

LYXOR ETF MSCI EUROPE

PROSPECTUS

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STATUTORY AND REGULATORY DISCLOSURES

The legal notice was published in the *Bulletin des Annonces Légales Obligatoires* on 11 January 2006.

In accordance with articles L 412-1 and L 621-8 of the Monetary and Financial Code, the Financial Markets Authority approved the prospectus on 13 December 2005.

The *Autorité des Marchés Financiers* draws the public's attention to the following points:

- There is no guarantee that the investment objective of the LYXOR ETF MSCI EUROPE fund, as set out in the prospectus of the LYXOR ETF MSCI EUROPE fund, approved by the Autorité des Marchés Financiers on 13 December 2005, will be achieved.
- The achievement of the investment objective of the LYXOR ETF MSCI EUROPE fund implies very significant use of financial instruments traded over-the-counter (OTC) or on regulated markets, which may give rise to counterparty risk and market risk.

D-EUR units (only):

- The price of an D-EUR unit in the LYXOR ETF MSCI EUROPE fund, traded on Euronext Paris of NYSE Euronext, may not necessarily reflect the net asset value of this same unit.
- Orders that cannot be carried out within the Reservation Thresholds set by NYSE Euronext in Article 4.1.2.3 in its Instruction "Euronext Cash Market Trading Manual" published on 13 December 2004 shall be reserved as provided for in Article 4.1.2.3 of this Instruction, as long as supply and demand are preventing the orders from being carried out at an authorised price.
- In the event that the listing or calculation of the MSCI Europe Net Total Return index is suspended or in the event that the price of the MSCI Europe Net Total Return index or the GBP/EUR, CHF/EUR, SEK/EUR and DKK/EUR exchange rates cannot be obtained by NYSE Euronext or where it is impossible for NYSE Euronext to obtain the daily net asset value of the LYXOR ETF MSCI EUROPE fund or to calculate and publish the indicative net asset value of the LYXOR ETF MSCI EUROPE fund, it may be impossible to list units in the LYXOR ETF MSCI EUROPE fund.
- In terms of the market-making contracts entered into between NYSE Euronext and the "Market Makers", the parties can modify the said contracts at their discretion, especially pertaining to the number of "Market Makers", the disappearance of current "Market Makers" and the maximum global spreads between the bid and offer price, which could result in a loss of liquidity.

GENERAL FEATURES

FORM OF THE FUND

Mutual fund

NAME

LYXOR ETF MSCI EUROPE.

LEGAL FORM AND MEMBER STATE IN WHICH THE FUND WAS CREATED

Fonds Commun de Placement (FCP, unincorporated mutual fund) registered in France.

INCEPTION DATE AND INTENDED LIFETIME

This Fund was approved by the *Autorité des Marchés Financiers* (Financial Markets Authority) on 13 December 2005. It was created on 10 January 2006 for a period of 99 years.

FUND DETAILS

Units	Initial Net Asset Value	Sub-funds	ISIN code	Distribution	Currency	ETF / index ratio*	Target investors	Minimum subscription	Listing exchanges
D-EUR	EUR 112.04	NO	FR0010261198	Accumulation and/or Distribution	EUR	1	D-EUR Units in the Fund are open to any subscriber	Nil	Deutsche Boerse (Frankfurt); NYSE Euronext (Paris), Borsa Italiana (Milan), Six Swiss Exchange (Zurich), Euronext Brussels (Belgium), Bolsa de Madrid (Spain)
USD	USD 11.89	NO	FR0010797969	Accumulation and/or Distribution.	USD	1/10	USD Units in the Fund are open to any subscriber	Nil	Singapore exchange (SGX-ST)
I-EUR	EUR 924.90	NO	FR0010952408	Accumulation and/or Distribution.	EUR	10/1	I-EUR Units in the Fund are open to any subscriber	Nil	N/A

AVAILABILITY OF THE LAST ANNUAL REPORT AND PERIODIC REPORT

The most recent annual report and updates are sent out within one week upon receipt of a written request submitted by investors to:

LYXOR INTERNATIONAL ASSET MANAGEMENT.

17, cours Valmy - 92987 Paris La Défense CEDEX – France.

e-mail: contact@lyxor.com.

Requests for information can also be submitted via the www.lyxoretf.com website.

SERVICE PROVIDERS

MANAGEMENT COMPANY

LYXOR INTERNATIONAL ASSET MANAGEMENT.

Public limited company ("société anonyme") with an executive board and supervisory board.

Registered office: 17, cours Valmy - 92987 Paris La Défense CEDEX – France.

Postal address: Tour Société Générale - A08 - 17, cours Valmy - 92987 Paris-La Défense Cedex – France.

CUSTODIAN/REGISTRAR

SOCIETE GENERALE.

Credit institution created on 8 May 1864, date of the authorisation decree signed by Napoleon III.

Registered office: 29, bd Haussmann - 75009 Paris – France.

Postal address: - 75886 Paris Cedex 18 – FRANCE.

REGISTRAR AND TRANSFER AGENT

Registrar and transfer agent by delegation from Lyxor International Asset Management:

SOCIETE GENERALE.

Credit institution created on 8 May 1864, date of the authorisation decree signed by Napoleon III.

Registered office: 29, bd Haussmann - 75009 Paris – France.

Postal address of the registrar:

32 rue du Champ de Tir - 44000 Nantes -France

STATUTORY AUDITORS

PRICEWATERHOUSECOOPERS AUDIT.

Public limited company ("Société anonyme").

Registered office: 63, rue de Villiers - 92208 Neuilly-sur-Seine – FRANCE.

Authorised signatory: Marie-Christine Jetil.

REPRESENTATIVES

Lyxor International Asset Management will alone handle the Fund's financial and administrative affairs without any delegation to third parties, except for portfolio accounting services.

Responsibility for portfolio accounting is delegated to:

Société Générale Securities Services Net Asset Value.

Immeuble Colline Sud - 10, passage de l'Arche - 92081 Paris-La Défense Cedex – France.

MANAGEMENT AND OPERATIONS

GENERAL FEATURES

CHARACTERISTICS OF THE UNITS

The units are listed in a register in the name of the establishments holding accounts for subscribers on their behalf. The register is kept by Société Générale's Département des Titres et de la Bourse (Securities and Stock Market Department).

Each unit holder has a co-ownership right to the Fund's net assets proportional to the number of units held.

The units do not bear any voting rights as decisions are made by the management company.

