

LYXOR UCITS ETF CHINA ENTERPRISE (HSCEI)

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 13 July 2006 for permission to list and deal in and quote the class USD units (the “Units”) of the LYXOR UCITS ETF China Enterprise (HSCEI) (formerly known as LYXOR ETF China Enterprise (HSCEI)) (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 UCITS ETF CHINA ENTERPRISE (HSCEI)

DIRECTORY

MANAGER

Lyxor International Asset Management
Tour Société Générale
17, Cours Valmy 92800
Puteaux
France

DIRECTOR OF THE MANAGER

Lionel Paquin

DEPOSITORY AND CUSTODIAN AND REGISTRAR

Société Générale
29 Boulevard Haussmann
75009 Paris
France

AUDITORS

PricewaterhouseCoopers Audit
63 rue de Villiers
92208 Neuilly-sur-Seine
France

SOLICITORS TO THE MANAGER

Allen & Gledhill LLP
One Marina Boulevard
#28-00
Singapore 018989

SINGAPORE REPRESENTATIVE

RBC Investor Services Trust Singapore Limited
20 Cecil Street
Equity Plaza #28-01
Singapore 049705

IMPORTANT INFORMATION

The collective investment scheme, namely the Lyxor UCITS ETF China Enterprise (HSCEI) (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 and may only be used in connection with this offering of securities to which it relates by distribution as contemplated herein.

The manager of the Fund is Lyxor International Asset Management (the “Manager”). Copies of the articles of incorporation of the Manager are available for inspection by investors, 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.

Investors 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 herein (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 they may encounter under the laws of the countries of their 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, potential investors 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 the aforementioned paragraph for further details on the swap(s) which the Fund may invest in and the swap counterparty, paragraphs 10.2(b), (l) 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 20.14 to 20.15 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 investors 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, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S"). 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 UCITS ETF CHINA ENTERPRISE (HSCEI)

OVERVIEW

LYXOR UCITS ETF CHINA ENTERPRISE (HSCEI)

The Fund is a collective investment scheme constituted outside Singapore and recognised under Section 287 of the SFA. The Fund is a *fonds commun de placement* (“FCP”) which is an open-ended collective investment fund, approved by the French financial markets authority, namely the *Autorité des Marchés Financiers* (“AMF” or the “Financial Markets Authority”), on 8 July 2005 and established in France on 21 July 2005. The Fund is classified in France as an ETF UCITS-type index tracker.

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 3 Classes, namely, the Euro (“EUR”) denominated Class C-EUR units, the United States dollar (“USD”) denominated Class USD units and the USD denominated Class C-USD units.

The Class C-EUR units of the Fund are currently primarily listed on 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 and subscription the Class USD units of the Fund (the “Units”). An application was made to the Singapore Exchange Securities Trading Limited (“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 19 October 2006.

As at the date of this Prospectus, other than the SGX-ST, the Units are not listed or traded on any other stock exchange.

Investors who buy and sell the Units on the SGX-ST should note that market prices for Units listed and traded on the SGX-ST may, however, be different from their net asset value (“NAV”) per Unit.

Investors should also note that the Units are currently listed, quoted and dealt in on the SGX-ST in USD. 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 inter alia Singapore dollars (“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, and investors who wish to buy and sell the Units on the SGX-ST in such other currencies such as SGD 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 such investors.

The Fund is a Specified Investment Product (as defined in the MAS Notice on the Sale of Investment Products).

FUND COMPLETE PROSPECTUS

The Fund is governed by *inter alia* the fund complete prospectus in respect of the Fund approved by the AMF on 8 July 2005 (the “Fund Complete Prospectus”). A copy of the latest Fund Complete Prospectus is available for inspection by investors, free of charge, at the office of the Singapore representative at 20 Cecil Street, Equity Plaza #28-01, Singapore 049705 during normal Singapore business hours.

INVESTMENT OBJECTIVE, FOCUS AND APPROACH

The Fund's investment objective is to provide investment results that closely correspond to the performance of the Hang Seng China Enterprises Index Net Total Return, denominated in Hong Kong Dollars ("HKD") (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 0.3%.

Benchmark Index

A complete description and the complete methodology of the Benchmark Index can be found on the HSI website: www.hsi.com.hk/.

The Hang Seng China Enterprises Index Net Total Return is published and calculated by Hang Seng Indexes Company Limited. The Benchmark Index components are reviewed quarterly by Hang Seng Indexes Company Limited. It consists of the major Chinese securities known as "H-shares". This type of share takes in the shares of Chinese companies registered in the People's Republic of China and designated by the Chinese government for the purpose of their listing on the Hong Kong Stock Exchange and are therefore listed and negotiated in Hong Kong Dollars (HKD). Any investor, whether or not a Chinese resident, can invest in this category of shares. This Benchmark Index therefore genuinely reflects the Chinese economy since it consists only of companies from the People's Republic of China unlike the Hang Seng Index, which consists not only of "H-shares" but also of foreign equities, notably British. The composition of the Benchmark Index or rules for inclusion in the Benchmark Index are available on www.hsi.com.hk/.

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: .HSCEDVN

Via Bloomberg: HSI21N

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

Investors 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.

Investors should also note that their 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. Investors should refer to the risks relating to the Fund set out in Part VIII of this Prospectus for further details.

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 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 in paragraph 7.2) and the funded portion of the swap to be a Funded Swap (as defined in paragraph 7.2) (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 the Fund's 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 as defined in Article R214-13 of the French Monetary and Financial Code, 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 in paragraph 7.2), 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 the Benchmark Index (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 in paragraph 7.2) with the swap counterparty(ies) in respect of the Fund and exchange the Fund's proceeds against the performance of the Benchmark Index (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.

