

LYXOR MSCI EUROPE UCITS ETF

A collective investment scheme established in France and constituted outside Singapore

An application was made to the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 26 August 2009 for permission to list and deal in and quote the class USD units (the “Units”) of the LYXOR MSCI EUROPE UCITS ETF (formerly known as LYXOR UCITS ETF MSCI EUROPE and prior to that, known as LYXOR ETF MSCI EUROPE) (the “Fund”) which may be issued from time to time. Such permission has been granted by the SGX-ST and the Units have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Manager, the Fund or its Units.

If you are in any doubt about the content of this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

LYXOR MSCI EUROPE UCITS ETF

DIRECTORY

MANAGER

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DIRECTOR OF THE MANAGER

Lionel Paquin

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SOLICITORS TO THE MANAGER

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IMPORTANT INFORMATION

The collective investment scheme, namely the LYXOR MSCI EUROPE UCITS ETF (the “Fund”) offered in this Prospectus is a recognised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “MAS”). The MAS assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the MAS does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the Fund.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus may only be used in connection with this offering of securities to which it relates by distribution as contemplated in this Prospectus.

The manager of the Fund is Lyxor International Asset Management (the “Manager”). Copies of the articles of incorporation of the Manager are available for your inspection, free of charge, from the Singapore representative for the Fund (whose details appear in paragraph 5.1 of this Prospectus), during normal Singapore business hours.

The director of the Manager (the “Director”) accepts full responsibility for the accuracy of the information given in this Prospectus and confirms, having made reasonable enquiries, that to the best of his knowledge and belief, the facts stated in this Prospectus are true and accurate in all material respects as at the date of this Prospectus and that there are no other material facts the omission of which makes any statement in this Prospectus misleading.

You should seek professional advice to ascertain (a) the possible tax consequences, especially in connection with the receipt of any distributions intended to be made in respect of the class USD units of the Fund being offered in this Prospectus (the “Units”), (b) the legal requirements which may be relevant to the subscription, holding or disposal of the Units and (c) any foreign exchange restrictions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of the Units.

Please see Part V of this Prospectus for more details on the investment objective, focus and approach of the Fund and Part VIII of this Prospectus for the risks involved in investing in the Units. **In particular, you should note that the Fund may invest in financial derivative instruments (“FDIs”) for investment, hedging and/or efficient portfolio management purposes, such as the swap(s) described in paragraph 7.2 of this Prospectus.** Please refer to paragraph 7.2 for further details on the swap(s) which the Fund may invest in and the swap counterparty, paragraphs 10.2(b), (c) and (w) on the counterparty risk and settlement risk, risk of the swap agreement(s) and risk on the use of FDIs respectively and paragraphs 20.16 to 20.17 on the Fund’s use of FDIs for further details. No person has been authorised to give any information or to make any representation in connection with the offering of Units other than those contained in this Prospectus, and the reports referred to in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Manager. **To reflect material changes, this document may be updated from time to time and you should investigate whether any more recent Prospectus is available.**

United States - The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States or to, or for the account or benefit of, (i) U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”) and under U.S. regulations as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986 as amended); and (ii) anyone other than those persons considered to be “non-US Persons” as this term is defined under U.S. regulations pursuant to the Commodity Futures Trading Commission, Rule 4.7(a)(1)(iv). The Units are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Units may not, except pursuant to a relevant exemption, be acquired or owned by, or acquired with the assets of an ERISA Plan. An ERISA Plan is defined as (i) any retirement plan subject to Title I of the United States Employee Retirement Income Securities Act of 1974, as amended; or, (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended.

All enquiries about the Units or the Fund should be directed to the Manager.

LYXOR MSCI EUROPE UCITS ETF

FUND COMPLETE PROSPECTUS

The Fund is governed by, amongst others, the fund complete prospectus in respect of the Fund approved by the AMF on 13 December 2005 (the “Fund Complete Prospectus”). A copy of the latest Fund Complete Prospectus is available for your inspection, free of charge, at the office of the Singapore representative at 77 Robinson Road, #18-00 Robinson 77, Singapore 068896 during normal Singapore business hours.

LISTING ON THE SGX-ST

An application was made to the SGX-ST on 26 August 2009 for permission to list and deal in and quote the class USD units (“Units”) of the Fund which may be issued from time to time. The Fund received in-principle approval for its admission to the Official List of the SGX-ST on 9 October 2009 and has been admitted to the Official List of the SGX-ST for trading since 21 October 2009.

The SGX-ST counter name of the Fund is “Lyxor Europe US\$” and the SGX-ST stock code of the Fund is “JC5”.

The listing and quotation of Units on the SGX-ST is intended to provide benefits to investors not available in unlisted collective investment schemes. Unlike conventional funds offered to the public in Singapore which are typically bought and sold only at closing NAV (which are unknown at the time of dealing), the Units are tradable on the SGX-ST throughout the trading day on which the SGX-ST is open for trading, and will be quoted and traded on the SGX-ST in USD and in board lots of 10 Units. The NAV of the Units is denominated in USD.

Units traded on the SGX-ST will be transacted on the SGX-ST on a willing-buyer-willing-seller basis at market prices throughout the trading day for SGX-ST, and the trading in the Units will be in accordance with SGX-ST’s rules and guidelines governing the clearing and settlement of trades in securities. Market prices for Units may be different from their NAV.

Units may be subscribed and redeemed in the manner described under the “Subscription and Redemption Procedures” section below. If you acquire Units directly from a Participating Dealer, you may request the Participating Dealer to apply to the depository, namely The Central Depository (Pte) Limited (the “CDP”), for your Units to be entered against your name in the depository register in accordance with the CDP’s terms and conditions for the entering of off-market acquisitions of securities in its records.

RISKS OF INVESTING IN THE FUND

You should note that there are risks involved in investing in the Units.

Investors subscribing to the Fund are seeking exposure to the European equity markets. The amount that can be reasonably invested in the Fund depends on each investor’s personal situation by taking into account their personal circumstances at present and for the next five years, as well as their wishes to take risks or their preference for a more prudent investment. You should read this Prospectus carefully before deciding whether to invest in the Units, and should seek advice from a financial adviser as to whether the Fund is suitable for you before investing. The listing of the Units does not guarantee a liquid market for the Units.

The Manager is of the view that the Fund is suitable for investors who want capital growth rather than regular income and the recommended minimum investment period is more than five years.

As the Fund will be invested primarily in financial instruments selected by the Manager, these instruments will fluctuate in line with the markets. Accordingly, through the Fund, investors in the Fund are exposed to, amongst others, 100% of market risks linked to movements in the Benchmark Index

and, in particular, are exposed to any declines in the Benchmark Index. The Fund therefore carries a **high equity risk profile**.

In addition, investors in the Fund may also be exposed to the other main risks as described in Part VIII of this Prospectus, including amongst others, the counterparty risk, equity risk, the risk of the swap agreement(s) and the risk of the loss of capital invested. You should therefore carefully consider the risk factors described in Part VIII of this Prospectus together with all of the other information included in this Prospectus before deciding whether to invest in the Units.

CLEARANCE AND SETTLEMENT

Introduction

Approval has been obtained from the SGX-ST for the listing and quotation of the Units. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 10 Units. The Units will be cleared and settled under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

It is expected that the Units will be credited or debited into the Securities Accounts of the relevant investors within 3 Market Days after the transaction date on which the Units are purchased or sold by the investors through the SGX-ST.

Clearance and Settlement under the Depository System

The Units will be held in the name of CDP or its nominee for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Holders in respect of the number of Units credited to their respective Securities Accounts. You should note that as long as the Units are listed on the SGX-ST, Units may not be withdrawn from the depository register kept by CDP.

Transactions in the Units under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Units sold and the buyer's Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a transfer fee (as prescribed by CDP) payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Accounts, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Account in time for settlement following a dealing. In particular, should a subscription and redemption occur on the same trading day, it may not be possible to determine whether Units have been credited into a Securities Account before debiting the Securities Account. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the CDP will be implemented.

Clearing Fees

A clearing fee for the trading of Units on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, fees relating to instruments of transfer, deposit fee and unit withdrawal fee may be subject to GST (currently 7.0%).

Dealings in the Units will be carried out in USD and US cents per Unit and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts. You may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

LYXOR MSCI EUROPE UCITS ETF

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LYXOR MSCI EUROPE UCITS ETF

PROSPECTUS REQUIRED PURSUANT TO DIVISION 2 OF PART XIII OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE

The collective investment scheme offered in this Prospectus is a recognised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “MAS”). The MAS assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the MAS does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the Fund.

I BASIC INFORMATION

1. The collective investment scheme offered pursuant to this Prospectus is the LYXOR MSCI EUROPE UCITS ETF (the “Fund”). Separate classes of units may from time to time be issued under the Fund (each a “Class”, together the “Classes”). As at the date of this Prospectus, the Fund comprises 4 Classes of units, namely, the Euro (“EUR”) denominated Class D-EUR units, the United States Dollar (“USD”) denominated Class USD units, the Pounds Sterling (“GBP”) denominated Class D-GBP units and the Swiss Franc (“CHF”) denominated Class D-CHF units.

The Class D-EUR units of the Fund are currently primarily listed on *inter alia* the Euronext Paris of NYSE Euronext (“Euronext”) and are traded on the Euronext at market prices throughout the trading day for Euronext.

This Prospectus describes and offers for sale the Class USD units of the Fund (“Units”). An application was made to the SGX-ST for permission to list and deal in and quote the Units. Such permission has been granted by the SGX-ST and the Units have been admitted to the Official List of the SGX-ST for trading since 21 October 2009. The SGX-ST counter name of the Fund is “Lyxor Europe US\$” and the SGX-ST stock code of the Fund is “JC5”. **As at the date of this Prospectus, other than the SGX-ST, the Units are not listed or traded on any other stock exchange.**

2. The date of registration of this Prospectus is 18 August 2017. This Prospectus shall be valid for a period of 12 months after the date of registration of this Prospectus (i.e., up to and including 17 August 2018) and shall expire on 18 August 2018.
3. The Fund, which is constituted in France as a *fonds commun de placement* (“FCP”) which is an open-ended collective investment fund, was approved by the French financial markets authority, namely the *Autorité des Marchés Financiers* (“AMF” or the “Financial Markets Authority”) on 13 December 2005 and established on 10 January 2006. The Fund is classified in France as an ETF UCITS-type index tracker. The Fund is a Specified Investment Product (as defined in the MAS Notice on the Sale of Investment Products).

II THE MANAGER

- 4.1 The manager of the Fund is Lyxor International Asset Management, a simplified joint-stock company incorporated in France, whose registered address is at Tour Société Générale, 17, Cours Valmy, 92800 Puteaux, France. As at 31 December 2016, the Manager has a share capital of EUR 1,059,696.

The Manager is a subsidiary of Lyxor Asset Management, which is in turn a wholly-owned subsidiary of Société Générale, fully dedicated to fund activities. In the context of its activities, the Manager meets high internal quality requirements in terms of operational and risk procedures, organisation and business ethics.

By providing a fully integrated approach, its mission is to facilitate access to innovative investments.

The Manager is a management company registered (as of 12 June 1998) and regulated by the AMF. The Manager has been managing FCPs for over 18 years. Investors of the funds managed by the Manager are located in countries such as France, Singapore, Hong Kong, Germany, Italy, Austria, Spain, Switzerland and the Scandinavian countries. As at 30 April 2017, the Manager, together with its parent company Lyxor Asset Management, had USD 134.7 billion of assets under management.

Past performance of the Manager is not necessarily indicative of its future performance.

4.2 As at the date of this Prospectus, the Singapore-recognised collective investment schemes managed by the Manager are as follows:

- Lyxor China Enterprise (HSCEI) UCITS ETF
- Lyxor MSCI AC Asia-Pacific Ex Japan UCITS ETF
- Lyxor MSCI Korea UCITS ETF
- Lyxor Commodities Thomson Reuters/CoreCommodity CRB TR UCITS ETF
- Lyxor Hong Kong (HSI) UCITS ETF
- Lyxor MSCI Taiwan UCITS ETF
- Lyxor MSCI Malaysia UCITS ETF
- Lyxor MSCI India UCITS ETF
- Lyxor MSCI AC Asia Ex Japan UCITS ETF
- Lyxor Commodities Thomson Reuters/CoreCommodity CRB Ex-Energy TR UCITS ETF
- Lyxor MSCI Emerging Markets UCITS ETF
- Lyxor MSCI EM Latin America UCITS ETF
- Lyxor MSCI World UCITS ETF
- Lyxor NASDAQ-100 UCITS ETF
- Lyxor Dow Jones Industrial Average UCITS ETF
- Lyxor MSCI Europe UCITS ETF
- Lyxor Russia (Dow Jones Russia GDR) UCITS ETF
- Multi Units France – Lyxor Thailand (SET50 Net TR) UCITS ETF
- Multi Units France – Lyxor MSCI Indonesia UCITS ETF

** Please note that the above list may be subject to change from time to time.*

4.3 The details of the sole director of the Manager are:

Lionel PAQUIN - Director

Tours Société Générale

17 cours Valmy

92000 Paris La Défense

France

Lionel PAQUIN graduated from Ecole Polytechnique with a diploma and graduated from National School of Statistics and Economics (ENSAE) with a diploma of Statistics and Economics. Mr. Paquin began his career in 1995 in the French Ministry of Finance as a high-ranking civil servant and held several positions within this Ministry. He joined as Managing Director and Principal Inspector of the “Inspection Générale” in the Société Générale Group in June 2004. In September 2007, Mr. Paquin was appointed the Chief Risk Officer and Head of Internal Control of Lyxor Asset Management (“Lyxor AM”). He was the Head of Lyxor Managed Accounts Platform since 2011 and was appointed the Chief Executive Officer of the Manager since February 2014.

Mr. Lionel Paquin is the Chief Executive Officer of Lyxor AM. In addition, he is a director of certain funds established as corporate entities.

- 4.4 The details of the key executive of the Manager are:

Raphaël Dieterlen

Head of ETFs and Index Investments and Chief Investment Officer of ETF Business line, Fund Manager

Raphaël Dieterlen is the Head of ETFs and Index Investments at Lyxor AM. Raphaël joined Lyxor AM as the Head of Index Fund Management in 2009 and was promoted to his current position in 2012. Prior to Lyxor, he was the Deputy Head of Guaranteed Products at Société Générale Asset Management (SGAM) and was appointed Head of Index Fund Management in 2008. He began his career in 1998 as financial engineer at BNP Paribas AM and became a fund manager of actively managed guaranteed products in 2000. Raphaël is a graduate from Ecole Polytechnique Fédérale de Lausanne, Switzerland (EPFL), in Mathematical Engineering (1998).

- 4.5 The Manager will remain as manager of the Fund for so long as the Manager continues to be duly licensed to carry out its activities under the applicable laws. The AMF may, nonetheless, at any time request for a change of manager in respect of the Fund if it deems appropriate.

In particular, the Manager shall cease to be the manager of the Fund if the AMF withdraws its authorisation issued to the Manager as manager of the Fund, in accordance with the applicable French laws and regulations and the relevant UCITS directives. Holders shall be given 1 month’s prior notice before the Manager is removed and such announcement shall be made on the SGXNET accordingly.

- 4.6 The Manager, its director and their associates are not entitled to receive any part of any brokerage charged to the Fund or any part of any fees¹, allowances, benefits received on purchases charged to the Fund. In addition, as there are no voting rights attached to the Units, the Manager, its director and its connected persons will not be able to vote their own Units, if any.

Remuneration Policy

- 4.7 The Manager has established a remuneration policy that complies with current regulations. This policy is consistent with the objectives, values and interests of the Manager, of the funds it manages and of the investors in these funds, and includes measures intended to avoid conflicts of interest.

Up-to-date information on the remuneration policy may be found on the Internet at: <http://www.lyxor.com/en/the-company/policies-tax/>.

¹ For the avoidance of doubt, the word “fees” mentioned in this paragraph 4.6 shall exclude the management fee payable out of the assets of the Fund to the Manager. The Manager shall be entitled to the management and other fees as set out in paragraph 9.2 of this Prospectus.

III OTHER PARTIES

The Singapore Representative

- 5.1 RBC Investor Services Trust Singapore Limited has been appointed by the Manager as the representative for the Fund in Singapore (the “Singapore Representative”) to provide and maintain certain administrative and other facilities in respect of the Fund as required under section 287(13) of the SFA, including maintaining in Singapore any facility that enables the inspection of or extraction from the subsidiary register of the Fund of the Holders who purchased Units in Singapore².

Holders who wish to inspect or extract information from the subsidiary register of the Fund of the Holders who purchased Units in Singapore may approach the Singapore Representative at 77 Robinson Road, #18-00 Robinson 77, Singapore 068896 during normal Singapore business hours for assistance.