The units are bearer units. Units may not be split.

INFORMATION ABOUT THE ADMISSION TO TRADING OF UNITS IN THE LYXOR ETF MSCI EUROPE FUND ON Euronext PARIS OF NYSE Euronext

In reference to article D214-22-1 of the Monetary and Financial Code, according to which units or shares of undertakings for collective investments in transferable securities may be admitted to trading, provided that these undertakings have a system to ensure that the market price of the units or shares does not differ significantly from the net asset value; the following rules, determined by NYSE Euronext, apply to the listing of shares in the fund: reservation thresholds are set by applying a percentage change of 1.5% above or below the Fund's indicative net asset value (see "Indicative Net Asset Value" section), as published by NYSE Euronext and updated on an estimated basis during trading in accordance with fluctuations in the MSCI Europe Net Total Return index;

The Market Makers will ensure that the market price of the Fund units does not differ beyond 1.5% above or below the Indicative Fund's Net Asset Value, in order to comply with the reservation thresholds established by Euronext Paris of NYSE Euronext (see "indicative net asset value" section).

FINANCIAL YEAR-END

Last Trading Day in January.

First year-end: 31 January 2007.

INFORMATION ABOUT THE TAX REGIME

The Fund is eligible for French equity savings (PEA) plans.

Investors' attention is drawn to the fact that the following information is only a general summary of the tax regime applicable to investment in a French FCP under current legislation in France. Investors are therefore advised to consider their specific situation with their usual tax advisor.

1. Fund

In France, the co-ownership structure of FCPs means that they fall outside the scope of corporation tax; they therefore benefit from a certain level of transparency. Income received and generated by the Fund through its management activities is not therefore taxable at the level of the Fund.

Outside France (in the countries in which the Fund invests), capital gains on the disposal of foreign negotiable securities and income from foreign sources received by the Fund through its management activities may, if applicable, be subject to tax (generally in the form of withholding tax). In certain limited cases, foreign taxation may be reduced or cancelled in the presence of any applicable tax treaties.

2. Unit holders

2.1 Unit holders resident in France

Income received and capital gains generated are subject to tax under common law.

Investors are advised to consider their specific situation with their usual tax advisor.

2.2 Unit holders resident outside France

Subject to the applicable tax treaties, income distributed by the Fund may, if applicable, be subject to a standard deduction at source or withholding tax in France.

In accordance with article 244 bis C of the French Tax Code, capital gains realised on the purchase/disposal of Fund units are not taxable in France.

Unit holders resident outside France will be subject to the applicable tax legislation in their country of residence.

SPECIFIC INFORMATION

ISIN CODES:

D-EUR units: FR0010261198

USD Units: FR0010797969

I-EUR units: FR0010952408

CLASSIFICATION

Equities from Countries of the European Community.

The Fund is an index tracker.

INVESTMENT OBJECTIVE

The Fund's investment objective is to replicate the movement of the MSCI Europe Net Total Return index, by minimizing to the maximum extent the tracking error between the Fund's performance and that of the MSCI Europe Net Total Return index.

The tracking error objective, calculated over a period of 52 weeks, is less than 1%.

If, despite everything, the tracking error exceeds 1%, the objective is nonetheless to remain below 5% of the volatility of the MSCI Europe Net Total Return index.

BENCHMARK INDEX

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

The MSCI Europe Net Total Return index is an equity index calculated and published by international index supplier MSCI.

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

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

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

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

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

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

The monitored performance is based on the closing prices of the benchmark index.

Index calculation

The MSCI Europe Net Total Return index is weighted by market capitalisation.

The official calculation formula for the levels of the MSCI indices is described hereinafter. The level of the index at date t is equal to the level of the index at t-1 multiplied by the variation in the market capitalisation between t-1 and t, with the whole being, where applicable, adjusted to take any security transactions into account:

$$\text{Index}_t = \text{Index}_{t-1} * \frac{\sum_{i=1}^n \text{Price}(i)_t * \text{Number of Shares}(i)_{t-1} * \text{FIF}(i)_t * \text{ADJ}(i)_t}{\sum_{i=1}^n \text{Price}(i)_{t-1} * \text{Number of Shares}(i)_{t-1} * \text{FIF}(i)_t}$$

where

t = date of calculation

Price(i) t = closing price of security i at date t

Number of Shares (i) t = number of shares retained in the index at date t

FIF = factor of inclusion representing the float (between 0 and 1)

ADJt = Price of the security before the effective date of the security transaction / Theoretical price after the effective date of the security transaction

MSCI uses a price adjustment factor ("adjustment factor" or ADJt) in order to take into account any security transactions that affect the components – for example during an increase in capital or the division of a share - and to correct this impact.

PUBLICATION OF THE MSCI EUROPE NET TOTAL RETURN INDEX

The official MSCI indices are calculated continuously from 9.00am to 5.30pm (Paris time) for which MSCI calculates a closing price using the official closing stock market prices for the constituent stocks.

The MSCI Europe Net Total Return index is also calculated in real time on each Trading Day.

The MSCI Europe Net Total Return index is available via Reuters and Bloomberg.

Via Reuters: .MIEU00000NEU

Via Bloomberg: M7EU

The closing price of the MSCI Europe Net Total Return index is available on the MSCI Internet site: www.msci Barra.com.

INDEX REVISIONS

The MSCI Standards indices are reviewed on a quarterly basis in order to comply with the objective of representativeness of 85% of the adjusted market capitalisation of each country and of each group of industries and in order to take into account changes affecting a stock's market capitalisation (number of stocks and free float) or its classification by sector. The principal changes in a company's capital structure may be implemented in real time (merger or acquisition, large rights issues or IPOs...).

The rules concerning index revisions are published by MSCI and are available on MSCI's web site: <http://www.msci Barra.com>

INDEX COMPOSITION

For the purposes of information, as at 27 July 2009, the index comprised more than 450 stocks.

