

EXCHANGE TRADED FUNDS BY

LYXOR

SOCIETE GENERALE GROUP

LYXOR ETF DOW JONES INDUSTRIAL AVERAGE

A collective investment scheme established in France and constituted outside Singapore

An application was made to the Singapore Exchange Securities Trading Limited ("SGX-ST") on 26 August 2009 for permission to list and deal in and quote the class B units (the "Units") of the LYXOR ETF DOW JONES INDUSTRIAL AVERAGE (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 Fund, the Manager or its Units.

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

 SOCIETE
GENERALE

LYXOR ETF DOW JONES INDUSTRIAL AVERAGE

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IMPORTANT INFORMATION

*The collective investment scheme, namely the **LYXOR ETF DOW JONES INDUSTRIAL AVERAGE** (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 collective investment scheme.*

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 directors of the Manager (the "**Directors**") individually and collectively accept full responsibility for the accuracy of the information given in this Prospectus and confirm, having made reasonable enquiries, that to the best of their 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 B 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 Swaps described in paragraph 7.2(ii) of this Prospectus.** Please refer to the aforementioned paragraph for further details on the Swaps which the Fund may invest in and the swap counterparty, paragraphs 10.2(b) and (c) on the counterparty risk and risk of the swap agreements, and paragraphs 20.13 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 ETF DOW JONES INDUSTRIAL AVERAGE

OVERVIEW

LYXOR ETF DOW JONES INDUSTRIAL AVERAGE

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”) approved by the French financial markets authority, namely the *Autorité des Marchés Financiers* (“AMF” or the “Financial Markets Authority”), on 15 March 2001 and established in France on 5 April 2001.

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 A units, and the United States dollar (“USD”) denominated Class B and Class E units. The Class A units are currently primarily listed on *inter alia* the Euronext Paris of NYSE Euronext (“Euronext”) and are traded on the Euronext at market prices throughout the trading day for Euronext. Investors should note that market prices for units listed and traded on an exchange may, however, be different from their net asset value (“NAV”) per unit.

This Prospectus describes and offers for sale and subscription of the Class B 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. As at the date of this Prospectus, apart from the SGX-ST, the Units are not listed or traded on any other 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 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.

FUND COMPLETE PROSPECTUS

The Fund is governed by *inter alia* the fund complete prospectus in respect of the Fund approved by the AMF on 15 March 2001 (the "Fund Complete Prospectus"). A copy of the 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 DOW JONES INDUSTRIAL AVERAGE™ index (the "Index") denominated in USD, price return, plus the potential dividends the Fund may receive from the holding of the stocks of the Index (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 Fund aims to achieve an annualised tracking error, computed on a weekly basis over a period of 52 weeks, that does not exceed either (i) 1% or (ii) 5% of the volatility of the Benchmark Index computed on a weekly basis over a period of 52 weeks, whichever is greater.

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 Index can result in various transaction or friction costs, and the Fund may not be able reproduce the performance of the Benchmark Index due to reasons such as the temporary unavailability of certain securities comprising the Index or other exceptional circumstances which might result in distortions in the weighting of the Index, or due to temporary suspension or interruption of the quotation of the securities comprising the Index.

Investors should also note that their investments in the Fund are not guaranteed and that the net asset value 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.

Investors should refer to Appendix 1 of this Prospectus including, inter alia, the section relating to the publication of the DOW JONES INDUSTRIAL AVERAGE™ index for further details on the Index.

Investment Strategy. The Manager currently uses a *Synthetic Replication* strategy whereby basically the Fund will invest in a universe of stocks selected by the Manager that may be different from the universe of stocks constituting the Index which the Fund is seeking to track. In order to replicate the Benchmark Index, the Manager will also enter into the Swaps (as

defined below), where the Fund will exchange its exposure to the stocks selected and bought by the Fund (i.e. the Basket of Stocks as defined below) with the exposure to the Benchmark Index. With this technique the Fund will optimise its replication of the Benchmark Index and minimise the cost of replication to achieve its main objective which is to track the Benchmark Index.

However, if the Manager believes that the current Synthetic Replication strategy is not the most efficient means to track the Benchmark Index, the Manager may decide to adopt a direct replication indexing strategy (whereby the Fund invests in substantially all of the securities comprising the Index in approximately the same proportions as in the Index) or any other strategy in its absolute discretion and as often as it believes appropriate in order to achieve the investment objective of the Fund.

Under the current Investment Strategy of the Fund using Synthetic Replication, in order to provide the greatest possible correlation between the Fund's performance with the performance of the Benchmark Index, the Fund may purchase:

- (i) a basket of international shares from all economic sectors and listed on any exchange, including small capitalisation markets (the "Basket of Stocks"). The Basket of Stocks held as assets by the Fund may or may not comprise shares that make up the Index (the "Index Securities"); and
- (ii) subject to a limit of 10% of the Fund's assets (as further described in paragraph 7.6 of this Prospectus), financial derivative instruments negotiated over-the-counter. In particular, the Manager currently (as at the date of this Prospectus) enters into swap agreements (the "Swaps") with a swap counterparty. The swap counterparty will be Société Générale or such other person (who in the Manager's opinion is the best and most suitable swap counterparty for the Fund) as may from time to time be selected by the Manager. The Swaps would essentially exchange the Fund's exposure to the Basket of Stocks (or any other financial instruments held as an asset by the Fund) with that of the Benchmark Index.

For a general description of the structure of the Fund's Investment Strategy, please see the illustration provided in paragraph 7.2 below.

As part of the management of the Basket of Stocks, the Fund qualifies for the special investment ratios applicable to index-tracking UCITS under the applicable laws in that an index-tracking UCITS is entitled to use up to 20% of its assets to acquire shares of a single issuing entity, and this 20% limit can be increased to 35% for one of such single issuing entities which the index-tracking UCITS invests in.

Further details on the Index (including publication details) are set out in Appendix 1 of this Prospectus.

LISTING ON THE SGX-ST

An application was made to the SGX-ST on 26 August 2009 for permission to deal in and quote the Units of the Fund which may be issued from time to time, and the Fund received in-principle approval for its admission to the Official List of the SGX-ST on 9 October 2009. 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 SGX-ST is open for trading, and will be quoted and traded on the SGX-ST 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.

Investors should note that the Fund is not like a conventional fund offered to the public in Singapore as issuance and redemption of Units in the Fund may, in the case of a subscription or redemption of In-Kind Unit (as defined below), occur in-kind by contributing Index Securities in multiples of In-Kind Units at each Valuation Day's NAV. This feature is not usually present in conventional funds where units can be purchased and redeemed for cash in relation to each Valuation Day in comparatively smaller multiples of units.

THE MANAGER

The Manager, Lyxor International Asset Management, a public limited company incorporated in France, has been managing FCPs in France for over 12 years and has total assets under management of EUR 56.233 billion as at 31 July 2010.

THE DEPOSITORY AND REGISTRAR

The Depository and Registrar, Société Générale, is a lending institution established in France on 8 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 Dexia Trust Services 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.

The Manager has also appointed the Singapore Representative as the registrar's agent in Singapore to provide the Fund with registrar agent services. A copy of the register¹ of Holders of the Fund (the "Register") is kept at the registered office of RBC Dexia Trust Services Singapore Limited at 20 Cecil Street, Equity Plaza #28-01, Singapore 049705 and is available for inspection by Holders, free of charge, during normal Singapore business hours.

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, or (where applicable) issued and redeemed in kind in blocks of 250,000 Units (each an "In-Kind Unit") or in whole multiples thereof pursuant to a subscription or redemption in-kind made to a Participating Dealer by tendering or receiving (as applicable) securities comprising the Index (or Index Securities).

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

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 by completing the application form attached to this Prospectus and sending it to the Singapore Representative 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

¹ 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.

decimals. The minimum subscription size from a Participating Dealer is 250,000 Units.

Requests for subscription of Units using cash must reach the Singapore Representative 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 Singapore Representative after the Dealing Deadline, it shall be deemed to be received by the Singapore Representative before and for the next Dealing Deadline. Redemptions in cash must be in whole number of Units without any decimals, and save as otherwise agreed by the Manager, subscriptions and redemptions in cash through a Participating Dealer will be subject to a subscription or redemption fee (as applicable) set out in Part VII of this Prospectus.