Further information on the Fund's investment strategy (including criteria for selection of the 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) is set out in Part V of this Prospectus.

LISTING ON THE SGX-ST

An application was made to the SGX-ST on 13 July 2006 for permission to list and deal in and quote the 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 8 September 2006 and has been admitted to the Official List of the SGX-ST for trading since 19 October 2006.

The SGX counter name of the Fund is “Lyxor ChinaH 10US\$” and the SGX stock code of the Fund is “P58”.

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. Investors should note that 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. Investors should note that 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. An investor who acquires Units directly from a Participating Dealer may request the Participating Dealer to apply to the depository, namely The Central Depository (Pte) Limited (the “CDP”), for his Units to be entered against his 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.

THE MANAGER

The Manager, Lyxor International Asset Management, a simplified joint-stock company incorporated in France, has been managing FCPs in France for almost 17 years and has, together with its parent company Lyxor Asset Management, total assets under management of USD 114.5 billion as at 31 December 2014.

THE DEPOSITORY AND CUSTODIAN AND THE REGISTRAR

The depository and custodian and the registrar, Société Générale, is a lending institution established in France on 4 May 1864 by an authorisation decree signed by Napoleon III and having its registered office at 29, Boulevard Haussmann, 75009 Paris, France.

THE SINGAPORE REPRESENTATIVE

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.

SUBSCRIPTION AND REDEMPTION PROCEDURES

The Fund issues and redeems Units at NAV on any Business Day as described in Parts IX and X of this Prospectus. Units can be issued and redeemed in cash on a forward pricing basis through a Participating Dealer.

Units bought or sold on the SGX-ST will be transacted on a willing-buyer-willing-seller basis at market prices throughout the trading day for 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. Investors may buy and sell Units on the SGX-ST through brokers in the same way as they may buy or 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. **Investors who wish to purchase Units on/via the SGX-ST may do so in cash only.**

Cash Subscription and Redemption

Subscriptions and Redemptions may only be made in cash.

Investors may acquire Units in cash in USD in the following manner:

- (i) *From a Participating Dealer:* Investors may apply for the creation or issue of Units in cash on a Business Day through a Participating Dealer before the Dealing Deadline (as defined below). The Issue Price for cash subscription shall be determined in the manner described in Part IX of this Prospectus. The payment of subscriptions must be made by an investor within 5 Valuation Days following the relevant Business Day on which his subscription request for Units was made, and subscriptions in cash must be in whole number of Units without any decimals.

Requests for subscription of Units using cash 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"). 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. Redemptions in cash must be in whole number of Units without any decimals.

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).

The Redemption Price for redemption of Units to be settled in cash shall be determined in the manner described in Part X of this Prospectus. Requests for redemption of Units to be settled in cash must reach the Participating Dealer before the Dealing Deadline. If the request for redemption of Units to be settled in 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.

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

- (ii) *From the SGX-ST: Investors may buy and sell Units on the SGX-ST through brokers at market prices throughout the trading day for SGX-ST. Such sales and purchases 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.*

The Units are currently listed, quoted and dealt in on the SGX-ST in USD. 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 inter alia SGD in addition to USD. In such event, investors who wish to buy and sell the Units on the SGX-ST in, for instance, SGD should note that 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 inter alia 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 any investors who buy and sell the Units on the SGX-ST, 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.

RISKS OF INVESTING IN THE FUND

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

Investors subscribing to the Fund are seeking exposure to the Chinese H-share market. 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. Potential investors 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 him/her 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 are exposed to, inter alia, 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 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 his capital invested. Investors 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. Investors 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. An investor 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 UCITS ETF CHINA ENTERPRISE (HSCEI)

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LYXOR UCITS ETF CHINA ENTERPRISE (HSCEI)
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 UCITS ETF China Enterprise (HSCEI) (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 3 Classes of units, namely, the EUR denominated Class C-EUR units, the USD denominated Class USD units, and the USD denominated Class C-USD units.

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 19 October 2006. The SGX counter name of the Fund is "Lyxor ChinaH 10US\$" and the SGX stock code of the Fund is "P58". 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 March 2015. 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 March 2016) and shall expire on 18 March 2016.
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 *Autorité des Marchés Financiers* ("AMF" or the "Financial Markets Authority") on 8 July 2005 and established on 21 July 2005. 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 7 February 2013, 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 almost 17 years. Investors of the funds managed by the Manager are located in *inter alia* France, Singapore, Hong Kong, Germany, Italy, Austria, Spain, Switzerland and the Scandinavian countries. As at 31 December 2014, the Manager, together with its parent company Lyxor Asset Management, had USD 114.5 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 UCITS ETF China Enterprise (HSCEI)
- Lyxor UCITS ETF MSCI AC Asia-Pacific Ex Japan
- Lyxor UCITS ETF MSCI Korea
- Lyxor UCITS ETF Commodities Thomson Reuters/ CoreCommodity CRB TR
- Lyxor UCITS ETF Hong Kong (HSI)
- Lyxor UCITS ETF MSCI Taiwan
- Lyxor UCITS ETF Japan (TOPIX®)
- Lyxor UCITS ETF MSCI Malaysia
- Lyxor UCITS ETF MSCI India
- Lyxor UCITS ETF MSCI AC Asia Ex Japan
- Lyxor UCITS ETF Commodities Thomson Reuters/ CoreCommodity CRB Ex-Energy TR
- Lyxor UCITS ETF MSCI Emerging Markets
- Lyxor UCITS ETF MSCI EM Latin America
- Lyxor UCITS ETF Eastern Europe (CECE NTR EUR)
- Lyxor UCITS ETF MSCI World
- Lyxor UCITS ETF NASDAQ-100
- Lyxor UCITS ETF Dow Jones Industrial Average
- Lyxor UCITS ETF MSCI Europe
- Lyxor UCITS ETF Russia (Dow Jones Russia GDR)
- Lyxor UCITS ETF FTSE EPRA/NAREIT Asia ex-Japan
- Multi Units France - Lyxor UCITS ETF MSCI AC Asia ex Japan Consumer Staples TR
- Multi Units France - Lyxor UCITS ETF MSCI AC Asia ex Japan Information Technology TR
- Multi Units France – Lyxor UCITS ETF Thailand (SET50 Net TR)
- Multi Units France – Lyxor UCITS ETF MSCI Indonesia