In addition, the Singapore Representative has also been appointed by the Manager to act as the Fund’s local agent in Singapore to accept service of process on behalf of the Fund and such other services as may from time to time be agreed between the Manager and the Singapore Representative.

RBC Investor Services Trust Singapore Limited is a company incorporated in Singapore on 4 July 1995 with registered address at 77 Robinson Road, #18-00 Robinson 77, Singapore 068896.

The Depository and Custodian and the Registrar

- 5.2 The depository and custodian of the Fund is Société Générale, acting through its Securities Services department (the “Depository and Custodian”), a lending institution established in France on 4 May 1864 by an authorisation decree signed by Napoleon and which has its registered office at 29, boulevard Haussmann in Paris (75009). The Depository and Custodian is registered in the Paris trade register under No. 552 120 222, has been approved by the French Prudential Supervision and Resolution Authority and is also subject to the supervision of the AMF. As at 31 December 2016, the Depository and Custodian has a share capital of EUR 1,009,641,917.50.

The Depository and Custodian’s duties and potential conflicts of interest

The Depository and Custodian is responsible for three things — monitoring the compliance of the Manager’s decisions, holding the assets of investment funds in custody and monitoring the cash flows of these investment funds.

The Depository and Custodian’s main objective is to protect the interests of the Fund’s shareholders and investors.

Potential conflicts of interest may be identified, particularly if the Manager maintains a business relationship with Société Générale that extends beyond the latter’s Depository and Custodian duties, for example, if the Manager delegates to Société Générale the task of calculating the net asset value of the funds of which Société Générale is the depository, or when there is a group relationship between the Manager and the Depository and Custodian.

In order to manage such situations, the Depository and Custodian has set up and maintains a policy for managing conflicts of interest which serves to:

² For so long as the Units are listed and traded on the SGX-ST, the Units will be registered in the name of CDP or its nominee and held by CDP or its nominee for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Holders in respect of the number of Units credited to their respective Securities Accounts.

- Identify and examine potential conflict-of-interest situations
- Record, manage and follow up conflict-of-interest situations, by:
 - (i) using ongoing measures to deal with conflicts of interest, such as segregating duties, separating line and staff functions, monitoring “insiders”, and using dedicated IT environments;
 - (ii) and also, on a case-by-case basis:
 - (a) implementing appropriate preventive measures such as drawing up ad hoc “watch lists”, setting up Chinese walls, checking that transactions are dealt with appropriately, and/or informing any clients who may be affected;
 - (b) or otherwise, refusing to engage in activities that may result in a conflict of interest.

The Depository and Custodian will remain as depository and custodian of the Fund until such time when the Manager (subject to approval of the AMF) removes the Depository and Custodian as depository and custodian of the Fund. In such circumstances, prior notice shall be given to Holders and Holders shall be given opportunities to redeem their Units in the Fund prior to the removal of the Depository and Custodian.

As there are no voting rights attached to the Units, the Depository and Custodian, its directors and its connected persons will not be able to vote on their own Units, if any.

Custodial functions which the Depository and Custodian may delegate, delegates and sub-delegates, and the identification of conflicts of interest that may require such delegation

The Depository and Custodian is responsible for the custody of assets (as defined under Article 22.5 of Directive 2009/65/EC as amended by Directive 2014/91/EU). In order to provide custodial services in a large number of countries and enable investment funds to achieve their investment objectives, the Depository and Custodian has appointed sub-custodians in the countries where the Depository and Custodian normally does not have a direct local presence. These entities are listed at http://www.securitiesservices.societegenerale.com/uploads/tx_bisgnews/Global_list_of_sub_custodians_for_SGSS_2016_05.pdf. In accordance with paragraph 2 of Article 22a of the UCITS V directive, the process for appointing and supervising sub-custodians complies with the highest standards of quality and includes the management of potential conflicts of interest that may arise when sub-custodians are appointed. The Depository and Custodian has prepared an effective policy for identifying, preventing and managing conflicts of interest in compliance with national and international regulations and international standards. Criteria which are taken into account when selecting sub-custodians generally include the relevant sub-custodian’s quality and experience, reconciliation process, assets segregation and protection, internal control environment, operational risk/ permanent supervision, insurance and business continuity planning. All sub-custodians selected shall be licensed and regulated under the applicable law to carry out the relevant activities in relevant jurisdictions.

The delegation of the Depository and Custodian’s custodial functions may result in conflicts of interest. The latter have been identified and are monitored. The Depository and Custodian’s conflict-of-interest policy includes measures to prevent the occurrence of conflict-of-interest situations and to ensure that, in the course of its business activities, the Depository and Custodian always acts in the best interests of the investment funds. These preventive measures consist most notably in ensuring the confidentiality of the information exchanged,

physically separating activities that may result in a conflict of interest, determining and classifying remuneration and pecuniary and non-pecuniary benefits, and implementing a policy and measures that govern the acceptance of gifts and hospitality.

You may obtain the most recent information on Société Générale's conflict of interest policy from the Manager upon request.

Société Générale is also the registrar of the Fund.

The Auditors

- 5.3 The auditors of the Fund are PricewaterhouseCoopers Audit of 63 rue de Villiers, 92208 Neuilly-sur-Seine, France.

The Administrative Agent

- 5.4 The Depository and Custodian (which is Société Générale, acting through its Securities Services department) has also been appointed to assist the Manager in the administration/accounting management, including the calculation of the NAV, of the Fund.

The Depository and Custodian will remain as administrative agent of the Fund until the Manager removes it as administrative agent of the Fund.

The Central Depository (Pte) Limited

- 5.5 For so long as the Units are listed, quoted and traded on the SGX-ST, the Manager shall appoint CDP as the Unit depository for the Fund in Singapore, and all Units issued and available for trading will be represented by entries in the Register kept by the Registrar in the name of, and deposited with, CDP or its nominee as the registered Holder of such Units. The Manager or the Registrar shall issue to CDP or its nominee not less than 4 Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units issued.

The Designated Market Maker

- 5.6 For so long as the Units are listed, quoted and traded on the SGX-ST, the Manager shall ensure that at least one Market Maker who is approved and registered by the SGX-ST as a designated Market Maker of the Fund is appointed at all times. The designated Market Maker is required to make a market for the Units in the secondary market on the SGX-ST to provide for an adequately liquid market for the Units, by amongst others, quoting bid prices to potential sellers and offer prices to potential buyers on the SGX-ST in accordance with the market making requirements of the SGX-ST.
- 5.7 The current designated Market Maker of the Fund is Société Générale. Any change to the designated Market Maker will be announced on the SGXNET. In addition, an announcement will be released via the SGXNET as soon as practicable if there is not at least one designated Market Maker who is able to fulfil its duties of providing an adequately liquid market for the Units. You should refer to paragraphs 10.2(s) and 20.3 for more details relating to the Market Maker in connection with the Fund.
- 5.8 For the avoidance of doubt, the Manager shall not be liable for anything done or omitted or any loss suffered or incurred whatsoever by any person if such designated Market Maker is not fulfilling its duties to provide for an adequately liquid market for the Units in accordance with the market making requirements of the SGX-ST.

IV STRUCTURE OF THE SCHEME

- 6.1 The Fund is an open-ended standalone collective investment scheme with a term of 99 years and constituted in France as a FCP. The interests issued or offered to the public are represented by Units comprised in the Fund, the property of which shall be invested in Investments.
- 6.2 Separate Classes of units may from time to time be issued under the Fund. As at the date of this Prospectus, the Fund comprises 4 Classes of units, namely, the EUR denominated Class D-EUR units, the USD denominated Class USD units, the GBP denominated Class D-GBP units and the CHF denominated Class D-CHF units. **This Prospectus describes and offers for sale and subscription the Class USD units of the Fund (i.e. the “Units”).**
- 6.3 The Units are currently listed, quoted and dealt in on the SGX-ST in USD. ***You should note that the Manager may at its sole discretion (subject to approvals from the SGX-ST and such other relevant authority) decide to list and deal in and quote the Units on the SGX-ST in such other currencies including SGD in addition to USD. In such event, an announcement will be made on the SGXNET and this Prospectus shall be updated, supplemented or replaced accordingly. If you wish to buy and sell the Units on the SGX-ST in, for instance, SGD, you should note that as the NAV of the Units is denominated in USD, any foreign currency exchange rate movements are likely to further influence the returns to you. The designated Market Maker of the Fund will convert the indicative NAV of the Units which is in USD into the listing currency of the Units (which may include SGD), based on the last applicable and available real time exchange rate published by Reuters (or any other suitable real time data provider as may be determined by the designated Market Maker of the Fund). Subject to the applicable laws, the Manager and the designated Market Maker shall not be liable to any person, including you, for any action taken or loss suffered or incurred as a result of such foreign exchange rate fluctuations or foreign exchange conversions carried out in respect of such Units.***
- 6.4 Each Unit represents an undivided interest in the underlying securities held by the Fund.

V INVESTMENT OBJECTIVE, FOCUS & APPROACH

- 7.1 The Fund's investment objective is to give exposure to the European stock markets by providing investment results that closely correspond to the performance of the MSCI EUROPE™ Net Total Return index denominated in EUR (referred hereinafter as the “Benchmark Index”), insofar as possible minimising the tracking error between the Fund's performance and that of the Benchmark Index. The anticipated ex-post tracking error under normal market conditions is 0.10%.

Benchmark Index

A complete description and the complete methodology of the Benchmark Index and information on its components are available on the MSCI website: www.msci.com.

The Benchmark Index is reviewed on a quarterly basis to take into account changes affecting a constituent stock's market capitalisation (such as the number of stocks and the free float) or its classification by sector. The material changes in a constituent stock's capital structure such as merger or acquisition, rights issues or IPOs, etc. may be implemented in real time. The rules concerning the Benchmark Index adjustments are published by MSCI and are available on MSCI's website: www.msci.com.

The performance tracked is that of the Benchmark Index's closing prices.

The Benchmark Index is available in real time via Reuters and Bloomberg:

Via Reuters: . MIEU00000NEU

Via Bloomberg: M7EU

You should refer to Appendix 1 of this Prospectus for further details on the Benchmark Index.

You should note that there is no guarantee that the Fund's investment objective will be achieved. In particular, no asset or financial instrument allows an automatic and continuous replication of movements in the Benchmark Index. Any re-weighting of the Benchmark Index can result in various transaction or friction costs, and the Fund may not be able to reproduce the performance of the Benchmark Index due to reasons such as the temporary unavailability of certain securities comprising the Benchmark Index or other exceptional circumstances which might result in distortions in the weighting of the Benchmark Index, or due to temporary suspension or interruption of the quotation of the securities comprising the Benchmark Index.

You should also note that investments in the Fund are not guaranteed and that the NAV of the Fund may have a high volatility due to the potential volatility of the Benchmark Index as the Fund's investment objective is to replicate the Benchmark Index. Therefore, an investor of the Fund will be subject to the risks of investing in the Fund, including the risk of the loss of his capital invested. *You should refer to the risks relating to the Fund set out in Part VIII of this Prospectus for further details.*

7.2 Investment Strategy. In order to achieve the highest correlation possible with the performance of the Benchmark Index, the Fund will employ an indirect replication method which involves the use of swaps that enable the Fund to achieve its investment objective by converting the exposure of its Fund's holdings into exposure to the Benchmark Index. In particular, the objective of the over-the-counter (OTC) swap will be to convert the Fund's proceeds, invested or not, into the value of Benchmark Index securities.

The Manager will use swap(s) for which the level of funding will vary. The portion of the swap to be unfunded and the portion to be funded will be decided by the Manager at its discretion and in such proportion as it may consider appropriate from time to time. For clarity, the Manager shall consider the unfunded portion of the swap to be an Unfunded Swap (as defined below) and the funded portion of the swap to be a Funded Swap (as defined below) (together, the "swaps"). Accordingly, the Manager will invest the net assets of the Fund using the Unfunded Swap technique and/or using the Funded Swap technique (as described below).

Under the Unfunded Swap technique, the Fund will invest its proceeds in a universe of stocks selected by the Manager that may be different from the universe of stocks constituting the Benchmark Index which the Fund is seeking to track. The Manager may at its sole discretion also invest up to 10% of the Fund's net assets in one or more underlying fund(s) as may be selected by the Manager (the "underlying fund(s)") in any proportion as the Manager may consider appropriate from time to time. The Fund may invest in underlying fund(s) managed by the Manager or by a company that is related to the Manager. Such underlying fund(s) will be in the form of UCITS funds in accordance with European Parliament and Council Directive 2009/65/EC dated 13 July 2009 (the "UCITS Directive"). The Fund will not invest in the shares or units of alternative investment funds or other non-UCITS funds.

And in order to replicate the Benchmark Index, the Manager will enter into one or more Unfunded Swap(s) (as defined below), where the Fund will exchange its exposure to the stocks and where applicable, the underlying fund(s) as may be invested by the Fund (i.e. the Basket of Balance Sheet Assets as defined below) with the exposure to Benchmark Index securities (the "Unfunded Swap technique"). Under the Unfunded Swap technique, the Fund holdings will consist of the Basket of Balance Sheet Assets.

Under the Funded Swap technique, the Fund will enter into one or more Funded Swaps (as defined below) with the swap counterparty(ies) in respect of the Fund and exchange the Fund's proceeds against the performance of Benchmark Index securities (the "Funded Swap technique"). The Fund will also enter into suitable collateralisation arrangements in relation to the Funded Swaps with the swap counterparty(ies). The collateral will decrease the percentage of the counterparty risk exposure to the swap counterparty(ies). Under the Funded Swap technique, the Fund holdings will consist of the collateral.

In other words, in order to provide the greatest possible correlation between the Fund's performance with the performance of the Benchmark Index, the Fund may:

- (i) purchase or invest in a basket of international shares from all economic sectors and listed on any exchange including small capitalisation markets which may or may not comprise shares that make up the Benchmark Index (the "Index Securities"), and where the Manager in its discretion considers appropriate, one or more underlying fund(s) as described above (collectively the "Basket of Balance Sheet Assets") and enter into financial derivative instruments negotiated over-the-counter (as described in paragraph 7.8 of this Prospectus) known as the swap agreement(s) (the "Unfunded Swap(s)") with the swap counterparty(ies) who in the Manager's opinion is/are the best and most suitable swap counterparty(ies) for the Fund as may from time to time be selected by the Manager (currently, Société Générale is the only swap counterparty for the Unfunded Swap(s)). The Unfunded Swap(s) would essentially exchange the Fund's exposure to the Basket of Balance Sheet Assets (and where applicable any other assets of the Fund) with that of Benchmark Index securities (adjusted by (a) market value adjustments comprising the hedging activities of the swap counterparty(ies) and other costs and/or incidental gain, each attributable to the synthetic position(s) of the share(s) in the composition of the Benchmark Index and in the Basket of Balance Sheet Assets held by the Fund; and (b) tax provisions arising from the hedging activities of the swap counterparty(ies)) (the "Unfunded Swap portion"); and/or
- (ii) invest in financial derivative instruments negotiated over-the-counter (as described in paragraph 7.8 of this Prospectus) known as the funded swap agreement(s) (the "Funded Swap(s)") with the swap counterparty(ies) who in the Manager's opinion is/are the best and most suitable swap counterparty(ies) for the Fund as may from time to time be selected by the Manager (currently, Société Générale is the only swap counterparty for the Funded Swap(s)) which would essentially exchange the Fund's proceeds against the performance of Benchmark Index securities (adjusted by (a) market value adjustments comprising the hedging activities of the swap counterparty(ies) and other costs and/or incidental gain, each attributable to the synthetic position(s) of the share(s) in the composition of the Benchmark Index and in the Basket of Balance Sheet Assets held by the Fund; and (b) tax provisions arising from the hedging activities of the swap counterparty(ies)) and enter into suitable collateralisation arrangements in relation to the Funded Swap(s) with the swap counterparty(ies) in respect of the Fund. The collateral will decrease the percentage of the counterparty risk exposure to the swap counterparty(ies) (the "Funded Swap portion").

The information regarding the components of the Basket of Balance Sheet Assets and/or the collateral, the counterparty risk level, the Benchmark Index components and the NAV of the Fund can be found on www.lyxoretf.com.sg.

The Manager does not commit in a formal and auditable procedure of request from proposal from swap counterparties. The swap counterparty will not have any discretion on the components of the Basket of Balance Sheet Assets, nor on the underlying of the swap(s).