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 Singapore Representative before the Dealing Deadline by completing the application form attached to this Prospectus. If the request for redemption of Units to be settled in cash is received by the Singapore Representative after the Dealing Deadline, it shall be deemed to be received by the Singapore Representative before and for the next Dealing Deadline.

- (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.

In-Kind Subscription and Redemption

Investors may also create Units in In-Kind Unit size or multiples thereof by requesting Participating Dealers via the application form attached to this Prospectus to apply to the Singapore Representative on their behalf for the issue of Units on any Business Day by tendering a basket of Index Securities (a "Deposit Basket") (or multiples thereof) as approved by the Manager, plus or minus a cash payment as determined by the Manager. Units may only be issued in-kind in In-Kind Unit size of 250,000 Units or multiples of 250,000 Units. Subscription requests received from Participating Dealers before the Dealing Deadline and accepted by the Manager pursuant to a written confirmation will be issued at the Issue Price as calculated in accordance with Part IX of this Prospectus. Subscription requests received from Participating Dealers after the Dealing Deadline shall be deemed to be received by the Singapore Representative before and for the next Dealing Deadline.

Investors who hold In-Kind Unit size of 250,000 Units or multiples of 250,000 Units may request Participating Dealers to apply to the Singapore Representative on their behalf for the redemption of Units for the Index Securities comprising a Deposit Basket (or multiples thereof) as approved by the Manager, plus or minus a cash payment as determined by the Manager. Investors should note nonetheless that for redemption in-kind, except when aggregated in In-Kind Unit sizes, Units are generally not redeemable securities (i.e., Units may only be redeemed in-kind in In-Kind Unit size of 250,000 Units or multiples of 250,000 Units). Redemption requests received from Participating Dealers before the Dealing Deadline and accepted by the Manager pursuant to a written confirmation will be issued at the Redemption Price as calculated in accordance with Part X of this Prospectus. Redemption requests received from Participating Dealers after the Dealing Deadline shall be deemed to be received by the Singapore Representative before and for the next Dealing Deadline. Save as otherwise agreed by the Manager, subscriptions and redemptions will be subject to a subscription or redemption fee (as applicable) set out in Part VII of this Prospectus.

Save as otherwise agreed by the Manager, subscriptions and redemptions in kind will be subject to a subscription or redemption fee (as applicable) set out in Part VII of this Prospectus.

For the avoidance of doubt, in-kind subscription and redemption may only be done through a Participating Dealer and is not applicable for Units traded 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 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 United States industrial sector. The amount that can be reasonably invested in the Fund depends on each investor's personal situation by taking into account his personal circumstances at present and for the

next five years, as well as whether they wish to take risks or opt instead for a cautious investment approach. 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 before investing. The listing of the Units does not guarantee a liquid market for the Units.

The Manager is of the view that 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 are also exposed to the other main risks as described in Part VIII of this Prospectus, including amongst others, the counterparty risk, the risk of the swap agreements 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 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 S\$10.00 transfer fee 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 0.04% of the transaction value, subject to a maximum of S\$600.00 per transaction. 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 ETF DOW JONES INDUSTRIAL AVERAGE

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LYXOR ETF DOW JONES INDUSTRIAL AVERAGE

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"). This Prospectus has been prepared in accordance with the requirements in 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 ETF DOW JONES INDUSTRIAL AVERAGE (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, EUR denominated Class A units, and USD denominated Class B and Class E units.

This Prospectus describes and offers for sale the Class B units of the Fund ("Units"). Application was made to the SGX-ST for listing and quotation of 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. ***As at the date of this Prospectus, apart from the SGX-ST, the Units are not listed or traded on any other exchange.***

2. The date of registration of this Prospectus with the MAS is 13 October 2010 and 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 12 October 2011) and shall expire on 13 October 2011.
3. The Fund, which is constituted as a *fonds commun de placement* ("FCP") in France, was approved by the *Autorité des Marchés Financiers* ("AMF" or the "Financial Markets Authority") on 15 March 2001 and established on 5 April 2001.

II THE MANAGER

- 4.1 The manager of the Fund is Lyxor International Asset Management, a company incorporated in France, whose registered address is at Tour Société Générale, 17, Cours Valmy, 92800 Puteaux, France. As at 31 July 2010, the Manager has a share capital of EUR 1,059,686.

The Manager is a wholly-owned 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 benefits from the expertise of the legal and tax departments of entities within the Société Générale Group (“SG Group”) and meets high internal quality requirements in terms of operational and risk procedures, organisation and business ethics.

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

The Manager is a management company registered (as of 12 June 1998) and regulated by the AMF. The Manager has been managing FCPs for over 12 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 July 2010, the Manager had EUR 56.233 billion of assets under management.

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

- Hi-Lo Reverso Capital Guaranteed Fund (SGD)
- Hi-Lo Reverso Capital Guaranteed Fund (USD)
- Trigger Express Guaranteed Fund (SGD)
- Trigger Express Guaranteed Fund (USD)
- Step Up Capital Guaranteed Fund
- Super Trigger Guaranteed Fund (SGD)
- Super Trigger Guaranteed Fund (USD)
- Lyxor ETF China Enterprise (HSCEI)
- Lyxor ETF MSCI Korea
- Lyxor ETF Commodities CRB (Reuters / Jefferies CRB Index)
- Lyxor ETF MSCI AC Asia Pacific Ex Japan
- Lyxor Oracle Series – The S&P All Stars Global Income Fund (SGD)
- Lyxor ETF Hong Kong (HSI)
- Lyxor ETF MSCI Taiwan
- Lyxor ETF Japan (TOPIX®)
- Lyxor ETF India (S&P CNX NIFTY)
- Lyxor Agri-Opportunity Capital Guaranteed Fund
- Lyxor ETF MSCI Malaysia

- Lyxor ETF MSCI India
- Lyxor ETF MSCI Asia APEX 50
- Lyxor ETF Commodities CRB Non-Energy (Reuters/Jefferies CRB Non-Energy Index)
- Lyxor ETF MSCI Emerging Markets
- Lyxor ETF MSCI EM Latin America
- Lyxor ETF Eastern Europe (CECE EUR)
- Lyxor ETF MSCI World
- Lyxor ETF NASDAQ-100
- LYXOR ETF DOW JONES INDUSTRIAL AVERAGE
- LYXOR ETF MSCI EUROPE
- LYXOR ETF RUSSIA (DJ RUSINDEX TITANS 10)

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

4.3 The details of the directors of the Manager are:

Alain DUBOIS – Chairman of the Managing board
13, rue de la Chaussée de la Muette
75016 Paris
France

Alain DUBOIS joined Lyxor International Asset Management in 2000 as a member of the Managing Board and Head of Business Development before being appointed as Chairman of the Managing Board in October 2003. He was previously a director of Structured Finance at Lazard Frères et Cie between 1992 and 1996 and then Senior Structurer at Commerzbank from 1997 to 2000. Mr DUBOIS is a graduate from École Polytechnique, ENSAE and Ecole Nationale d'Administration (ENA) and holds a Master in Business law from University of Paris.

Alain DUBOIS is also currently a director of Lyxor Asset Management and certain funds established as corporate entities.

Laurent SEYER – Chief Executive Officer
38, Quater rue de Tourville
78100 Saint-Germain en Laye
France

Laurent SEYER is a graduate of the Institut d'Études Politiques in Paris. He joined Société Générale in 1988 as an inspector. Laurent SEYER then joined the Mergers and Acquisitions team, first as coordinator for several of Société Générale's acquisition projects and then as Corporate Finance Director for Financial Institution clients, in London. In 1999, he was asked to join the equity derivatives department at Société Générale Corporate & Investment Banking in order to develop the structured products (for life insurance) business, setting up Inora Life Limited, a Dublin-

incorporated pan-European insurance company focusing on unit-linked policies. In 2003, he assumed responsibility for the equity derivatives sales and marketing team for Switzerland, in charge of marketing hedge fund, investment fund and equity and index-linked structured products to institutional clients. Under his influence, the team's business doubled in the space of 3 years.

Laurent SEYER is also currently a director of Lyxor Asset Management, Lyxor Asset Management Japan Co., Ltd. and certain funds established as corporate entities.

- 4.4 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.