CHANGE OF INDEX

The administrators of the LYXOR ETF MSCI EUROPE fund reserve the right, with the approval of the Autorité des Marchés Financiers and provided that they deem that the economic interests of the unit holders of the LYXOR ETF MSCI EUROPE fund are preserved, to replace the MSCI Europe Net Total Return index with another index, in particular:

- should the MSCI Europe Net Total Return index cease to exist;
- in the event of any significant modification of the formula or calculation method of the MSCI Europe Net Total Return index (other than a modification in keeping with the index operating rules, notably in case of a change of its constituent securities);
- if a new index replacing the MSCI Europe Net Total Return index should appear;
- if, in the opinion of the administrators, a new index providing a better valuation of the investment of the LYXOR ETF MSCI EUROPE unit holders should appear; objective financial criteria, namely greater liquidity, reduced expenses and a more efficient secondary market will serve as the basis for this decision;
- should it become difficult to invest in the securities comprising the MSCI Europe Net Total Return index or should a part of the securities comprising the MSCI Europe Net Total Return index offer limited liquidity;
- should MSCI increase its licence fees to a level considered too high by the administrators;
- if, in the opinion of the administrators, the quality (including the precision and availability of the data) of the MSCI Europe Net Total Return index should deteriorate;
- if the instruments and techniques used to ensure good management of the portfolio or to hedge against the exchange risks as necessary for the implementation of the LYXOR ETF MSCI EUROPE investment policy are not available.

The managers of the LYXOR ETF MSCI EUROPE fund have the right to change the name of LYXOR ETF MSCI EUROPE in the event of a change of index. Any change of index, change of name of the LYXOR ETF MSCI EUROPE fund or modification made to this prospectus must receive the prior approval of the Financial Markets Authority and, as relevant, of Euronext Paris SA, and will be advertised in a daily economic and financial publication distributed throughout France.

INVESTMENT STRATEGY

1. Strategy used

To achieve the highest possible correlation with the performance of the MSCI Europe Net Total Return index, the fund may use (i) the purchase of a basket of balance sheet assets (as defined below) and particularly stocks from European Community member countries, and/or (ii) an OTC swap contract enabling the fund to reach its investment objective by converting, when applicable, the exposure of its assets into exposure of its assets into exposure to the MSCI Europe Net Total Return index.

If applicable, the Fund's equity assets will be mainly the equities that make up the MSCI Europe Net Total Return index, as well as other European equities from all economic sectors, listed on all markets including small cap markets.

In this case, the Fund's equity assets will be chosen so as to limit the cost of replicating the index and to obtain a performance of the equity basket as close as possible to that of the MSCI Europe Net Total Return index.

The Fund's assets will thus be invested and/or exposed to a minimum level of 75% in one or more of the equity markets in one or more of the euro-zone countries.

As part of the management of the basket of shares, the Fund qualifies for the special investment ratios applicable to index-tracking UCITS funds: it can use up to 20% of its assets to acquire shares and debt from the same issuing entity. This 20% limit can be increased to 35% for a single issuing entity, when this is shown to be justified by exceptional market conditions, in particular when certain securities are largely dominant.

In accordance with the provisions of Article R.214-19 II of the French Monetary and Financial Code, the Fund can, in order to achieve its investment objective, receive or grant the guarantees specified in Article L.211-38 of the French Monetary and Financial Code, under the conditions defined in this same article, as well as receiving joint guarantees or guarantees on first demand.

In accordance with this regulation, the Fund can take the pledged securities account as security interest for the performance of the Pledgor obligations under the agreement.

At the present time, the manager has the intention of primarily using the following assets:

2. Balance sheet assets (excluding embedded derivatives)

The Fund will comply with the investment rules set out by European directive 2009/65/CE dated 13 July 2009.

In compliance with the ratios indicated in the regulations, the Fund may hold international shares (across all economic sectors, listed on all markets), representing up to 100% of net assets. The investment in UCITS approved in accordance with European Directive 2009/65/CE and/or eligible within the meaning of Article R214-13 of the French Monetary and Financial Code is limited to 10% of net assets.

As part of the future optimisation of the Fund's management, the manager reserves the right to use other instruments in accordance with the regulations in order to achieve its investment objective.

3. Off-balance sheet assets (derivatives)

The Fund will use OTC index-linked swaps exchanging the value of the Fund's equity assets (or any other financial instrument held as an asset by the Fund, where applicable) for the value of the MSCI Europe Net Total Return index.

As part of the future optimisation of the Fund's management, the manager reserves the right to use other instruments in accordance with the regulations in order to achieve its investment objective, such as forward financial instruments other than index-linked swaps.

This contract can be negotiated with Société Générale, without having to be in competition with several counterparties. In order to reduce the risk that such instruments are not executed under the best conditions, Société Générale has agreed to classify the Fund in the "professional client" category, which offers more protection than that of "eligible counterparty". When there is no existing competition between several counterparties, the manager further requires that Société Générale contractually commits to taking all reasonable measures in order to obtain, when executing orders, the best possible result for the Fund, in accordance with Article L. 533-18 of the French Monetary and Financial Code.

4. Securities including derivatives

None.

As part of the future optimisation of the Fund's management, the manager reserves the right to use other instruments in accordance with the regulations in order to achieve its investment objective, such as debt securities with embedded derivatives.

5. Deposits

For up to 20% of the net asset value, the Fund may make deposits with lending institutions belonging to the same group as the custodian, in order to optimise its cash management.

6. Cash borrowing

For up to 10% of the net asset value, the Fund may arrange borrowings, on a temporary basis, in particular to optimise its cash management.

7. Temporary purchases and disposals of securities

None.

For the purposes of the efficient management of the Fund, the manager reserves the right to carry out temporary purchases and disposals of securities, in particular:

- repurchase agreements;
 - lending/borrowing of debt, equities and money market instruments;
- in accordance with the provisions of Article R214-18 of the French Monetary and Financial Code.

These operations will be carried out in all market conditions.

RISK PROFILE

Unit holders' money will be invested primarily in financial instruments selected by the management company. These instruments will fluctuate in line with the markets. Through the Fund, investors are mainly exposed to the following risks:

1. Equity risk

The price of equities may go down as well as up, and in particular reflects company and macroeconomic risk factors. Equities are more volatile than Fixed Income markets where it is possible to estimate revenues for a certain period of time under the same macroeconomic conditions.

2. Risk of capital loss

The capital invested is not guaranteed. As a consequence, investor's capital is at risk. The amount invested may not be wholly or partially recovered, in particular if the performance of the benchmark index is negative over the investment period.

3. Liquidity risk (primary market)

The Fund's liquidity and/or value may be negatively affected if, when the Fund (or one of its financial derivatives instrument counterparties) is rebalancing its exposure, the markets linked to this exposure are limited, closed, or subject to wide bid/offer spreads. An inability, due to low trading volumes, to execute trades in line with the index may also affect the process of subscriptions, conversions and redemptions of units.