** 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 is a graduate of Ecole Polytechnique and National School of Statistics and Economics (ENSAE). 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 executives of the Manager are:

Nicolas Gausse, PhD
Chief Investment Officer, Lyxor Asset Management

Nicolas has 15 years’ experience in the financial industry. He is a member of the Managing Committee of Lyxor AM, and Head of Quantitative Asset Management department of Lyxor AM since 2009. Previously, Nicolas was Head of Société Générale Asset Management Alternative Investments (SGAM AI), which he joined in 2001. Nicolas began his career in 1996 as a “Quant” with HSBC Paris. He holds an engineering degree from French Ecole Centrale de Paris and a PhD in Economics from Paris La Sorbonne. In addition, he has been a Quantitative Finance Lecturer in different master programs and contributed to various articles and academic conferences. He is a member of the Managing Committee of Lyxor AM.

Raphaël Dieterlen
Head of ETFs and Index Investments, 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.

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 20 Cecil Street, Equity Plaza #28-01, Singapore 049705 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 20 Cecil Street, Equity Plaza #28-01, Singapore 049705.

As at 17 September 2012, RBC Investor Services Trust Singapore Limited has an issued and paid-up share capital of S\$6 million.

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.

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.

The Depository and Custodian and the Registrar

- 5.2 The depository and custodian of the Fund is Société Générale (the “Depository and Custodian”), a lending institution established in France on 4 May 1864 with registered address at 29, Boulevard Haussmann, 75009 Paris, France. The Depository and Custodian is regulated by the French Banking Commission. As at 11 July 2014, the Depository and Custodian has a share capital of EUR 1,006,489,617.50.

The primary role of the Depository and Custodian is to act in the best interest of Holders at all times. The Depository and Custodian is also responsible for inter alia the safe-keeping, custody or control of the assets of the Fund and to ensure that the underlying transactions of the Fund are conducted in a proper manner in accordance with the Fund’s investment objectives, the internal rules of the Fund (as set out in Appendix 2) and the relevant French laws and regulations.

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.

The Depository and Custodian is a global custodian with direct market access in certain jurisdictions and for other markets it engages selected sub-custodians. In respect of its sub-custodians, the Depository and Custodian operates a rigorous selection and on-going monitoring program to ensure best profile and risks appraisal from its selected sub-custodians. 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.

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 Société Générale Securities Services Net Asset Value (“SGSSNAV”) has been appointed to assist the Manager in the administration/accounting management, including the calculation of the NAV, of the Fund.

SGSSNAV is an institution established in France on 1 October 2002 with registered address at Immeuble Colline Sud - 10 Passage de l’Arche 92034 Paris La Défense Cedex, France. As at 31 December 2009, SGSSNAV has a share capital of EUR 40,000.

Established in 2002, SGSSNAV provides specialised back-office services for investment funds and institutional portfolios. Due to the scale of its current operations and the diversity of its client base, SGSSNAV is able to provide back-office services beyond the borders of France. SGSSNAV is a wholly-owned subsidiary of the Société Générale group.

SGSSNAV will remain as administrative agent of the Fund until such time when the Manager removes SGSSNAV 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 so 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 in the event that 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. Investors 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 in the event that 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 3 Classes of units, namely, the EUR denominated Class C-EUR units, the USD denominated Class USD units and the USD denominated Class C-USD 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. ***Investors 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 inter alia SGD in addition to USD.***
- 6.4 Each Unit represents an undivided interest in the underlying securities held by the Fund.

V INVESTMENT OBJECTIVES, FOCUS & APPROACH

- 7.1 The Fund's investment objective is to provide investment results that closely correspond to the performance of the Hang Seng China Enterprises Index Net Total Return, denominated in HKD (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 0.3%.

Benchmark Index

A complete description and the complete methodology of the Benchmark Index can be found on the HSI website: www.hsi.com.hk/.

The Hang Seng China Enterprises Index Net Total Return is published and calculated by Hang Seng Indexes Company Limited. The Benchmark Index components are reviewed quarterly by Hang Seng Indexes Company Limited. It consists of the major Chinese securities known as "H-shares". This type of share takes in the shares of Chinese companies registered in the People's Republic of China and designated by the Chinese government for the purpose of their listing on the Hong Kong Stock Exchange and are therefore listed and negotiated in Hong Kong Dollars (HKD). Any investor, whether or not a Chinese resident, can invest in this category of shares. This Benchmark Index therefore genuinely reflects the Chinese economy since it consist only of companies from the People's Republic of China unlike the Hang Seng Index, which consists not only of "H-shares" but also of foreign equities, notably British. The composition of the Benchmark Index or rules for inclusion in the Benchmark Index are available on www.hsi.com.hk/.

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: .HSCEDVN

Via Bloomberg: HSI21N

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

Investors 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.

Investors should also note that their 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.

Investors 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 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 the Fund's 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 as defined in Article R214-13 of the French Monetary and Financial Code, 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 the Benchmark Index (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 the Benchmark Index (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 the Benchmark Index (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 the Benchmark Index (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").