- 4.5 The Manager, its directors and their associates are not entitled to receive any part of any brokerage charged to the Fund or any part of any fees², allowances, benefits received on purchases charged to the Fund. In addition, as there are no voting rights attached to the Units, the Manager, its directors and its connected persons will not be able to vote their own Units, if any.

III OTHER PARTIES

The Singapore Representative

- 5.1 RBC Dexia Trust Services 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 such as the following (as applicable):

5.1.1 facilitating the issue and redemption of Units, in particular:

- (a) receiving on behalf of the Manager, and sending upon receipt to the Manager, applications for the issue and requests for the realisation of Units;
- (b) receiving on behalf of the Manager, and remitting to the Manager

² For the avoidance of doubt, the word "fees" mentioned in this paragraph 4.5 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.

subscription monies in respect of applications for the issue of Units, and issuing to applicants receipts in respect of such monies;

- 5.1.2 facilitating the publishing of the NAV per Unit;
- 5.1.3 facilitating the furnishing of such books relating to the sale and redemption of Units as the MAS may require;
- 5.1.4 facilitating the inspection of instruments constituting the Fund;
- 5.1.5 maintaining in Singapore any facility that enables the inspection of or extraction from the register of the Fund kept by the Registrar in respect of all Units issued and available for trading and has been entered in the Register in the name of CDP³ or its nominee as the registered Holder of such Units. A copy of the Register is available for inspection at the office of the Singapore Representative by investors, free of charge, during normal Singapore business hours;
- 5.1.6 giving notice of any change in such particulars as may be prescribed under the SFA or by the MAS, to the MAS within 14 days of such change;
- 5.1.7 receiving all enquiries in relation to the Fund from the Holders and/or applicants and forwarding the same to the Manager; and
- 5.1.8 furnishing such information or record regarding the Fund as the MAS may, at any time, require for the proper administration of the SFA.

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 as well as to provide the Fund with registrar agent services and such other services as may from time to time be agreed between the Manager and the Singapore Representative.

RBC Dexia Trust Services 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 6 June 2006, RBC Dexia Trust Services Singapore Limited has an issued and paid-up share capital of S\$6 million.

The Depository and the Registrar

- 5.2 The depository of the Fund is Société Générale (the "Depository"), an institution established in France on 8 May 1864 with registered address at 29, Boulevard

³ 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.

Hausmann, 75009 Paris, France. As at 31 December 2008, the Depository has a share capital of EUR 725,909,055.

The primary role of the Depository is to act in the best interest of Holders at all times. The Depository 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 the Appendix 2) and the relevant French laws and regulations.

The Depository will remain as depository of the Fund until such time when the Manager (subject to approval of the AMF) removes the Depository as depository 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.

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

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 in the 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(t) 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 A units and the USD denominated Class B units and Class E

units. This Prospectus describes and offers for sale and subscription of the Class B units of the Fund (i.e. the “Units”).

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.***

- 6.3 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 DOW JONES INDUSTRIAL AVERAGE™ index (the “Index”) denominated in USD, price return, plus the potential dividends the Fund may receive from the holding of the stocks of the Index (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 Fund aims to achieve an annualised tracking error, computed on a weekly basis over a period of 52 weeks, that does not exceed either (i) 1% or (ii) 5% of the volatility of the Benchmark Index computed on a weekly basis over a period of 52 weeks, whichever is greater. *Further details on the Index (including publication details) are set out in Appendix 1 of this Prospectus.*

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 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 Index or other exceptional circumstances which might result in distortions in the weighting of the Index, or due to temporary suspension or interruption of the quotation of the securities comprising the Index.

Investors should also note that their investments in the Fund are not guaranteed and that the net asset value 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.*

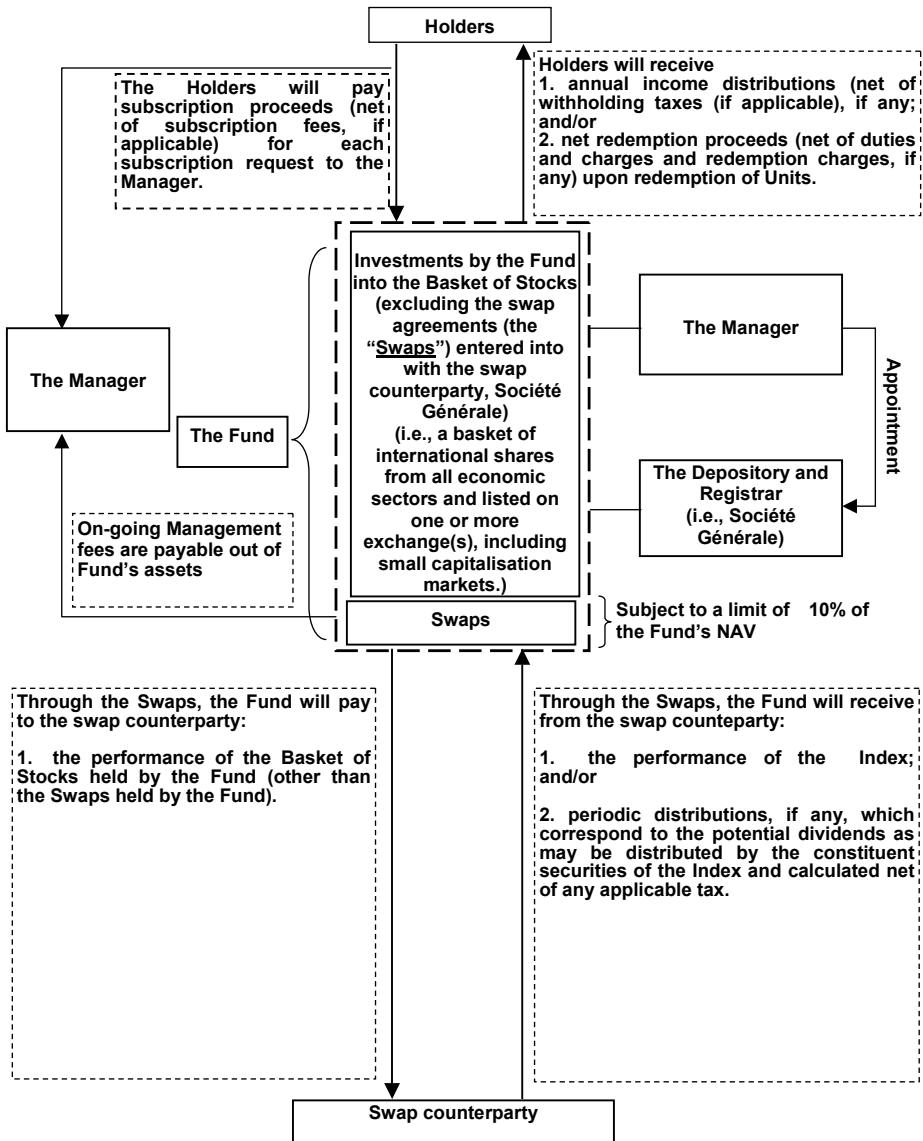
7.2 **Investment Strategy.** The Manager currently uses a *Synthetic Replication* strategy whereby basically the Fund will invest in a universe of stocks selected by the Manager that may be different from the universe of stocks constituting the Index which the Fund is seeking to track. In order to replicate the Benchmark Index, the Manager will also enter into the Swaps (as defined below), where the Fund will exchange its exposure to the stocks selected and bought by the Fund (i.e. the Basket of Stocks as defined below) with the exposure to the Benchmark Index. With this technique the Fund will optimise its replication of the Benchmark Index and minimise the cost of replication to achieve its main objective which is to track the Benchmark Index.

However, if the Manager believes that the current Synthetic Replication strategy is not the most efficient means to track the Benchmark Index, the Manager may decide to adopt a direct replication indexing strategy (whereby the Fund invests in substantially all of the securities comprising the Index in approximately the same proportions as in the Index) or any other strategy in its absolute discretion and as often as it believes appropriate in order to achieve the investment objective of the Fund.