4. Liquidity risk (secondary market)

The Fund's on-exchange price may deviate from its indicative net asset value. On-exchange liquidity may be limited due to a suspension caused in particular when:

- (i) the index calculation is suspended or stopped and/or
- (ii) the underlying market(s) represented by the benchmark index is (are) suspended, and/or
- (iii) the stock exchange cannot obtain or calculate the indicative net asset value and/or
- (iv) there is a breach by a market maker of the relevant stock exchange rules and/or
- (v) there is a failure, particularly in the IT or electronic systems, of one of the relevant stock exchanges

5. Counterparty risk

The Fund is exposed to the risk of bankruptcy, settlement default or any other type of default by the counterparty relating to any trading transaction or agreement entered into by the Fund. The Fund is predominantly exposed to counterparty risk resulting from the use of Over-the-Counter (OTC) swaps entered into with Société Générale or any other third party. In line with UCITS guidelines, the counterparty risk (whether the counterparty is Société Générale or another third party), cannot exceed 10% of the fund's total assets.

6. Risk that the investment objective is only partially achieved

There is no guarantee of reaching the investment objective. Indeed, no asset or financial instrument allows for a continuous and automatic replication of the benchmark index, particularly if one or more of the following risks occurs:

- Risk of using financial derivative instruments

In order to reach its investment objective, the Fund can enter into over-the-counter financial derivative instruments ("FDI") in order to achieve the performance of the benchmark index. These FDIs may imply a series of risks including: counterparty risk, hedging disruption, index disruption, taxation risk, regulatory risk, operational risk and liquidity risk. These risks can materially affect an FDI and could lead to an adjustment or even the early termination of the FDI transaction, which could affect the net asset value of the Fund.

- Risk due to a shift in Tax policy

Any change to the taxation legislation of any jurisdiction where the Fund is registered for sale or cross-listed could affect the tax treatment of the shareholders of the Fund. In the case of such an event, the fund manager shall not be liable to any investor for any payment required to be made by the company or the corresponding fund to a fiscal authority.

- Risk due to a shift in the underlyings' Tax policy

Any change to the taxation legislation with in any jurisdiction for the underlyings of the Fund could affect the tax treatment of the Fund. As a result, in case of a discrepancy between the estimated and effective tax treatment applied to the Fund and/or to the fund's counterparty to the FDI, the net asset value of the Fund may be affected.

- Regulatory Risk affecting the Fund

In the event of a change in the regulatory regime in any jurisdiction where the Fund is registered for sale or cross-listed, the process of subscriptions, conversions and redemptions of shares may be affected.

- Regulatory Risk affecting the underlyings of the Fund

In the event of a change in the regulatory regime in any jurisdiction of the underlyings of the Fund, the net asset value of the Fund as well as the process of subscriptions, conversions and redemptions of shares may be affected.

- Index Disruption Risk

In the event of a benchmark index disruption, the manager, acting in accordance with applicable laws and regulations, may have to suspend the subscription and redemption of shares in the Fund. The calculation of the net asset value of the Fund could also be affected.

If the Index disruption persists, the manager of the Fund will determine the appropriate measures to be carried out, which could have an impact on the net asset value of the Fund.

'Index events' usually cover the following situations:

i) the index is deemed to be inaccurate or does not reflect actual market developments,
 ii) the index is permanently cancelled by the index provider;
 iii) the index provider is unable to provide the level or the value of the said index;
 iv) the index provider makes a material change in the formula for or the method of calculating the index (other than a modification prescribed in that formula or method to maintain the calculation of the index level in the event of changes in the constituent components and weightings and other routine events) which cannot be efficiently replicated, at a reasonable cost, by the fund.

- Operational risk

In the event of an operational failure within the management company, or one of its representatives, investors could experience delays in the processing of subscriptions, conversions and redemptions of shares, or other disruptions.

- Corporate action risk

An unforeseen review of corporate action policy affecting a component of the index, in contradiction to a previous official announcement made and priced into the Fund or into the financial derivatives entered into by the Fund, can affect the net asset value of the Fund, particularly in cases where the actual treatment of the corporate event by the Fund differs from the treatment of the corporate event by the benchmark index.

7. Currency risk linked to the index

The Fund is exposed to currency risk, as the underlying securities composing the benchmark index may be denominated in a currency different from the index, or be derived from securities denominated in a currency different to that of the index. Exchange rate fluctuations can therefore have a negative impact on the benchmark index tracked by the Fund.

8. Currency risk relating to USD (EUR/USD) class units

The abovementioned unit class is exposed to currency risk, as it is denominated in a different currency to that of the index. As a result, due to exchange rate fluctuations, the net asset value of the class of the aforementioned units could decrease, even if the value of the benchmark index increases.

SUBSCRIBERS CONCERNED AND TYPICAL INVESTOR PROFILE

The Fund is open to any subscriber.

Investors subscribing to this Fund are seeking exposure to European equity markets.

The amount that can be reasonably invested in the Fund depends on each investor's personal situation. To determine this amount, investors must take into account their personal wealth and/or estate, their cash requirements 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. Investors are also advised to diversify their investments sufficiently so as not to be exposed solely to the risks of the Fund.

All investors are therefore asked to consider their specific situation with the help of their usual investment advisor.

The recommended minimum investment period is greater than 5 years.

CALCULATION AND ALLOCATION OF INCOME

D-EUR, I-EUR and USD Units: The management company may distribute all or part of income each year in one or more distributions and/or accumulate this income.

FREQUENCY OF INCOME DISTRIBUTIONS

The management company may distribute all or part of income each year in one or more distributions.

CHARACTERISTICS OF THE UNITS

Subscriptions are made by amount or whole numbers of units.

Redemptions are made in whole numbers of units.

Unit	D-EUR units	USD Units	I-EUR units
Currency	Euro	US Dollar	Euro

SUBSCRIPTION AND REDEMPTION PROCEDURES

CONDITIONS FOR SUBSCRIPTION AND REDEMPTION ON THE PRIMARY MARKET

D-EUR units:

Subscription/redemption requests for units in the Fund will be submitted to Société Générale's Département des Titres et de la Bourse (Securities and Stock Market Department) between 10.00am and 3.30pm (Paris time), on each Trading Day for execution based on the net asset value published on this Trading Day, hereinafter the "refNAV". Subscription/redemption requests submitted after 3.30pm (Paris time) on a Trading Day will be processed as requests received between 10.00am and 3.30pm (Paris time) on the following Trading Day. Subscriptions/redemptions are carried out for a whole number of fund units, corresponding to a minimum amount of EUR 100,000.

