

PROSPECTUS

Bank of China International (BOCI) Commerzbank, SICAV

Investment company under Luxembourg law

Management Company:

Lyxor Funds Solutions S.A.

22, Boulevard Royal

2449 Luxembourg

Grand Duchy of Luxembourg

Luxembourg Company register number of the Management Company: B 139.351

As of 30 March 2020

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1. INTRODUCTION

1.1 General

Bank of China International (BOCI) Commerzbank, SICAV (the "**Company**") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investments in transferable securities in accordance with Part I of the law of 17 December 2010 concerning undertakings for collective investments, as amended. The Company qualifies as an undertaking for collective investments in transferable securities ("**UCITS**") pursuant to article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (the "**UCITS Directive**"), as amended from time to time, and may thus be offered for sale in any member state of the European Union ("**EU Member State**"), provided it is registered in the respective Member State. The Company is currently structured as an umbrella fund, so that both institutional and retail investors are able to choose from different subfunds (each, a "**Subfund**" and, collectively, the "**Subfunds**") whose performance may be fully or partially linked to the performance of an underlying index (the "**Index**") or a basket consisting of securities (the "**Basket**"). The Company's registration is not equivalent to a guarantee by a regulatory authority in respect of the performance or quality of the shares issued by the Company (the "**Shares**"). Any statements to the contrary are neither permissible nor legal.

1.2 Data Protection

In accordance with the provisions of the Luxembourg law of 1 August 2018 organizing the National Commission for data protection and of the general system on data protection, as it may be amended from time to time and the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**Data Protection Law**"), the Company acting as data controller, collects, stores and processes, by electronic or other means, the data supplied by investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations.

The data processed includes in particular the name, contact details (including postal or e-mail address), banking details, invested amount and holdings in the Fund of investors (and, if the investor is a legal person, of any natural person related to it such as its contact person(s) and/or beneficial owner(s)) ("**Personal Data**").

The investor may at his/her/its discretion refuse to communicate Personal Data to the Company. In this case, however, the Company may reject a request for Shares.

Personal Data supplied by investors is processed to enter into and perform the subscription in the Company (i.e. for the performance of a contract), for the legitimate interests of the Company and to comply with the legal obligations imposed on the Company. In particular, the Personal Data is processed for the purposes of

(i) processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors, account administration, (ii) client relationship management, (iii) performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and (iv) compliance with applicable anti-

money laundering rules. Data supplied by shareholders is also processed for the purpose of (v) maintaining the register of shareholders of the Company. In addition, Personal Data may be processed for the purposes of (vi) marketing.

The “legitimate interests” referred to above are:

- the processing purposes described in points (ii) and (vi) of the above paragraph of this data protection section;
- meeting and complying with the Company’s accountability requirements and regulatory obligations globally; and
- exercising the business of the Company in accordance with reasonable market standards.

To this end, and in accordance with the provisions of the Data Protection Law, Personal Data may be transferred by the Company to its data recipients (the “**Recipients**”) which, in the context of the above-mentioned purposes, refer to its affiliated and third-party entities supporting the activities of the Company which include, in particular, the Management Company, Administrator, Distributors, Depositary, Paying Agent, Investment Manager, Domiciliation Agent, Global Distributor, Auditor and Legal adviser of the Company.

The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the “**Sub-Recipients**”), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Company and/or assisting the Recipients in fulfilling their own legal obligations.

The Recipients and Sub-Recipients may be located within or outside the European Economic Area (the “**EEA**”), in countries whose data protection laws may not offer an adequate level of protection.

In case of a transfer of Personal Data to Recipients and/or Sub-Recipients located outside the EEA in a country that does not provide an adequate level of protection, the Company will contractually ensure that the Personal Data relating to investors is protected in a manner which is equivalent to the protection offered pursuant to the Data Protection Law, which may take the form of EU Commission approved “Model Clauses”. In this respect, the investor has a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Company’s address as specified in the section “Management and Administration”.

In subscribing for Shares, each investor is expressly informed of the transfer and processing of his/her/its Personal Data to the Recipients and Sub-Recipients referred to above, including entities located outside the EEA and in particular in countries which may not offer an adequate level of protection.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Company), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations). The Company may also transfer Personal Data to third- parties such as governmental or regulatory agencies,

including tax authorities, in or outside the EEA, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions set out by the Data Protection Law, each investor will upon written request to be addressed to the Company's address as specified in the section "Management and Administration" have the right to:

- access his/her/its Personal Data (i.e. the right to obtain from the Company confirmation as to whether or not his/her/its Personal Data is being processed, to be provided with certain information about the Company's processing of his/her/its Personal Data, to access such data, and to obtain a copy of the Personal data undergoing processing (subject to legal exceptions));
- ask for Personal Data to be rectified where it is inaccurate or incomplete (i.e. the right to require from the Company that inaccurate or incomplete Personal Data or any material error be updated or corrected accordingly);
- restrict the use of his/her/its Personal Data (i.e. the right to obtain that, under certain circumstances, the processing of his/her/its Personal Data should be restricted to storage of such data unless his/her/its consent has been obtained);
- object to the processing of his/her/its Personal Data, including to object to the processing of his/her/its Personal Data for marketing purposes (i.e. the right to object, on grounds relating to the investor's particular situation, to processing of Personal Data which is based on the performance of a task carried out in the public interest or the legitimate interests of the Company. The Company shall stop such processing unless it can either demonstrate compelling legitimate grounds for the processing that override investor's interests, rights and freedoms or that it needs to process the data for the establishment, exercise or defence of legal claims);
- ask for erasure of his/her/its Personal Data (i.e. the right to require that Personal Data be erased in certain circumstances, including where it is no longer necessary for the Company to process this data in relation to the purposes for which it collected or processed);
- ask for Personal Data portability (i.e. the right to have the data transferred to the investors or another controller in a structured, commonly used and machine-readable format, where this is technically feasible).

Investors also have a right to lodge a complaint with the National Commission for Data Protection (the "CNPd") at the following address: 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand Duchy of Luxembourg, or when investors reside in another European Union Member State, with any other locally competent data protection supervisory authority.

Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable statutory periods of retention.

1.3 Listing on a Stock Exchange

It is planned to have the relevant Shares in the Subfunds admitted to trading on one or several stock exchanges. Such admission to trading also comprises the obligation of one or several members of the relevant stock exchanges to act as market maker and to provide prices at which the Shares may be purchased or sold by the investors. The bid/offer spread may be monitored and regulated by the relevant stock exchange authority. It is planned to apply for the listing of certain Share Classes on the Frankfurt Stock Exchange. It cannot be excluded that shares will also be traded on other markets.