Under the current Investment Strategy of the Fund using Synthetic Replication, in order to provide the greatest possible correlation between the Fund's performance with the performance of the Benchmark Index, the Fund may purchase:

- (i) a basket of international shares from all economic sectors and listed on any exchange including small capitalisation markets (the "Basket of Stocks"). The Basket of Stocks held as assets by the Fund may or may not comprise shares that make up the Index (the "Index Securities"); and
- (ii) subject to a limit of 10% of the Fund's assets (as further described in paragraph 7.6 below), financial derivative instruments negotiated over-the-counter. In particular, the Manager currently (as at the date of this Prospectus) enters into swap agreements (the "Swaps") with a swap counterparty. The swap counterparty will be Société Générale or such other person (who in the Manager's opinion is the best and most suitable swap counterparty for the Fund) as may from time to time be selected by the Manager. The Swaps would essentially exchange the Fund's exposure to the Basket of Stocks (or any other financial instruments held as an asset by the Fund) with that of the Benchmark Index.

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



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

- 7.3 As part of the management of the Basket of Stocks, the Fund qualifies for the special investment ratios applicable to index-tracking UCITS under the applicable laws in that an index-tracking UCITS is entitled to use up to a maximum of 20% of its assets to acquire shares of a single issuing entity, and this 20% limit can be increased to 35% for one of such single issuing entities which the index-tracking UCITS invests in.
- 7.4 The Fund currently does not intend to invest in options, warrants, commodities, futures contracts, unlisted securities and precious metals.
- 7.5 **Investment restrictions.** The Fund will comply with the investment rules under the European directive 85/611/EEC dated 20 December 1985 (as amended).
- 7.6 The Fund may invest up to 10% of its net assets in equity-linked swaps negotiated over-the-counter. In connection therewith, the Manager will take the necessary measures to ensure that the marked-to-market value of the Swaps does not exceed 10% of the Fund's NAV in accordance with the regulations.

The Fund may invest up to 10% of its net assets in collective investment schemes ("CIS") in accordance with European Council Directive 85/611/EEC as amended and in other collective investment undertakings within the meaning of article 19(1)(e) of the UCITS Directive.

Other than equity-linked swaps, the Manager is also entitled to use any other instruments, including but not limited to forward financial instruments, within the limits of the applicable laws and regulations, in order to meet the investment objective of the Fund.

- 7.7 Up to a maximum of 20% of the NAV of the Fund may be placed as deposits with lending institutions in order to optimise its cash management, and the Manager may exercise the power of the Fund to borrow, in particular to optimise the management of its available funds, provided that aggregate borrowings should not exceed 10% of the NAV of the Fund.
- 7.8 The Manager currently does not intend to engage in any borrowings, although the Fund's borrowing powers may (if so required) be exercised to meet redemptions or for payment of distributions.

VI CPF INVESTMENT SCHEME

- 8.1 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 ^{Note 1}	The higher of (i) USD 40,000 per subscription request and (ii) 2% of the NAV per Unit multiplied by the number of Units subscribed
Redemption or realisation charge ^{Note 1}	The higher of (i) USD 40,000 per redemption request and (ii) 2% 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 0.04% of the transaction value, subject to a maximum of S\$600.00 per transaction. 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.

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 0.50% of the Fund's NAV per annum; Maximum 0.50% of the Fund's NAV per annum
Outperformance fee	Nil

Notes:

- Unless otherwise agreed by the Manager, subscriptions and redemptions in cash or in kind 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. No subscription fees or realisation charges will apply in the case of Units bought or sold on the SGX-ST.
- Operating and Management fee includes all fees and charges payable by the Fund except transaction costs, out-performance fees and fees linked to investments in UCITS or investment funds. The transaction costs may include transfer fees and a

share of the income from operations involving the temporary acquisition and sale of securities. Such transaction costs and out-performance 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 Stocks, as well as any brokerage and stock market taxes and transfer fees (if applicable) payable to the Depository and/or the Manager.

3. The Depository 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.

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 price of Units can go down as well as up. Investors may not get back their original investment. 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 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. The Fund therefore carries a high equity risk profile.

- (b) Counterparty risk and settlement risk. Counterparty risk is the risk that the party trading with the Fund will be unable to meet its obligation to make payments or to settle a trade by the counterparty. 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. The Fund will also be exposed to the credit risk of such counterparty. Moreover, should a counterparty become bankrupt or insolvent, the Fund may experience delays in recovering the mark-to-market value of such over-the-counter financial instruments and may incur significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above transactions may be terminated due to certain events, such as bankruptcy, supervening illegality or change in the tax or accounting laws relative to those in force at the time the transactions were entered into or may be affected by any orders or directions issued to the counterparty by relevant regulators or authorities. Investors should note that counterparty risk may increase in the current market conditions and in the event that the risk materialises, the NAV per Unit of the Fund may be adversely affected and investors may sustain a loss on their investment in the Fund.
- (c) Risk of swap agreements. The Manager currently intends to enter into swap agreements (as described in paragraph 7.2 above) with a swap counterparty in order to essentially exchange the Fund's exposure to the Basket of Stocks (or any other financial instruments held as an asset 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. 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 Aa2, 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 <http://www.socgen.com> for information on the current financial situation of Société Générale. The risk of loss with respect to swaps generally is limited to the net amount of payments that the Fund is contractually obligated to make. If such a default were to occur, the Fund will have contractual remedies pursuant to the agreements related to the transaction. However, such remedies may be subject to bankruptcy and insolvency laws which could affect the Fund's rights as a creditor. For example, the Fund may not receive the net amount of payments that it contractually is entitled to receive. Nevertheless this risk is limited as the Fund is subject to a counterparty limit of 10% of its NAV on a single counterparty._

- (d) Foreign exchange and currency risk. 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 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 exposed to the fluctuation of the exchange rates for the USD 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 directors are aware, there is currently no foreign exchange controls or restrictions which are of relevance to the Fund or its investment objective or policy.

- (e) Tracking error risk. There is no guarantee that the Fund's investment objective will be achieved. No asset or financial instrument will allow 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 Index, changes to the 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 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 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.
- (f) Risk linked to the Index. The Fund is exposed to the fluctuation of performance of the Index Securities comprised within the Index through the Swaps. 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 or occurrence of exceptional circumstances that result in distortions in the weighting of the Index. This is also the case in the event of the suspension or temporary interruption of the listing of stocks in the Index. Any re-weighting of the Index can also result in miscellaneous transaction or friction costs. Further, since the Fund's investment objective is to replicate the performance of the Benchmark Index and the initial investment is not guaranteed, there is a risk that the invested capital in the Fund may be lost since the Benchmark Index may post a negative performance.

- (g) Risk of absence of active market. There can be no assurance that an active trading market in respect of the Units will be developed or be maintained. There is no certain basis for predicting the actual price levels at, or sizes in, which Units may trade. Further, there can be no assurance that 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 Index.
- (h) Trading in Units on the SGX-ST may be suspended. 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.
- (i) Units may be delisted from the SGX-ST. The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. 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 20.9 below.
- (j) Units may trade at prices other than NAV. The NAV of the Fund represents the fair price for buying or selling Units. As with any listed fund, the market price of Units may sometimes trade above or below this NAV. 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 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 NAV. The bid/ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from NAV.
- (k) Lack of discretion of the Manager to adapt to market changes. Unlike many conventional funds, the Fund is not "actively managed". Therefore, the Fund will not adjust the composition of its portfolio except in order to seek to closely correspond to the duration and total return of the 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 Index may result in a corresponding fall in the NAV of the Fund.