(i) Subscriptions / Redemptions through transfer of shares.

Subscriptions/redemptions may be carried out through transfers of shares in the MSCI Europe Net Total Return index provided that this corresponds exactly to a whole number of fund units, corresponding to a minimum amount of EUR 100,000.

These requests shall be carried out subject to the conditions set out by Lyxor International Asset Management at the closing of the reference market, as follows:

(1) a number of shares making up the MSCI Europe Net Total Return index, corresponding to a number of times the MSCI Europe Net Total Return index in Euros that the subscriber must deliver (rounded down to the nearest unit), corresponding to a minimum amount of EUR 100,000, and where applicable,

(2) an amount in cash in Euros paid or received by the Fund (the "Balance"). This Balance, which may be positive or negative, will be equal to the difference between the reference net asset value multiplied by the number of units subscribed or redeemed and the value of the shares to be delivered on the day of the reference net asset value.

The numbers of each share making up the MSCI Europe Net Total Return index as referred to in (1) above, as well as the Balance referred to in (2) above will be published on Reuters and on the www.lyxoretf.com website.

For all subscriptions carried out by transfers of negotiable securities, the management company reserves the right to refuse the proposed securities and, for this purpose, has a period of seven days starting from the time of the deposit to make a decision.

(ii) **Subscriptions/redemptions made in cash.** Subscriptions/redemptions made exclusively in cash will be carried out on the basis of the refNAV.

Settlement/delivery of subscriptions/redemptions.

Settlement/delivery of subscriptions/redemptions will take place a maximum of five Trading Days after the date on which the subscription/redemption requests are received.

A Trading Day is a day as defined on the calendar for the calculation and publication of the Fund's net asset value.

The net asset value of the LYXOR ETF MSCI EUROPE fund is calculated using the closing price of the MSCI Europe Net Total Return index denominated in Euros.

USD Units:

Subscription/redemption requests for units in the Fund will be submitted to Société Générale's Département des Titres et de la Bourse (Securities and Stock Market Department) between 10.00am and 3.30pm (Paris time), on each Trading Day for execution based on the net asset value published on this Trading Day, hereinafter the "refNAV". Subscription/redemption requests submitted after 3.30pm (Paris time) on a Trading Day will be processed as requests received between 10.00am and 3.30pm (Paris time) on the following Trading Day. Subscription/redemption requests can only be made for a minimum amount in US Dollars corresponding to EUR 100,000.

(i) **Subscriptions / Redemptions through transfer of shares.**

Subscriptions/redemptions may be carried out through transfers of shares in the MSCI Europe Net Total Return index provided that this corresponds exactly to a whole number of fund units, corresponding to an amount in US Dollars equivalent to at least EUR 100,000.

These requests shall be carried out subject to the conditions set out by Lyxor International Asset Management at the closing of the reference market, as follows:

- (1) a number of shares making up the MSCI Europe Net Total Return index corresponding to a number of times the MSCI Europe Net Total Return index which the subscriber must deliver (rounded down to the nearest unit), corresponding to an amount in US dollars equivalent to EUR 100,000, and, if applicable,
- (2) an amount in cash converted in US dollars paid or received by the Fund (the "Balance"). This Balance, which may be positive or negative, will be equal to the difference between the reference net asset value multiplied by the number of units subscribed or redeemed and the value of the shares to be delivered on the day of the reference net asset value.

For all subscriptions carried out by transfers of negotiable securities, the management company reserves the right to refuse the proposed securities and, for this purpose, has a period of seven days starting from the time of the deposit to make a decision.

(ii) **Subscriptions/redemptions made in cash.** Subscriptions/redemptions made exclusively in cash will be carried out on the basis of the refNAV.

Settlement/delivery of subscriptions/redemptions.

Settlement/delivery of subscriptions/redemptions will take place a maximum of five Trading Days after the date on which the subscription/redemption requests are received.

A Trading Day is a day as defined on the calendar for the calculation and publication of the Fund's net asset value.

The net asset value of the LYXOR ETF MSCI EUROPE fund is calculated using the closing price of the MSCI Europe Net Total Return index denominated in Euros. The exchange rate used to convert the value of the index into US dollars is the reference rate provided by the WM Reuters fixing.

I-EUR units:

Subscription/redemption requests for units in the Fund will be submitted to Société Générale's Département des Titres et de la Bourse (Securities and Stock Market Department) between 10.00am and 3.30pm (Paris time), on each Trading Day for execution based on the net asset value published on this Trading Day, hereinafter the "refNAV". Subscription/redemption requests submitted after 3.30pm (Paris time) on a Trading Day will be processed as requests received between 10.00am and 3.30pm (Paris time) on the following Trading Day. Subscriptions/redemptions are carried out for a whole number of fund units, corresponding to a minimum amount of EUR 100,000.

(i) **Subscriptions / Redemptions through transfer of shares.** Subscriptions/redemptions may be carried out through transfers of shares in the MSCI Europe Net Total Return index provided that this corresponds exactly to a whole number of fund units, corresponding to a minimum amount of EUR 100,000.

These requests shall be carried out subject to the conditions set out by Lyxor International Asset Management at the closing of the reference market, as follows:

- (1) a number of shares making up the MSCI Europe Net Total Return index, corresponding to a number of times the MSCI Europe Net Total Return index in Euros that the subscriber must deliver (rounded down to the nearest unit), corresponding to an amount of EUR 100,000, and where applicable,
- (2) an amount in cash in Euros paid or received by the Fund (the "Balance"). This Balance, which may be positive or negative, will be equal to the difference between the net asset value of the Fund units on the following Trading Day and the shares to be delivered that same day.

The numbers of each share making up the MSCI Europe Net Total Return index as referred to in (1) above, as well as the Balance referred to in (2) above will be published on Reuters and on the www.lyxoretf.com website.

For all subscriptions carried out by transfers of negotiable securities, the management company reserves the right to refuse the proposed securities and, for this purpose, has a period of seven days starting from the time of the deposit to make a decision.

(ii) **Subscriptions/redemptions made in cash.** Subscriptions/redemptions made exclusively in cash will be carried out on the basis of the refNAV.

Settlement/delivery of subscriptions/redemptions.