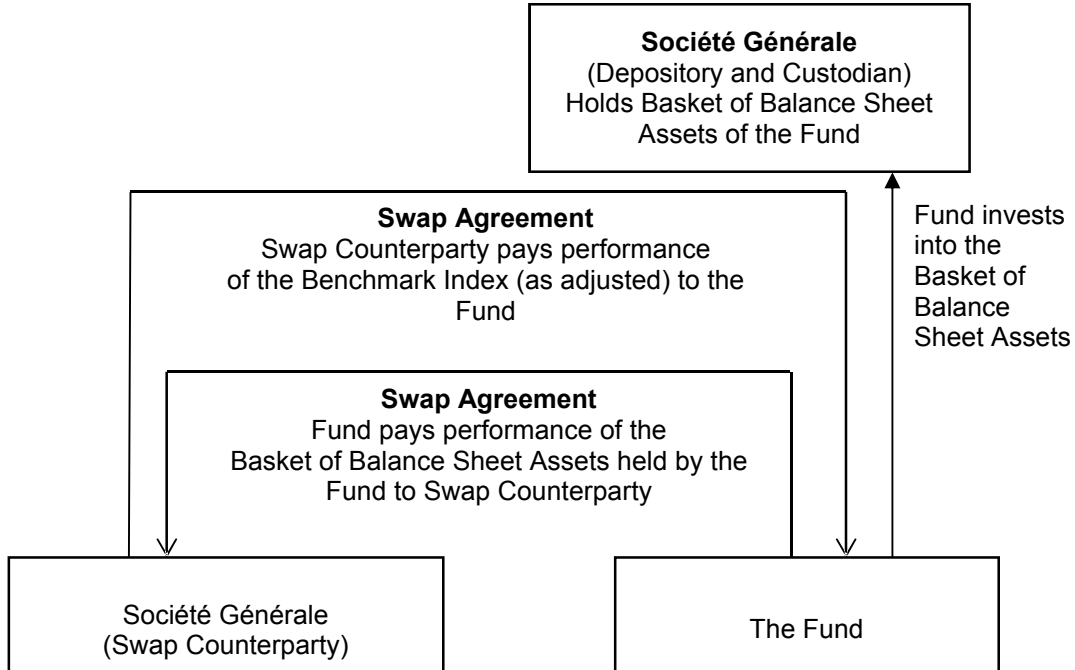
Any collateral received, in compliance with the limits and conditions described in paragraph 7.3 of this Prospectus, will be the Fund's property.

You are directed to www.lyxoretf.com.sg for information on whether the Fund's current investment strategy consists of the Unfunded Swap technique or the Funded Swap technique or a combination of both.

The Fund's investment strategy as described above is illustrated in the diagram below, with key operating parties included:-

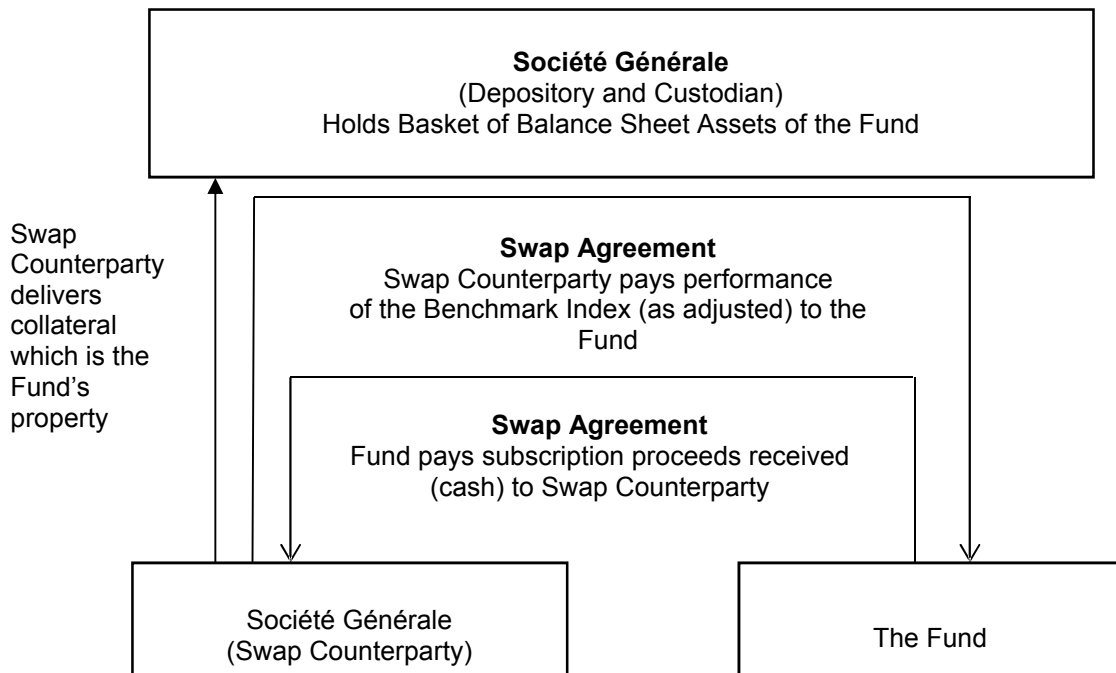
Investment Strategy of the Fund

Unfunded Swap



AND / OR

Funded Swap



The swap(s) are valued at mark-to-market price on each Valuation Day given by the swap counterparty of the swap(s). The Manager carries out the independent verification and valuation of such mark-to-market prices.

Criteria for selection of shares comprising the Fund's holdings, i.e. the Basket of Balance Sheet Assets under the Unfunded Swap technique and the collateral under the Funded Swap technique.

The Fund can hold, if it meets the regulatory ratios in force, international equities from all economic sectors, listed on all markets including small cap markets.

The aforementioned equities will be selected on the basis of the following:

- eligibility criteria, in particular:
 - o their inclusion in a major stock exchange index or in the Benchmark Index
 - o liquidity (must exceed a minimum daily trading volume and market capitalisation)
 - o credit rating of the country where the issuer has its registered office (must have at least a minimum S&P or equivalent rating)
- diversification criteria, in particular regarding:
 - o the issuer (application of investment ratios to assets that qualify for UCITS, pursuant to Article R214-21 of the French Monetary and Financial Code)
 - o geography
 - o sector

In addition, as at the date of this Prospectus, the Fund is a PEA compliant scheme ("Plan d'Épargne 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 tax fraud and tax evasion.

7.3 Collateral. In any case where the investment strategy creates a counterparty risk for the Fund, especially when the Fund enters into Funded Swaps, the Fund must receive securities considered as collateral in order to reduce the counterparty risk linked to such transaction. The collateral portfolio can be adjusted daily to make its value greater or equal to the level of the counterparty risk borne by the Fund. This adjustment will aim at neutralising the counterparty risk borne by the Fund.

Any collateral received by the Fund will be the Fund's property and held in the Depository and Custodian's account on behalf of the Fund. In this respect, the collateral received by the Fund will be accounted as part of the Fund's assets.

Any collateral received by the Fund in this context must meet the criteria defined by the applicable rules and laws in force, especially in terms of liquidity, valuation, issuer credit quality, correlation, collateral diversification, risks linked to the management of collateral. In particular, the collateral should comply with the following criteria:

- a) Collateral received should be of high quality, highly liquid and traded on a stock exchange or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation.
- b) Collateral received should be valued at its mark-to-market price on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

- c) Collateral received should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- d) Collateral received should be sufficiently diversified in terms of countries, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's NAV.
- e) Collateral received should be capable of being enforced by the Fund at any time without reference to or approval from the counterparty.

Notwithstanding the condition in (d) above, the Fund may accept a basket of securities collateral that increases its exposure to a single issuer to more than 20% of its net asset value provided that (1) such securities collateral is issued by (i) a member state of the European Union ("Member State"), (ii) one or more of a Member State's local authorities, (iii) a country that is not a Member State (iv) a public international organization to which one or more Member States belong; and (2) such securities collateral consists of at least six different issues of securities of which no single issue exceeds 30% of the Fund's assets.

With respect to the criteria listed above, the collateral received can be:

- i. Liquid assets or equivalent, i.e. short term bank deposits and money market instruments.
- ii. High-quality bonds guaranteed or issued by an OECD member state or one of its agencies or local collectivities, or guaranteed or issued by a supra-national, regional or global entity or any other countries complying with all of the criteria from (a) to (e).
- iii. Shares or units of money market funds with daily NAV and rated AAA or equivalent.
- iv. Shares or units of funds investing primarily in bonds/stocks indicated in v. and vi. below.
- v. Bonds issued by high quality issuers with adequate liquidity.
- vi. Stocks traded on a European Union or a OECD member state stock exchange or the stock exchange of any other country if it complies with criteria from (a) to (e) and if these stocks belong to major market indices.

Haircut policy

The Manager will apply a haircut on the collateral received by the Fund. The haircuts will depend especially on the following criteria:

- Class of assets of the collateral received.
- Maturity of the assets received in collateral.
- Credit rating of the issuer of the collateral received.

Collateral reinvestment:

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

At the Manager's discretion, cash collateral may either be:

- i) deposited with an authorized institution;
- ii) invested in high-quality government bonds;
- iii) used for reverse repurchase transactions, provided that these are entered into with credit institutions that are subject to prudential supervision and that the fund is able to withdraw the total amount of its cash collateral and the accrued interest at any time;

- iv) invested in short-term money market funds as defined in the Committee of European Securities Regulators' Guidelines on a common definition of European money market funds.

All cash collateral that is reinvested must be invested in a diversified manner in compliance with the rules that apply to the acceptance of non-cash collateral.

- 7.4 **Future Change(s) to the Investment Strategy.** With a view to future optimisation of the management of the Fund, the Manager reserves the right to use any other suitable investment strategy which is consistent with the investment objective of the Fund and the applicable UCITS Regulations to achieve the investment objective of the Fund (subject to the review of and/or approval from the relevant regulatory authority, where required).
- 7.5 As part of the management of its exposure, the Fund is entitled to be exposed at up to 20% of its assets to a single issuing entity. This 20% limit can be increased to 35% for one of such single issuing entity when this is shown to be justified by exceptional market conditions, in particular:
 - when certain securities are largely dominant; and/or
 - if there is strong volatility affecting a financial instrument or securities linked to an economic sector represented in the Benchmark Index, particularly if there is a public offering substantially affecting any of the securities that make up the Benchmark Index; or
 - if there is a significant drop in the liquidity affecting one or more financial instruments included in the Benchmark Index.
- 7.6 The Fund currently does not intend to invest in options, warrants, commodities, futures contracts and precious metals.
- 7.7 **Investment restrictions.** The Fund will comply with the investment rules under the European Parliament and Council Directive 2009/65/EC dated 13 July 2009.
- 7.8 The Fund may invest its net assets in equity-linked swap(s) negotiated over-the-counter.
- 7.9 Up to a maximum of 20% of the NAV of the Fund may be placed as deposits with lending institutions belonging to the same group as the Depository and Custodian in order to optimise its cash management. The Manager may exercise the power of the Fund to borrow on a temporary basis provided that aggregate borrowings should not exceed 10% of the NAV of the Fund.
- 7.10 The Manager currently does not intend to engage in any borrowings, although the Fund's borrowing powers may (if so required) be exercised for up to 10% of the NAV of the Fund to meet redemptions or for payment of distributions.
- 7.11 In addition, as part of the future optimisation of the Fund's management, the Manager reserves the right to use other instruments in accordance with the applicable French regulations in order to achieve the Fund's investment objective.
- 7.12 The Manager does not currently intend to engage in securities lending, securities borrowing and/or repurchase transactions and the Manager does not currently intend to make use of temporary acquisitions or sales of securities.

VI CPF INVESTMENT SCHEME

- 8. The Fund is currently not included under the CPF Investment Scheme.

VII FEES AND CHARGES

9.1 The fees and charges payable by you on an investment into the Fund:

| | |
|--|---|
| Subscription fee or preliminary charge ^{Note 1} | Up to the higher of (i) EUR 50,000 (converted* to USD) per subscription request or (ii) 5% of the NAV per Unit multiplied by the number of Units subscribed. |
| Redemption or realisation charge ^{Note 1} | Up to the higher of (i) EUR 50,000 (converted* to USD) per redemption request or (ii) 5% of the NAV per Unit multiplied by the number of Units redeemed. |
| Switching fee | Not applicable. |
| Other fees | There will be a clearing fee for trading of Units on the SGX-ST which is currently 0.0325% of the transaction value. You will have to bear brokerage fees charged by your stockbrokers as in the case of acquiring or selling shares listed on the SGX-ST. The prevailing GST (7.0%) on brokerage fees and clearing fees will apply. |

**You should note that the exchange costs and risks, if any, will be borne by you.*

9.2 The fees and charges payable out of the assets of the Fund are as follows:

| | |
|---|--|
| Operating and Management fee, tax included ^{Notes 2 and 3} | Currently 0.30% of the Fund's NAV per annum; Maximum 0.30% of the Fund's NAV per annum. |
| Incentive fee | Nil. |

Notes:

1. Unless otherwise agreed by the Manager, subscriptions and redemptions through a Participating Dealer are subject to subscription fees and realisation charges (as applicable), which are payable to the Manager. Such subscription fees and redemption charges, if any, or a portion thereof, may at the sole discretion of the Manager be retroceded to third parties, including third party service providers or such other persons whom the Manager deems appropriate. A Participating Dealer may also charge additional fees on subscriptions and redemptions made through it and you should contact the relevant Participating Dealer for further details. No subscription fees or realisation charges will apply if you buy or sell Units on the SGX-ST.
2. Operating and Management fee includes all fees and charges payable by the Fund except transaction costs, incentive fees and fees linked to investments in UCITS. The transaction costs may include transfer fees. Such transaction costs and incentive fees may be charged to the Fund although they are currently nil. Transaction costs (if any) includes, amongst others, costs in connection with the Fund's purchase of the Basket of Balance Sheet Assets, as well as any brokerage and stock market taxes and transfer fees (if applicable) payable to the Depository and Custodian and/or the Manager.
3. The Depository and Custodian fee, the Index Provider's fee and the fees payable to the administrative agents (including the Singapore Representative and the Depository and Custodian) will be paid out of the Manager's management fee.

9.3 The fees and charges payable out of the assets of the underlying fund(s) (where applicable):

| | |
|--|---|
| Operating and management fee, tax included ^{Note 4} | Currently nil; Maximum 0.15% of the underlying fund's NAV per annum. |
|--|---|

9.4 The fees charged by the underlying fund(s) into which the Fund invests (where applicable):

| | |
|---|------------------------------|
| Subscription fee payable to third parties | Currently nil; Maximum 5.0%. |
| Redemption or realisation charge | Currently nil. |

Notes:

4. Operating and management fee includes all fees and charges payable by the underlying fund, except transaction costs, incentive fees and fees linked to investments in UCITS or other investment funds (where applicable) ("Other Fees and Charges"). Such Other Fees and Charges may be charged to the underlying fund (where applicable), however they are currently nil.

VIII RISKS

10.1 The **general risks** of investing in the Fund are as follows:

- (a) while the Manager believes that the Fund offers income revenue and potential for capital appreciation, no assurance can be given that these objectives will be achieved. You should read this Prospectus and discuss all risks with your financial and legal advisers before making an investment decision;
- (b) you should be aware that the capital invested is not guaranteed and the price of Units can go down as well as up. As a result, any capital invested is at risk and the amount originally invested may not be wholly or partially recovered. In particular, the Benchmark Index may be subject to a negative performance over the investment period. Investments in the Fund are not suitable for short term speculation;
- (c) you should be aware that the price of Units may go down as well as up in response to changes in interest rates, foreign exchange, economic and political conditions and the financial condition of issuers whose securities are in the Benchmark Index; and
- (d) dealings in the Units and the calculation of the NAV thereof may be suspended or deferred in certain circumstances. Please refer to Part XII of this Prospectus for details of suspension of dealings and valuation of Units.

10.2 The **specific risks** of investing in the Fund are as follows:

- (a) Market and Equity risk. The Fund's NAV and trading prices will react to securities markets movements. You may lose money over short periods due to fluctuation in the Fund's NAV and trading price in response to market movements, and over longer periods during market downturns.

The Fund is entirely exposed to the Benchmark Index, therefore the Fund is exposed to 100% of market risks linked to movements in the Benchmark Index. Holders are thus exposed to any declines in the Benchmark Index. Furthermore the Fund's NAV is subject to significant volatility due to the market conditions and changes in the level of the Benchmark Index. The Fund therefore carries a high equity risk profile. Equities are generally more volatile than fixed income markets where revenues are generally more predictable over a certain period of time under the same macro risk conditions.

- (b) Counterparty risk and settlement risk. Counterparty risk is the risk that the party which has entered into a contract or transaction with the Fund may go bankrupt or default on a settlement or other obligation.

The Fund will be exposed to the counterparty risk resulting from the use of over-the-counter financial instruments (including financial derivative instruments) contracted with a counterparty in that the counterparty may be unable to honour its commitments relative to these instruments though such risk (for each counterparty) is managed in accordance with applicable regulations within a limit of 10% of the Fund's NAV per counterparty. The Fund will also be exposed to the credit risk of such counterparty.

Moreover, should a counterparty become bankrupt or insolvent, the Fund may experience delays in recovering the mark-to-market value of such over-the-counter financial instruments and may incur significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above transactions may be terminated due to certain events, such as bankruptcy, supervening illegality or change in the tax or accounting laws relative to those in force at the time the transactions were entered into or may be affected by any orders or directions issued to the counterparty by relevant regulators or authorities. The Fund may therefore enter into over-the-counter financial instruments with an alternative counterparty at the prevailing market conditions.