The approval of the documentation required for listing in accordance with the listing requirements of the relevant stock exchange is not equivalent to a guarantee and/or statement of approval by the said stock exchange regarding the technical competence of the service providers, the suitability of the information set out in the stock exchange prospectuses or in relation to the suitability of the Shares for investment or other purposes.

1.4 Selling and Transfer Restrictions

The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Act of 1933**"), or any other securities laws of any federal state or political subdivision of the United States of America or its territories, possessions or other regions subject to its jurisdiction, including the Commonwealth of Puerto Rico (the "**United States**"). The Shares may not be offered, sold or otherwise transferred in the United States. The Shares are offered and sold on the basis of an exemption from the registration requirements pursuant to the Act of 1933 in accordance with Regulation S issued thereunder. The Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended, or any other U.S. federal laws. Accordingly, the Shares are neither offered nor sold within the United States or to or for the account of persons subject to U.S. taxation or to, or for, the account of U.S. Persons (as defined for the purposes of U.S. federal laws regarding securities, commodities and taxes, including Regulation S issued under the Act of 1933) (collectively, "**U.S. Persons**"). Subsequent transfers of Shares in the United States and/or to U.S. Persons are impermissible (in that regard, please refer to the provisions on compulsory redemption set out in the chapter entitled "Compulsory Redemption").

The Shares have neither been approved by the United States Securities and Exchange Commission ("**SEC**") or any other U.S. regulatory authority, nor has their approval been denied; in addition, neither the SEC nor any other U.S. regulatory authority has decided upon the accuracy or appropriateness of this document (the "**Prospectus**") and/or the benefits of the Shares. Any statements to the contrary may be subject to criminal prosecution.

Neither this document nor any other sales documentation has been reviewed or approved by the United States Commodity Futures Trading Commission on behalf of the Company. This Prospectus may not be distributed in the United States. The distribution of this Prospectus and the offering of the Shares may also be subject to restrictions in other jurisdictions.

The Foreign Account Tax Compliance Act ("**FATCA**"), a component of the 2010 Hiring Incentives to Restore Employment Act, entered into force in the United States in 2010.

The Act requires financial institutions outside of the US (the "**Foreign Financial Institutions**" or "**FFIs**") to pass information about Financial Accounts (the "**Financial Accounts**") held by Specified US Persons ("**Specified US Persons**"), to the US tax authorities and the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg signed an Intergovernmental Agreement ("**IGA**") with the United States of America. After its implementation into Luxembourg law the Company will have to comply with the requirements of the Luxembourg IGA (the "**Luxembourg IGA**").

Under the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes. In such cases the Company will transmit such information on reportable accounts to the Luxembourg tax authorities which will exchange that information on an automated basis with the Government of the United States of America pursuant to article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion.

The Company will continuously assess the extent of the requirements that FATCA and in particular the Luxembourg IGA places upon it. The Company aims to comply with the provisions of the Luxembourg IGA for classification as FATCA compliant, without being subject to registration and reporting requirements. The Company has decided to qualify the Subfunds as collective investment vehicles. This implies that the Shares, according to the Company's shareholder register, are exclusively held by or through (i) Exempt Beneficial Owners, (ii) Active Non-Financial Foreign Institutions in accordance with Annex I of the Luxembourg IGA, (iii) U.S. Persons who are not Specified U.S. Persons, or (iv) Financial Institutions that are not Non-participating Financial Institutions. These terms have the meaning ascribed to them in the Luxembourg IGA.

To ensure the Company's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Company may request information and documentation, including W-8BEN tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status.

The OECD has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the EU Member States and was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). According to the CRS Law Luxembourg financial institutions need to identify financial assets holders if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. They will then report the financial account information to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Accordingly, the Company may require its investors to provide information in relation to the identity and fiscal residence of financial account

holders, in order to ascertain their CRS status and report information regarding a shareholder and its account to the Luxembourg tax authorities (*Administration des Contributions Directes*). Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the EU Member States for the data relating to the calendar year 2016. In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS which aims to implement the CRS among non-EU Member States; it requires agreements on a country-by-country basis. The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law. Shareholders should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

Nobody is entitled to issue any declarations or give any representations that are not set out in the Prospectus and/or the documents referred to in the Prospectus. The aforesaid documents are available for public viewing at the Company's registered office at 60 avenue J.F. Kennedy, L-1855 Luxembourg.

The Management Company will appoint one or more distributor(s) which will have the sole responsibility for the distribution of the Shares (a "**Distributor**" and together the "**Distributors**"). Pursuant to the distribution agreement(s), the Distributor(s) is/are entitled to appoint other distributors or dealers for the distribution of Shares in certain jurisdictions (a "**Subdistributor**") and to decide to which Subdistributor sales or redemption commissions are payable. Information regarding the Distributor(s) and Subdistributor(s) is set out in the relevant marketing materials pursuant to which the Shares are offered for subscription.

Hong Kong

This Prospectus has not been delivered for registration to the Registrar of Companies in Hong Kong and its contents have not been reviewed by any regulatory authority in Hong Kong. The Company and the Subfund(s) have not been authorized by the Hong Kong Securities and Futures Commission. Accordingly: (i) the Shares may not be offered or sold in Hong Kong by means of any document other than to persons that are considered "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder or in other circumstances which do not result in such document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong); and (ii) no person may issue, or have in its possession for the purpose of issue, any invitation, advertisement or other document relating to the Shares whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder.

WARNING: The content of this Prospectus has not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offering. If you are in any doubt about any content of this Prospectus, you should obtain independent professional advice.

1.5 Marketing Rules

Applications for subscription will be accepted solely on the basis of this Prospectus in its most current version. This Prospectus is valid only if accompanied by a copy of the Company's current annual report (the "**Annual Report**") together with the audited financial statements and/or a copy of the Company's semi-annual report (the "**Semi-Annual Report**") and (where required by law and/or the applicable listing requirements of a stock exchange) its quarterly report (the "**Quarterly Report**"), provided that such semi-annual or quarterly reports are or were issued successive to the most recent Annual Report. The Annual Report and the Semi-Annual Report form part of this Prospectus.

Potential investors should read this Prospectus carefully and in full and should consult their legal, tax and financial advisors with regard to:

- (i) the statutory and regulatory provisions regarding the subscription, purchase, possession, redemption or sale and transfer of Shares as applicable in their respective country of residence or nationality;
- (ii) foreign exchange restrictions that may apply to potential investors in their respective countries with regard to the subscription, purchase, possession, redemption or sale and transfer of Shares;
- (iii) the legal, tax, financial or other consequences of a subscription, purchase, possession, redemption or sale and transfer of Shares; and
- (iv) any other consequences of the above acts. Investors who are unclear about anything contained in this Prospectus should consult their respective stock brokers, bankers, lawyers, auditors, tax advisors or other consultants for clarification on this matter.