Settlement/delivery of subscriptions/redemptions will take place a maximum of five Trading Days after the date on which the subscription/redemption requests are received.

A Trading Day is a day as defined on the calendar for the calculation and publication of the Fund's net asset value.

The net asset value of the LYXOR ETF MSCI EUROPE fund is calculated using the closing price of the MSCI Europe Net Total Return index denominated in Euros.

Establishment in charge of the centralisation of subscriptions and redemptions:
SOCIETE GENERALE - 32, rue du Champ de Tir - 44000 Nantes - France

CONDITIONS FOR SUBSCRIPTION AND REDEMPTION ON THE SECONDARY MARKET

For any purchases/sales of Fund units carried out directly on one of the markets on which the Fund is or will be admitted to continuous trading, there are no minimum purchase/sale requirements other than any requirements of the relevant market.

INFORMATION ABOUT THE ADMISSION TO TRADING OF UNITS IN THE LYXOR ETF MSCI EUROPE FUND ON EURONEXT PARIS OF NYSE EURONEXT

D-EUR units:

As at 12 January 2006, there were 500,000 ordinary units fully subscribed and paid up.

Each new unit in the LYXOR ETF MSCI EUROPE fund subscribed in accordance with the provisions of the Prospectus as approved by the Autorité des Marchés Financiers will be automatically admitted to trading.

Units are scheduled to be admitted to trading on Euronext Paris of NYSE Euronext on 12 January 2006.

UNITS MADE AVAILABLE TO THE MARKET

D-EUR units:

On 12 January 2006, 500,000 LYXOR ETF MSCI EUROPE fund units will be made available to the market at a price per unit corresponding to the equivalent value in Euros of the MSCI EUROPE™ index.

The initial value of a unit on the LYXOR ETF MSCI EUROPE fund was EUR 112.04 on 10 January 2006, corresponding to the closing price on 09 January 2006 of the MSCI EUROPE™ index.

USD Units:

On 21 October 2009, 500,000 LYXOR ETF MSCI EUROPE fund units will be made available to the market at a price per unit corresponding to the value in USD of the D-EUR unit's net asset value, factored using the ETF/index ratio defined in the Detailed Memorandum.

The initial value of a LYXOR ETF MSCI EUROPE unit was USD 11.89 on 02 October 2009. The exchange rate used to convert the value of the D-EUR unit into USD is the WM Reuters fixing on the day before calculation of the initial value.

I-EUR units:

On 18 October 2010, 400 LYXOR ETF MSCI EUROPE fund units will be made available to the market at a price per unit corresponding to the net asset value of the D-EUR unit factored using the ETF/index ratio defined in the Detailed Memorandum.

The initial value of a LYXOR ETF MSCI EUROPE fund unit was EUR 924.90 on 18 October 2010.

MARKET MAKERS

D-EUR units:

As at 10 January 2006, the following financial institutions were Market Makers:

SGCIB (Société Générale group), Société Générale Tower - 17 Cours Valmy, 92987 Paris-La Défense, FRANCE.

Banca IMI Corso Matteotti 6, Milan, Italy

In accordance with the terms and conditions governing admission to trading on Euronext Paris, Société Générale (the "Market Makers") undertakes to provide market making services for units in the LYXOR ETF MSCI EUROPE fund from the date of their admission to trading on the Euronext Paris market.

In particular, the Market Makers undertake to carry out market-making operations by maintaining a permanent presence on the market, initially through the positioning of a bid/ask spread.

More specifically, the Market Makers are required under contract with NYSE Euronext to comply with the following conditions for the LYXOR ETF MSCI EUROPE fund:

- a maximum global spread of 2 % between the bid and offer price in the centralised order book.

- a minimum par value of EUR 200,000 on the buy and sell side.

The obligations incumbent upon the LYXOR ETF MSCI EUROPE Market Makers will be suspended if the MSCI Europe Net Total Return index is not available.

The obligations of the Market Makers will be suspended in the event of difficulties on the stock market, such as a general time lag in prices or disruption rendering normal management of market-making impossible.

The Market Makers are also responsible for ensuring that the market price does not move more than 1.5 % above or below the indicative net asset value. The indicative net asset value of the LYXOR ETF MSCI EUROPE fund is a theoretical net asset value calculated every 15 seconds by NYSE Euronext throughout the trading session in Paris using the level of the MSCI Europe Net Total Return index. The indicative net asset value allows investors to compare the market prices proposed by the Market Makers with the theoretical net asset value calculated by Euronext.

NEGOTIABILITY OF FUND UNITS

D-EUR units:

The units are all freely negotiable on the Euronext Paris of NYSE Euronext under the conditions and according to the applicable legal and regulatory provisions.

Once admitted to trading on Euronext Paris of NYSE Euronext, units in the LYXOR ETF MSCI EUROPE fund will be listed on a specific trading list, the rules for which are defined in the following instructions published by NYSE Euronext:

- Instruction No. 4-01 "Euronext Cash Market Trading Manual"

- Appendix to instruction No. 4-01 "Appendix to the Euronext Cash Market Trading Manual"

- Instruction No. 3-03 "Admission to trading of units or shares in indexed collective investment schemes"

With reference to Decree N° 2011-923 dated 1 August 2011 (Article 3), according to which units or shares of undertakings for collective investments in transferable securities may be admitted to trading provided that these undertakings have a system to ensure that the market price of the units or shares does not differ significantly from the net asset value, the following rules, determined by NYSE Euronext, apply to the listing of shares in the LYXOR ETF MSCI EUROPE fund:

- reservation thresholds are set by applying a percentage change of 1.5% above or below the indicative net asset value of the LYXOR ETF MSCI EUROPE fund, as calculated by NYSE Euronext and updated on an estimated basis during trading in accordance with fluctuations in the MSCI Europe Net Total Return index;

- trading is suspended if calculation of the indicative net asset value and therefore the updating of the above thresholds is rendered impossible in the following cases:

- listing or calculation of the MSCI Europe Net Total Return index is suspended;

- unavailability for NYSE Euronext of the price of the MSCI Europe Net Total Return index;

- NYSE Euronext is unable to obtain the daily net asset value of the LYXOR ETF MSCI EUROPE fund.

INDICATIVE NET ASSET VALUE

D-EUR units:

Each trading day in Paris, during trading hours, Euronext Paris SA will calculate and publish the approximate net asset value of LYXOR ETF MSCI EUROPE (hereinafter the "iNAV").