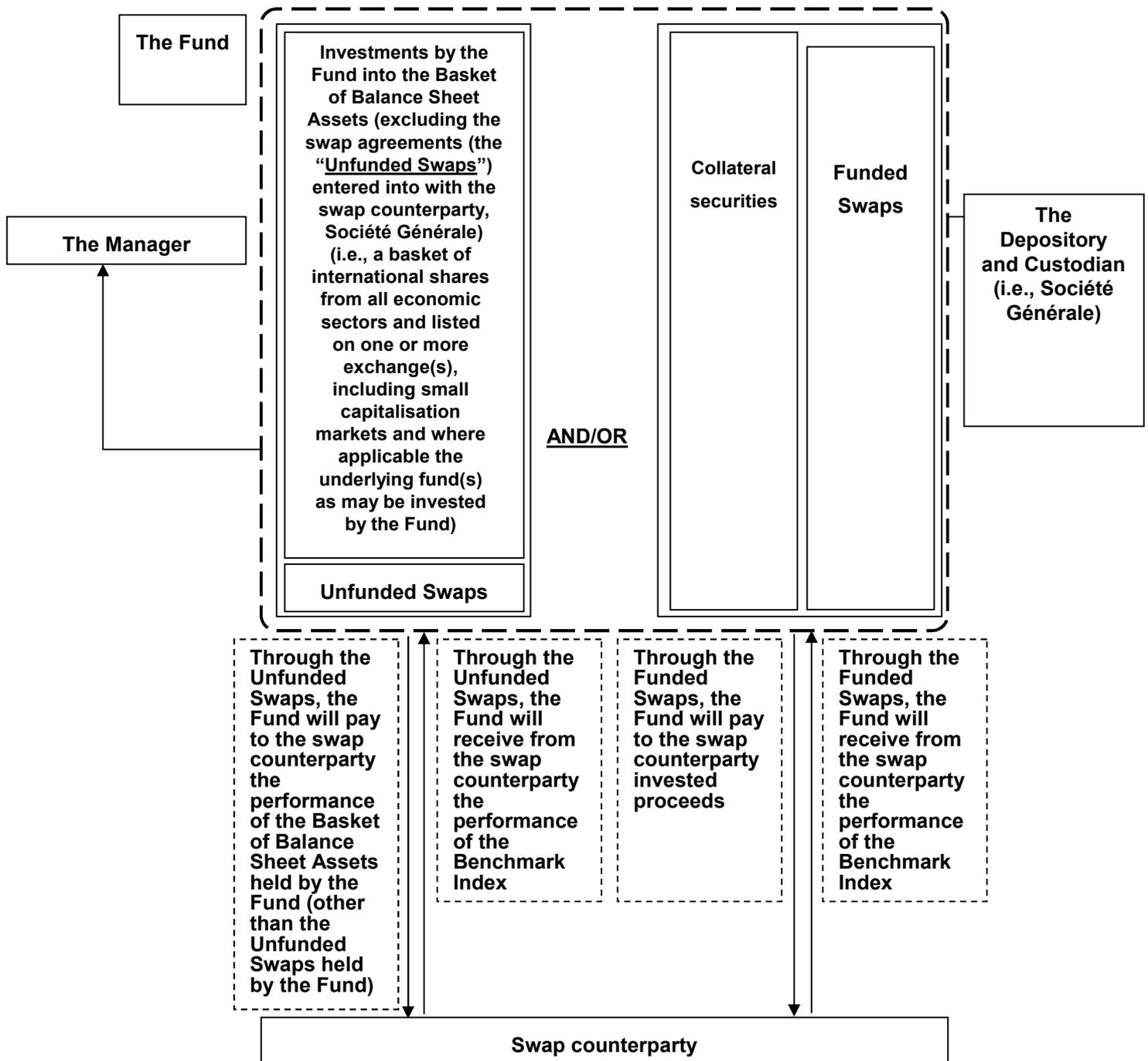
The information regarding the components of the Basket of Balance Sheet Assets and/or the collateral, the counterparty risk level, the Benchmark Index components and the NAV of the Fund can be found on www.lyxoretf.com.sg. The Manager does not commit in a formal and auditable procedure of request from 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.

Investors 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



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

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.

The Manager does not accept cash as collateral.

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 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.

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:

Collateral received should not be sold, reinvested or pledged.

- 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 in the event of strong volatility affecting a financial instrument or securities linked to an economic sector represented in the Benchmark Index, particularly in the event of a public offering substantially affecting any of the securities that make up the Benchmark Index or in the event of 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, and 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 an investor investing in the Fund:

| | |
|---|--|
| Subscription fee or preliminary charge <small>Note 1</small> | 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 <small>Note 1</small> | 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. Investors will have to bear brokerage fees charged by their 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. |

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

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 0.65% of the Fund's NAV per annum; Maximum 0.65% 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 investors should contact the relevant Participating Dealer for further details. No subscription fees or realisation charges will apply in the case of Units bought or sold 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 SGSSNAV) 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 | 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. Prospective investors should read this Prospectus and discuss all risks with their financial and legal advisers before making an investment decision;
- (b) prospective investors 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, the investor’s capital 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) prospective investors 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. Investors 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 albeit 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 *inter alia* 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. Investors should note that counterparty risk may increase in the current market conditions and in the event that 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 and investors may sustain a loss on their investment in the Fund. 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) 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 Holder will be exposed to the fluctuation of the Hong Kong Dollar (HKD), as the base currency of the Benchmark Index is in HKD and the USD since the securities comprising the Benchmark Index are denominated in HKD while the NAV of the Units are denominated in USD. Therefore the NAV of one Unit could change one day to the next according to the USD / HKD exchange rate fluctuations even if the Benchmark Index value is kept unchanged during the same period. The Fund will have exposure to fluctuations in the aforesaid currency exchange rates. In particular, Holders are exposed to the risk arising from a decline in the HKD against the USD.