Nobody is entitled to issue statements or declarations or give any representation in connection with the offer of the Shares that are not contained in this Prospectus and the reports referred to above; any statements, declarations or representations given in violation thereof may not be relied upon as having been approved by the Company. In order to take account of material changes, this Prospectus may be amended from time to time; investors should ascertain whether a more recent version of this Prospectus is available.

1.6 Responsibility for the Prospectus

The Board of Directors has applied due care in ensuring that, as of the date of publication of this Prospectus, the information contained herein is accurate and complete in all material respects. The Board of Directors assumes responsibility in that regard.

Insofar as this Prospectus refers to third-party websites, the Company does not assume any liability for the contents thereof. At the time of the inclusion of such references in this Prospectus, no illegal contents could be ascertained with respect to the relevant

websites. The Company has no influence over the current and future contents of such websites and hereby expressly distances itself from all contents that are changed following the date of this Prospectus. Any opinions or alleged facts published on such websites are not included as reference by the Company in this Prospectus unless explicitly stated otherwise in each case.

1.7 Currency References

All references in this Prospectus to "USD" relate to the currency of the United States of America; references to "Euro" or "EUR" relate to the common currency of members of the European Economic and Monetary Union; references to "JPY" or "Yen" relate to the currency of Japan; references to "GBP" relate to the currency of the United Kingdom; references to "CHF" relate to the currency of Switzerland; any other currency references are defined in the pertaining Appendix. References to "CNY" or "Yuan" or "Renminbi" or "RMB" relate to the currency of the People's Republic of China.

1.8 Relevant Time

All references to times of day shall be to Luxembourg local time.

1.9 Date

This Prospectus is dated 30 March 2020.

2. MANAGEMENT AND ADMINISTRATION

2.1 Addresses and Summary

Registered Office of the Company

60 avenue J.F. Kennedy
1855 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Company

Guillaume de Martel (Chairman of the Board)
Lyxor International Asset Management S.A.S. Deutschland, Neue Mainzer Strasse 46-50, 60311 Frankfurt am Main; Germany

Mathias Turra
Lyxor Funds Solutions S.A., 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg

Dr. Qi Chen
Lyxor Funds Solutions S.A., 22. Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg

Management Company

Lyxor Funds Solutions S.A.
22. Boulevard Royal
2449 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Management Company

Lionel Paquin (Chairman of the Board)
Lyxor International Asset Management S.A.S., Tours Société Générale, 17 Cours Valmy, 92967 Paris La Défense, France

Guillaume de Martel
Lyxor International Asset Management S.A.S. Deutschland, Neue Mainzer Strasse 46-50, 60311 Frankfurt am Main Deutschland

Alexandre Cegarra
Société Générale Private Wealth Management S.A., 11 Avenue Emile Reuter, 2420 Luxembourg, Grand Duchy of Luxembourg

Mathias Turra
Lyxor Funds Solutions S.A., 22, Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg

Managing Directors of the Management Company

Mathias Turra

Lyxor Funds Solutions S.A., 22, Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg

Martine Capus

Lyxor Funds Solutions S.A., 22, Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg

Martin Rausch

Lyxor Funds Solutions S.A., 22, Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg

Investment Manager and Sub-Investment Manager of the Subfunds

The investment manager and sub-investment manager of each Subfund is stated in the pertaining Appendix relating to the respective Subfund.

Depository and Paying Agent

BNP Paribas Securities Services S.C.A.

Luxembourg Branch

60 Avenue J.F. Kennedy

1855 Luxembourg

Grand Duchy of Luxembourg

Registrar and Transfer Agent of the Company

BNP Paribas Securities Services S.C.A.

Luxembourg Branch

60 Avenue J.F. Kennedy

1855 Luxembourg

Grand Duchy of Luxembourg

Administrator and Domiciliary Agent

BNP Paribas Securities Services S.C.A.

Luxembourg Branch

60 Avenue J.F. Kennedy

1855 Luxembourg

Grand Duchy of Luxembourg

Auditors of the Company

Ernst & Young, Société Anonyme

35E, Avenue John F. Kennedy

1855 Luxembourg

Grand Duchy of Luxembourg

Market Maker, Redemption Company

Société Générale S.A.
29, boulevard Haussmann
75008 Paris
France

Distributors

BOCI Securities Limited
20/F., Bank of China Tower
1 Garden Road
Central Hong Kong

Lyxor Asset Management S.A.S.
Tours Société Générale
17 Cours Valmy
92967 Paris La Défense
France

Lyxor International Asset Management S.A.S.
Tours Société Générale
17 Cours Valmy
92967 Paris La Défense
France

und its branches as well as in Germany:

Lyxor International Asset Management S.A.S. Deutschland
Neue Mainzer Straße 46-50
60311 Frankfurt am Main
Germany

Sponsor

BOC International Holdings Limited
26/F Bank of China Tower, 1 Garden Road, Central Hong Kong

2.2 Board of Directors of the Company

Pursuant to the Company's articles of association (the "**Articles of Association**"), the Board of Directors has the general authority to perform all actions relating to the administration and management of the Company that are in the Company's interest. All authorisations that are not expressly conferred upon by the general meeting of shareholders by law lie with the Board of Directors.

The Company's Board of Directors in the composition referred to above is responsible for the general investment policy, the investment objectives, the administration as well as the management of the Company and its affairs. In particular, the Board of Directors is responsible for the day-to-day investment business of the individual Subfunds, unless the relevant Appendix provides otherwise.

2.3 Management Company

The Management Company was appointed in order to act as the Company's Management Company in accordance with the Management Company agreement. In that capacity, it renders investment management, administration, distribution and marketing services for the individual Subfunds, unless the relevant Appendix provides otherwise.

The Management Company was established on 5 June 2008 in accordance with Chapter 15 of the 2010 Law as a "*société de gestion*". On 7 October 2015 the Management Company obtained the license for the management of certain alternative investment funds. The Management Company's corporate objective is the establishment and management of i) undertakings for collective investments in securities in accordance with the EU Directive 2009/65/EG in their respective valid version ("OGAW"), (ii) alternative investment funds ("AIF") in accordance with the EU Directive 2011/61/EU in their respective valid version, and other undertakings for collective investments, which are not covered by the before-mentioned directives. The Management Company complies with the requirements of the EU Directive 2009/65/EG as transposed into Luxembourg law by the Law of 17 December 2010 and with the EU Directive 2011/61/EU relating to manager for alternative investment funds as transposed into the Luxembourg law of 2013.