You should note that counterparty risk may increase in the current market conditions and if the risk materialises, it may affect the Fund's ability to achieve its investment objective, the NAV per Unit of the Fund may be adversely affected. Whenever Société Générale acts as counterparty, conflicts of interest may arise between the Manager and Société Générale. The Manager addresses this risk by implementing appropriate procedures to identify, limit and ensure fair resolution should any conflicts of interest occur.

- (c) Risk of swap agreement(s). As described in paragraph 7.2 above, the Manager may enter into swap agreement(s) with a swap counterparty in order to essentially exchange the Fund's exposure to the Basket of Balance Sheet Assets (or any other assets as may be held by the Fund) with an exposure to Benchmark Index securities. The swap agreement(s) entered into by the Fund are subject to the risk of default by the swap counterparty on its obligations. If such a default were to occur, the Fund will have contractual remedies pursuant to the agreement(s) related to the transaction. You should also note that if such a default were to occur, the NAV of the Fund may be adversely affected by fluctuations in the Basket of Balance Sheet Assets held by the Fund (that may be different from or not related to the constituents comprising the Benchmark Index) during the period where an alternative swap counterparty is being sought for the Fund, which may result in more losses for the Fund.

The Fund may also enter into funded swap agreements with the swap counterparty(ies), in such an event, the Fund is subject to the risk of default by the swap counterparty on its obligations. However, the counterparty risk exposure will be reduced due to the collateral arrangements which will be taken in relation to such funded swaps. If such a default were to occur, the Fund will have contractual remedies pursuant to the agreements related to the funded swaps to realise the collaterals provided by the swap counterparty(ies).

Nevertheless this risk is limited as the Fund is subject to a counterparty limit of 10% of its NAV on a single counterparty. In other words, while the Fund may notionally invest an amount constituting up to 100% of its NAV in financial derivative instrument(s) in accordance with the UCITS Directive, the Fund is subject to a maximum single counterparty risk exposure of 10% of the NAV of the Fund in relation to the swap transaction entered by the Fund.

With respect to the Funded Swaps, in order to reduce the Fund's net counterparty risk exposure, the Fund may use risk mitigation techniques such as netting and financial collateral techniques which are in accordance with the applicable French laws and regulations and the relevant UCITS directives. Particularly, the Fund may reduce the overall counterparty risk of the Funded Swap(s) by causing the swap counterparty to deliver to the Depository and Custodian or to a third party bank collateral in the form of eligible financial assets and given in accordance with the applicable French laws and regulations and the relevant UCITS directives. If the swap counterparty defaults on its obligations under the Funded Swap(s), such collateral will be enforceable by the Fund at all times and will be marked to market on a daily basis. The amount of collateral to be delivered will be at least equal to the value by which the overall exposure limit as determined pursuant to the relevant UCITS directive or to the swap agreement has been exceeded. You should note there may be a risk of the swap counterparty failing to top up the collateral if there is a decline in the value of the collateral. However the risk is mitigated as the collateral is subject to daily margining, and the effect of a failure to top up the collateral would trigger a default of the swap counterparty. There may also be a risk that the value of such collateral could decline pending liquidation of the collateral. In such an event, the collateral may not be sufficient to cover the value by which the 10% single counterparty limit was exceeded.

The Fund's exposure to the swap(s) will be calculated using the commitment approach. The Manager will ensure that the risk management and compliance procedures are adequate and have been implemented and that it has the necessary expertise to manage the risk relating to the use of financial derivative instrument(s). The Manager currently does not intend to leverage the Fund through the use of financial derivative instrument(s).

The current swap counterparty for the swap agreement(s) entered into by the Fund is Société Générale. As at the date of this Prospectus, Société Générale was recognised by Moody's, which awarded a rating of A2, Standard & Poor's awarded Société Générale an A, and FITCH-AMR's awarded Société Générale an A rating.

You may refer to the Société Générale website at www.socgen.com for information on the current financial situation of Société Générale.

- (d) Foreign exchange and currency risk. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

The Fund will be exposed to the fluctuation of the denomination currencies of the shares constituting the Benchmark Index which are namely the Pound Sterling, the Swiss Franc, the Swedish Crown, the Norwegian Crown, the Danish Krone and the Euro (each, an "Underlying Currency", and together the "Underlying Currencies") against EUR since the Benchmark Index is denominated in EUR. This means that the exchange rate fluctuations could have a negative effect on the returns of the Benchmark Index tracked by the Fund.

The Fund will also be exposed to the fluctuation of the Underlying Currencies against USD and the fluctuation of the Benchmark Index against USD since the NAV of the Units are denominated in USD, the Units are currently being listed, quoted and dealt in on the SGX-ST in USD, the Benchmark Index is denominated in EUR and the shares underlying the Benchmark Index are denominated in the Underlying Currencies. Therefore, the NAV of one Unit could change one day to the next according to the exchange rate fluctuations between USD and the Underlying Currencies even if the values of the shares underlying the Benchmark Index are kept unchanged during the same period. Further, the NAV of the Fund could decrease while the value of the Benchmark Index increases due to the exchange rate fluctuations. The Fund will have exposure to fluctuations in the aforesaid currency exchange rates. In particular, the Fund is exposed to the risk linked to the rise in USD in relation to the Underlying Currencies and the Benchmark Index.

The Units are currently listed, quoted and dealt in on the SGX-ST in USD. If your functional currency is not USD, you will be exposed to the foreign exchange risks for investing in the Fund as the Manager does not hedge such foreign currency exposure for the Units. The Manager may at its sole discretion (subject to approvals from the SGX-ST and such other relevant authority) decide to list and deal in and quote the Units on the SGX-ST in such other currencies including SGD in addition to USD. If the Manager decides to list and deal in and quote the Units on the SGX-ST in, for instance, SGD in addition to USD, and if you wish to buy and sell the Units on the SGX-ST in SGD, you should note that you will be further exposed to the fluctuation of the exchange rates for the Underlying Currencies and SGD.

As the Fund primarily intends to provide investment results that track that of the Benchmark Index, the Fund does not have a hedging policy and does not intend to enter into any foreign exchange contract in this respect. As far as the Manager or its director is aware, there are currently no foreign exchange controls or restrictions which are of relevance to the Fund or its investment objective or policy.

- (e) Tracking error risk. There is no guarantee that the Fund's investment objective will be achieved. No asset or financial instrument can ensure automatic and continuous replication of the Benchmark Index. Changes in the NAV of the Fund are unlikely to replicate exactly changes in the Benchmark Index. Factors such as fees and expenses of the Fund, liquidity of the market, imperfect correlation of returns between the Fund's securities and those in the Benchmark Index, changes to the Benchmark Index and regulatory policies may affect the Manager's ability to achieve close correlation with the Benchmark Index. Imperfect correlation between the returns of portfolio securities and the Benchmark Index is more likely to happen to the extent that the Fund invests in securities that are Non-Index Securities or invests in those Index Securities with different weighting from that of the Benchmark Index. The Fund's returns may therefore deviate from those of the Benchmark Index. In addition, a fall in the Benchmark Index may result in a corresponding fall in the NAV of the Fund. The Fund seeks to minimise tracking error by using the Unfunded Swap technique and/or the Funded Swap technique (as described in paragraph 7.2 above) to optimise its replication of the Benchmark Index.
- (f) Risk linked to the Benchmark Index. The Fund is exposed to the fluctuation of performance of the Index Securities comprised within the Benchmark Index through the swap(s). The Fund will not be able to fully track the performance of the Benchmark Index due to circumstances such as temporary unavailability of certain Index Securities (whether or not it is through the swap(s)) or occurrence of exceptional

circumstances that result in distortions in the weighting of the Benchmark Index. This is also the case if there is the suspension or temporary interruption of the listing of stocks in the Benchmark Index. Any re-weighting of the Benchmark Index can also result in miscellaneous transaction or friction costs. Further, since the Fund's investment objective is to replicate the performance of the Benchmark Index and the initial investment is not guaranteed, there is a risk that the invested capital in the Fund may be lost since the Benchmark Index may post a negative performance.

- (g) Risk of absence of active market. There can be no assurance that an active trading market in respect of the Units will be developed or be maintained. There is no certain basis for predicting the actual price levels at, or sizes in, which Units may trade. Further, there can be no assurance that you will experience trading or pricing patterns similar to those of market-traded shares which are issued by investment companies in other jurisdictions or which are based upon indices other than the Benchmark Index.
- (h) Risk related to the SGX-ST listing of the Fund. You will not be able to purchase or sell Units on the SGX-ST during any period that the SGX-ST suspends trading in the Units. The SGX-ST may suspend the trading of Units whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect investors. The subscription and redemption of Units via a Participating Dealer may also be suspended if the trading of Units on the SGX-ST is suspended. Liquidity of Units on the SGX-ST may also be limited as a result of (i) an abnormal event linked to the market making of the Units of the Fund; (ii) the Benchmark Index calculation being suspended or stopped; (iii) the underlying market(s) represented by the Benchmark Index being suspended; (iv) a breach by a designated Market Maker of the SGX-ST requirements and guidelines; and/or (v) a failure in the systems of the SGX-ST.
- (i) Units may be delisted from the SGX-ST. The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. You cannot be assured that the Fund will continue to meet the requirements necessary to maintain the listing of Units on the SGX-ST or that the SGX-ST will not change the listing requirements. Subject to the requirements of the SGX-ST, the governing laws, regulations and rules of the Fund (if any), the Manager may delist the Units from the SGX-ST in such manner as it may determine appropriate. The Fund may also be terminated if its Units are delisted from the SGX-ST, subject to paragraph 20.11 below. If the Units are delisted from the SGX-ST or if the CDP is no longer able to act as the depository for the Units listed on the SGX-ST, the Units in your securities accounts with the CDP or held by the CDP may be repurchased (compulsorily or otherwise) by the designated Market Maker or otherwise at a price calculated by reference to the NAV of the Fund calculated as of a certain number of day(s) following the last trading day of the Fund on the SGX-ST (or such other day as may be determined by the Manager in consultation with the SGX-ST and/or the CDP).
- (j) Units may trade at prices other than NAV. The NAV of the Fund represents the fair price for buying or selling Units. As with any listed fund, the market price of Units may sometimes trade above or below this NAV. The price of any Units traded on the SGX-ST will depend, amongst other things, on market supply and demand, movements in the value of the Benchmark Index, prevailing financial market, corporate, economic and political conditions. There is a risk, therefore, that you may not be able to buy or sell at a price close to this NAV. The deviation from the NAV is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Index Securities. The "bid/ask" spread (being the

difference between the prices being bid by potential purchasers and the prices being asked by potential sellers) is another source of deviation from the NAV. The bid/ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from the NAV.

- (k) Lack of discretion of the Manager to adapt to market changes. Unlike many conventional funds, the Fund is not “actively managed”. Therefore, the Fund will not adjust the composition of its portfolio except in order to seek to closely correspond to the duration and total return of the Benchmark Index. The Fund does not try to “beat” the market it tracks and does not seek temporary defensive positions when markets decline or is judged to be overvalued. Accordingly, a fall in the Benchmark Index may result in a corresponding fall in the NAV of the Fund.
- (l) Suspension of subscriptions and redemptions. Dealings of Units on the SGX-ST may not necessarily be suspended if the issuance and redemption of Units is temporarily suspended by the Manager. If the issuance and redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of the Fund’s underlying assets.
- (m) Concentration of Benchmark Index in certain issuers. The Benchmark Index and the investments of the Fund may be concentrated in securities of a single or several issuers. Changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular issuer, and changes in general economic or political conditions can affect the value of an issuer’s securities. Such issuer-specific changes may have an impact on the securities held by the Fund.
- (n) Asset class risk. The returns generated from the securities in which the Fund invests or is exposed through the swap(s) may not provide returns equivalent to that of other classes of securities or different asset classes. The securities in which the Fund invests or is exposed through the swap(s) may be subject to cycles of underperformance relative to that of other classes of securities.
- (o) License to use the Benchmark Index may be terminated. The Manager has been granted a license by the Index Provider to use the Benchmark Index in order to create the Fund based on the Benchmark Index and to use certain trademarks and any copyright in the Benchmark Index. The Fund may not be able to fulfil its objective and may be terminated if the license agreement between the Manager and the Index Provider is terminated. The Fund may also be terminated if the Benchmark Index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the Benchmark Index.
- (p) Compilation of Benchmark Index. The securities which comprise the Benchmark Index are determined and composed by the index provider, Morgan Stanley Capital International Inc (the “Index Provider” or “MSCI”) without regard to the performance of the Fund. The Fund is not sponsored, endorsed, sold or promoted by the Index Provider. The Index Provider makes no representation or warranty, express or implied, to investors in the Fund or other persons regarding the advisability of investing in securities generally or in the Fund particularly. The Index Provider has no obligation to take the needs of the Manager or investors in the Fund into consideration in determining, composing or calculating the Benchmark Index. There is no assurance that the Index Provider will compile the Benchmark Index accurately, or that the Benchmark Index will be determined, composed or calculated accurately, and

consequently there can be no guarantee that its actions will not prejudice the interests of the Fund, the Manager or investors.

- (q) Composition of the Benchmark Index may change. The composition of the Benchmark Index will change as Index Securities mature or are redeemed or as new securities are included in the Benchmark Index. When this happens the weighting or composition of the securities owned by the Fund would be changed as considered appropriate by the Manager in order to achieve the investment objective. Thus, an investment in Units will generally reflect the Benchmark Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. Appendix 1 of this Prospectus describes how the Benchmark Index is computed.
- (r) Liquidity risk. The Fund's liquidity and/or valuation may be adversely affected if, when the Fund (or its swap counterparty) is rebalancing its investments or exposure, the trading markets for such investments or exposure are limited, closed or absent or if bid-offer spreads are wide. An inability to execute trades linked to the replication of the Benchmark Index may also affect the process of subscription and redemption of Units.
- (s) Reliance on Market Makers. There may or may not be Market Makers for the Fund. You should note that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the Fund. It is the Manager's current intention that there will be at least one Market Maker in respect of the Units.
- (t) Reliance on Participating Dealers. The issuance and redemption of Units may only be effected through Participating Dealers. The number of Participating Dealers at any given time will be limited. Participating Dealers are under no obligation to accept instructions to apply for or redeem Units on your behalf, and may charge a fee for providing this service. Participating Dealers will not be able to issue or redeem Units during any period when, amongst other things, dealings on the SGX-ST are restricted or suspended, settlement or clearing of securities through the CDP is disrupted or the Benchmark Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs which impedes the calculation of the NAV of the Fund or disposal of the Fund's portfolio securities cannot be effected.
- (u) Risks relating to the governing laws and regulations in respect of the Fund, Manager, Depository and Custodian and Swap Counterparty. The Fund is a collective investment scheme constituted as a FCP in France and is an Undertaking for Collective Investments in Transferable Securities ("UCITS") V scheme. As such, the Fund is subject to the applicable laws and regulations in France and the relevant UCITS Directives, and a set of internal rules established by the Manager and approved by the AMF (Please refer to Appendix 2 of this Prospectus for extracts of the set of internal rules from the Fund Complete Prospectus). Such laws, regulations and rules may differ from the corresponding laws and regulations in Singapore. For instance, any change in investment objective of the Fund, the internal rules of the Fund, the Manager and/or the Depository and Custodian under the applicable French laws require only the approval of the AMF and notification to the Holders and/or the Depository and Custodian, and the Manager may (albeit it has no intention to) change the investment objective of the Fund within the first 3 years of its life without seeking Holders' approval but upon approval of the AMF and notification to the Holders and the Depository and Custodian. There is currently no specific requirement under the governing laws, regulations or rules of the Fund for the approval of the Holders in respect of the aforesaid changes. The Manager, Depository and Custodian and current swap counterparty are established in France and governed by French laws.

Any winding up of the investments of the Fund including the swap agreement(s) which are governed by foreign laws may involve delays and legal uncertainties for Singapore investors.