The Units are currently listed, quoted and dealt in on the SGX-ST in USD. An investor whose functional currency is not USD 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 *inter alia* SGD in addition to USD. In the event that the Manager decides to list and deal in and quote the Units on the SGX-ST in, for instance, SGD in addition to USD, investors who wish to buy and sell the Units on the SGX-ST in SGD should note that such investors will be further exposed to the fluctuation of the exchange rates for the abovementioned 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.

- (d) 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.
- (e) 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 in the event of 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.
- (f) 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 investors in the Units 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.
- (g) Risk related to the SGX-ST listing of the Fund. Investors 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 in the event that 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.

- (h) 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. Investors 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 20.10 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 the investors' 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).
- (i) 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 Holders 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.
- (j) 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.
- (k) Suspension of subscriptions and redemptions. Dealings of Units on the SGX-ST may not necessarily be suspended in the event that 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.
- (l) 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 the Benchmark Index. 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.

Investors 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, whilst 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 Fund's counterparty risk exposure exceeds the overall counterparty risk exposure limit as determined pursuant to the relevant UCITS directive or to the swap agreement. Investors should note there may be a risk of the swap counterparty failing to top up the collateral in the event of 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. Investors may refer to the Société Générale website at www.socgen.com for information on the current financial situation of Société Générale.

- (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. There may also be higher volatility in the Benchmark Index performance than a broader-based index.
- (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, HSI Services Limited (the "Index Provider" or "HSI"), 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. Investors 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 behalf of investors, 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") Part IV 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 country in which the Fund invests or is exposed to (investment in an emerging country). The Fund's investments in the China market and its exposure to this market mean that the NAV of the Fund and its trading prices will be affected by movements or downturns in this market. The Fund's exposure to the China market (which is an emerging market) may also entail a greater risk of potential loss than investments or exposure to developed markets, notably arising from higher market volatility, a lower trading volume in the relevant assets, possible economic and/or political instability, an uncertain or unstable tax regime and/or regulatory environment, risks of market closure or government restrictions on foreign investments or a moratorium on payment due for trading transactions, and more generally of organisation and monitoring conditions of the markets which can deviate from standards prevailing over major international market places.
- (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 any investor for any payment required to be made by the Fund to a fiscal authority.
- (y) Regulatory Risk. In the event of 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. In the event of 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) Operational Risk. In the event of an operational failure within the Manager or one of its representatives, investors may experience delays in the processing of the subscription and redemption of Units, or other disruptions.
- (bb) Corporate Action Risk. In the event of 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 the Benchmark Index 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, the attention of investors 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 investors may suffer as a result of any such adjustments could depend on the timing of their 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 an investor's profit or loss arising out of such investor's

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

11.1 Investors may acquire Units in USD in cash in the following manner:

- (a) *From a Participating Dealer*: Investors 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 the investor 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 investors should contact the relevant Participating Dealer for further details.

- (b) *From the SGX-ST*: Investors may also 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. An investor who wishes to purchase the Units on the SGX-ST must (if 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.

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

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

The Units are currently listed, quoted and dealt in on the SGX-ST in USD. The Manager may at its sole discretion (subject to the approvals of 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 inter alia SGD in addition to USD. In such event, investors who wish to buy and sell the Units on the SGX-ST in, for instance, SGD should note that 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 inter alia 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 any investors who buy and sell the Units on the SGX-ST, 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.

- 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.** In the event that an application for Units is rejected by the Manager, the application monies shall be refunded (without interest) to the investor 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 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 USD 10.00 (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) | - | USD 70,000 (or EUR 50,000) | = | USD 140,000 (or EUR 100,000) |
| Total investment amount | | Subscription fee (assuming that the subscription fee is EUR 50,000 (converted to USD))* | | Your subscription amount |
| USD 140,000 (or EUR 100,000) | / | USD 10.00 | = | 14,000 Units |
| Your subscription amount | | Notional Issue Price | | Number of Units to be allotted |

* This illustration is based on the assumption that the 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. Investors should note that the Participating Dealer may charge fees. Investors 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

- 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 investors should contact the relevant Participating Dealer for further details. Holders who acquire Units on the SGX-ST may also dispose of their Units for cash on the SGX-ST at market prices through brokers during normal trading hours on any Market Day. Holders who sell their Units via the SGX-ST are not subject to realisation charges as set out in Part VII of this Prospectus.

- 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 the 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. Investors should note that the Participating Dealer may charge fees. Investors 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 the investor 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 the investor 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 1% 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.

Investors 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 the investors 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.

Investors 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.sg.

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 *inter alia* 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 aforesaid right to delay payment) shall take effect forthwith upon the declaration thereof by the Manager and thereafter 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 foregoing provisions hereof, 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 28 September 2006 (the “Inception Date”). The past performance of the Class USD units of the Fund and the Benchmark Index as of 30 January 2015 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 of the Fund ^{Note 1} | 10.78% | 0.45% | 0.42% | 6.68% |
| Class USD units of the Fund ^{Note 2} | 22.78% | 3.94% | 2.50% | 8.00% |
| Benchmark Index, converted to USD | 24.21% | 5.44% | 3.86% | 9.29% |

Sources: Lyxor International Asset Management, Reuters, 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 30 January 2015. 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 30 January 2015. 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 14 April 2011, the reference benchmark against which the Fund's performance was measured was the HSCEI index, denominated in HKD, price return, increased by the potential dividends the Fund may receive from the holding of the stocks of the HSCEI index.