The amended articles of association of the Management Company have been deposited with the Luxembourg Trade and Companies' Register and were published in the *Mémorial* of 19 October 2015 (replaced on the 1 June 2016 by the „*Recueil électronique des sociétés et associations*“ („RESA“)). The Management Company is listed in the Luxembourg Trade and Companies' Register under number B 139.351. The subscribed and paid-in capital of the Management Company amounts to EUR 5,000,000.00.

The Management Company may assign its tasks in part or in full to one or several third parties. The Management Company is a wholly owned subsidiary of Lyxor International Asset Management S.A.S.

The Management Company Agreement contains provisions pursuant to which the Management Company is exempt from all liability, unless it is culpable of negligent, intentional or fraudulent misconduct or has acted in bad faith.

The Management Company agreement entered into by the Company and the Management Company has an unlimited term and may be terminated at any time by either party upon a three (3) months notice. It may be unilaterally terminated by the Company with immediate effect if extraordinary cause exists therefore, e.g. if the Management Company is culpable of negligent, intentional or fraudulent misconduct or has acted in bad faith.

The Management Company has established a remuneration policy in accordance with the Law of 2010, in particular taking into account the principles set out in Article 111ter of the Law of 2010, consistent with and conducive to sound and effective risk management. This remuneration system is based on the sustainable and entrepreneurial business policy of the Société Générale Group and should therefore not give rise to any incentives to assume risks that are inconsistent with the risk profiles and management regulations of the investment funds managed by the Management Company. The remuneration system should always be in line with the business strategy, objectives,

values and interests of the Management Company and of the funds it manages and the investors in those funds and also includes measures to avoid conflicts of interest.

Fixed and variable components of the remuneration are appropriately balanced and the fixed remuneration component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable components, including the possibility to reduce or to reclaim the variable components.

Performance related remuneration components regarding the performance of funds managed by the management company will generally not be paid out to employees.

In particular, the variable compensation elements are not linked to the performance of the investment funds managed by the Management Company. The fixed and variable components of the total remuneration are reasonably proportionate, with the fixed component of the total compensation being high enough to provide complete flexibility in relation to the variable remuneration components, including the possibility of having to pay a variable component without. The compensation system is reviewed at least once a year and adjusted if necessary. The details of the current remuneration policy, including a description of how the remuneration and other benefits will be calculated, and the identity of the persons responsible for allocating the remuneration and other benefits, including the composition of the remuneration committee, if such a committee exists, will be discontinued the website of the Management Company (www.lyxor.com/de/fondsloesungen-von-lyxor). Furthermore, upon request of an Investor, a paper version of the remuneration policy of the Management Company will be provided free of charge by the Management Company.

Besides the Company, the Management Company currently also renders management services for other investment schemes. The complete list of investment schemes managed by the Management Company from time to time can be found on the following websites www.lyxor.com as well as www.lyxoretf.com.

2.4 **Investment Manager of the Subfunds**

Subject to the Company's consent, the Management Company, under its supervision and control and upon its own responsibility and expense, may instruct one or several investment managers (the "**Investment Manager(s)**") with the full or partial daily implementation of the investment policy of Subfunds. Such Investment Manager(s) must be authorised by the competent regulatory authorities, and its/their appointment must be approved by the Company. Where Lyxor International Asset Management S.A.S. Deutschland are appointed as an Investment Manager of Subfunds, such appointment generally takes place without any restriction in terms of time and on the basis of an investment manager agreement concluded by the Management Company and Lyxor International Asset Management S.A.S. Deutschland. The investment manager agreement may be terminated, either in whole or with regard to one or several Subfund(s), at any time by either party as determined under the investment manager agreement. The Management Company may terminate the investment manager agreement immediately by notice in writing to the Investment Manager where it is in the best interests of the Subfunds' shareholders to do so.

Subject to the supervision, control and responsibility of the Management Company, the Investment Manager is tasked with the daily implementation of the investment policy of the respective Subfund and all other associated services. Said tasks must be fulfilled in

accordance with statutory restrictions as well as the principles of the investment policy, guidelines and objectives set out in the Prospectus and specified in greater detail by the Company and the Management Company, as well as in compliance with investment restrictions. Subject to the Management Company's control and instruction, the Investment Manager is entitled to invest assets of the relevant Subfund and/or to sell or liquidate existing investments in line with the respective investment policy of each Subfund.

The Investment Manager is authorised, under its responsibility and control, to delegate its functions, powers, duties and obligations to one or more qualified persons, firms or corporations (the "**Sub-Investment Manager(s)**") for each Subfund.

The Investment Manager and the Sub-Investment Manager appointed for a Subfund are listed in the respective Appendix.

2.5 **Depository and Paying Agent**

BNP Paribas Securities Services, Luxembourg Branch has been appointed Depositary of the Company under the terms of a written agreement, being effective since 2 November 2015 between BNP Paribas Securities Services S.C.A., Luxembourg Branch, the Management Company and the Company (the "**Depository**").

BNP Paribas Securities Services S.C.A. Luxembourg Branch is a branch of BNP Paribas Securities Services S.C.A., a wholly-owned subsidiary of BNP Paribas S.A. BNP Paribas Securities Services S.C.A. is a licensed bank incorporated in France as a *Société en Commandite par Actions* (partnership limited by shares) under No.552 108 011, authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and supervised by the *Autorité des Marchés Financiers* (AMF), with its registered address at 3 rue d'Antin, 75002 Paris, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, and is supervised by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**").

In accordance with the depositary agreement entered into by the Company and the Depositary, the Depositary, for the shareholders and either directly or upon their instruction via correspondence banks, agents, representatives or delegates of the Depositary, holds all securities and liquid assets pertaining to the Company's assets.

The depositary function will be governed by the Law of 17 December 2010, the depositary agreement and the prospectus. The Depositary shall act independently of the Management Company and exclusively in the interests of the investors. The Depositary shall carry out the instructions of the Management Company unless they conflict with the Law, the Articles of the Company or the prospectus.