- (v) Risk linked to the countries in which the Fund invests or is exposed to. Investment of the Fund in European markets or its exposure to these markets means that the NAV of the Fund and its trading prices will be affected by movements or downturns in those markets.
- (w) Use of Financial Derivative Instruments. As the Fund whose performance is linked to the Benchmark Index will often be invested in securities which differ from the Benchmark Index, financial derivative instruments, such as swaps, will be used to link the value of the Units to the performance of the Benchmark Index. While the prudent use of such financial derivative instruments can be beneficial, financial derivative instruments also involve risks which, in certain cases, can be greater than the risks presented by more traditional investments. The financial derivative instruments investments of the Fund may also be affected by the risks of the Fund. In particular the counterparty risk, hedging disruption, index disruption, taxation risk, regulatory risk, operational risk and liquidity risk may materially affect a financial derivative instrument and could lead to an adjustment or an early termination of the financial derivative instrument transaction, which may correspondingly affect the NAV of the Fund. In addition, there may be transaction costs, if any, associated with the use of financial derivative instruments.
- (x) Taxation Risk. Any change(s) in the taxation legislation in any jurisdiction in which the Fund is registered, cross-listed, marketed, invested or exposed to could affect the tax treatment of the Fund or Holders. As a result, in the case of a discrepancy between the estimated and effective tax treatment applied to the Fund and/or the swap counterparty for the Fund, the NAV of the Fund may be affected. The Manager shall not be liable to you for any payment required to be made by the Fund to a fiscal authority.
- (y) Regulatory Risk. If there is a change in the regulatory regime in any jurisdiction in which the Fund is registered for sale, marketed, invested or exposed to, the process of the subscription and redemption of Units and the NAV of the Fund may be affected.
- (z) Benchmark Index Disruption Risk. If there is a Benchmark Index disruption, the Manager acting in accordance with the applicable laws and regulations may have to suspend the subscription and redemption of Units. The calculation of the NAV of the Fund could also be affected. If the disruption of the Benchmark Index persists, the Manager will determine the appropriate measures to be carried out, which could have an impact on the NAV of the Fund.

The event of a Benchmark Index disruption usually includes the following situations where:

- the Benchmark Index is deemed to be inaccurate or does not reflect actual market developments;
- the Benchmark Index is permanently cancelled by the Index Provider;
- the Index Provider is unable to provide the level or the value of the Benchmark Index;
- the Index Provider makes a material change in the formula for or the method of calculating the Benchmark Index (other than a minor modification such as

an adjustment to the underlyings of the Benchmark Index or their respective weightings) which cannot be efficiently replicated at a reasonable cost by the Fund;

- one or more components of the Benchmark Index becomes illiquid, their listing is suspended on an organised market, or components traded over the counter (such as bonds, for example) is disrupted; or
- the components of the Benchmark Index are impacted by higher execution or settlement fees or specific tax requirements, and such charges are not reflected in the performance of the Benchmark Index.

- (aa) Legal Risk. The Fund may be exposed to a legal risk arising from a total return swap agreement as indicated in EU Regulation No. 2015/2365.
- (bb) Corporate Action Risk. If there is an unforeseen implementation of a corporate action policy which affects an underlying asset or a constituent component of the Benchmark Index after an official announcement on which the Fund based its valuation of the corporate action (and/or on which the Fund's counterparty to a financial derivative instrument or transaction based its valuation of the corporate action), a discrepancy between the realised corporate action and the Benchmark Index treatment could arise and can adversely affect the Fund's NAV.
- (cc) Risks Associated with Indirect Costs of the Swap(s). Under the swap(s) entered into between the Fund and the swap counterparty, the Fund shall receive the performance of Benchmark Index securities adjusted by indirect costs (such as (a) market value adjustments comprising the hedging activities of the swap counterparty and other costs and/or incidental gain; and (b) tax provisions arising from the hedging activities of the swap counterparty).

Adjustments made to the performance of the swap(s) may affect the ability of the Fund to achieve its investment objective. As a result, your attention is drawn to the fact that (a) the NAV of the Fund may be adversely impacted by any such adjustments to the valuation of the swap(s); (b) the potential negative impact on the Fund's performance that you may suffer as a result of any such adjustments could depend on the timing of your investment in and/or divestment from the Fund; and (c) the magnitude of such potential negative impact on the performance of the Fund may not correspond to your profit or loss arising out of your holding in the Fund as a result of the potential retroactive effect of any such costs, including those arising from changes in taxation in certain jurisdictions.

- (dd) Risks Associated with the Custodians. The Fund's assets are held in custody by the Depository and Custodian. This exposes the Fund to a custody risk. This means that the Fund is exposed to the risk of loss of these assets as a result of insolvency, negligence or fraudulent trading by the Depository and Custodian and/or third party custodian(s) and/or sub-custodian(s).

IX SUBSCRIPTION OF UNITS

Subscriptions may only be made in cash.

- 11.1 You may acquire Units in USD in cash in the following manner:

- (a) *From a Participating Dealer.* You may subscribe for Units using cash on any Business Day³ through a Participating Dealer. Requests for subscription of Units using cash must be made in whole number of Units with no decimals, and must reach the Participating Dealer before the dealing cut-off time of 4 pm (Singapore time) on the relevant Business Day or such other time and/or on such other day as may from time to time be determined by the Manager or the Participating Dealer (the “Dealing Deadline”). This means that if an application is received by the Participating Dealer before the Dealing Deadline, the Issue Price you will get will be based on the NAV of the Fund as at the Valuation Point applicable for that Dealing Deadline. If the request for subscription of Units using cash is received by the Participating Dealer after the Dealing Deadline, it may be deemed to be received by the Participating Dealer before and for the next Dealing Deadline. Please see paragraphs 11.4 and 11.5 for further details.

Save as otherwise agreed by the Manager, subscriptions in cash through a Participating Dealer will be subject to a subscription fee (as applicable) set out in Part VII of this Prospectus. A Participating Dealer may also charge additional fees on subscriptions made through it and you should contact the relevant Participating Dealer for further details.

- (b) *From the SGX-ST:* Most of the trading activity in Singapore in respect of the Units in the Fund is expected to occur on the SGX-ST. You may buy Units on the SGX-ST through brokers in the same way as you may buy shares in companies listed on the SGX-ST. You may acquire issued Units using cash on the SGX-ST during normal trading hours on any Market Day through brokers at market prices throughout the trading day for SGX-ST. Such sale and purchase will be transacted on a willing-buyer-willing-seller basis and will be subject to such applicable market fees or charges and conditions, including but not limited to broker fees and bid-ask condition. If you wish to purchase the Units on the SGX-ST, you must (if you have not already done so) open a direct account with CDP or a sub-account with any CDP depository agent which may be a member company of the SGX-ST, bank, merchant bank or trust company.

If you buy and sell the Units on the SGX-ST, you should note that market prices for Units listed and traded on the SGX-ST may, however, be different from their NAV per Unit.

The Units are currently listed, quoted and dealt in on the SGX-ST in USD.

- 11.2 There is a minimum amount of EUR 100,000 for subscription of Units in cash being imposed by the Fund on a Participating Dealer. For Units which are quoted and traded on the SGX-ST, Units are quoted and traded in board lots of 10 Units. Payment for Units may be made in such manner as stipulated by the Participating Dealers or brokers (as applicable).
- 11.3 **In respect of subscriptions of Units through a Participating Dealer, the Manager and/or the Participating Dealer shall retain the absolute discretion to accept or reject any application for Units or delay the acceptance or processing of any application for Units.** If your application for Units is rejected by the Manager, the application monies shall be refunded (without interest) to you within a reasonable time in such manner as the Manager shall determine. No certificates will be issued by the Manager.
- 11.4 The Units are offered for subscription to investors through the Participating Dealers at the issue price per Unit (the “Issue Price”). The Issue Price of Units is based on forward pricing, which means that the Issue Price of the Units shall not be ascertainable at the time of application for Units. Subscriptions in cash will be carried out on the basis of the NAV per Unit calculated on the

³ If you wish to purchase or sell Units on a day other than on a Business Day, you may do so by trading in the Units on the SGX-ST.

Valuation Day following the relevant Valuation Point. In the case of Units bought or sold on the SGX-ST, the price of Units shall be based on their market prices throughout the trading day for SGX-ST.

- 11.5 The following is an illustration on the amount that an investor will have to pay based on a subscription amount of the USD equivalent to EUR 100,000 (in whole number of Units) through a Participating Dealer, a notional Issue Price of USD10.00 (the actual Issue Price of the Units will fluctuate according to the value of the Fund's NAV) and assuming that a subscription fee is imposed:

| | | | | |
|--|---|--|---|--|
| USD 210,000 (or EUR 150,000) Total investment amount | - | USD 70,000 (or EUR 50,000) Subscription fee (assuming that the subscription fee is EUR 50,000 (converted to USD))* | = | USD 140,000 (or EUR 100,000) Your subscription amount |
| USD 140,000 (or EUR 100,000) Your subscription amount | / | USD 10.00 Notional Issue Price | = | 14,000 Units Number of Units to be allotted |

** This illustration is based on the assumption that an investor would be subject to a subscription fee of EUR 50,000 (converted to USD) and the applicable exchange rate is EUR 1.00 = USD 1.40. Currently, the subscription fee, if imposed, is up to the higher of EUR 50,000 (converted to USD) per subscription request or 5% of the NAV per Unit multiplied by the number of Units subscribed. You should note that the Participating Dealer may charge fees. You should note that the above example is purely hypothetical and is not a forecast or indication of any expectation of the performance of the Fund.*

Please note that the price of Units traded on the SGX-ST shall be based on their market prices throughout the trading day for SGX-ST. No subscription fees or redemption charges will apply in the case of Units bought or sold on the SGX-ST however other fees and charges may apply (please refer to paragraph 9.1 of this Prospectus for further details).

- 11.6 Applications for subscription of Units through a Participating Dealer using cash will only be accepted and processed if the application monies in respect of that application have been received in full in cleared funds by or to the order of the Participating Dealer no later than 5 Valuation Days from the date of submission of the relevant application ("Settlement Date"). In the case of a purchase of Units on the SGX-ST, it is expected that the Units will be credited into the relevant Securities Accounts of the investor within 3 Market Days after the transaction date of the purchase of the Units.

Acceptance of subscriptions

- 11.7 The Manager reserves the absolute right without giving any reason to reject a subscription request. It is the current intention of the Manager that a subscription request will be rejected if:
- (i) the order is not in proper form; or
 - (ii) under applicable law or regulation, the applicant (on whose behalf the Participating Dealer is acting) is not eligible to subscribe for, purchase or hold Units, or in the discretion of the Manager the purchase or holding of Units by the applicant might result in the Fund or the Manager incurring any liability to tax or suffering any other

financial disadvantage or becoming subject to any law or regulation which they might not otherwise have incurred or suffered or become subject to.

The Manager will notify the Participating Dealer of any rejection of an order placed by that Participating Dealer within 7 Business Days. The Manager and the Depository and Custodian are under no duty to provide reasons for rejecting a subscription request in respect of the Fund.

- 11.8 No Units will be issued and no subscription requests will be accepted during any period when the issuance of Units is suspended (see Part XII entitled “Suspension of Dealings and Valuation” below).

Confirmation note

- 11.9 For every successful application for Units, the Participating Dealer will be sent a confirmation detailing the number of Units allotted within 5 Valuation Days of the receipt of the application by the Registrar. All Units issued through subscription of Units through the Participating Dealers will be entered on the records of CDP in the name of the Participating Dealer or its nominee.

Minimum Fund Size

- 11.10 If the NAV of the Fund falls below EUR 300,000, the Manager is required to notify the AMF whereupon the Fund may be merged or dissolved within 30 calendar days unless during this 30 calendar day period the NAV of the Fund increases to EUR 300,000 or above. Where the Fund is merged or dissolved in accordance with the foregoing, the Manager shall provide all relevant persons with such notification as may be required under the applicable laws and regulations. Please note that upon notification to Holders of an early dissolution of the Fund, subscription or redemption requests will no longer be accepted. Please refer to Article 11 of the internal rules of the Fund (as set out in Appendix 2) for further details.

X REALISATION OF UNITS

Redemptions may only be made in cash.

- 12.1 Holders may redeem Units for cash in USD on a Business Day by submitting a realisation request form through a Participating Dealer. Applications to redeem Units for cash must be made in whole number of Units with no decimals, and must reach the Participating Dealer before the Dealing Deadline. This means that if an application is received by the Participating Dealer before the Dealing Deadline, the Redemption Price the Holder will get will be based on the NAV of the Fund as at the Valuation Point applicable for that Dealing Deadline. If the request to redeem Units for cash is received by the Participating Dealer after the Dealing Deadline, it may be deemed to be received by the Participating Dealer before and for the next Dealing Deadline. Please see paragraphs 12.3 and 12.4 for further details.

Save as otherwise agreed by the Manager, redemption in cash through a Participating Dealer will be subject to a redemption charge (as applicable) set out in Part VII of this Prospectus. A Participating Dealer may also charge additional fees on redemptions made through it and you should contact the relevant Participating Dealer for further details. If you acquire Units on the SGX-ST, you may also sell such Units on the SGX-ST through brokers in the same way as you may sell shares in companies listed on the SGX-ST, subject to such applicable market fees or charges and conditions, including but not limited to broker fees and bid-ask condition. Most of the trading activity in Singapore in respect of the Units in the Fund is expected to occur on the SGX-ST. Units (bought on the SGX-ST) can be sold for cash on the SGX-ST at market prices through brokers during normal trading hours on any Market Day. Units sold on the SGX-ST will be transacted on a willing-buyer-willing-seller basis. You are not subject to realisation charges as set out in Part VII of this Prospectus if you sell your Units via the SGX-ST.

12.2 There is no minimum holding amount for the redemption of Units in cash imposed by the Fund on a Participating Dealer. There is a minimum amount of EUR 100,000 for redemption of Units in cash being imposed by the Fund on a Participating Dealer. For Units which are quoted and traded on the SGX-ST, Units will be quoted or traded or sold in board lots of 10 Units. Payment of the redemption or sale proceeds will be made in such manner as stipulated by the Participating Dealers or brokers (as applicable).

12.3 The net redemption proceeds are, in the case of a redemption of Units through a Participating Dealer, calculated by multiplying the number of Units to be redeemed by the redemption price per Unit (the “Redemption Price”) on the Business Day which shall be ascertained as follows:

- (i) by dividing the value of the Fund’s net assets at the relevant Valuation Point applicable for that Dealing Deadline by which applications to redeem Units are deemed to be received by the Manager by the number of Units then in issue and deemed to be in issue; and
- (ii) by rounding down the resulting total per Unit to 4 decimal places.

The Manager may deduct from the redemption proceeds such sum (if any) as the Manager may consider represents the appropriate provision for duties and charges and/or the transaction costs (if any), which shall be for the account of the Fund. The Redemption Price shall be calculated in USD and be based on forward pricing which means that the Redemption Price of the Units shall not be ascertainable at the time of application to redeem Units.

12.4 The following is an illustration on the realisation proceeds (before deduction of duties and charges, if any) that an investor will receive based on a redemption amount of the USD equivalent to EUR 100,000 (in whole number of Units) through a Participating Dealer, a notional Redemption Price of USD 10.00 (the actual Redemption Price of the Units will fluctuate according to the value of the Fund’s NAV) and assuming that a redemption charge is imposed.

| | | | | |
|------------------------------|---|---|---|------------------------------|
| 14,000 Units | X | USD 10.00 | = | USD 140,000 (or EUR 100,000) |
| Number of Units Redeemed | | Notional Redemption Price | | Gross redemption proceeds |
| USD 140,000 (or EUR 100,000) | - | USD 70,000(or EUR 50,000) | = | USD 70,000 |
| Gross redemption proceeds | | Redemption charge (assuming that the redemption charge is EUR 50,000 (converted to USD))* | | Net redemption proceeds |

** This illustration is based on the assumption that an investor would be subject to a redemption charge of EUR 50,000 (converted to USD) and the applicable exchange rate is EUR 1.00 = USD 1.40. Currently the redemption charge, if imposed, is up to the higher of EUR 50,000 (converted to USD) per redemption request or 5% of the NAV per Unit multiplied by the number of Units redeemed. You should note that the Participating Dealer may charge fees. You should note that the above example is purely hypothetical and is not a forecast or indication of any expectation of the performance of the Fund.*

The price of Units traded on the SGX-ST shall be based on their market prices throughout the trading day for SGX-ST. No subscription fees or redemption charges will apply in the case of Units bought or sold on the SGX-ST however other fees and charges may apply (please refer to paragraph 9.1 of this Prospectus for further details).

- 12.5 In the case of a redemption through a Participating Dealer, payment will be made within 5 Valuation Days of the receipt of the relevant realisation request by the Participating Dealer. Payment of the redemption proceeds to you will be made in such manner as stipulated by the relevant Participating Dealer.

In the case of a sale of Units on the SGX-ST, it is expected that the Units will be debited from the relevant Securities Accounts within 3 Market Days after the transaction date for the sale of the Units. Payment of the sale proceeds to you will be made in such manner as stipulated by the relevant broker.

Acceptance of Orders for Redemption of Units

- 12.6 To be effective, a redemption request:
- (i) must be given to the Participating Dealer in accordance with a Participant Agreement; and
 - (ii) must specify the aggregate (round) number of Units to be redeemed.
- 12.7 A redemption request once given and accepted by the Manager pursuant to a written confirmation cannot be revoked or withdrawn without the consent of the Manager. **The Manager and/or the Participating Dealer shall have the absolute discretion to delay the acceptance or processing of any redemption request.**

Maintaining the assets of the Fund

- 12.8 No redemption of Units will be possible if the Fund's assets fall below EUR 300,000.
- 12.9 No Units will be redeemed and no redemption requests will be accepted during any period when the redemption of Units is suspended (see Part XII entitled "Suspension of Dealings and Valuation" below).