From 15 April 2011 to 27 June 2013, the reference benchmark against which the Fund's performance is or will be measured is the Hang Seng China Enterprises Index Total Return. For purposes of measuring performance, the value of the Hang Seng China Enterprises Index Total Return (which is denominated in HKD) will be converted to USD using the fixing WM Reuters exchange rate.

With effect from 28 June 2013, the reference benchmark against which the Fund's performance is or will be measured is the Benchmark Index.

The Manager is of the view that the aforementioned changes 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 October 2014 is 0.65%⁴.

Turnover ratio

- 15.4 The turnover ratio of the Fund for the financial year ended 31 October 2014 is 493.62%⁵.

Investors 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.

⁴The 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.

Investors 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). Whilst 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.

XVI REPORTS

Fiscal Year End

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

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 inspection by investors, 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. Investors 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
20 Cecil Street,
Equity Plaza #28-01,
Singapore 049705

- (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 investors 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, investors will incur customary brokerage commissions and charges and stamp duty, and investors 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. Investors 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.

In the event that 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, investors who have obtained their Units in, for instance, SGD through the SGX-ST in such event 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. Investors will be required to certify their FATCA status to their 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.

Investors, whose shares are held in a financial intermediary located in a jurisdiction that has not reached an IGA, should obtain information from their financial intermediary on its intentions regarding FATCA. Moreover, some financial intermediaries may have to gather additional information from investors 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 to investors to consult their 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. Whilst 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. Prospective investors of Units should consult their 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 they are subject. Each prospective investor should inform himself of, and where appropriate take advice on, the taxes applicable to the acquisition, holding and redemption of Units by him under the laws of the places of his citizenship, residence and domicile.*

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.

Investors 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, investors who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement ("FRS 39") for the purposes of Singapore income tax 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. Investors should consult their own tax advisers with regard to the tax consequences arising from the acquisition, holding or disposal of Units and of the tax treatment which they 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.

Change of Benchmark Index

20.8 The Manager reserves the right, with the approval of the AMF and provided that in their opinion, the economic interests of the Holders would not be adversely affected, 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, based on the opinion of at least one independent expert;
- (c) a new benchmark index replacing the Benchmark Index should appear, based on an opinion from at least one independent expert;
- (d) in the opinion of the Manager and based on an opinion from at least one independent expert, 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, based on the opinion of an independent expert;
- (f) the Index Provider increases its license fees to a level considered too high by the Manager, based on the opinion of an independent expert;
- (g) in the opinion of the Manager, the quality (including the precision and availability of the data) of the Benchmark Index should deteriorate, based on the opinion of an independent expert; 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, in the opinion of an independent expert.

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 the event of a change of the Benchmark Index, the Manager shall be entitled to change the name of the Fund. All changes to the 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

- 20.9 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

- 20.10 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) in the event that 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.

Costs and expenses in establishing the Fund

- 20.11 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

- 20.12 The Fund's assets are valued in accordance with the applicable laws and regulations, more specifically the rules set out in CRC Regulation no. 2003-02 of 2 October 2003 relating to the chart of accounts for UCITS (1st part).

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 UCITS 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.

- 20.13 As units of the Fund, specifically, the EUR denominated Class C-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 NAV of the unit classes that are denominated in another currency than the Fund's accounting currency (if applicable) is calculated using the exchange rate between the accounting currency and the currency of the unit class, at the applicable WM Reuters rate on the date the reference NAV is calculated.

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. ***Investors 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

- 20.14 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 bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss.
- 20.15 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

- 20.16 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

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

Benchmark Index disclaimers

- 20.18 The Benchmark Index is published and calculated by HSI in conformity with a license from Hang Seng Data Services Limited. The brand and name Hang Seng China Enterprises Index Net Total Return are the property of Hang Seng Data Services Limited. HSI and Hang Seng Data Services Limited have agreed to authorise the usage and reference to the Benchmark Index by the Manager relative to the issuing of units of the Fund. However, neither HSI nor Hang Seng Data Services Limited make any guarantee or declaration or certification to any broker or holder or bearer of the Fund or to any person relative to the exactness and exhaustiveness of the Benchmark Index and of its calculation or all related information, and no express or implicit guarantee or declaration or certification of any kind is granted or suggested with regard to the Benchmark Index. The process and basis for the calculation and compilation of the Benchmark Index, the related formula and the shares comprising it, as well as the relevant factors, can be modified or adjusted at any time and without notice by HSI. Neither HSI nor Hang Seng Data Services Limited can be held liable regarding the usage or reference made by the Manager to the Benchmark Index with regard to the Fund, nor for any inaccuracies, omissions or errors of HSI in the calculation of the Benchmark Index nor for any resulting financial or other loss that could be directly or indirectly suffered by any broker, holder or bearer of the Fund or any other person handling or negotiating the Fund. No compliant, action or procedure can be initiated against HSI and/or Hang Seng Data Services Limited relative, in any way whatsoever, to the Fund by any broker, holder or bearer of the Fund or any other person handling or negotiating the Fund. Any broker, holder or bearer or any other person handling or negotiating the Fund does so with full knowledge of this warning and does not base itself or is in any way dependant on HSI or Hang Seng Data Services. To avoid ambiguity, it is stated that this warning does not create any contractual or quasi-contractual link between, on the one hand, any broker, holder or bearer of the Fund and any other person and, on the other hand, HSI and/or Hang Seng Data Services Limited and it must not be interpreted as creating such a link.