The Depositary shall perform the following duties:

- (i) ensure that the sale, issue, repurchase, redemption and cancellation of units of the Subfunds are carried out in accordance with the Luxembourg law, the Prospectus and the Articles;
- (ii) ensure that the value of the units of the Company is calculated in accordance with the Luxembourg law, the Prospectus and the Articles;

- (iii) carry out the instructions of the Management Company unless they conflict with the Law, the Articles of the Company or the Prospectus;
- (iv) ensure that in transactions involving the assets of the Subfunds any consideration is remitted to the respective Subfund within the usual time limits;
- (v) ensure that the income of each Subfund is applied in accordance with the Luxembourg law, the Prospectus and the Articles;
- (vi) ensure that the cash flows of the each Subfund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of units of the respective Subfund have been received, and that all cash of the respective Subfund has been booked in cash accounts of this Subfund.

The Depositary, for the benefit of each Subfund shall held in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books for financial instruments and all financial instruments that can be physically delivered to the Depositary.

It ensures that financial instruments which can be registered in a financial instruments account are registered in the Depositary's books within segregated account in accordance with the applicable law which accounts are opened in the name of the Subfund or the Management Company acting on behalf of the Subfund in accordance with the principles established by law, so that they can be clearly identified as belonging to the respective Subfund at all times;

For other assets, the Depositary shall verify the ownership by the Subfunds, or by the management company acting on behalf of the respective Subfund, of such assets. The depositary maintains a record of those assets for which it is satisfied that the Subfunds or the Management Company acting on behalf of the respective Subfund holds the ownership and keep that record up to date.

In accordance with the Depositary Agreement entered into between the Company and the Depositary, the Depositary holds all securities and liquid assets pertaining to the Company's assets on behalf of the shareholders and either directly or upon the instruction of the Board of Directors via correspondence banks, agents, representatives or delegates of the Depositary.

In the case of a loss of a financial instrument held in custody the Depositary shall return a financial instrument of an identical type or the corresponding amount to the respective Subfund or the management company acting on behalf of the Subfund without undue delay. The depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The overriding objective of the Depositary is to protect the interests of the Shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with BNP Paribas Securities Services S.C.A.,

Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services S.C.A., Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to

- • Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services S.C.A. or its affiliates act as agent of the Company or the Management Company, or
- Selection of BNP Paribas Securities Services S.C.A. or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of the shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
 - Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
 - Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
 - Implementing a deontological policy;
 - recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
 - setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard

to its respective obligations and duties) and to ensure that the Company and the shareholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the regulatory quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystallizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available on the website:

http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits_delegates_EN.pdf.

Such list may be updated from time to time. Updated information on the Depositary's custody duties, delegations and sub-delegations, including a complete list of all (sub-) delegates and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

The Company may release the Depositary from its duties with ninety (90) days written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to the Company. In that case, a new Depositary must be designated to carry out the duties and assume the responsibilities of the Depositary.

In consideration of the services rendered, the Depositary receives a fee based on the Net Asset Value of the respective Subfund, payable monthly in arrears. In addition, the Depositary is entitled to the reimbursement of its expenses and the fees paid by it to its correspondent banks in other countries.

2.6 Registrar and Transfer Agent of the Company

BNP Paribas Securities Services S.C.A., Luxembourg Branch, with its registered office at 60 avenue J.F. Kennedy, L-1855 Luxembourg, was appointed as registrar and transfer agent (the "**Registrar**" or "**Transfer Agent**") on 2 November 2015.

2.7 Administrator and Domiciliary Agent

BNP Paribas Securities Services S.C.A., Luxembourg Branch, with its registered office at 60 avenue J.F. Kennedy, L-1855 Luxembourg, was appointed as administrator (hereafter referred to as the "**Administrator**") on 2 November 2015 and as domiciliary agent (the "**Domiciliary Agent**").

The administrative tasks of the Company's Administrator include the calculation of the net asset value (the "**NAV**") per Share, the management of the Company's books and the preparing of the Company's financial statements.

The Company is domiciled at BNP Paribas Securities Services S.C.A., Luxembourg Branch. The main tasks of the Domiciliary Agent include providing the Company with offices, processing the correspondence of the Company and providing the shareholders with the information prescribed by law.

2.8 Distributors

Lyxor Asset Management S.A.S., Lyxor International Asset Management S.A.S. both with its registered office at Tours Société Générale, 17 Cours Valmy, 92967 Paris La Défense, France, its branches as well as in Germany Lyxor International Asset Management S.A.S Deutschland and

BOCI Securities Limited with its registered office at 20/F., Bank of China Tower, 1 Garden Road, Hong Kong

are appointed as Distributors.

The Distributors are responsible for supporting the Company in the marketing of the Shares and the establishment and operation of a secondary market for Shares as well as other general marketing activities for the account of the Company.

The Distributors may decide to appoint additional Sub-distributors for the purpose of assisting in the distribution of the Shares.

2.9 Structure

The Company offers investors various investment portfolios. The Subfunds described in this Prospectus differ in terms of their respective investment objectives, investment policies and reference currencies or other particular characteristics as described in the Appendix pertaining to the relevant Subfund. Generally, a separate portfolio of assets is held in respect of each Subfund, which is invested in accordance with the Subfund's relevant investment objective and investment policy.

2.10 Legal Aspects

The Company was established for an indefinite term on 29 October 2015 in the Grand Duchy of Luxembourg as an open-ended investment company with variable capital (*société d'investissement à capital variable*). The Company is governed by the Luxembourg law of 10 August 1915 on commercial companies, as amended, as well as Part I of the 2010 Law.

The Company's registered office is 60 avenue J.F. Kennedy, L-1855 Luxembourg. The original version of the Articles of Association was published on 9 November 2015 in the *Mémorial, Recueil des Sociétés et Associations* ("**Mémorial**") (replaced on 1 June 2016 by the „*Recueil électronique des sociétés et associations*“ („**RESA**“). The Company is listed in the Luxembourg Register of Companies under number B 201144.

Any amendments to the Articles of Association will be published in the RESA, that is in the electronic collection of the Luxembourg companies and associations which replaced on 1 June 2016 the *Mémorial* and, where required, in those daily newspapers and official gazettes that are intended for such publications in those countries where the Shares are distributed.

Changes to the Articles of Association become binding on all shareholders following their approval by the general meeting of shareholders.

The Company forms a legal entity. The Board of Directors manages a separate pool of assets for each Subfund. For the shareholders, the creation of a pool of assets for each Subfund serves the sole purpose of enabling an investment of the assets that is in accordance with the investment objective of the relevant Subfund. In the external relationship with third parties, particularly with creditors of the Company, each Subfund is regarded as a separate legal entity. Each Subfund is liable for its own obligations only.