Redemption of Units during Suspension of Dealings and access to Primary Market

- 12.10 When the trading value of the Fund's unit deviates significantly from its indicative NAV, or when the Fund's units are subject to a suspension of dealings on an exchange, Holders may be authorised, subject to the below conditions, to redeem their units on the primary market directly from the Fund. In such an event, redemption orders will not be subject to the minimum redemption requirements specified in paragraph 12.2 of this Prospectus.

The opportunity to proceed to such opening of the redemption facility on the primary market and the time during which it is open will be decided by the Manager following the criteria described below. The analysis of these criteria will serve as a base to determine the materiality of the market disruption:

- The non-occasional feature of the secondary market disruption or of the suspension of dealings on any exchange(s) where the Fund maintains a listing on;
- The link between the market disruption and the market makers (such as for example, a default on all or part of the market makers operating on a considered market, or a failure affecting operational or information systems of the considered exchange), excluding, on the opposite, disruptions from an external cause to the exchange(s) where the Fund maintains a listing on, such as disruptions affecting liquidity and the trading value of all or part of the benchmark index constituents;
- The analysis of any other objective circumstances impacting either the equal treatment or the Fund's Holders interest.

Notwithstanding the primary market fees rules specified in paragraph 9.1 of this Prospectus, redemptions in such a situation will be solely subject to a redemption fee of up to 0.50% of the Base, where Base is defined as the product of the NAV of a Unit multiplied by the number of Units redeemed. The redemption fee will be acquired by the Fund in order to cover transaction costs affecting the Fund.

In the exceptional cases of primary market opening, the Manager will provide information on its website at www.lyxoretf.com.sg explaining the procedure to be followed by Holders wishing to redeem their Units on the primary market. The Manager will provide the exchange on which the Fund maintains a listing on with the above-mentioned procedure.

XI OBTAINING PRICES OF UNITS

13. The indicative Issue Price and Redemption Price for the Units (or the latest NAV of the Units) will be available on the website of the Manager at www.lyxoretf.com.sg or published in such publications as the Manager may decide from time to time.

You should note that the frequency of the publication of prices in such publications as the Manager may from time to time decide is dependent on the publication policies of the newspaper and publisher concerned. The Manager does not accept any responsibility for any errors of the prices published in the newspapers or for any non-publication, non-telecast, late publication or late telecast of prices and shall incur no liability in respect of any action taken or loss suffered by you in reliance upon such publication.

Please note that the closing NAV of the Fund and NAV per Unit will normally be displayed on the Manager's website by the next Valuation Day. The Manager also intends to display the current indicative NAV of the Units on the Manager's website as far as it is practicable and on a best effort basis, which will be updated at approximately every 30 seconds throughout the trading period of the Units on the SGX-ST of each Business Day. *You should note, however, that the current indicative NAV of the Units or the Fund set out in the Manager's website (a) is merely indicative in nature and may be different from the actual NAV of the Units or the Fund and (b) is normally at least 15 minutes delayed. The Manager shall not be responsible for any errors, delay or unavailability of such indicative NAV on the Manager's website due to any technical or third parties' fault or such other factors beyond the control of the Manager.*

The trading prices of the Units may be obtained from the website of the SGX-ST at www.sgx.com.

XII SUSPENSION OF DEALINGS AND VALUATION

- 14.1 The Manager may temporarily suspend the issuance, realisation and / or valuation of Units of the Fund if required by exceptional circumstances and in the interest of Holders. This may include suspension during amongst others the following periods:

- (a) any period when the SGX-ST is closed;
- (b) any period when dealings of the Units on the SGX-ST are restricted or suspended;
- (c) any period when settlement or clearing of securities in CDP is disrupted;
- (d) the existence of any state of affairs as a result of which disposal of Investments for the time being comprised in the assets of the Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Holders;

- (e) any period when, in the opinion of the Manager, funds cannot be normally remitted from assets of the Fund without prejudicing the interests of Holders;
- (f) any period when the Benchmark Index is not compiled or published;
- (g) any breakdown in the means normally employed in determining the value of the assets of the Fund or liability of the Fund or when for any other reason the value of any Investment or other property for the time being comprised in the assets of the Fund or the liabilities of the Fund cannot be promptly and accurately ascertained;
- (h) any period when the business operations of the Manager in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;
- (i) any period when the dealing of Units is suspended pursuant to any order or direction issued by the MAS; or
- (j) any period during which the Euronext or any other market or exchange where any of the Index Securities or the shares comprising the Basket of Balance Sheet Assets are listed and quoted are closed.

In addition, no redemption of Units will be possible if the Fund's assets fall below EUR 300,000.

- 14.2 Such suspension (which expression shall include the right to delay payment as mentioned above) shall take effect upon the declaration by the Manager. After the declaration by the Manager, there shall be no issuance, redemption of Units and/or payment of the cash redemption value in respect of any such redemption until the Manager shall declare the suspension at an end, except that the suspension shall terminate in any event on the Business Day following the first Business Day on which (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorised shall then exist. Each declaration by the Manager pursuant to paragraph 14.1 shall be consistent with such official rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Fund and as shall be in effect at the time. To the extent not inconsistent with such official rules and regulations, and subject to the provisions set out above, the declaration of the Manager shall be conclusive. During any such suspension by reason of any of the circumstances set out in paragraphs 14.1(a) to (j) above, the calculation of the value of the assets of the Fund and each Unit (including the Issue Price and Redemption Price) may also be suspended and the Manager shall be under no obligation to rebalance or adjust the assets of the Fund, in either case at the discretion of the Manager. The Manager shall publish the fact that the dealings in and/or valuation of Units is suspended immediately following such suspension, and at least once a month during the period of such suspension in such newspaper or newspapers in Singapore or elsewhere as the Manager may from time to time think fit.
- 14.3 Any Participating Dealer may at any time after such a suspension has been declared and before termination of such suspension withdraw any redemption request or any application for the issue of Units by notice in writing to the Manager. If no such notification of the withdrawal of any such request or application has been received by the Manager before termination of such suspension, the Manager shall redeem Units in respect of which the Manager has received a valid request for redemption of Units and the Manager shall consider applications for the issue of Units as at the Business Day next following the termination of such suspension. In addition, the period for distributing any proceeds the distribution of which has been delayed pursuant to the suspension shall be extended by a period equal to the length of the period of the suspension.

XIII PERFORMANCE OF THE FUND AND ITS BENCHMARK

- 15.1 The inception date of the Class USD units of the Fund is 2 October 2009 (the “Inception Date”). The past performance of the Class USD units of the Fund and the Benchmark Index as of 12 July 2017 are set out below.

| | Returns over the last one (1) year | Returns over the last three (3) years | Returns over the last five (5) years | Returns since inception |
|---------------------------|---|--|---|--------------------------------|
| | | (average annual compounded return) | | |
| Class USD units Note 1 | 9.08% | -2.77% | 7.07% | 2.93% |
| Class USD units Note 2 | 20.86% | 0.61% | 9.29% | 3.85% |
| Benchmark Index | 20.80% | 0.46% | 9.18% | 3.86% |

Sources: Lyxor International Asset Management, Reuters and Bloomberg

Notes:

1. The performance of the Class USD units of the Fund is calculated in USD based on NAV per unit (single pricing basis) as of 12 July 2017. The above performance figures over the past one (1) year, three (3) years, five (5) years and since inception are calculated with net dividends or distributions reinvested, if any, and have included a subscription fee of 5% and redemption charge of 5%. Please refer to paragraph 9.1 above for details on the actual subscription fee and redemption charge which may be payable.
2. The performance of the Class USD units of the Fund is calculated in USD based on NAV per unit (single pricing basis) as of 12 July 2017. The above performance figures over the past one (1) year, three (3) years, five (5) years and since inception are calculated with net dividends or distributions reinvested, if any, and have not included the subscription fee of 5% and the redemption charge of 5%. Please refer to paragraph 9.1 above for details on the actual subscription fee and redemption charge which may be payable.
3. For the avoidance of doubt, subscription fee and redemption charge are not applicable for the purchase and sale of Units on the SGX-ST.

Benchmark

- 15.2 From the inception of the Fund and up to 31 March 2011, the reference benchmark against which the Fund’s performance was measured was the MSCI EUROPE™ index, increased by the potential dividends the Fund may receive from the holding of the stocks of the MSCI EUROPE™ index.

With effect from 1 April 2011, the reference benchmark against which the Fund’s performance is measured is the Benchmark Index.

The Manager is of the view that the aforementioned change of the performance benchmark will better reflect or measure the performance of the Fund due to the change of the benchmark index that the Fund is seeking to track under its investment objective.

Expense ratio

- 15.3 The expense ratio of the Fund based on figures in the Fund's latest audited accounts for the financial year ended 31 January 2017 is 0.25%⁴.

Turnover ratio

- 15.4 The turnover ratio of the Fund for the financial year ended 31 January 2017 is 1008.71%⁵.

You should note that the past performance of the Fund and the Benchmark Index is not necessarily indicative of the future or likely performance of the Fund.

XIV SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

- 16 The Manager will not receive or enter into soft dollar commissions or arrangements in respect of its management of the Fund.

XV CONFLICTS OF INTEREST

17. The Manager is of the view that it is not in a position of conflict in managing the Fund and its other funds.

You should note that the Manager is a subsidiary of Lyxor Asset Management, which is in turn a wholly-owned subsidiary of Société Générale (as the Depository and Custodian and the swap counterparty). While compliance procedures require effective segregation of duties and responsibilities between the relevant divisions within the Société Générale Group, the possibility of conflicts of interest arising cannot be wholly eliminated. If such conflicts arise, the Manager in conjunction with the Depository and Custodian, will seek to ensure that Holders are treated fairly and any such conflicts will be treated on an arm's length basis.

You should also refer to paragraph 5.2 of this prospectus for further information on conflicts of interest which may arise in connection with the Fund.

XVI REPORTS

Fiscal Year End

- 18.1 The Fund's financial year ends on the last Valuation Day of January of each year.

Yearly and Semi-Annual Reports

- 18.2 The Fund's accounts are kept in EUR. Yearly audited reports and semi-annual reports will be prepared by the Manager.

Yearly audited reports will contain the annual financial statements of the Fund prepared in accordance with French accounting principles, the statutory auditor's certified opinion, a breakdown of the NAV of the Fund between the various types of securities held, the Manager's report and other miscellaneous information.

⁴ The expense ratio is calculated in accordance with the guidelines on disclosure of expense ratios issued by the Investment Management Association of Singapore (**IMAS**). The following expenses (where applicable) are excluded from the calculation of the expense ratio:

- (a) brokerage and other transaction costs associated with the purchase and sales of investments;
- (b) foreign exchange gains and losses of the Fund, whether realised or unrealised;
- (c) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- (d) tax deducted at source or arising on income received, including withholding tax;
- (e) dividends and other distributions paid to Holders; and
- (f) interest expense.

⁵ The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage of daily average net asset value.

Semi-annual reports will contain information on the investment policy pursued during the period under review, changes in the NAV, number of units, NAV per unit and revenues, and a simplified breakdown of the NAV of the Fund. The statutory auditor will validate the information contained in the semi-annual reports.

Yearly audited reports and semi-annual reports will be available for your inspection, free of charge, at the office of the Singapore Representative during normal Singapore business hours.

The yearly audited reports will be sent or made available to Holders within 4 months of the period covered by the relevant report, while the semi-annual reports and (where available) quarterly reports will be sent or made available to Holders within 2 months of the period covered by the relevant report.

XVII QUERIES AND COMPLAINTS

19. You may raise any queries on or make any complaints about the Fund by contacting:

(i) *either* the Singapore Representative at:

RBC Investor Services Trust Singapore Limited

77 Robinson Road

#18-00 Robinson 77

Singapore 068896

(ii) *or* the Manager at:

Hotline: (65) 6423 2638

Fax number: (65) 6423 2632

XVIII OTHER MATERIAL INFORMATION

Trading on the SGX-ST

20.1 Units of the Fund are listed for trading on the SGX-ST. Units can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment. Although Units are generally purchased and sold in “board lots” of 10 Units, brokerage firms may permit you to purchase or sell Units in smaller “odd-lots”, although prices of Units traded in “odd-lots” may differ slightly from Units purchased and sold in “board lots”. When buying or selling Units through a broker, you will incur customary brokerage commissions and charges and stamp duty, and you may pay some or all of the spread between the bid and the offered price in the market on each leg of a round trip (purchase and sale) transaction. Unit prices are traded on the SGX-ST in USD and US cents per Unit.

Book-entry Securities

20.2 Units will be deposited, cleared and settled by the CDP. Units are held in book-entry form, which means that no Unit certificates are issued. The Units will be held in the name of the CDP or its nominee for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with the CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by the CDP or its nominee will be treated as Holders in respect of the number of Units credited to their respective Securities Accounts. You should note that as long as the Units are listed on the SGX-ST, Units may not be withdrawn from the depository register kept by the CDP.

Units' Trading Prices and Market Makers

- 20.3 The trading prices of Units on the SGX-ST may differ in varying degrees from their daily NAVs and can be affected by market forces such as supply and demand, economic conditions and other factors.

It is the intention of the Manager to assist in the creation of liquidity for investors by appointing at least one Market Maker for as long as the Units are listed on the SGX-ST to make a market for the Units. Units may be purchased from and sold through the Market Maker.

However, there is no guarantee or assurance as to the price at which a market will be made. In making a market for Units, the Market Makers may realise profits or sustain losses in the amount of any differences between the prices at which they buy Units and the prices at which they sell Units, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying stocks comprised within the Benchmark Index. Any profit made by the Market Makers may be retained by them for their absolute benefit and they shall not be liable to account to the Fund in respect of such profits.

Additional Listing

- 20.4 The Manager may, seek a listing of the Units on any other internationally recognised regulated stock or investment exchange or marketplace having regard to such factors as commercial viability of the proposed listing, legal and regulatory readiness of the market concerned, prevailing market environment, operational requirements and market development. Any costs associated with any such listing will not be funded out of the assets of the Fund.

Distributions

- 20.5 The Manager reserves the right to distribute and/or capitalise all or part of the income of the Fund.

The Manager may at its discretion, pay out income distributions (net of any withholding taxes, if applicable) and net realised capital gains of the Fund to Holders at such times as it may determine. There can be no assurance that the Manager will declare dividends or make distributions. On each such distribution, the Manager will allocate for distribution among the Holders of the Fund as at the Record Date such amount that the Manager determines to be distributed in its absolute discretion. The Record Dates may be changed, or added to, as determined by the Manager. Distributions per Unit shall be declared by the Manager with such number of decimal places as may be determined by the Manager in its discretion. As the payment of income distributions (if any) will be in USD, although the distribution may be declared with more than 2 decimal places, the total amount to be finally distributed to each Holder of Units will be rounded down to the nearest USD and US cents.

If the Manager decides to list and deal in and quote the Units on the SGX-ST in such other currencies such as SGD in addition to USD, and if you have obtained your Units in, for instance, SGD through the SGX-ST, you should make prior suitable arrangement to receive any such potential income distributions in USD.

Notwithstanding the above, distributions will only be paid to the extent that they are covered by income received from underlying investments and by share of profits of associated companies which are received by the Fund and are available for distribution.

Information in Relation to FATCA

- 20.6 France and the United States have entered into a Model I intergovernmental agreement ("IGA") in order to implement in France the US regulations generally known as "FATCA" which aims to fight against tax evasion by U.S. Persons holding financial assets overseas. The term

“U.S. Person” means for the purposes of this provision a U.S. citizen or resident, a partnership or corporation organized in the United States or under the laws of the United States or any State thereof, a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States.

The Fund has been registered as a “reporting financial institution” with the U.S. tax authority. As such the Fund is required to communicate to the French tax authorities, for 2014 and subsequent years, information regarding certain holdings or amounts paid to certain U.S. Persons or non-U.S. financial institutions considered not participating in FATCA, which will be subject to an automatic exchange of information between the French and U.S. tax authorities. You will be required to certify your FATCA status to your financial intermediary or to the management company, as appropriate.

As a result of the application by the Fund of its obligations under the IGA as implemented in France, the Fund will be considered FATCA compliant and should be exempt from withholding tax under FATCA on certain U.S. source income or products.

If your shares are held in a financial intermediary located in a jurisdiction that has not reached an IGA, you should obtain information from your financial intermediary on its intentions regarding FATCA. Moreover, some financial intermediaries may have to gather additional information from you to comply with their obligations under FATCA or under the financial intermediary country law. In addition, the scope of FATCA or IGA obligations may vary depending on the jurisdiction of the financial intermediary. It is therefore advised that you consult your own tax advisor.