- (l) Suspension of subscriptions and redemptions. Dealings of Units on the SGX-ST may not necessarily be suspended 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.
- (m) Concentration of Index in certain issuers. The Index and the investments of the Fund may be concentrated in securities of a single or several issuers. Changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular issuer, and changes in general economic or political conditions can affect the value of an issuer's securities. Such issuer-specific changes may have an impact on the securities held by the Fund.
- (n) Asset class risk. The returns generated from the securities in which the Fund invests may not provide returns equivalent to that of other classes of securities or different asset classes. The securities in which the Fund invests may be subject to cycles of underperformance relative to that of other classes of securities.
- (o) License to use the Index may be terminated. The Manager has been granted a license by the Index Provider to use the Index in order to create the Fund based on the Index and to use certain trade marks and any copyright in the 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 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 Index.
- (p) Compilation of Index. The securities which comprise the Index are determined and composed by the index provider, Dow Jones & Company, Inc.(the "Index Provider" or "Dow Jones") 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 Index. There is no assurance that the Index Provider will compile the Index accurately, or that the 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 Index may change. The composition of the Index will change as Index Securities mature or are redeemed or as new securities are included in the 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 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 Index is computed.
- (r) Liquidity risk. The price at which portfolio securities may be purchased or sold by the Fund upon any rebalancing activities or otherwise and the value of the Units will be adversely affected if trading markets for the Fund's portfolio securities are limited or absent or if bid-offer spreads are wide.
- (s) Minimum subscription and redemption size. For subscriptions and redemptions in-kind, Units will only be issued or redeemed in In-Kind Unit aggregations (currently 250,000 Units, and multiples thereof). The minimum size for subscriptions and redemptions from a Participating Dealer is 250,000 Units. Investors who wish to redeem a smaller amount and who do not hold In-Kind Unit aggregations may only be able to realise the value of their Units by selling their Units on the SGX-ST at the prevailing trading price of the Units.
- (t) 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.
- (u) 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 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.
- (v) Risks relating to the governing laws and regulations in respect of the Fund. The Fund is a collective investment scheme constituted as a FCP in France and registered as an Undertakings for Collective Investments in Transferable Securities ("UCITS") Part III 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 under the applicable French laws require only the approval of the AMF and notification to the Holders and/or the Depository, 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. 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.

- (w) Use of Financial Derivatives Instruments. As a Fund whose performance is linked to the Index will often be invested in securities which differ from the Index, financial derivative instruments will be used to link the value of the Units to the performance of the Index. While the prudent use of such financial derivatives instruments can be beneficial, financial derivatives instruments also involve risks which, in certain cases, can be greater than the risks presented by more traditional investments. There may be transaction costs, if any, associated with the use of financial derivative instruments.

IX SUBSCRIPTION OF UNITS

Subscription for Units in cash

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 Day⁴ by completing the application form attached to this Prospectus and sending it to the Singapore Representative 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 Singapore Representative 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 Singapore Representative before the Dealing Deadline, the Issue Price the investor will get will be based on the value of the assets 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 Singapore Representative

⁴ 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.

after the Dealing Deadline, it shall be deemed to be received by the Singapore Representative before and for the next Dealing Deadline. The minimum size for subscription from a Participating Dealer is the 250,000 Units. Please see paragraphs 11.4 and 11.5 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.

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 The minimum subscription amount for Units from a Participating Dealer is 250,000 Units. 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 an investment of 250,000 Units through a Participating Dealer, a notional Issue Price of USD10.00 (the actual Issue Price of the Units will fluctuate according to the value of the Fund’s NAV) and assuming that a subscription fee is imposed:

USD 2,550,000	-	USD 50,000	=	USD 2,500,000
Total investment amount		Subscription fee (assuming that the subscription fee is 2% of the NAV per Unit multiplied by the number of Units subscribed)*		Your subscription amount
USD 2,500,000	÷	USD 10.00	=	250,000 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 2% of the NAV per Unit multiplied by the number of Units subscribe. Currently, the subscription fee, if imposed, is USD 40,000 per subscription request or 2% of the NAV per Unit multiplied by the number of Units subscribed, whichever is higher. Investors should note that as of 30 July 2010, no subscription fee or redemption charge has been paid by investors since the creation and inception of the USD Class B Units of the Fund on 2 October 2009. Investors should note that the above example is purely hypothetical and is not a forecast or indication of any expectation of 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.

- 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 for 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.

Subscriptions for Units in-kind

- 11.7 Investors may make subscriptions in-kind for blocks of 250,000 Units (i.e., an In-Kind Unit) or multiples thereof on any Business Day to the Singapore Representative through the Participating Dealers at the Issue Price for that In-Kind Unit by contributing Index Securities comprising within the Index. *Investors may request to the Manager for a list of the Index Securities comprising the Index for subscriptions in-kind and any applicable Adjustments (as defined in paragraph 11.11 below) that may be payable by or returned to the investor.*

Requests for subscription of Units in-kind must reach the Singapore Representative before the Dealing Deadline. If the request for subscription of Units in-kind is received by the Singapore Representative after the Dealing Deadline, it shall be deemed to be received by the Singapore Representative before and for the next Dealing Deadline.

For avoidance of doubt, in-kind subscription may only be done through a Participating Dealer and is not applicable for Units traded on the SGX-ST.

- 11.8 The Issue Price for an In-Kind Unit shall be ascertained as follows:

- (i) by dividing the value of the Fund's assets at the relevant Valuation Point applicable for that Dealing Deadline by which applications for In-Kind Units are deemed to be received by the Manager by the number of Units then in issue and deemed to be in issue;
- (ii) by rounding down the resulting total per Unit to 2 decimal places;
- (iii) by multiplying the resulting total by the number of In-Kind Units.

The Manager may add to the Issue Price calculated (but not include within it) such sum (if any) as the Manager may consider represents the appropriate provision for the transaction costs (if any), which shall be for the account of the Fund. The Issue Price for the In-Kind Unit shall be calculated in USD. The Issue Price for the In-Kind Unit shall be based on forward pricing which means that the Issue Price of the Units shall not be ascertainable at the time of request to issue the In-Kind Unit.

- 11.9 Investors who wish to create Units by subscribing for Units in-kind must approach a Participating Dealer to do so on their behalf. Such investor may be required to complete a form as required by the Participating Dealer. In addition, the Participating Dealer may request the investor to make certain representations or enter into

agreements with respect to the order, for example, to provide for payments of cash, when required. Investors should be aware that their particular broker or dealer may not have executed a Participant Agreement and that, therefore, orders to create Units have to be placed by the investor's broker or dealer through a Participating Dealer that has entered into a Participant Agreement. In such cases there may be additional charges to such investor. At any given time, there may be only one or a limited number of Participating Dealers.

- 11.10 Subscription requests received from Participating Dealers before the Dealing Deadline and accepted by the Manager pursuant to a written confirmation will be issued at the Issue Price as calculated in accordance with paragraph 11.8 of this Prospectus. Subscription requests from Participating Dealers received by the Singapore Representative after the Dealing Deadline shall be deemed to be received by the Singapore Representative before and for the next Dealing Deadline. Investors placing orders for Units should afford sufficient time to permit proper submission of the order by the Participating Dealers to the Singapore Representative prior to the relevant Dealing Deadline.
- 11.11 An investor who wishes to create Units by subscribing for Units in-kind must deliver such number of Index Securities comprising the Index corresponding with a whole multiple of 250 times the Index which the investor must deliver (rounded down to the nearest whole Unit) and, where appropriate, an amount in cash paid or received by the Fund (the "Adjustments") for a subscription request for the same whole multiple of 250,000 Units of the Fund. The Adjustments will be calculated by the Manager in accordance with the market practice.
- 11.12 When submitting the subscription request, the Participating Dealer should tender to the Depository of the Fund the Index Securities comprising a Deposit Basket for each In-Kind Unit no later than the Settlement Date in accordance with the terms of the Participant Agreement. The delivery of Units properly applied for will occur in accordance with the terms of the Participant Agreement which is normally no later than the Settlement Date in accordance with the terms of the Participant Agreement.
- 11.13 The issuance of Units in In-Kind Unit aggregations will only be done if the following are satisfied:
- (i) the Index Securities delivered to the Depository in respect of that issue of In-Kind Units have been approved by the Manager as comprising a Deposit Basket with respect to the relevant Dealing Deadline;
 - (ii) the aggregate of (a) the value of the Index Securities as at the relevant Valuation Point delivered to the Depository and (b) the amount of cash paid to or to the order of the Depository in respect of the Adjustment for the In-Kind Unit aggregation is equal to the Issue Price for that In-Kind Unit aggregation;

- (iii) the Index Securities have been vested upon the Depository to the Depository's satisfaction or satisfactory evidence of title and instruments of transfer shall have been produced to or to the order of the Depository by such time and date as determined therefor by the Manager in its discretion, provided that such date shall occur no later than the relevant Settlement Date; and
- (iv) the full amount of the Adjustments, the duties and charges and/or transaction costs (if any) in respect of that In-Kind Unit size shall have been received in full in cleared funds by or to the order of the Depository by such time and date as determined therefor by the Manager in its discretion, provided that such date shall occur no later than the relevant Settlement Date.