The Company's Board of Directors may decide upon the launch of different Share Classes within a Subfund. The assets of all Share Classes within a Subfund will be invested in accordance with the investment objective and the investment policy of the relevant Subfund. However, they may differ from one another with regard to their fee structure, the rules on the minimum investment amount upon initial subscription and upon subsequent subscriptions, the required minimum holding, the rules on the minimum redemption amount, the dividend policy, the requirements to be met by investors or other characteristics, as determined by the Board of Directors in each case. Unless otherwise provided in the relevant Appendix, only accumulating Shares will be issued for each Subfund. The NAV per Share will be calculated individually for each issued share class of each Subfund. The different characteristics of the individual Share Classes that are available in respect of each Subfund are described in the relevant Appendix.

The Company reserves the right to offer only one class or only certain classes of Shares to investors in certain jurisdictions in order to comply with applicable laws, customs or business practices. In addition, the Company reserves the right to decide on principles that will apply to certain categories of investors or transactions with regard to the purchase of certain Share Classes.

Detailed information regarding the individual Share Classes are set out in the relevant Appendix for the respective Subfund. Within each share class, several types of sub-class may be issued that may differ in terms of, *inter alia*, their respective distribution structure, distribution dates and fee structure and whose designation is stated and detailed in the relevant Appendix. Distributing Shares are identifiable by the suffix "D".

Upon their issue, the Shares, depending on their respective class, will grant a right to equal participation in the profits and distributions of the Subfund in relation to the respective share class. The same applies to a Subfund's liquidation proceeds. The

Company intends to perform distributions in relation to Share Classes marked with the suffix "D".

The respective currency of each Share Class will be indicated in the Share Class name as for example "Class A (RMB) D".

Distributions normally take place within a few weeks following the determination date. If distributions take place with regard to one or more Subfunds, payment in the determined amount is made by the Company's paying agent to depositary (the "**Clearing Agent**") for the purpose of forwarding such payment and depositing it into the accounts of the investors' depositaries. All payments are governed by the applicable tax and other laws, regulations and directives.

The Company's minimum capital, which always corresponds to the value of its net assets, is EUR 1,250,000.00. Under Luxembourg law, the Company is entitled to issue an unlimited number of Shares.

Following their issue, the Shares carry a right to equal participation in the assets, profits and dividends of the Subfunds that are allocable to the relevant share class in which they were issued, as well as to the liquidation proceeds of the relevant Subfund and share class.

The Shares in the Company do not grant any preferential or priority rights, and each Share, regardless of the share class to which it belongs and regardless of the relevant NAV per Share, entitles its holder to one vote at all general meetings of the shareholders. The Shares in a specific Subfund or share class entitle their holders to one vote per Share at meetings relating to the relevant Subfund or share class.

The Shares are issued without a nominal value and must be fully paid in.

The Management Company calls investors' attention to the fact that any investor may only fully exercise investor rights in direct relation to the UCITS in person and only if the investor's name is entered into the shareholder register of the UCITS. In cases where an investor has invested in a UCITS via an intermediary that carries out the investment in its own name but on behalf of the investor, it is possible that the investor will not be able to exercise all of its rights directly in relation to the UCITS. Investors are advised to inform themselves as to their exercisable rights.

The Company's financial year commences on 1 January and ends on 31 December. The Company's first financial year will start on the day of its incorporation and end on 31 December 2016.

The first annual report will be dated 31 December 2016 and made available to the shareholders in good time for the annual general meeting to take place in 2017.

In addition, a semi-annual report will be made available to the investors within two months after 30 June and the first semi-annual report will be dated 30 June 2016.

3. INVESTMENT OBJECTIVE OF THE COMPANY AND INVESTMENT POLICY OF THE INDIVIDUAL SUBFUNDS

3.1 Investment Objective of the Company

The Company was established with the aim of providing investors with the opportunity of purchasing Shares in Subfunds that pursue the investment objective of tracking the performance of a specific Index, a Basket of securities and/or other assets and/or a structured product. This gives investors the opportunity to establish a market position that enables them to participate in the performance of the relevant Index, Basket and/or structured product. For that purpose, the Company issues Shares that can be traded on one or more exchanges.

3.2 Investment Policy of the Individual Subfunds

3.2.1 General Investment Policy of the Individual Subfunds

The investment objective of the Subfunds is to provide investors with a return that tracks the performance of the relevant underlying Index, Basket and/or a structured product, as described in greater detail in the relevant Appendix. The Subfunds follow a passive investment strategy and hence are not actively managed.

There is no guarantee that the investment objective of a Subfund can be fulfilled.

Each Subfund will be using a specific replication strategy to track the underlying Index, which is stated in the pertaining Appendix relating to the respective Subfund.

For the purpose of attaining their investment objectives, Subfunds may apply various investment techniques.

The Subfunds may invest in the components of the relevant Index in accordance with their weighting within the Index and, in compliance with the weighting limits discussed below, normally pursue the objective of investing a substantial part of their total assets in the components of their Index. In addition, each Subfund may, in full or in part, invest in securities that track the performance of the relevant Index in accordance with applicable investment restrictions.

Because of (i) the fees and expenses incurred by the Subfund, (ii) the weighting limits set out in the investment restrictions and (iii) other legal and regulatory restrictions, the ability to track the performance of the relevant Index may adversely affected.

Taking into account the investment objective and the investment restrictions of the relevant Subfund, the Management Company may therefore decide to purchase securities for the Subfund that are not included in the relevant Index.

The Index may be tracked through the targeted use of derivatives, which are used in order to link the net proceeds from the issue of the Shares to the relevant Index, Basket or structured product. This includes, for instance, OTC swap transactions

negotiated with a swap-counterparty on terms that are customary in the market. Accordingly, the Management Company may at any time enter into one or more OTC swap transactions for the account of the Subfunds. From a commercial perspective, the Management Company (on behalf of the individual Subfund) and the relevant swap counterparty agree upon exchanging, after deduction of all costs incurred, the performance generated by the securities held by the Company for the performance of the relevant Index, Basket and/or structured product. Care is taken to enter into such swap transactions on terms that are customary in the market and that exclusively pursue the Company's interests. The OTC agreements are reviewed at regular intervals and in a traceable manner.

In certain Subfunds a deviation of the performance of the Subfund and the performance of the Index due to additional return components or additional costs in relation to the replication of the Index which are not reflected in the Index calculation (e.g. dividends, withholding tax, etc.) may occur. This will generally lead to a higher tracking error. The performance of Subfunds which track price indices without dividend payments being reflected in the Index calculation may exceed the performance of the reference Index.

In addition, the relevant Subfund may also use other derivative financial instruments (e.g. futures, options, warrants and forward foreign exchange transactions) in order to attain the desired investment objective of the Subfund.

