions, including setting targets for reductions, using cleaner energy sources and managing energy consumption. While these efforts vary considerably across companies, we categorize them as No Efforts, Limited Efforts, Some Efforts, and Aggressive Efforts to make them more comparable. This information is presented for the portfolio.

These metrics include only corporate issuers rated in Carbon.

	Use of Cleaner Energy Sources	Energy Consumption Management & Operation Efficiency	Target Effort
Aggressive efforts	0.0%	1.2%	1.4%
Some efforts	53.7%	92.2%	8.9%
Limited efforts/Information	5.4%	6.6%	0.0%
No effort/No evidence	40.8%	0.0%	89.7%

Energy Mix of energy producers within the portfolio

The company's fuel mix is estimated by taking the ratio of power-generation volume by fuel type (reported or estimated) and the total power-generation volume.

The row data used are the company-reported power-generation volume (MWh) by fuel type, where available. Where companies report total power-generation volume and percentages by fuel type rather than power-generation volume by fuel type (MWh), the data provider multiplies the total by the percentage for each fuel type to calculate MWh figures.

Source : MSCI ESG Research

Share of issuers in terms of power generation in portfolio

3.1%

Power generation by fuel as maximum percentage of total (rebased at 100%)

Hydro	0.2%
Liquid Fuel	Natural Gas
	1.6%
Renewables	Nuclear
	Thermal Coal
	98.2%

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 issuers 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).

These metrics include only corporate issuers rated in Carbon.

Issuer with a revenue dedicated to environmental solutions between:

0-19.9%	18%
20-49.9%	1%
50-100%	0%

Weight of Companies Offering Clean Technology Solutions

Alternative Energy	2.1%
Energy Efficiency	14.2%
Green Building	4.2%
Pollution Prevention	1.3%
Sustainable Water	2.1%

Revenue exposure to environmental solutions which contribute to SDGs

Revenue exposure to environmental solutions reflects the extent to which company revenue is exposed to products and services that help solve the world's major environmental challenges. It is calculated as a weighted average, using portfolio or index weights and each issuer's percent of revenue generated from sustainable environmental solutions.

These metrics include only corporate issuers rated in Carbon.

Environmental Solutions Contribution

Alternative Energy	0.0%
Energy Efficiency	1.3%
Green Building	0.3%
Pollution Prevention	0.0%
Sustainable Water	0.1%

Disclaimer

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Lyxor International Asset Management (LIAM) is a portfolio management company regulated by the Autorité des marchés financiers to conduct investment business in compliance with provisions of the UCITS (2009/65/CE) and AIFM (2011/61/EU) Directives. Société Générale is a French credit institution approved by the Autorité de contrôle prudentiel et de résolution.

Reporting on integration of Environmental, Social and Governance (ESG) Criteria (Unaudited Information) (continued)



Lyxor International Asset Management S.A.S. REPORTING ON INTEGRATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) CRITERIA as of December 2019 Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF

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°)

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- Portfolio carbon footprint:

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• Lyxor presents the revenue exposure for environmental solutions that contribute to the Sustainable Development Goals (SDGs).

Reporting on integration of Environmental, Social and Governance (ESG) Criteria (Unaudited Information) (continued)

Portfolio ESG Rating as of December 2019

ESG score	Environmental	Social	Governance	Portfolio rated	100%
4.7	4.8	4.9	4.6	Nb Securities rated	1 263

Pillars	Corporate			Governance		
	Themes	Score	Weight	Themes	Score	Weight
Environment		4.8	21.8%		0.0	0.0%
	Climat Change	5.6	6.9%	Environmental Externalities	0.0	0.0%
	Environmental Opportunities	4.5	6.1%	Natural Resource	0.0	0.0%
	Natural Capital	4.3	5.9%			
	Pollution & Waste	4.1	2.9%			
Social		4.9	45.7%		0.0	0.0%
	Human Capital	4.9	21.1%	Human Capital	0.0	0.0%
	Product Liability	4.8	19.0%	Economic Environment	0.0	0.0%
	Social Opportunities	4.7	4.2%			
	Stakeholder Opposition	7.0	1.4%			
Governance		4.6	31.7%		0.0	0.0%
	Corporate Behavior	3.4	9.8%	Financial Governance	0.0	0.0%
	Corporate Governance	5.1	21.9%	Political Governance	0.0	0.0%