If any of the above is not satisfied, the subscription order will be cancelled. Participating Dealers will be liable for all direct and indirect losses incurred by the Fund resulting from subscription orders submitted by them, including, the transaction costs (if any), interest costs incurred by the Fund and any losses arising in respect of the Fund's purchase and sale of Investments in connection with such cancellation (including the difference between the NAV on the Settlement Date compared to the relevant Business Day).

Acceptance of subscriptions

11.14 The Manager reserves the absolute right without giving any reason therefor to reject a subscription request transmitted to the Singapore Representative. 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 days. The Manager and the Depository are under no duty to provide reasons for rejecting a subscription request in respect of the Fund.

11.15 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

- 11.16 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

- 11.17 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 days unless during this 30 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.

X REALISATION OF UNITS

Redemption of Units in cash

- 12.1 Holders may redeem Units for cash in USD on a Business Day by submitting a realisation request form to the Singapore Representative through the Participating Dealers. Applications to redeem Units for cash must be made in whole number of Units with no decimals, and must reach the Singapore Representative before the Dealing Deadline. This means that if an application is received by the Singapore Representative before the Dealing Deadline, the Redemption Price the Holder will get will be based on the value of the assets 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 Singapore Representative after the Dealing Deadline, it shall be deemed to be received by the Singapore Representative before and for the next Dealing Deadline. Please see paragraphs 12.3 and 12.4 for further details. The minimum size for redemptions through a Participating Dealer is 250,000 Units.

In addition to the above, 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 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. The minimum redemption size for redemptions through a Participating Dealer is 250,000 units. Payment of the redemption or sale proceeds will be made in such manner as stipulated by the Participating Dealers or brokers (as applicable) respectively.

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 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 2 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 of 250,000 Units through a Participating Dealer, a notional Redemption Price of USD10.00 (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.

250,000 No. of Units Redeemed	X	USD 10.00 Notional Redemption Price*	=	USD 2,500,000 Gross redemption proceeds
USD 2,500,000	-	USD 50,000 Redemption charge (assuming that the redemption charge is 2% of the NAV per Unit multiplied by the number of Units redeemed)#		USD 2,450,000 Net redemption proceeds
Gross redemption proceeds				

* This illustration is based on the assumption that the investor would be subject to a redemption charge of 2% of the NAV per Unit multiplied by the number of Units redeemed. Currently the redemption charge, if imposed, is USD 40,000 per redemption request or 2% of the NAV per Unit multiplied by the number of Units redeemed, whichever is higher. Investors should note that as of 30 July 2010, no subscription fee or redemption charge has been paid by investors since the creation and inception of the USD Class B Units of the Fund on 2 October 2009. Investors should note that the above example is purely hypothetical and is not a forecast or indication of any expectation of 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.

- 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 Singapore representative. 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.

Redemption of Units in-kind

- 12.6 Holders may apply for redemption in-kind for blocks of 250,000 Units (hereinafter referred to as a "Redemption Unit") or multiples thereof on any Business Day at the Realisation Price for that Redemption Unit.

- 12.7 Holders who wish to redeem Units in-kind must approach a Participating Dealer to apply to the Singapore Representative for a redemption of Units in-kind on their behalf. Such investor may be required to complete a form as required by the Participating Dealer. Investors should be aware that their particular broker or dealer may not have executed a Participant Agreement and that, therefore, orders to redeem Units have to be placed by the investor's broker or dealer through a Participating Dealer that has entered into a Participant Agreement. In such cases there may be additional charges to such investor. At any given time, there may be only one or a limited number of Participating Dealers.

Redemption requests received from Participating Dealers and accepted by the Singapore Representative before the Dealing Deadline will be redeemed at the Redemption Price as calculated in accordance with paragraph 12.9 of this Prospectus. Redemption requests received from Participating Dealers by the Singapore Representative after the Dealing Deadline shall be deemed to be received by the Singapore Representative before and for the next Dealing Deadline. Investors placing orders to redeem Units should afford sufficient time to permit proper submission of the order by the Participating Dealers to the Singapore Representative prior to the Dealing Deadline.

For avoidance of doubt, in-kind redemption may only be done through a Participating Dealer and is not applicable for Units traded on the SGX-ST.

- 12.8 The Manager shall determine and designate the Index Securities comprising the redemption basket (the "Redemption Basket") applicable to requests to redeem Units

in Redemption Unit aggregations submitted with respect to that Dealing Deadline. On receipt of a redemption request by the Singapore Representative from a Participating Dealer, the Manager shall effect the redemption of the Units, in Redemption Unit aggregations, specified in the redemption request for proceeds equivalent to the Redemption Price of each In-Kind Unit aggregation to be redeemed, such proceeds to be by way of a transfer by or on behalf of the Depository *in specie* of the Redemption Securities and payment by or on behalf of the Depository in cash of the Adjustments (if positive) determined as at the relevant Valuation Point.

12.9 The Redemption Price for an In-Kind Unit shall be ascertained as follows:

- (i) by dividing the value of the Fund's assets at the relevant Valuation Point applicable for that Dealing Deadline by which applications to redeem the In-Kind Unit are deemed to be received by the Manager by the number of Units then in issue and deemed to be in issue;
- (ii) by rounding down the resulting total per Unit to 2 decimal places; and
- (iii) by multiplying the resulting total by the number of In-Kind Units.

The Manager may set off against any Adjustments payable to a Participating Dealer such sum (if any) as the Manager may consider represents the appropriate provision for the transaction costs (if applicable), which deduction shall be for the account of the Fund. The Redemption Price for the In-Kind Unit shall be based on forward pricing which means that the Redemption Price of the Units shall not be ascertainable at the time of request to redeem the In-Kind Unit.

12.10 The Index Securities comprising the Redemption Basket (the "Redemption Securities" and each a "Redemption Security") distributable and Adjustments (less any transaction costs) in respect of the redemption of Units may be transferred or paid sooner but shall be distributable and payable no later than the Settlement Date provided that the Units, which are the subject of the redemption request, have been delivered to the Singapore Representative by the Settlement Date and the full amount of the Adjustments (if negative) and any additional sums payable and/or the transaction costs payable have been deducted and set-off or otherwise paid in full by the Settlement Date. For the purposes of this paragraph, the Holder on whose behalf a Redemption request is made by a Participating Dealer shall be deemed to authorise (i) the transfer of the Redemption Securities by book entry to the designated stock account and (ii) the payment of the Adjustments by book entry payment to the designated cash account or by telegraphic transfer to a bank account in the name or to the order, in each case, of that Participating Dealer by or through whom that redemption request was made. The Adjustments shall be paid in USD and, if paid by telegraphic transfer, shall be paid to a USD account of a designated bank, unless otherwise agreed by the Manager.

12.11 Where Units are to be redeemed, the Manager may effect any sales of Investments necessary to provide the cash required to pay the Adjustments. In such event the Fund shall be reduced by the cancellation of those Units on that Settlement Date and for settlement on that Settlement Date (or such later date as may from time to time be determined by the Manager) the Depository shall transfer the applicable Redemption Securities out of the Fund's assets to or to the order of the Participating Dealer through which the redeeming Holder made his redemption request and shall pay the Adjustments to the relevant Holder. Notwithstanding the foregoing, no Redemption Securities shall be delivered and no Adjustments shall be paid unless Units, the subject of the redemption request, have been delivered to the Depository for redemption by such time on the Settlement Date as the Manager shall for the time being prescribe for such redemption request. The Manager, may at its discretion extend the settlement period, such extension to be on such terms and conditions (including as to the payment of any fees it may determine to represent the administrative costs involved in extending the Settlement Date) as the Manager may determine. In the event that Units are not delivered to the Depository for redemption in accordance with the foregoing: (i) the redemption request shall be deemed never to have been made (except that the transaction costs (if any) therefor shall remain due and payable) and (ii) the Manager may, but shall not be bound to, charge the applicant (for the account of the Fund) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the redemption request, and any losses arising in respect of the Fund's sale and purchase of Investments and any interest costs incurred by the Fund in connection with such failed redemption. In addition, the Manager may, but shall not be bound to require the Participating Dealer to pay it for the account of the Fund in respect of each Unit, the subject of the redemption request, the amount (if any) by which the redemption value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit as if the Manager had received on the relevant Settlement Date in relation to such Units to be redeemed an application from such applicant for the subscription of such Units in accordance with Part X of this Prospectus.