Thus, an investor's return on an investment in a Subfund will depend on the performance of the relevant investments of the Subfund, including the performance of the derivative components that are used in order to link the investment's performance to that of the relevant Index, Basket or structured product.

The indices referred to in the investment objectives of a Subfund are chosen and calculated by an index administrator (the "**Index Administrator**"). The Index Administrator of an Index is described in the Appendix pertaining to the relevant Index.

None of the Subfunds pursue an active investment management approach. Instead, the index tracking investment objective of a Subfund implies a passive investment management approach.

Changes in the Components of an Index

Depending on the investment objective of each Subfund, it may be necessary, in the event of changes in the composition and/or a reweighting of an Index, that the Subfund performs relevant adjustments or re-weightings of its investments. Based on the information provided by the Index Administrator, the Management Company will monitor such changes in the Index composition and/or weighting and, where appropriate, will perform the requisite adjustments of the investments of the relevant Subfund.

Reliance upon the Index Administrators

The Management Company and/or the Company, with regard to the Index composition and/or weighting of the Index components, will rely exclusively on the information provided by the relevant Index Administrator and do not assume any responsibility with regard to such Index composition and/or a possible reweighting. If such information is not available on a Valuation Date, the Management Company and/or the Company may use their sole discretion in deciding on the composition of the investments of the relevant Subfund on the basis of the last published Index composition and/or weighting.

The current Index composition will be published by the Company on the website www.lyxorfunds.com.

Regulation (EU) 2016/1011 of the European Parliament and of the Council (Benchmark Regulation)

The Subfund refer to an Index in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (Benchmark Regulation).

The Regulation stipulates that indices that are the reference basis for the performance of a fund and whose index administrators must meet certain conditions. If the index is provided by an index administrator located in the European Union, it must be entered in a register maintained by the European Securities and Markets Authority (ESMA) after approval. Third country benchmarks and index administrators are kept in a separate register called “third country benchmarks”. At the time of updating the Prospectus, the Index and Index Administrator used by the Subfund are registered in the third country benchmarks register.

The Company has prepared a contingency plan in which it has formulated measures to be taken in the event that the Index changes or is discontinued significantly, and is guided by these plans in the contractual relationship with its customers. If comparable indices can be used as reference values, this may result in the Index being replaced. Investors can request the contingency plan from the Company for inspection free of charge.

Changes to the Index

The Board of Directors reserves the right to replace the Index relating to a Subfund by another index in the following cases, where this is in the interest of the Company or a Subfund in its opinion:

- if the weighting of the Index components would result in the Subfund (provided it closely relates to the Index) violating the investment restrictions and/or the taxation or tax treatment of the Company or one of its shareholders would be materially affected thereby;

- if the relevant Index or Index family no longer exists or if the Index calculation method / composition has changed significantly;
- if a new index replaces the existing Index;
- if another index has a better sector or component diversification than the previous Index and offers an attractive risk/return profile;
- if the Index Administrator is substituted and the successive Index Administrator is deemed unsuitable by the Board of Directors;
- if a new index becomes available that is regarded as the market standard for investors in the relevant market and/or more favourable for investors than the existing Index;
- if an investment in the Index components becomes difficult or if some of the Index components show limited liquidity;
- if the Index Administrator raises its license fees to a level deemed too high by the Board of Directors;
- if the quality (including accuracy and availability of data) of a specific Index has deteriorated in the opinion of the Board of Directors;
- if the relevant Index no longer complies with the applicable legal and regulatory criteria that are linked to an index;
- if swap transactions or other derivative financial instruments through which the Subfund tracks the Index are not or no longer available, or are only available on terms deemed unacceptable by the Board of Directors; or
- if the counterparty to a swap transaction or other derivatives notifies the Company that some of the Index components have limited liquidity or that an investment in those Index components should not be performed for practical reasons.

For the avoidance of doubt: The above list is not exhaustive, and the Board of Directors may decide upon the substitution of an Index at any time if this is in the interests of the shareholders, including for reasons other than those listed above.

The Board of Directors may change the name of a Subfund; this applies in particular if the Index is substituted.

The substitution of an Index as well as a change to the name of a Subfund and the changes to this Prospectus associated therewith must be approved in advance in accordance with Luxembourg law. In addition, the approval of the stock exchanges on which the Subfunds are listed might be required.

The aforementioned changes will be published on the website www.lyxorfunds.com and, if required by applicable law, in daily newspapers chosen by the Board of Directors. If the characteristics of the new Index substantially differ from those of the original index, its substitution will not take effect before the deadline following the aforesaid publication in accordance with Luxembourg law has expired. During that time, no redemption fee will be due for redemptions and sales.

3.2.2 Overview of the Investment Policy of the Individual Subfunds

The specific investment guidelines of a Subfund are listed in the relevant Appendix.

4. INVESTMENT RESTRICTIONS

Pursuant to Luxembourg law, the following investment restrictions apply to all capital investments by the Company and each of its Subfunds. Where appropriate, additional investment restrictions for one or several Subfunds may be listed in the relevant Appendix. The Board of Directors has decided upon the validity of the following investment authorisations and restrictions:

(1) The investments may be composed exclusively of the following:

- a) securities and money market instruments that are listed and/or traded on a regulated market;
- b) securities and money market instruments that are traded on another regulated market of a member state of the European Union (an "**EU Member State**"), which operates regularly and is recognised and open to the public;
- c) securities and money market instruments that are officially listed on a stock exchange of a third country or traded on another regulated market of a country in Europe, America, Asia, Africa or Oceania, which operates regularly and is recognised and open to the public;
- d) securities and money market instruments from new issues, subject to the provision that an application for inclusion in the official list of, and/or for trading on, a stock exchange or regulated market within the meaning of (a) to (c) and the approval of such application within one year of the issue date is guaranteed;
- e) shares in UCITS and/or UCI within the meaning of article 1, paragraph 2, subparagraph a) and b), which are licensed pursuant to the UCITS Directive and have their registered office in an EU Member State or a third country, provided that:
 - such other UCI were licensed pursuant to legal provisions that subject them to supervision which, in the opinion of the CSSF, is equivalent to that under European Union law, and there are sufficient guarantees for a cooperation between the relevant authorities;
 - the level of protection awarded to investors in such other UCI is equal to that awarded to investors in a UCITS and, in particular, the rules on assets segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments comply with the requirements set forth in the UCITS Directive;
 - the business activity of the other UCI is disclosed in semi-annual and annual reports, which allow investors to form an opinion as to its assets and liabilities, income and operations in the period under review;