For the calculation of the indicative net asset value of the LYXOR ETF MSCI EUROPE fund, computed every 15 seconds throughout the trading session in Paris (9.05am-5.35pm), NYSE Euronext will use the level of the MSCI Europe Net Total Return index available and published on Reuters. The market price of the shares comprising the MSCI Europe Net Total Return index used to calculate the level of the MSCI Europe Net Total Return index, and therefore the evaluation of the iNAV is provided to Reuters by the European stock exchanges having stocks included in the MSCI Europe Net Total Return index.

Lyxor International Asset Management, the management company of the LYXOR ETF MSCI EUROPE fund, will supply NYSE Euronext with all the financial and accounting data required for the calculation by NYSE Euronext of the indicative net asset value of the LYXOR ETF MSCI EUROPE fund and notably as reference net asset value, the net asset value of the LYXOR ETF MSCI EUROPE fund on the previous business day together with a reference level of the MSCI Europe Net Total Return index equal to the closing value on the 2nd previous business day.

This reference net asset value and these reference levels for the index will serve as a basis for the calculations carried out by Euronext Paris SA to establish the indicative net asset value of LYXOR ETF MSCI EUROPE fund units for the following Trading Day and which is updated in real time.

DATE AND FREQUENCY OF NET ASSET VALUE CALCULATION

The net asset value will be calculated and published daily provided that the market on which the Fund's units are traded is open and that orders placed in the primary and secondary markets can be processed.

CHARGES AND COMMISSION FEES

SUBSCRIPTION AND REDEMPTION FEES (CHARGED ONLY ON PRIMARY MARKET TRANSACTIONS)

Subscription fees increase the subscription amount paid by the investor, while redemption fees decrease the redemption proceeds paid to the investor. Commission fees paid to the Fund are to compensate for the charges incurred by the Fund in buying or selling the entrusted assets. Any remaining commission fees go to the management company, marketing agent, etc.

D-EUR and I-EUR units:

Fees payable by the investor, charged upon subscription or redemption	Basis	Rate
Subscription fee not allocated to the Fund	Net asset value × number of units	The higher value of either EUR 50,000 per subscription request or 5% of the net asset value per unit multiplied by the number of shares subscribed, payable to third parties
Subscription fee allocated to the Fund	Net asset value × number of units	Nil
Redemption fee not allocated to the Fund	Net asset value × number of units	The higher value of either EUR 50,000 per redemption request or 5% of the net asset value per unit multiplied by the number of shares redeemed, payable to third parties
Redemption fee allocated to the Fund	Net asset value × number of units	Nil

USD UNITS:

Fees payable by the investor, charged upon subscription or redemption	Basis	Rate
Subscription fee not allocated to the Fund	Net asset value × number of units	The higher value of either EUR 50,000 converted into US dollars per subscription request or 5% of the net asset value per unit multiplied by the number of shares subscribed, payable to third parties
Subscription fee allocated to the Fund	Net asset value × number of units	Nil
Redemption fee not allocated to the Fund	Net asset value × number of units	The higher value of either EUR 50,000 converted into US dollars per redemption request or 5% of the net asset value per unit multiplied by the number of shares redeemed, payable to third parties
Redemption fee allocated to the Fund	Net asset value × number of units	Nil

OPERATIONAL AND MANAGEMENT FEES

These fees cover all the costs invoiced directly to the Fund, except transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes etc.) as well as transaction fees, if any, that may be charged by the Custodian and the Management Company, in particular. The following management and administration fees may be charged in addition:

- outperformance fees. These are paid to the management company when the Fund exceeds its objectives. They are therefore charged to the Fund;
- transfer fees charged to the Fund;
- a share of income from the temporary acquisition and sale of securities..

For more details about fees charged to the Fund, please refer to the Fund Statistics section of the Key Investor Information Document (KIID).

Fees charged to the Fund	Basis	Rate
Operating and management fees incl. taxes ⁽¹⁾	Net assets	0.35 % p.a. maximum
Outperformance fee	Net assets	Nil
Service providers charging transfer fees:	Charge on each transaction	Nil

⁽¹⁾ including all fees excluding transaction fees, outperformance fees and fees relating to investments in UCITS or investment funds.

No transfer fees will be charged to the Fund.

Soft commission

Lyxor International Asset Management does not receive any soft commission for its own account or for third parties.

INCOME FROM TEMPORARY SECURITIES TRANSACTIONS

Income from the lending of securities is split 50/50 between the Fund and the management company.

COMMERCIAL INFORMATION

Distribution of the prospectus and the offer or purchase of units in the Fund may be subject to restrictions in certain countries. This prospectus does not constitute an offer or solicitation by any party in any jurisdiction in which such an offer or solicitation would be unlawful or in which the person making the offer or solicitation is not qualified so to do or to any person to whom it would be unlawful to make such an offer or solicitation. Units in the Fund have not been and will not be offered or sold in the United States on behalf of or for the benefit of a citizen or resident of the United States.

No persons other than those listed in this prospectus are authorised to provide information about the Fund.

Potential subscribers should apprise themselves of the legal requirements applicable to this subscription request and obtain information about exchange control regulations and the tax regime applicable in their country of citizenship or residency or the country in which they are domiciled.

The fund's units are admitted to trading by Euroclear France S.A.

Subscription and redemption orders are sent by investors' financial intermediaries (members of Euroclear France SA) to Société Générale's Département des Titres et de la Bourse (Securities and Stock Market Department).

Units in the Fund are admitted to trading on Euronext Paris of NYSE Euronext.

Fund units may be admitted to trading on other financial markets.

Pursuant to Article L. 533-22-1 of the French Monetary and Financial Code, you may find information concerning social, environmental and corporate governance objectives and performance criteria on the management company's website and in the Fund's annual report.

D-EUR units:

D-EUR units in the Fund are admitted to trading by Euroclear France SA.

Subscription and redemption orders are sent by investors' financial intermediaries (members of Euroclear France SA) to Société Générale's Département des Titres et de la Bourse (Securities and Stock Market Department).

D-EUR units in the Fund are admitted to trading on Euronext Paris of NYSE Euronext, Deutsche Boerse (Frankfurt); Borsa Italiana (Milan), Six Swiss Exchange (Zurich), Euronext Brussels (Belgium), and Bolsa de Madrid (Spain).

Fund D-EUR units may be admitted to trading on other financial markets.