12.12 The Adjustments as mentioned above will be calculated by the Manager in accordance with the market practice.

Acceptance of Orders for Redemption of Units

12.13 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.

12.14 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

- 12.15 No redemption of Units will be possible if the Fund's assets fall below EUR 300,000.
- 12.16 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).

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 delivery of Index Securities comprised in a Deposit Basket or Redemption Basket or 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 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 Stocks 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 transfer of such Redemption Securities and payment of the Adjustments or 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 As the USD Class B of the Fund was inceptioned on 2 October 2009, a track record of the Class of at least one year is not available as at the date of this Prospectus.

Benchmark

- 15.2 The reference benchmark or benchmark index is the Index, denominated in USD, price return, increased by the potential dividends the Fund may receive from the holding of the stocks of the Index.

Expense ratio

- 15.3 The expense ratio⁵ of the Fund based on figures in the Fund's latest audited accounts for the financial year ended 30 April 2010 is 0.50%.

Turnover ratio

- 15.4 The turnover ratio of the Fund for the financial year ended 30 April 2010 is 1843%⁶.

Investors should note that the past performance of the Fund or its benchmark 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.

Investors should note that the Manager is a wholly-owned subsidiary of Lyxor Asset Management, which is in turn a wholly-owned subsidiary of Société Générale (as the Depository and the swap counterparty). Whilst compliance procedures require effective segregation of duties and responsibilities between the relevant divisions within the SG Group, the possibility of conflicts of interest arising cannot be wholly eliminated. If such conflicts arise, the Manager in conjunction with the Depository, 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 April of each year.

⁵ 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.

⁶ The turnover ratio is calculated in accordance with the requirements set by the AMF. The AMF calculation method for the turnover ratio is based on the sum of purchases and sales of securities by the Fund, minus the sum of successful subscriptions and redemptions orders and expressed as a percentage of daily average net asset value.

Yearly and Semi-Annual Reports

- 18.2 The Fund's accounts are kept in Euros. 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 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 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 Dexia Trust Services 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 so 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 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. Whilst the Manager currently intends to pay out income distributions of the Fund to the Holders annually, there can be no assurance that the Manager will declare dividends or make other distributions annually. On each such distribution, in relation to each fiscal year period as determined by the Manager, 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 distribution (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.

Taxation

- 20.6 *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 Singapore 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 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 ("IRAS") 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 Index

- 20.7 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 Index with another index. In the event of a change of the 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

- 20.8 The Manager may, with the agreement of the Depository, 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

- 20.9 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, 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'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

20.10 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

20.11 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.

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.

Temporary purchases and disposals of securities are valued at the market price.

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

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

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

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

20.12 As units of the Fund, specifically, the EUR denominated Class A 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 are 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 B Units. As a consequence, when both the SGX-ST and the Euronext are open for trading, the approximate / indicative NAV of the Class B 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 B Units and the Euro units would be mostly explained by the difference in prevailing exchange rate between the 2 currencies plus the possible difference which may arise from NAV truncation).

The indicative NAV for the Units during the listing hours on each Market Day may be made available on Reuters and/or the Manager's website on a best effort basis. ***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 B Units may be different from the actual NAV of the Class B Units.***

Use of Financial Derivative Instruments ("FDIs")

20.13 As the Fund will be making use of FDIs, including but not limited to the swap agreements and equity-linked swaps, 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.

20.14 Up to 10% of the NAV of the Fund will be invested in FDIs.

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 Fund Complete Prospectus (both French and English translated versions);
- (ii) the Depository Services Agreement between the Manager and the CDP; and
- (iii) sample agreement between the Manager and Participating Dealers.

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.

Index disclaimers

20.18 The Fund is in no way sponsored, endorsed, sold or promoted by Dow Jones, nor by any Dow Jones subsidiary, nor by any of the entities involved in the preparation of the Dow Jones indices. The Dow Jones indices are the exclusive property of Dow Jones and the Dow Jones indices are brands belonging to Dow Jones or its subsidiaries and have been the subject of a licence granted, for certain requirements, to the Manager. Neither Dow Jones, nor any Dow Jones subsidiary, nor any of the entities involved in the preparation and calculation of the Dow Jones indices makes any declaration or issues any express or implicit guarantee relative to holders of the fund's units or more generally to the public, with regard to the timeliness of a transaction involving mutual fund units in general or the Fund's units in particular, or regarding the ability of any Dow Jones index to replicate the performance of the overall equity market. Dow Jones or its subsidiaries are the owners of certain names, registered trademarks and of the Dow Jones that are determined, composed and calculated by Dow Jones without discussion with the Manager or the Fund. Neither Dow Jones, nor any Dow Jones subsidiary, nor any of the entities involved in the preparation of the Dow Jones indices, is required to take into account the requirements of the Manager or of the holders of the Fund's units when determining, composing or calculating the Dow Jones indices. Neither Dow Jones, nor any Dow Jones subsidiary, nor any of the entities involved in the preparation of the Dow Jones indices makes any decision regarding the launch date, the price, the quantity of the Fund's units, or even the determination and calculation of the formula used to establish a Fund's net asset value. Neither Dow Jones, nor any Dow Jones subsidiary, nor any of the entities involved in the preparation of the Dow Jones indices, assumes any liability or obligation regarding the administration, management or marketing of the Fund.

THOUGH DOW JONES OBTAINS INFORMATION FOR INTEGRATION OR USE IN THE CALCULATION OF THE INDICES FROM SOURCES THAT DOW JONES CONSIDERS TO BE RELIABLE, NEITHER DOW JONES NOR ANY OTHER PARTY INVOLVED IN THE CREATION OR CALCULATION OF THE DOW JONES INDICES GUARANTEES THE EXACTNESS AND/OR EXHAUSTIVE NATURE OF THE INDICES OR OF ANY INCLUDED DATA. NEITHER DOW JONES NOR ANY OTHER PARTY INVOLVED IN THE CREATION OF A CALCULATION FOR THE DOW JONES INDICES GIVES ANY EXPRESS OR IMPLICIT GUARANTEE REGARDING THE RESULTS THAT MAY BE OBTAINED BY THE HOLDER OF A DOW JONES LICENCE, THE CUSTOMERS OF THE SAID LICENSEE AS WELL AS THE COUNTERPARTS, UNITHOLDERS IN THE FUND OR ANY OTHER PERSON OR ENTITY, BASED ON THE USAGE OF THE INDICES OR OF ANY DATA INCLUDED WITH REGARD TO THE RIGHTS GRANTED BY LICENCE OR FOR ANY OTHER USAGE. NEITHER DOW JONES NOR ANY OTHER PARTY GIVES EXPRESS OR IMPLICIT GUARANTEES AND DOW JONES REJECTS ALL GUARANTEES REGARDING THE COMMERCIAL VALUE OR ADEQUACY FOR SPECIFIC USAGE OF THE INDICES OR INCLUDED DATA. NOTWITHSTANDING THE ABOVE, UNDER NO CIRCUMSTANCES CAN THE LIABILITY OF DOW JONES OR OF ANY OTHER PARTY BE SOUGHT WITH REGARD TO ANY DAMAGES, WHETHER DIRECT, INDIRECT OR OTHER (INCLUDING THE LOSS OF EARNINGS), EVEN IN CASE OF KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES.

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 DOW JONES INDUSTRIAL AVERAGE™ index denominated in USD, price return, plus the potential dividends the Fund may receive from the holding of the stocks of the Index;

“Business Day” means a Valuation Day (other than a Saturday) on which the SGX-ST is open for normal trading and on which the 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 SGX-ST;

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

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

"Fund" means the LYXOR ETF DOW JONES INDUSTRIAL AVERAGE 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 on 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" means the DOW JONES INDUSTRIAL AVERAGE™ index, which is a share index as well as an equity index;

"Index Provider" or "Dow Jones" means Dow Jones & Company, Inc.;

"Index Securities" means the constituent securities for the time being of the 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;

"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 of 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
BOARD OF DIRECTORS

Signed:

Alain Dubois
Director
(Signed by Loi Chee Seng as agent for
Alain Dubois)

Signed:

Laurent Seyer
Director
(Signed by Loi Chee Seng as agent for
Laurent Seyer)

APPENDIX 1 : UNDERLYING INDEX

The information presented in this Appendix is subject to change by the Index Provider. *Investors should note that the information relating to the 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.