Breakdown of companies according to their ESG rating

Sector	AAA	AA	A	BBB	BB	B	CCC	Not Rated	Leaders (AAA,AA)	17%
Communication Services		0.4%	1.5%	5.2%	1.8%	0.4%	0.6%		Average (A, BBB, BB)	67%
Consumer Discretionary	0.1%	0.8%	1.7%	6.4%	2.1%	1.9%	0.5%		Laggards (B, CCC)	15%
Consumer Staples		0.4%	1.1%	1.0%	1.4%	1.0%	0.2%			
Energy	0.4%	0.2%	0.8%	0.5%	1.1%	0.6%	0.7%			
Financials		3.5%	8.4%	7.6%	4.2%	0.8%	0.2%			
Health Care		1.9%	0.5%	0.4%	0.7%	0.8%	0.1%			
Industrials	1.0%	0.3%	0.7%	0.8%	1.5%	1.6%	0.7%			
Information Technology		5.4%	1.1%	5.6%	2.2%	0.9%	0.2%			
Materials		0.6%	1.1%	2.3%	0.6%	0.7%	1.0%			
Real Estate	0.7%	0.6%	0.4%	1.6%	1.1%	1.3%	0.3%			
Utilities	0.1%	0.4%	0.2%	0.9%	0.8%	0.4%	0.2%			

For each issuer (Corporate & Government), ESG Industry sector is provided by MSCI ESG Ratings.
To be noticed, Government issuers are classified as belonging to "Financials" Industry Sector.

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.

All ESG metrics are calculated on benchmark index.

Portfolio Exposure to ESG Controversies

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

The severity of the assessment through color-coded alerts :

- Red: Indicates that a company is involved in one or more very severe controversies;
- Orange: Indicates that a company has been involved in one or more recent severe structural controversies that are ongoing;
- Yellow: Indicates that the company is involved in severe-to-moderate level controversies;
- Green: Indicates that the company is not involved in any major controversies.
- None: Sovereign and/or Company not covered

Red Flag	2%
Orange Flag	11%
Yellow Flag	36%
Green Flag	51%

Reporting on integration of Environmental, Social and Governance (ESG) Criteria (Unaudited Information) (continued)

Climate Risks & Energy Transition

Portfolio Carbon Footprint as of December 2019

Carbon Emissions tons CO2e/\$M invested	Carbon Intensity tons CO2e/\$M sales	Weighted Average Carbon Intensity tons CO2e/\$M sales	Portfolio rated by weight	99%
245	382	279	Scope 1 reported (vs estimated)	57%
			Scope2 reported (vs estimated)	66%
			Scope 1& 2 estimations are based on MSCI methodology	

Carbon Measurement methodology

The GHG Protocol, developed by the world Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD) sets the global standard for how to measure, manage and report greenhouse gas emissions.

This will provide investors some insight of their current financed emissions

LYXOR has developed a proprietary methodology to carry out the carbon footprint measurement of its portfolios.

LYXOR relies on issuer's carbon and environmental metrics (companies and governments) provided by MSCI. These metrics are partly based on declarative data and / or are estimated.

The GHG Protocol has set the global standard for GHG reporting, notably the three scopes of reporting information:

- Scope 1: Direct GHG Emissions from operations.
- Scope 2: Electricity indirect GHG Emissions. (the companies' indirect emissions from electricity, heating, or steam consumption).
- Scope 3: Other indirect GHG emissions.

The carbon footprint part of the report aims to account for the greenhouse gas emissions produced by the companies held in portfolio. The emissions are expressed in terms of carbon dioxide equivalents (CO2e).

LYXOR reports on all its funds, three Carbon intensities when transparency is allowed:

- Carbon emissions financed (tons CO2 e / \$M invested): they represent the carbon footprint of the standardized portfolio by \$M invested
- Carbon intensity (tons CO2e / \$M Sales): shows the carbon efficiency of the portfolio in terms of emissions per \$M of sales
- Weighted Average Carbon Intensity (tons CO2e / \$M Sales): a measure of the portfolio's exposure to the most carbon-intensive companies, reflected by the average carbon intensity of the companies (CO2 emissions normalized by revenue). The carbon intensity of the portfolio is calculated as the weighted average of the carbon intensities of underlying issuers.

These measures do not take into account all emissions induced by the company particularly those related to the use of products or upstream by suppliers (scope 3).

Note: These measures are applicable to equity portfolios, but only the weighted average carbon intensity (tCO2e / \$M sales) is applicable to both equity and corporate fixed income/ multi-asset class portfolios.

All Carbon & Climate metrics are calculated on benchmark index.

Portfolio exposure to transition risk

The data 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).

These metrics include only corporate issuers rated in Carbon.

Weight of the portfolio rated in Carbon	
Fossil Fuel Reserves	10%
Thermal Coal	4%
Natural Gaz	8%
Oil	7%

Stranded Assets: Fossil Fuel Reserves

The table shows the reserves for which an investor would be responsible based on comparable dollar investments in the portfolio.

MMBOE stands for Million Barrels of Oil Equivalents.

These metrics include only corporate issuers rated in Carbon.