Taxation

- 20.7 *The following discussion is a summary of the material Singapore income tax consequences of the purchase, ownership and disposal of Units in the Fund to a Holder who is a tax resident of Singapore. This discussion does not purport to be a comprehensive description of all of the Singapore tax considerations that may be relevant to a decision to purchase, own or dispose of the Units and does not purport to deal with the Singapore tax consequences applicable to all investors, some of which (such as dealers in securities) may be subject to special rules. The following is a discussion of certain tax matters arising under the current tax laws in Singapore and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force as at the date of this Prospectus, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. You should consult your own tax advisers as to the Singapore or other tax consequences of the purchase, ownership or disposal of the Units including, in particular, the effect of any foreign, state or local tax laws to which you are subject. You should inform yourself of, and where appropriate take advice on, the taxes applicable to the acquisition, holding and redemption of Units by you under the laws of the places of your citizenship, residence and domicile.*

Singapore adopts a quasi-territorial system of taxation whereby tax is assessed on income accruing in or derived from Singapore, or income received (or deemed to be received) in Singapore from sources outside Singapore, subject to certain exemptions. Singapore income tax is only imposed on income. There is no capital gains tax in Singapore.

Individuals resident in Singapore will be exempt from Singapore tax on all foreign-sourced income received in Singapore on or after 1 January 2004, other than income received through a partnership in Singapore. Accordingly, individual investors should generally be exempt from Singapore tax on income distributions received from the Fund (assuming that the Fund's investment income being distributed is not itself Singapore-sourced). It should also be noted that income distributions from the Fund may be treated as Singapore-sourced income in the hands of an investor where the distributions constitute gains or profits from a trade or business carried on by the investor in Singapore.

You should also note that the above exemption extends to Singapore resident individuals only and not to corporates or other persons or entities. Corporates or other bodies of persons resident in Singapore will be taxed on the income distributions received from the Fund at the applicable corporate tax rates. There are certain exemptions available to Singapore-resident persons (excluding individuals) on certain foreign-sourced income received by them, subject to certain conditions being met.

Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of gains. In general, gains from the disposal of the Units may be construed to be of an income nature and subject to Singapore income tax if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore.

In addition, if you apply, or are required to apply, the Singapore Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement ("FRS 39") for the purposes of Singapore income tax, you may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of Units is made.

The above provisions are not intended to be definitive, comprehensive or exhaustive and must not be viewed as tax advice. You should consult your own tax advisers with regard to the tax consequences arising from the acquisition, holding or disposal of Units and of the tax treatment which you may be subject to. The Manager does not accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal of Units.

Information on the automatic and compulsory exchange of tax information

- 20.8 The Manager may collect and report to tax authorities information that concerns investors in the Fund for the purpose of complying with Article 1649 AC of the French General Tax code and with Council Directive 2014/107/EU of 9 December 2014 which amended Directive 2011/16/EU on the automatic and compulsory exchange of tax information.

You are entitled to access information that concerns you and have this information corrected or deleted if necessary and may exercise these rights vis-à-vis the Manager pursuant to the French Data Privacy Act of 6 January 1978 but also agree to provide the information the Manager requires for its reporting purposes.

Change of Benchmark Index

- 20.9 The Manager reserves the right, if applicable with the approval of the AMF and provided that in their opinion the economic interests of the Holders would be preserved, to replace the Benchmark Index with another benchmark index in certain events, including, without limitation, the following events:
- (a) the Benchmark Index ceases to exist;

- (b) a significant modification of the formula or calculation method of the Benchmark Index (other than a modification in accordance with the benchmark index operating rules, notably in case of a change of the Index Securities) is made;
- (c) a new benchmark index replacing the Benchmark Index should appear;
- (d) in the opinion of the Manager, a new benchmark index providing a better valuation of the investment of the Holders should appear. In connection with the foregoing, objective financial criteria such as greater liquidity, reduced expenses and a more efficient secondary market, would serve as an appropriate basis;
- (e) it becomes difficult to invest in the Index Securities, or should a part of the Index Securities offer limited liquidity;
- (f) the Index Provider increases its license fees to a level considered too high by the Manager;
- (g) in the opinion of the Manager, the quality (including the precision and availability of the data) of the Benchmark Index should deteriorate; or
- (h) the instruments and techniques used to ensure good management of the portfolio or to hedge against the exchange risks as necessary for the implementation of the Fund's investment policy are not available.

If there is a change of the Benchmark Index, the Manager shall be entitled to change the name of the Fund. All changes to the Benchmark Index, the name of the Fund or modification to this Prospectus in connection therewith will, however, be subject to the prior consultation and/or approval with/of the AMF and/or such other relevant authorities, and (for so long as the Units are listed on the SGX-ST) be announced via the SGXNET.

Extension of term of Fund

- 20.10 The Manager may, with the agreement of the Depository and Custodian, extend the term of the Fund which is currently 99 years from the date of approval of the Fund by the AMF. This decision must be taken at least 3 months before the expiry of the Fund's term or duration and will be notified to the Holders and the AMF.

Termination of the Fund

- 20.11 The Fund may be terminated in the following circumstances:
- (i) If, for 30 days, the Fund's assets were to remain below EUR 300,000, the Manager will inform the AMF of the fact and will, unless during this 30 day period the NAV of the Fund increases to EUR 300,000 or above, dissolve or merge the Fund.
 - (ii) The Manager may terminate the Fund before the end of its term of 99 years:
 - (a) upon the approvals of the AMF and the Depository and Custodian, provided that prior notice has been or will be given to the Holders and all subscription or redemption requests will cease to be accepted from the date of notice;
 - (b) if redemption requests have been received in respect of all Units of the Fund; or
 - (c) upon the termination of the Depository and Custodian's appointment, when no other depository has been appointed for the Fund.
 - (iii) Upon the expiry of the term of the Fund, provided that it has not been extended.

Notices to Holders in General

- 20.12 Unless otherwise specified or required in accordance with applicable laws and regulations or required by the relevant regulator(s), you will generally be notified of any developments concerning your investment in the Fund on the website of the Manager at www.lyxoretf.com.sg. *You should consult this website regularly.*

Costs and expenses in establishing the Fund

- 20.13 The preliminary expenses of establishing the Fund were paid by the Manager and not out of the assets of the Fund.

Valuation of the Fund

- 20.14 The Fund's assets are valued in accordance with the applicable laws and regulations, more specifically the rules set out in CRC Regulation no. 2014-01 of 14 January 2014 relating to the chart of accounts for UCITS.

Financial instruments traded on a regulated market are valued at the closing price recorded on the day prior to the calculation of the NAV. If these financial instruments are traded on several regulated markets at the same time, the closing price used is that recorded on the regulated market on which they are principally traded.

The swap(s) are valued at mark-to-market price on each Valuation Day given by the swap counterparty of the swap(s). The Manager carries out the independent verification and valuation of such mark-to-market prices. However, in the absence of significant trading on a regulated market, the following financial instruments are valued using the following specific methods:

- negotiable debt securities with a residual term to maturity of less than or equal to three months on acquisition are valued at their purchase price. Any discount or premium to redemption value is amortised on a straight-line basis over the residual term of the instrument. The Manager nevertheless reserves the right to value these instruments at their market price if they are particularly sensitive to any market risks (interest rate risk, etc.). The rate applied is that of issues of equivalent securities adjusted by the risk margin relating to the issuer;
- negotiable debt securities with a residual term to maturity of more than three months on acquisition, but with a residual term to maturity at the accounting date on which the NAV is calculated of three months or less are valued at the last known market price. Any discount or premium to redemption value is amortised on a straight-line basis over the residual term of the instrument. The Manager nevertheless reserves the right to value these instruments at their market price if they are particularly sensitive to any market risks (interest rate risk, etc.). The rate applied is that of issues of equivalent securities adjusted by the risk margin relating to the issuer; and
- negotiable debt securities with a residual term to maturity of more than three months at the calculation date of the NAV are valued at their market price. The rate applied is that of issues of equivalent securities adjusted by the risk margin relating to the issuer.

Financial futures traded on organised markets are valued at the clearing price on the day prior to the calculation of the NAV. Options traded on organised markets are valued at their market price on the day prior to the calculation of the NAV. Futures and options traded over the counter are valued at the price given by the counterparty of the financial instrument. The Manager monitors these prices independently.

Deposits are valued at their nominal value plus accrued interest.

Warrants, treasury bills, promissory notes and mortgage notes are valued at their probable trading value by the Manager.

Units and shares in UCITS under French law are valued at the last known NAV on the day the Fund's NAV is calculated.

Units and shares in investment funds not registered under French law are valued at the last known NAV per unit on the day the Fund's NAV is calculated.

Financial instruments traded on a regulated market for which the price has not been observed or the price of which has been corrected are valued at their probable trading value by the Manager.

The exchange rates used to value financial instruments denominated in currencies other than the Fund's reference currency are the WM Reuters exchange rates on the day prior to that on which the Fund's NAV is calculated.

- 20.15 As units of the Fund, specifically, the EUR denominated Class D-EUR units of the Fund ("Euro units") are currently primarily listed on the Euronext, Euronext will calculate and publish the approximate / indicative NAV of the Euro units during trading hours on each market day in Euronext. For the calculation of the indicative NAV of the Euro units, Euronext will use the level of the Benchmark Index and the EUR/USD exchange rate, which is available on Reuters, solely for information purposes to convert the Benchmark Index level into EUR. Where the indicative NAV is not ascertainable, suspension of dealings and valuation of the Euro units may occur.

The Manager will provide Euronext with all financial and accounting data needed for the calculation by Euronext of the indicative NAV of the Euro units and notably as the reference NAV, the NAV of the Euro units on the previous Valuation Day associated with a reference level of the Benchmark Index equal to the closing value on the previous Valuation Day. This reference NAV and these reference levels for the Benchmark Index and EUR/USD exchange rate will serve as a basis for the calculations carried out by Euronext to establish the indicative NAV of the Euro units for the next trading day in Euronext and which is updated in real time.

The Manager will use a similar methodology as Euronext to compute the approximate / indicative NAV of the Class USD units. As a consequence, when both the SGX-ST and the Euronext are open for trading, the approximate / indicative NAV of the Class USD units would then be similar to the approximate / indicative NAV of the Euro units, converted at the prevailing exchange rate and divided by 10 (i.e., the difference in value between the Class USD units and the Euro units would be mostly explained by the difference in prevailing exchange rate between the 2 currencies plus the possible difference which may arise from NAV truncation).

The indicative NAV for the Units during the listing hours on each Market Day may be made available on Reuters and/or the Manager's website on a best effort basis. ***You should note that the Manager shall not be responsible for any non publication or unavailability of such indicative NAV and that the indicative NAV of the Class USD units may be different from the actual NAV of the Class USD units.***

Use of Financial Derivative Instruments

- 20.16 As the Fund will be making use of financial derivative instruments ("FDIs"), including but not limited to the swap agreement(s) and equity-linked swap(s), for investment, efficient portfolio management and/or hedging purposes, there are counterparty risks associated with the use of FDIs such as the risk that a counterparty will not settle a transaction in accordance with its

terms and conditions because of a dispute over the terms of the contract (whether or not in good faith) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss.

- 20.17 The Manager shall supply to a Holder upon request, supplementary information in relation to:
- (i) the quantitative risk management limits applied by it;
 - (ii) the risk management methods used by it; and
 - (iii) the recent developments in the risks and yields characteristics of the main categories of investments of the Fund.

Documents Available for Inspection

- 20.18 Copies of the following documents are available for inspection at the address of the Singapore Representative during normal business hours for a period of twelve (12) months from the date of this Prospectus:
- (i) copies of the latest Fund Complete Prospectus (both French and English translated versions); and
 - (ii) the Depository Services Agreement between the Manager and the CDP.

Indemnities accorded to the Manager

- 20.19 There are currently no indemnities being accorded by the Fund to the Manager in respect of its management of the Fund.

Benchmark Index disclaimers

- 20.20 The Fund is in no way sponsored, endorsed, sold or promoted by MSCI Inc. ("MSCI"), by any other MSCI subsidiary or by any other of the entities involved in the production of the MSCI indices. The MSCI indices are the sole property of MSCI, and the MSCI indices are trademarks registered by MSCI and its subsidiaries and have been licensed, for specific purposes, by the Manager. Neither MSCI, nor any subsidiary of MSCI, nor any of the entities involved in producing or calculating the MSCI indices have made any statement or any warranty, either expressed or implied, to holders of units in the Fund or, more generally, to the general public, concerning the merits of trading in units of FCPs in general or in units of this Fund in particular or the ability of any MSCI index to replicate the performance of the global equities market. MSCI and its subsidiaries are the owners of certain names, registered trademarks and the MSCI indices, which are determined, constructed and calculated by MSCI without any consultation with the Manager or the Fund. Neither MSCI, nor any MSCI subsidiary, nor any of the entities involved in the production of the MSCI indices are obliged to take into consideration the needs of the Manager or holders of the Fund's units when determining, constructing or calculating the MSCI indices. Neither MSCI, nor any MSCI subsidiary, nor any of the entities involved in the production of the MSCI indices make any decision concerning the launch date, pricing, quantity of the Fund's units or the determination and calculation of the formula used to establish the Fund's net asset value. Neither MSCI or any MSCI subsidiary, nor any of the entities involved in the production of the MSCI indices accept any responsibility for or obligations concerning the administration, management or marketing of the Fund.

ALTHOUGH MSCI OBTAINS DATA INCORPORATED OR USED IN THE CALCULATION OF INDICES ORIGINATING FROM SOURCES THAT MSCI BELIEVES TO BE RELIABLE, NEITHER MSCI, NOR ANY OTHER PARTY INVOLVED IN THE CREATION OR CALCULATION OF THE MSCI INDICES GUARANTEES THE ACCURACY AND/OR THE COMPLETENESS OF THE INDICES OR ANY INCORPORATED DATA. NEITHER MSCI NOR ANY PARTY INVOLVED IN THE CREATION OR CALCULATION OF THE MSCI INDICES MAKES ANY WARRANTIES, EXPRESSED OR IMPLIED, CONCERNING THE

RESULTS THAT THE HOLDER OF A MSCI LICENSE, CUSTOMERS OF SAID LICENSEE, COUNTERPARTIES, FUND UNITHOLDERS OR ANY OTHER PERSON OR ENTITY WILL ACHIEVE FROM THE USE OF THE INDICES OR ANY INCORPORATED DATA IN RELATION TO THE RIGHTS LICENSED OR FOR ANY OTHER PURPOSE. NEITHER MSCI NOR ANY OTHER PARTY MAKES ANY WARRANTIES, EXPRESSED OR IMPLIED, AND MSCI DISCLAIMS ANY WARRANTIES CONCERNING THE COMMERCIAL VALUE OR SUITABILITY FOR A SPECIFIC PURPOSE OF THE INDICES OR INCORPORATED DATA. SUBJECT TO THE FOREGOING, UNDER NO CIRCUMSTANCES SHALL MSCI OR ANY OTHER PARTY BE HELD LIABLE FOR ANY LOSS, BE IT DIRECT, INDIRECT OR OTHER (INCLUDING LOSS OF EARNINGS) EVEN IF IT IS AWARE OF THE POSSIBILITY OF SUCH A LOSS.