The Index

The benchmark index is the Index, denominated in USD, price return, increased by the potential dividends the Fund may receive from the holding of the stocks of the index.

The Index is an equity index promoted by the index supplier Dow Jones & Company Inc..

The Index comprises aims to represent large and well-known companies listed on the stock markets of the United States of America. Eligible for inclusion to the Index are U.S.-listed stocks of companies that produce goods and services (with the exclusion of transportation and utilities). The definition of industrial is kept intentionally broad to provide an indicator that reflects the performance of the entire U.S. economy.

The Index is maintained by editors of The Wall Street Journal. Although such selection process may be considered as somewhat subjective, a company would generally only be considered for inclusion only if it enjoys excellent reputation, demonstrates sustained growth, is of interest to a large number of investors and accurately represents the market sectors covered by the Index.

The Manager of the Fund reserves the right to replace or substitute the Index with a new index in certain circumstances described in paragraph 20.7 of this Prospectus.

Description of the index methodology

The methodology of the Index and its calculation method are based on a fixed number of companies included in the Index (currently, 30 stocks).

Additional information on the methodology for the construction of the Index is available for consultation at <http://www.djindexes.com> .

The performance tracked is that of index closing prices.

Index calculation

The Index is price weighted, which means that its component weightings are affected only by changes in their market prices.

Index revisions

The Index is reviewed on an as-needed basis. For the sake of continuity, composition changes are rare, and generally occur following corporate acquisitions or other dramatic shifts in a component company's core business. When such an event necessitates that one component be replaced, the Index is entirely reviewed.

The rules concerning index adjustments are published by Dow Jones and are available at <http://www.djindexes.com/>.

Publication of the Index

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

Via Reuters: .DJI
Via Bloomberg: INDU Index

The closing price of the Index is available at <http://www.djindexes.com>

APPENDIX 2 : INTERNAL RULES

TITLE 1

ASSETS AND UNITS

Article 1 - Co-ownership units

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

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

The Fund reserves the right to combine or divide units.

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

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

Finally, the Manager's executive board may, at its sole discretion, carry out the division of units through the creation of new units that are allocated to unitholders in exchange for old units.

Article 2 - Minimum amount of the assets

The minimum amount of assets in the Fund when it is created is EUR 400,000.

Units may not be redeemed if the Fund's asset value falls below EUR 300,000. In this case, unless the asset value reverts above this level in the meantime, the Manager will take the necessary provisions to merge or dissolve the Fund within 30 days.

Article 3 - Issue and redemption of units

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

Subscriptions and redemptions are carried out in accordance with the terms and procedures set out in the summary prospectus and the detailed memorandum of the full prospectus.

Fund units may be admitted to trading in accordance with the applicable regulations.

Subscriptions must be paid up in full on the day net asset value is calculated. They may be made solely in cash or through the transfer of securities. The Manager reserves the right to refuse the proposed securities and, to this end, it has an interval of 7 days as of their deposit in which to indicate their decision. If accepted, the contributed securities are accessed according to the rules stipulated in Article 4 and this option is carried out on the basis of the first net asset value after acceptance of the securities in question.

Redemptions are made solely in cash or through the transfer of securities. They are paid by the Depository within a maximum of five 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 the case of inheritance or an inter-vivos distribution, the disposal or transfer of units between unitholders or from unitholders to a third party is equivalent to a redemption followed by subscription. If this involves a third party, if applicable, the beneficiary must supplement the amount of the disposal or transfer to bring it up to the minimum subscription amount as required in the Fund Complete Prospectus and the summary prospectus.

Pursuant to article L.214-30 of the French Monetary and Financial Code, redemption of units by the Fund and the issuance of new units may be suspended provisionally by the Manager if required by exceptional circumstances and in the interests of unitholders.

If the Fund's net asset value falls below the level laid down in the regulations, no units may be redeemed.

Article 4 - Calculation of the Net Asset Value

The net asset value of the units is calculated using the valuation rules set out in the detailed memorandum of the full prospectus.

TITLE 2

FUND OPERATION

Article 5 - The management company: LYXOR INTERNATIONAL ASSET MANAGEMENT (or the “Manager”)

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

Under all circumstances, the Manager acts on behalf of unitholders and is the only party able to exercise voting rights attached to shares held by the Fund.

Article 5 bis - Operating rules

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

The Fund may invest up to 10% of net assets in undertakings for collective investment in transferable securities (UCITS) in accordance with Council Directive 85/611/EEC as amended by Directives 2001/107/EC and 2001/108/EC (UCITS Directive) and in other collective investment undertakings within the meaning of article 19(1)(e) of the UCITS Directive.

Article 6 - The Depository: SOCIÉTÉ GÉNÉRALE

The Depository holds the Fund's assets and handles the Manager's orders to buy and sell securities and those relating to the exercise of subscription and allocation rights attached to shares held by the Fund. It handles all receipts and payments.

The Depository must ensure that the Manager's decisions are lawful. If necessary, it must take all the protective measures it deems appropriate. In the event of a dispute with the Manager, it must inform the AMF.

Article 7 - The statutory auditor

A statutory auditor is appointed by the Manager's executive board for a term of six financial years after approval from the AMF.

He performs the procedures and controls required by law and certifies, wherever necessary, that the financial statements and accounting information provided in the management report provide a true and fair view.

The statutory auditor may be reappointed.

He informs the AMF, as well as the Manager of the Fund, of any irregularities or inaccuracies identified in the course of his audit.

Valuations of assets and the exchange ratios determined for conversions, mergers or demergers are verified by the statutory auditor.

He assesses all contributions in kind and is responsible for drawing up a report on the valuation thereof and payments made in consideration.

He confirms the accuracy of the breakdown of assets and other information prior to publication.

The statutory auditor's fees are set under a joint agreement with the Manager's executive board on the basis of a work schedule defining the measures considered necessary.

In the event of liquidation, he values the amount of assets and prepares a report on the conditions of the liquidation.

He validates the accounting statements serving as the basis for the payment of interim dividends.

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

Article 8 - Financial statements and the management report

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

The inventory is certified by the Depository and all of the above documents are verified by the statutory auditor.

The Manager makes these documents available to unitholders within four months of the end of the financial year and informs them of the amount of income to which they are entitled: these documents are sent either by post on the express request of unitholders or made available at the premises of the Manager or the Depository.

TITLE 3

APPROPRIATION OF INCOME

Article 9

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.

Income available for distribution is equal to net income for the year plus retained earnings, plus or minus the balance of income adjustment accounts relating to the financial year then ended.

The Manager decides on the appropriation of income each year. The Manager may decide, in the course of the financial year, to pay one or more interim dividends up to the level of net income at the date of the decision.

TITLE 4

MERGER – DEMERGER- DISSOLUTION - LIQUIDATION

Article 10 - Merger - Demerger

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

Mergers or demergers may be carried out only one month after unitholders are notified. A new certificate is issued showing the number of units held by each unitholder.

Article 11 - Dissolution - Extensions

- If the Fund's assets remain below the level set out in Article 2 above for 30 days, the Manager duly informs the AMF and shall dissolve the Fund, except in the event of a merger with another fund.
- The Manager may dissolve the Fund at an earlier date; it informs unitholders of its decision and subscription or redemption requests will not be accepted from this date onwards.

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

The Manager informs the AMF by post of the dissolution date and procedure. It then sends the statutory auditor's report to the AMF.

The Manager may decide to extend the Fund's life with the agreement of the Depository. Its decision must be made at least three months prior to expiry of the Fund's life and communicated to unitholders and the AMF.

Article 12 - Liquidation

In the event of dissolution, the Depository or the Manager is responsible for liquidation. For this purpose, they have the full powers to sell the Fund's assets, settle liabilities and distribute the available balance between unitholders in cash or securities.

The statutory auditor and the Depository shall continue to perform their duties until liquidation is complete.

TITLE 5

DISPUTES

Article 13 - Competent Courts - Jurisdiction

Any disputes relating to the Fund that may arise during the operation of the Fund or on its liquidation, either between unitholders or between unitholders and the Manager or the Depository, are subject to the jurisdiction of the competent courts.