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 Hang Seng China Enterprises Index Net Total Return, denominated in HKD;

“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;

“EUR” or “Euro” 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 UCITS ETF China Enterprise (HSCEI) 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. An investor who acquires Units directly from a Participating Dealer would be the beneficial owner of the Units as shown on the records of such Participating Dealer. Nonetheless, 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. Investors named in the depository register maintained by CDP whether directly or in the sub-account of any CDP depository agent, are the beneficial owners of the Units in respect of the number of Units credited to their respective accounts as shown on the records of CDP or the CDP depository agent (as the case may be);

“Index Provider” or “HSI” means HSI Services Limited;

“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, *inter alia*, 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. Information on the identity and contact details of the current Participating Dealer(s) may be obtained 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;

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

“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;

“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

DIRECTOR

Signed:

Lionel Paquin
Chief Executive Officer
(signed by David ABITBOL as agent for Lionel Paquin)

APPENDIX 1: BENCHMARK INDEX

The information presented in this Appendix is subject to change by the Index Provider. *Investors 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 their respective affiliates or advisers in connection with the offering and listing of Units and none of them makes any representation as to or takes 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 12 February 2015, the 10 largest constituent securities (in terms of weighting) of the Hang Seng China Enterprises Index Net Total Return are:

| No. | ISIN Code | Benchmark Index Security | Weighting (% of the Benchmark Index) |
|-----|--------------|------------------------------|--------------------------------------|
| 1. | CNE1000002H1 | CHINA CONSTRUCTION BANK-H | 10.00% |
| 2. | CNE1000003G1 | IND & COMM BK OF CHINA-H | 9.88% |
| 3. | CNE1000001Z5 | BANK OF CHINA LTD-H | 9.87% |
| 4. | CNE1000002L3 | CHINA LIFE INSURANCE CO-H | 8.31% |
| 5. | CNE1000003X6 | PING AN INSURANCE GROUP CO-H | 7.68% |
| 6. | CNE1000003W8 | PETROCHINA CO LTD-H | 6.40% |
| 7. | CNE1000002Q2 | CHINA PETROLEUM & CHEMICAL-H | 5.55% |
| 8. | CNE100000Q43 | AGRICULTURAL BANK OF CHINA-H | 3.34% |
| 9. | CNE1000009Q7 | CHINA PACIFIC INSURANCE GR-H | 3.01% |
| 10. | CNE1000002M1 | CHINA MERCHANTS BANK-H | 2.93% |

Source: Bloomberg, Reuters, Societe Generale

The Benchmark Index

The benchmark index in respect of the Fund is the Hang Seng China Enterprises Index Net Total Return.

The Hang Seng China Enterprises Index Net Total Return is published and calculated by Hang Seng Indexes Company Limited. Hang Seng Indexes Company Limited is not related to the Manager.

The Benchmark Index components are reviewed quarterly by Hang Seng Indexes Company Limited. It consists of the major Chinese securities known as “H-shares”. This type of share takes in the shares of Chinese companies registered in the People’s Republic of China and designated by the Chinese government for the purpose of their listing on the Hong Kong Stock Exchange and are therefore listed

and negotiated in Hong Kong Dollars (HKD). Any investor, whether or not a Chinese resident, can invest in this category of shares. The Benchmark Index therefore genuinely reflects the Chinese economy, since it consist only of companies from the People's Republic of China. Unlike the Hang Seng Index, which consists not only of "H-shares" but also of foreign equities, notably British. The composition of the indices or rules for inclusion in the Benchmark Index are available on www.hsi.com.hk/.

The monitored performance is that of the closing prices of the Hang Seng China Enterprises Index Net Total Return.

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 20.8 of this Prospectus.

Calculation of the Benchmark Index

The Hang Seng China Enterprises Index Net Total Return is a net total return index (which means that the withholding tax applicable to the dividends is taken into account in the index methodology) based on the weighting of each security according to its stock market capitalisation. Each security's influence on the benchmark index is therefore proportional to its stock market capitalisation.

Description of the Benchmark Index methodology

The Hang Seng China Enterprises Index Net Total Return methodology and its calculation method entail a variable number of companies comprising the benchmark index.

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

The complete construction methodology for the Hang Seng China Enterprises Index Net Total Return is available on the HSI website: www.hsi.com.hk/.

Publication of the Benchmark Index

The Hang Seng China Enterprises Index Net Total Return is calculated in real time each market day and is available in real time on Reuters and Bloomberg.

Reuters code: .HSCEDVN

Bloomberg code: HSI21N

APPENDIX 2: INTERNAL RULES

Please note references to "Fund 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 expressed in units, with each unit corresponding with an equal fraction of the Fund's assets. Each unit holder has a right of co-ownership on the assets of the Fund in proportion with the number of units held.

The duration of the Fund begins with its approval date by the Financial Markets Authority, for a duration of 99 years, except in the cases of early dissolution or extension as indicated in the present articles of association.

The Fund reserves the right to group or divide the units.

The units can be divided, if so decided by the Manager, into 100 thousandths known as unit fractions.

The provisions of the articles governing the issue and redemption of units are applicable to the units, the value of which will always be proportional with that of the share that they represent. All other provisions of the articles relative to the shares apply to the units without the need to stipulate this, unless indicated otherwise.

Finally, the executive board of the Manager can, at its discretion, carry out a division of the units by the creation of new units that are allocated to the holders in exchange for the old units.

Article 2 - Minimum amount of the assets

No redemption of the units will be possible if the Fund's assets fall below EUR 300,000; if the assets stay below this level for 30 days, the management company will take the necessary provisions terminate the Fund or implement one of the operations mentioned in article 411-16 du règlement général de l'AMF.

Article 3 - Issue and redemption of units

The units are issued at any time at the request of the bearers on the basis of their net asset value plus, where appropriate, the subscription commissions.

Subscriptions and redemptions are carried out under conditions and according to the provisions defined in the Fund prospectus.

The Fund's units can be the subject of a listing according to the applicable regulations.