XIX GLOSSARY

21 Unless the context otherwise requires, the following words or expressions shall have the meanings respectively assigned to them, namely:

“associate” has the meaning ascribed to it in the listing manual of the SGX-ST;

“Benchmark Index” means the MSCI EUROPE™ Net Total Return index denominated in EUR;

“Business Day” means a Valuation Day (other than a Saturday) on which the SGX-ST is open for normal trading and on which the Benchmark Index is compiled and published, and on which banks in Singapore are open for general business (or such other day or days as may from time to time be determined by the Manager);

“connected persons” has the meaning ascribed to it in the listing manual of the SGX-ST;

“CDP” means The Central Depository (Pte) Limited, a wholly-owned subsidiary of the Singapore Exchange Limited;

“CPF” means Central Provident Fund;

“Dealing Deadline” means the dealing cut-off time of 4 pm (Singapore time) on the relevant Business Day or such other time and/or on such other day as may from time to time be determined by the Manager or the Participating Dealer;

“Depository and Custodian” means Société Générale or the person or persons for the time being appointed by the Manager as the depository and custodian of the Fund to hold all the assets and property of the Fund;

“Euro” or “EUR” means the currency to be used within the Economic Monetary Union from 1st January, 1999, unless expressly provided to the contrary;

“Fund” means the Lyxor MSCI Europe UCITS ETF or such other name as the Manager may from time to time determine subject to the prior approval of the relevant authorities where necessary;

“GST” means goods and services tax as provided for in the Goods and Services Tax Act, Chapter 117A of Singapore;

“Holder” generally means the person for the time being entered in the register (kept and maintained in Singapore by the Singapore Representative in such manner as may be required by applicable law and regulation) as the holder of a Unit and (where the context so admits) persons jointly so entered. If you acquire Units directly from a Participating Dealer, you would be the beneficial owner of the Units as shown on the records of such Participating Dealer. For Units purchased via the SGX-ST, the CDP or its nominee will be the registered owner (i.e. the Holder on record) of all outstanding Units deposited with the CDP. If you are named in the

depository register maintained by CDP whether directly or in the sub-account of any CDP depository agent, you are the beneficial owner of the Units in respect of the number of Units credited to your account as shown on the records of CDP or the CDP depository agent (as the case may be);

“Index Provider” or “MSCI” means Morgan Stanley Capital International Inc.;

“Index Securities” means the constituent securities for the time being of the Benchmark Index;

“Investments” means the Index Securities and/or such other investments as may from time to time be permitted under the Fund Complete Prospectus of the Fund or the applicable laws and regulations;

“Market Day” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for business;

“Market Maker” means a person who has entered into an agreement with the Manager to make a market in the Units on the SGX-ST;

“MAS” means Monetary Authority of Singapore or any successor thereto;

“NAV” means net asset value;

“Non-Index Securities” means securities other than Index Securities;

“Participant Agreement” means an agreement entered into between the Manager, and a Participating Dealer setting out, amongst others, the arrangements in respect of the issue and redemption of Units;

“Participating Dealer” means such dealer, stockbroker or other financial intermediary who has entered into the Participant Agreement with the Manager with respect to issues and redemptions of Units. You may obtain information on the identity and contact details of the current Participating Dealer(s) from the Singapore Representative;

“Record Date” means the date or dates as may from time to time be determined by the Manager as the date or dates for the purpose of determining the Holders on record entitled to receive any distributions of income;

“Registrar” means Société Générale or the person or persons for the time being appointed by the Manager as the registrar of the Fund;

“Securities Accounts” means Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) with CDP;

“Settlement Date” has the meaning ascribed to it in paragraph 11.6 of this Prospectus or such other time/date as from time to time determined by the Manager;

“SFA” means Securities and Futures Act, Chapter 289 of Singapore;

“SGX-ST” means the Singapore Exchange Securities Trading Limited or any successor thereto;

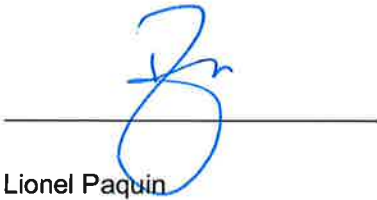
“UCITS” are collective funds which can be sold across national borders within the European Union in accordance with the 'Undertaking for Collective Investment in Transferable Securities' Directive, a set of European Union regulations that aim to allow collective investment schemes to operate freely throughout the European Union on the basis of a single authorisation from one member state;

“Valuation Day” means any business day in Paris on which the Euronext Paris or NYSE Euronext and the exchanges of the Index Securities are normally open for trading (or such other day or days as may from time to time be determined by the Manager); and

“Valuation Point” in respect of a Business Day, means the close of business of the relevant exchange on which the relevant Index Security is traded on the same Business Day (or such other time or times as from time to time determined by the Manager provided that there shall always be a Valuation Point in respect of a Valuation Day).

LYXOR INTERNATIONAL ASSET MANAGEMENT

Signed:



Lionel Paquin

Chief Executive Officer

(signed by Andrew Siu Fai AU as agent for Lionel Paquin)

APPENDIX 1: BENCHMARK INDEX

The information presented in this Appendix is subject to change by the Index Provider. *You should note that the information relating to the Benchmark Index in this Appendix was obtained from publicly available documents that have not been prepared or independently verified by the Manager or any of its respective affiliates or advisers in connection with the offering and listing of Units. The Manager, its respective affiliates or advisers do not make any representation as to or take any responsibility for the accuracy, timeliness or completeness of this Appendix.*

Any liability for errors or omissions in this Appendix, or for any action taken in reliance on the information contained therein is hereby expressly disclaimed. No warranty of any kind, implied, express or statutory, including but not limited to the warranties of non-infringement of third party rights, title, merchantability, satisfactory quality or fitness for a particular purpose, is given in conjunction with the Appendix or any information contained therein.

As at 26 July 2017, the 10 largest constituent securities (in terms of weighting) of the MSCI EUROPE™ Net Total Return index are:

| No. | ISIN Code | Benchmark Index Security | Weighting (% of the Benchmark Index) |
|-----|--------------|------------------------------|--------------------------------------|
| 1. | CH0038863350 | NESTLE SA-REG | 3.04% |
| 2. | GB0005405286 | HSBC HOLDINGS PLC | 2.12% |
| 3. | CH0012005267 | NOVARTIS AG-REG | 2.12% |
| 4. | CH0012032048 | ROCHE HOLD | 2.03% |
| 5. | GB0002875804 | BRITISH AMERICAN TOBACCO PLC | 1.49% |
| 6. | GB00B03MLX29 | ROYAL DUTCH SHELL PLC-A SHS | 1.34% |
| 7. | FR0000120271 | TOTAL SA | 1.30% |
| 8. | GB0007980591 | BP PLC | 1.27% |
| 9. | FR0000120578 | SANOFI | 1.24% |
| 10. | DE000BAY0017 | BAYER AG-REG | 1.20% |

Source: Reuters, Bloomberg, Lyxor

The Benchmark Index

The Benchmark Index is the MSCI Europe Net Total Return index (net dividends reinvested), denominated in euros (EUR).

The MSCI Europe Net Total Return index is an equity index calculated and published by international index provider MSCI. MSCI is not related to the Manager.

The MSCI Europe Net Total Return index retains the fundamental characteristics of the MSCI indices, namely:

- a) universe of stocks included in the index;
- b) free-float adjustment of the stocks included in the index;
- c) classification by sector using the GICS (Global Industry Classification Standard) classification.

The MSCI Europe Net Total Return index is comprised solely of European stocks (currently the following countries: Germany, Austria, Belgium, Denmark, Spain, Finland, France, Greece, Ireland, Italy, Norway, Netherlands, Portugal, United Kingdom, Sweden and Switzerland) with the objective of including 85% of the free-float adjusted market capitalisation of each country and of each group of European industries.

By targeting 85% of each country and of each industry group, the MSCI Europe Net Total Return index as such reflects 85% of the entire market capitalisation of the European markets, while also reflecting the economic diversity of these markets.

The MSCI methodology and calculation method are based on a variable number of companies making up the index.

The full methodology of the construction of the MSCI Europe Net Total Return index is available on the MSCI website: www.msci.com

As of 30 June 2016, the MSCI EuropeTM Net Total Return Index comprised 441 stocks listed on markets in 15 developed European markets: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK. It was built by combining the MSCI indices representing each of these 15 developed European countries.

The Manager of the Fund reserves the right to replace or substitute the Benchmark Index with a new benchmark index in certain circumstances described in paragraph 20.9 of this Prospectus.

Description of the Benchmark Index methodology

The MSCI methodology and calculation method are based on a variable number of companies in the Benchmark Index.

The complete methodology for the construction of MSCI Standard indices is available for consultation on the MSCI website: www.msci.com.

The performance tracked is that of the Benchmark Index's closing prices.

Benchmark Index calculation

The Benchmark Index is weighted by market capitalisation.

Benchmark Index revisions

The MSCI indices are also reviewed on a quarterly basis to take into account changes affecting a constituent stock's market capitalisation such as the number of stocks and the free float or its classification by sector. The material changes in a constituent stock's capital structure such as merger or acquisition, large rights issues or IPOs, etc may be implemented in real time.

The rules concerning the Benchmark Index adjustments are published by MSCI and are available on MSCI's website: www.msci.com.

Publication of the Benchmark Index

The official MSCI indices are calculated on a daily basis at closing prices using the official closing stock market prices for the constituent stocks. The Benchmark Index is also calculated in real time on each trading day. The Benchmark Index is available in real time via Reuters and Bloomberg.

Via Reuters: MIEU00000NEU

Via Bloomberg: M7EU

The closing price of the Benchmark Index is available on MSCI's website: www.msci.com.

APPENDIX 2: INTERNAL RULES

Please note references to "prospectus" in this Appendix refer to the Fund Complete Prospectus.

TITLE 1

ASSETS AND UNITS

ARTICLE 1 - CO-OWNERSHIP UNITS

The rights of the co-owners are stated in terms of units, with each unit corresponding to an equal portion of the Fund's assets. Each unit holder has a co-ownership right to the Fund's assets proportional to the number of units held.

The life of the Fund begins on the date of its approval by the Autorité des Marchés Financiers and runs for a period of 99 years, except in the event of early dissolution or extension as indicated in these internal regulations.

The Fund reserves the right to combine or divide units.

The units can be divided, if so decided by the management company's Chief Executive Officer, into 100 thousandths known as unit fractions.

The provisions relating to the issue and redemption of units apply to units with a value proportional to that of the share they represent. All other provisions relating to units apply to units without the need to stipulate this, unless indicated otherwise.

Finally, the management company's Chief Executive Officer may, at his sole discretion, carry out the division of units through the creation of new units that are allocated to unit holders in exchange for old units.

ARTICLE 2 - MINIMUM AMOUNT OF ASSETS

Units may not be redeemed if the Fund's asset value falls below 300,000 Euros. If the assets remain below this amount for a period of thirty days, the management company shall make the necessary provisions to liquidate the FCP in question or proceed with one of the measures mentioned in Article 411-16 of the AMF General Regulations (FCP transfers).

ARTICLE 3 - ISSUE AND REDEMPTION OF UNITS

Units are issued at any time at the request of unit holders on the basis of their net asset value plus, where appropriate, subscription fees.

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the prospectus.

Units of the Fund may be admitted to an official stock exchange listing in accordance with the regulations in force.

Subscriptions must be fully paid up on the day the net asset value is calculated. Subscriptions may be paid for in cash.

Redemptions are made solely in cash except where the FCP has been liquidated and unitholders have authorised repayment in securities. The redemption price is paid by the depository account keeper within five days from the valuation day of the units.

However, if under exceptional circumstances redemption requires the prior realisation of the Fund's assets, this period can be extended, but may not exceed 30 days.

Except in the case of inheritance or an inter-vivos distribution, the disposal or transfer of units between unit holders or from unit holders to a third party is equivalent to a redemption followed by subscription. If this involves a third party, if applicable, the beneficiary must supplement the amount of the disposal or transfer to bring it up to the minimum subscription amount as required by the prospectus.

Pursuant to article L.214-8-7 of the French Monetary and Financial Code, redemption of units by the Fund and the issuance of new units may be suspended provisionally by the management company if required by exceptional circumstances and in the interests of unit holders.

When the net assets of the Fund have fallen below the minimum threshold set by the regulations, no redemptions of units may be carried out.

ARTICLE 4 - CALCULATION OF NET ASSET VALUE

The net asset value of units is calculated in accordance with the valuation rules specified in the detailed memorandum of the full prospectus.

TITLE 2

FUND OPERATION

ARTICLE 5 – THE MANAGEMENT COMPANY

The Fund is managed by the management company in accordance with the Fund's strategy.

Under all circumstances, the management company acts in the exclusive interests of unit holders and is the only party able to exercise voting rights attached to securities held by the Fund.

ARTICLE 5A – OPERATING RULES

Instruments and deposits eligible for inclusion in the Fund's assets and the investment rules are set out in the prospectus.

ARTICLE 5B – ADMISSION TO TRADING ON A REGULATED MARKET AND/ OR MULTILATERAL TRADING FACILITY

Units may be listed on a regulated market and / or multilateral trading facility according to regulations. In case the Fund which units are listed trade on a regulated market has an investment objective linked to an index, the Fund must have in place a system to ensure that the price of its shares does not significantly deviate from its net asset value.

ARTICLE 6 - THE DEPOSITORY

The depository is responsible for the tasks incumbent upon it in application of the laws and regulations in force, as well as those contractually conferred on it by the management company. It must, in particular, ensure that decisions taken by the management company are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the management company, it shall inform the Autorité des Marchés Financiers.

ARTICLE 7 - STATUTORY AUDITOR

A statutory auditor is appointed by the management company's Chief Executive Officer for a term of six financial years after approval from the Autorité des Marchés Financiers.

The auditor certifies the accuracy and sincerity of the financial statements.

The auditor may be reappointed.

The auditor is duty bound to inform the Autorité des marchés financiers without delay of any fact or any decision concerning the undertaking for collective investment in transferable securities of which it became aware in carrying out its audit duties and which might:

1. constitute a breach of the legal or regulatory provisions applying to such undertaking and which could have a significant impact on the financial situation, result or assets;
2. jeopardise the conditions or continuity of operations;
3. result in the expression of qualifications or a refusal to certify the accounts

The auditor shall supervise the valuation of the assets and the determination of exchange ratios used in the event of a conversion, merger or split.

The auditor shall be responsible for reviewing all contributions in kind.

The auditor shall check the composition of the assets and other information before publication.

The auditor's fees are determined by mutual agreement between the auditor and the Chief Executive Officer or the managing body of the management company on the basis of a work schedule indicating all duties deemed necessary.

The auditor certifies the financial statements serving as the basis for the payment of interim dividends.

The auditor's fees are included in the management fees.

ARTICLE 8 - FINANCIAL STATEMENTS AND MANAGEMENT REPORT

At the end of each financial year, the management company prepares summary documents and a report on the management of the Fund over the financial year then ended.

At least once in every six-month period, the management company shall prepare an inventory of the FCP's assets.

The management company shall make these documents available to unitholders within four months of the financial year-end and shall notify them of the amount of income attributable to them: these documents are either sent by post at the unit holders' express request or are made available to them at the offices of the management company.

TITLE 3

ALLOCATION OF DISTRIBUTABLE INCOME

ARTICLE 9 – CONDITIONS OF ALLOCATION OF INCOME AND CAPITAL GAINS

Net income for the year is equal to the amount of interest, arrears, dividends, premiums, bonuses and directors' fees, as well as all income relating to securities making up the Fund's portfolio, plus income from temporary cash holdings, less management fees and borrowing costs.

Distributable income consists of the following:

- 1) The net income for the year, plus retained earnings and plus or minus the net revenue accruals for the year.
- 2) Realized capital gains, net of expenses, minus realized capital losses, net of expenses, recognized for the year, plus the net capital gains recognized over the previous years that were not distributed or accumulated, minus or plus the balance of capital gains accruals.

The amounts indicated in points 1) and 2) above may be distributed independently of each other, in whole or in part.

The Fund may select either of the following three distribution options for each class of Fund unit:

Pure accumulation — All distributable income will be entirely reinvested in the Fund;

Pure distribution — All income will be distributed to the closest rounded-off amount and interim dividends may be distributed.

Accumulation and/or Distribution — The management company decides the appropriation of distributable income each year. It may decide, during the year, to pay out one or more interim dividends up to the limit of the distributable income recognized when this dividend is decided.

The appropriation of distributable sums is set out in the prospectus.

TITLE 4

MERGER - DEMERGER - DISSOLUTION - LIQUIDATION

ARTICLE 10 - MERGER - DEMERGER

The management company may either contribute, in whole or in part, the Fund's assets to another UCITS fund under its management, or split the Fund into two or more other funds.

Such mergers or splits may only be carried out after unit holders have been notified. Such mergers or splits give rise to the issue of a new certificate indicating the number of units held by each unit holder.

ARTICLE 11 - DISSOLUTION - EXTENSION

If the Fund's assets remain below the level set out in Article 2 above for 30 days, the management company duly informs the Autorité des Marchés Financiers and shall dissolve the Fund, except in the event of a merger with another fund.

The management company may dissolve the Fund at an earlier date; it informs unit holders of its decision and subscription or redemption requests will not be accepted from this date onwards.

The management company shall also dissolve the Fund if a request is made for redemption of all units, if the depository's appointment is terminated and no other depository has been appointed or upon expiry of the Fund's life, if it has not been extended.

The management company shall inform the AMF by post of the dissolution date and procedure. Lastly, it shall send the AMF the auditor's report.

The management company may decide to extend the Fund's life with the agreement of the depository. Its decision must be made at least three months prior to expiry of the Fund's life and communicated to unit holders and the Autorité des Marchés Financiers.

ARTICLE 12 - LIQUIDATION

In the event of dissolution, the management company or the depository is responsible for liquidation, failing which the entity in charge of liquidation will be designated by justice following a request from any interested person. For this purpose, they have the full powers to sell the Fund's assets, settle liabilities and distribute the available balance between unit holders in cash or securities.

The auditor and the depository shall continue to carry out their functions until the end of the liquidation period.

TITLE 5

DISPUTES

ARTICLE 13 - COMPETENT COURTS - JURISDICTION

Any disputes relating to the Fund that may arise during the operation of the Fund or upon its liquidation, either among unit holders or between unit holders and the management company or the depository, are subject to the jurisdiction of the competent courts.