Based on investment of : \$1,000,000	
Thermal Coal (Tons)	2 662
Gas (MMBOE)	0.0010
Oil (MMBOE)	0.0008

Stranded Assets: Potential Emissions from Fossil Fuel Reserves

Different fuels have different carbon content and different net calorific value. To make reserves of these fuels comparable in terms of contribution to greenhouse gas emissions, we calculate the potential emissions of the fuels and express these as tons of CO2 using the Potsdam Institute methodology.

In that the total potential emissions of existing known fossil fuel reserves vastly exceed the limit of emissions that scientific consensus indicates must be met in order to manage climate change, many of these reserves may not be usable. If this is the case, the market values of companies holding reserves may be overstated because they are based in part on the present value of these reserves assuming that they can be fully utilized.

These metrics include only corporate issuers rated in Carbon.

tCO2e/\$M invested	
Metallurgical Coal	1 251.4
Thermal Coal	4 862.1
Oil	336.3
Gas	273.9
Total	6 771.6

Stranded Assets: High Impact Fossil Fuel Reserves

Certain fuels such as coal, oil sands, shale oil and shale gas are arguably more exposed to stranded assets risk as they have a higher carbon content than other types of oil and gas. Coal is by far the most carbon intensive fuel type, emitting roughly twice as much carbon emissions per kilowatt hour (kwh) than natural gas. In addition to higher carbon intensity, the extraction of unconventional sources of oil and gas can be costly because of various geological, technical and environmental challenges – this is the case with oil sands, which have been targeted as being particularly climate-unfriendly.

With regards to coal, the carbon stranded assets debate has focused on thermal coal, which is mainly used in power generation. While both thermal and metallurgical coal have a high carbon content, metallurgical, or coking coal is primarily used in steel making and has few substitutes, so many investors believe that while thermal coal is particularly vulnerable to stranding, there will still be a future for metallurgical coal.

These metrics include only corporate issuers rated in Carbon.

tCO2e/\$M Invested	
Thermal Coal	4 862.1
Oil Sands	35.2
Shale Oil or Shale Gas	50.6
Sum High Impact Reserves	4 947.9
Other	1 823.7

Reporting on integration of Environmental, Social and Governance (ESG) Criteria (Unaudited Information) (continued)

Carbon Risk Management: Energy Initiatives

Companies have a variety of strategies to reduce emissions, including setting targets for reductions, using cleaner energy sources and managing energy consumption. While these efforts vary considerably across companies, we categorize them as No Efforts, Limited Efforts, Some Efforts, and Aggressive Efforts to make them more comparable. This information is presented for the portfolio.

These metrics include only corporate issuers rated in Carbon.

	Use of Cleaner Energy Sources	Energy Consumption Management & Operation Efficiency	Target Effort
Aggressive efforts	0.6%	2.1%	2.5%
Some efforts	61.4%	88.0%	39.0%
Limited efforts/Information	11.3%	4.6%	3.8%
No effort/No evidence	26.7%	5.3%	54.7%

Energy Mix of energy producers within the portfolio

The company's fuel mix is estimated by taking the ratio of power-generation volume by fuel type (reported or estimated) and the total power-generation volume.

The row data used are the company-reported power-generation volume (MWh) by fuel type, where available. Where companies report total power-generation volume and percentages by fuel type rather than power-generation volume by fuel type (MWh), the data provider multiplies the total by the percentage for each fuel type to calculate MWh figures.

Source : MSCI ESG Research

Share of issuers in terms of power generation in portfolio

	3.5%
Power generation by fuel as maximum percentage of total (rebased at 100%)	
Hydro	3.4%
Liquid Fuel	0.6%
Natural Gas	14.1%
Nuclear	9.4%
Renewables	6.0%
Thermal Coal	66.5%

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 issuers 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).

These metrics include only corporate issuers rated in Carbon.

Issuer with a revenue dedicated to environmental solutions between:

0-19.9%	34%
20-49.9%	2%
50-100%	2%

Weight of Companies Offering Clean Technology Solutions

Alternative Energy	7.8%
Energy Efficiency	31.4%
Green Building	5.7%
Pollution Prevention	2.6%
Sustainable Water	3.3%

Revenue exposure to environmental solutions which contribute to SDGs

Revenue exposure to environmental solutions reflects the extent to which company revenue is exposed to products and services that help solve the world's major environmental challenges. It is calculated as a weighted average, using portfolio or index weights and each issuer's percent of revenue generated from sustainable environmental solutions.

These metrics include only corporate issuers rated in Carbon.

Environmental Solutions Contribution

Alternative Energy	0.5%
Energy Efficiency	1.8%
Green Building	1.0%
Pollution Prevention	0.1%
Sustainable Water	0.1%

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MULTI UNITS LUXEMBOURG

Annual report including the audited financial statements