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

Redemptions are carried out exclusively in cash except in the case where the Fund is terminated and the holders have accepted to receive securities. They are paid by the Depository within a maximum of 5 days from the valuation of the unit. However, if under exceptional circumstances redemption requires the prior realisation of the Fund's assets, this period could be extended but may not exceed 30 days.

Except in case of inheritance or inter-vivos estate distribution, the disposal or transfer of units between holders, or from holders to a third party, is equivalent to a redemption followed by a subscription; if this involves a third-party, the amount of the disposal or transfer must, where appropriate, be completed by the beneficiary in order to attain at least part of the minimum subscription required by the Fund prospectus.

In application of article L. 214-8-7 of the Monetary and Financial Code passed by the French parliament, the redemption by the Fund of its units, or the issuing of new units, can be temporarily suspended by the Manager, when required by exceptional circumstances and if so required in the interests of the bearers.

Should the Fund's net assets be below the amount stipulated by the regulations, no redemption of units can be carried out.

Article 4 - Calculation of the Net Asset Value

The calculation of the net asset value of the units is performed using the assessment rules contained in the prospectus.

TITLE 2

FUND OPERATIONS

Article 5 - The management company

The management of the Fund is provided by the Manager in compliance with the rules defined for the Fund.

In all circumstances, the Manager acts in the sole interest of the unit holders and is the only party able to exercise the voting rights attached to the securities of the Fund.

Article 5A - Operating rules

The instruments and deposits eligible for inclusion as assets in the Fund, and the investment rules, are described in the complete 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: SOCIÉTÉ GÉNÉRALE

The Depository takes care of the missions that he has been granted in application with the laws and regulations in place and that have been contractually granted by the management company.

The Depository must notably ensure the legality of the decisions taken by the Manager. It must, as relevant, take all protective measures that it considers appropriate. In case of dispute with the Manager, it informs the Financial Markets Authority.

Article 7 - The auditor

An auditor is appointed for 6 financial years, with the agreement of the Financial Markets Authority, by the Manager's executive board.

The Statutory Auditor may be reappointed.

It has to inform within the shortest timeframe the Financial Markets Authority all facts or decisions regarding the Fund that it identifies while carrying out its mission that are likely to:

1/ constitute a violation of the laws and regulations applicable to the Fund and are likely to have a material impact on the financial situation, the profit or the assets.

2/ affect the conditions and continuity of exploitation

3/ trigger reservations or refusal to certify the financial reports

Assessments of the assets and the determination of exchange parities during transformation, merger or demerger operations are carried out with the auditor's verification.

The Statutory Auditor shall evaluate any condition in kind and shall be responsible for preparing a report concerning its valuation and compensation.

It controls the exactness of the composition of the assets and of the other elements before publication.

The auditor's fees are set by common agreement between the latter and the Manager's executive board, on the basis of the work programme that outlines the estimated necessary diligences.

It certifies the situation is serving as the basis for the distribution of advances.

Its fees are included in the management fees.

Article 8 - The accounts and the management report

At the closing of each financial year, the Manager will prepare the summaries and a report on the Fund's management during the past financial year.

The Manager prepares at least every six months and under the Depository supervision, the inventory of the Fund.

The Manager makes these documents available to the bearers of units within 4 months of the end of the financial year and informs them of the amount of earnings or income to which they are entitled: these documents are either sent by mail if expressly requested by the bearers of units, or made available to them in the premises of the Manager or the Depository.

TITLE 3

PROVISIONS FOR THE ALLOCATION OF THE EARNINGS

Article 9 - Conditions of allocation of income and sums available for distribution

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 amounts consist 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 amounts will be entirely reinvested in the Fund;

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

Capitalisation and/or Distribution — The management company decides the appropriation of distributable amounts 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 amounts is described in detail in the prospectus.

TITLE 4

MERGER – DEMERGER- DISSOLUTION – LIQUIDATION

Article 10 - Merger - Demerger

The Manager can either contribute, in a whole or in part, assets included in the Fund to another UCITS that, or divide the Fund into 2 or more other funds.

These merger or demerger operations can only be carried out after the holders have been notified thereof. They can result in the delivery of a new attestation of the number of units held by each bearer.

Article 11 - Dissolution - Extensions

If the Fund's assets were to remain below the amount stipulated in Article 2 above for 30 days, the Manager would inform the Financial Markets Authority of this and, in the absence of a merger with another fund, carry out the dissolution of the Fund.

The Manager can carry out the early dissolution of the Fund; it informs the holders of units of its decision and, from that date, subscription or redemption requests are no longer accepted.

The Manager can also dissolve the Fund in case of a redemption request for all of the units, or the termination of the Depository's functions, when no other depository has been appointed, or upon the expiry of the Fund's duration, if it has not been extended.

The Manager informs the Financial Markets Authority by post of the dissolution date and procedure. It then provides the Financial Markets Authority with the auditor's report.

The Manager may decide to extend the Fund's planned duration with the agreement of the Depository. Its decision must be made at least 3 months before the expiry of the Fund's planned duration and be notified to the holders of units and to the Financial Markets Authority.

Article 12 - Liquidation

In the event of dissolution, the Manager or the Depository takes care of the liquidation of the Fund, failing which the entity in charge of liquidation will be appointed by the court following a request from any interested person. For this purpose, they are entrusted with the power to realise the assets, pay the creditors and distribute the available balance between the holders of units according to numbers or values.

The auditor and the Depository shall continue to exercise their functions until the end of the liquidation operations.

TITLE 5

DISPUTE

Article 13 - Competence – Choice of Domicile

All disputes relative to the Fund that might arise during its operation or at the time of its liquidation, either between holders of units, or between the latter and the Manager or the Depository, are subject to the jurisdiction of the competent courts.