The management company of the Fund undertakes to ensure that the market price of the Fund's units does not move more than 5% above or below indicative net asset value. A Trading Day is a business day as defined on the calendar for the calculation and publication of the Fund's net asset value.

D-USD Units:

Fund unit subscription/redemption requests will be centralised by Societe Generale's Département des Titres et de la Bourse (Securities and Stock Market Department).

D-USD units in the Fund are admitted to trading on Singapore Exchange (SGX-ST).

Fund D-USD units may be admitted to trading on other financial markets.

The Fund's prospectus and most recent annual report and updates are sent out within one week upon receipt of a written request submitted by investors to:

LYXOR INTERNATIONAL ASSET MANAGEMENT

17, cours Valmy - 92987 Paris La Défense CEDEX – France.

e-mail: contact@lyxor.com

Requests for information can also be submitted via the www.lyxoref.com website.

The AMF's website (www.amf-france.org) contains additional information on the list of regulatory documents and all the provisions relating to investor protection.

This prospectus must be made available to subscribers prior to subscription.

Publication date of the prospectus: 07 February 2013

INVESTMENT RULES

The Fund will comply with the investment rules set out in European Directive 2009/65/CE dated 13 July 2009.

The Fund may invest in the particular assets referred to in Article L214-20 of the French Monetary and Financial Code in accordance with the ratios for the division of risks and investments under the provisions of Articles R214-21 to R214-27 of the French Monetary and Financial Code.

In accordance with the terms of Article R214-22-II of the French Monetary and Financial Code relative to index-tracking funds, notwithstanding the 10% limit set by Paragraph II of Article R214-21, the Fund may use up to 20% of its assets for equities and debt from the same issuer in order to reproduce the composition of an index. This limit of 20% may be increased to 35% for a single issuing entity, when this is shown to be justified by exceptional market conditions, in particular when certain securities are largely dominant.

RISK MONITORING

The calculation of the overall exposure is carried out using the commitment approach.

ASSET VALUATION AND ACCOUNTING RULES

A. VALUATION RULES

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 accounting plan 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 net asset value. 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 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 management company 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 net asset value 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 management company 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 at the calculation date of net asset value 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 net asset value. Options traded on organised markets are valued at their market price on the day prior to the calculation of the net asset value. Futures and options traded over the counter are valued at the price given by the counterparty of the financial instrument. The management company 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 management company.
- 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 net asset value on the day the Fund's net asset value is calculated.
- Units and shares in investment funds not registered under French law are valued at the last known net asset value per unit on the day the Fund's net asset value 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 management company.

The exchange rates used to value financial instruments denominated in currencies other than the Fund's reference currency are the exchange rates at the WM / Reuters fixing on the day on which the Fund's net asset value is calculated.

B. ACCOUNTING METHOD FOR TRADING FEES

Trading fees are included in the initial cost of the related transaction.

C. ACCOUNTING METHOD: INCOME FROM FIXED-INCOME SECURITIES

Income from fixed-income securities is accounted for using the cash-basis method.

D. DIVIDEND POLICY

The management company may distribute all or part of income each year in one or more distributions and/or accumulate this income.

E. ACCOUNTING CURRENCY

The Fund's accounts are kept in Euros.

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

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

TITLE 1

ASSETS AND UNITS

Article 1 - Co-ownership units

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

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

The Fund reserves the right to combine or divide units.

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

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

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

Article 2 - Minimum amount of assets

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

Units may not be redeemed if the Fund's asset value falls below 300,000 Euros. In this case, unless the asset value reverts above this level in the meantime, the management company 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 unit holders on the basis of their net asset value plus, where appropriate, subscription fees.

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

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

Subscriptions must be fully paid up on the day the net asset value is calculated. Subscriptions may be paid for in cash or in securities. The management company reserves the right to refuse the proposed securities and, for this purpose, has a period of 7 days starting from the deposit to render a decision. If accepted, the transferred securities are evaluated according to the rules set forth in Article 4 and the subscription is carried out based on the first net asset value following acceptance of the securities concerned.

Units may be redeemed in cash or in securities. The redemption price is paid by the custodian within a maximum of five days from the valuation day of the units. However, if under exceptional circumstances redemption requires the prior realisation of the Fund's assets, this period 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 unit holders or from unit holders to a third party is equivalent to a redemption followed by subscription. If this involves a third party, if applicable, the beneficiary must supplement the amount of the disposal or transfer to bring it up to the minimum subscription amount as required in the detailed memorandum.

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

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

Article 4 - Calculation of net asset value

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

TITLE 2

FUND OPERATION

ARTICLE 5 – THE MANAGEMENT COMPANY: LYXOR INTERNATIONAL ASSET MANAGEMENT

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

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

Article 5a – Operating rules

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

ARTICLE 6 - THE CUSTODIAN: SOCIETE GENERALE

The custodian bank holds the Fund's assets and handles the management company'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 is responsible for all collections and payments.

The custodian must ensure that decisions taken by the management company are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the management company, it shall inform the AMF.

Article 7 - Statutory auditor

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

The auditor carries out the checks and audits established by law and, in particular, certifies whenever necessary the fairness and regularity of the financial statements and of the accounting information contained in the management report.

The auditor's mandate may be renewed.

He informs the Autorité des Marchés Financiers, as well as the management company of the Fund, of any irregularities or inaccuracies identified in the course of his audit.

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

The auditor shall review all contributions in kind and, as part of its responsibilities, shall establish a report on its valuation and consideration.

The auditor shall certify the accuracy of the composition of the assets and other information before any publication.

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

In the event of a liquidation, the auditor shall value the amount of the assets and establish a report on the terms and conditions of such liquidation.

The auditor certifies the financial 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 management report

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

The inventory is certified by the custodian and all of the above documents are reviewed by the auditor.

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

TITLE 3

ALLOCATION OF INCOME

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

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

Distributable income consists of the following:

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

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

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

Pure accumulation — All distributable income will be entirely reinvested in the Fund, except for income that must be distributed by law;

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

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

The appropriation of earnings and distributable income is described in detail in the prospectus.

TITLE 4

MERGER - DEMERGER - DISSOLUTION - LIQUIDATION

Article 10 - Merger - Demerger

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

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

Article 11 - Dissolution - Extension

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

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

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

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

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

Article 12 - Liquidation

In the event of dissolution, the custodian or the management company 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 unit holders in cash or securities.

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

TITLE 5

DISPUTES

Article 13 - Competent courts - Jurisdiction

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