- the UCITS or other UCI in which Shares are to be acquired, pursuant to its documents of incorporation, may invest a maximum of 10% of its total assets in shares of other UCITS or UCI;
 - a Subfund may invest a maximum of 10% of its assets in shares of other UCITS or UCI, unless otherwise defined in the investment policy of the individual Subfund as set out in the relevant Appendix.
- f) demand the deposit of, or deposits, subject to call with a maximum term of 12 months with credit institutions, provided that the relevant credit institution has its registered office in an EU Member State or, if its registered office is located in a third country, is subject to regulatory provisions that, in the opinion of the CSSF, are equivalent to those under European Union law;
- g) derivative financial instruments ("**Derivatives**"), including equivalent cash-settled instruments, which are traded on one of the regulated markets mentioned in (a), (b) or (c) above and/or derivative financial instruments that are not traded on an exchange ("**OTC Derivatives**"), provided that:
- the relevant indices are instruments within the meaning of (a) to (h) above or financial indices, interest rates, foreign exchange rates or currencies in which the Company may invest in accordance with the investment objectives set out in its Articles of Association;
 - the counterparties in relation to transactions involving OTC Derivatives are regulated institutions belonging to the categories accepted by the CSSF;
 - the OTC Derivatives are subject to a reliable and traceable daily evaluation and can be sold, liquidated or closed by way of an offsetting transaction at any time on the Company's initiative and at a fair market value;
- h) money market instruments within the meaning of article 1 of the 2010 Law that are not traded on a regulated market, provided that the issue or the issuer of such instruments is already subject to provisions on deposit and investor protection, and provided that they are:
- issued or guaranteed by a central-governmental, regional or local authority or the central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or, if such third country is a federal state, a member state of the federation or a public international institution to which at least one EU Member State belongs; or
 - issued by a company whose securities are traded on the regulated markets within the meaning of (a), (b) or (c) above; or
 - issued or guaranteed by an institution that is subject to official supervision in accordance with the criteria stipulated under European Union law, or an institution that is subject to, and complies with, supervisory rules that, in the opinion of the CSSF, are at least as strict as those under European Union law; or

- issued by other issuers that belong to a category acceptable to the CSSF, provided that investments in such instruments are subject to investor protection provisions equal to those mentioned in paragraphs one, two or three above and provided that the issuer is either a company with an equity capital of at least EUR 10 million that prepares and publishes its annual accounts in accordance with the Fourth Directive 78/660/EEC, or an entity that is responsible within a group that comprises one or more listed companies for the financing of that group, or an entity that is to finance the guaranteeing of obligations by way of securities by utilising a credit facility provided by a bank.
- (2) Each Subfund:
- may invest a maximum of 10% of its assets in transferable securities and money market instruments other than those mentioned in paragraph 1;
 - may acquire movable and immovable assets that are required for the direct implementation of its activity;
 - may neither acquire precious metals nor certificates relating to precious metals;
 - may also hold liquid funds. Money market instruments with a residual term of 12 months or less, which are negotiated regularly, are regarded as liquid funds for these purposes.
- (3) According to the principle of risk diversification, each Subfund may invest a maximum of 10% of its net assets in transferable securities or money market instruments issued by the same institution. Each Subfund may invest a maximum of 20% of its assets in deposits with the same institution.
- (4) The aggregate value of all transferable securities and money market instruments of those issuers in which more than 5% of the assets of a Subfund are invested may not exceed 40% of the assets of the relevant Subfund. Said restriction does not apply to deposits and transactions in OTC Derivatives that are entered into with regulated financial institutions.
- (5) The default risk in relation to a Subfund's transactions in OTC Derivatives must not exceed 10% of its assets if the counterparty is a credit institution within the meaning of paragraph (1) letter (f); otherwise, it may not exceed 5% of the Subfund's assets.
- (6) Notwithstanding the aforementioned maximum thresholds, none of the Subfunds may invest more than 20% of its net assets in the same institution in a combination of:
- transferable securities and money market instruments issued by that institution,
 - deposits with that institution and/or
 - the risks associated with the OTC Derivatives acquired by that institution.

- (7) Notwithstanding the above rules, the following applies:
- (a) The 10% threshold mentioned in paragraph (3) above may be raised to a maximum of 25% with regard to qualifying bonds issued by a credit institution that has its registered office in an EU Member State and that is subject to special public supervision under applicable law, which is aimed at the protection of the holders of such bonds. In particular, the proceeds from the issue of the said bonds must be invested in accordance with the statutory provisions in such assets that, for the entire term of the bonds, will sufficiently cover the resulting liabilities and will be used on a priority basis for the repayment of capital and interest that becomes due upon the issuer's default. If a Subfund invests more than 5% of its assets in bonds that were issued by such an issuer, the total value of such investments may not exceed 80% of the Subfund's assets.
 - (b) The 10% threshold mentioned in paragraph (3) above may be raised to a maximum of 35% if the transferable securities or money market instruments were issued or guaranteed by an EU Member State or its local authorities, a third country or an international public institution of which at least one EU Member State is a member to.
 - (c) The transferable securities covered by the first two paragraphs will not be taken into account when determining the 40% threshold mentioned in connection with the risk diversification requirement.
 - (d) The thresholds mentioned in paragraphs (3) to (6) and (7) (a) and (b) may not be cumulated; therefore, the investments mentioned in those paragraphs in transferable securities and money market instruments issued by the same issuer or in deposits or derivatives with that issuer may under no circumstances exceed 35% of a Subfund's net assets.
 - (e) Companies that, with respect to the preparing of consolidated accounts within the meaning of Directive 83/349/EEC or in accordance with recognised international financial reporting standards, belong to the same group of companies, must be regarded as one issuer when calculating the investment thresholds mentioned in paragraphs (3) to (7).
 - (f) Investments of a Subfund in transferable securities and money market instruments of one group of companies may, on aggregate, equal 20% of the assets of the relevant Subfund.
 - (8) **A Subfund is entitled, in accordance with the risk diversification principle, to invest up to 100% of its net assets in transferable securities and money market instruments pertaining to different issues, which were issued or guaranteed by an EU Member State or its local authorities, another authorised state, provided said that the state is recognised by the regulatory authority in Luxembourg and disclosed in the Company's sales documentation (e.g., without restriction, OECD member states, Singapore and Brazil), or an international public institution of which at least one EU Member State is a member to. Such transferable securities or money market instruments must be divided into at least six different issues, with securities**

and money market instruments pertaining to the same issue not allowed to exceed 30% of the aggregate net assets of a Subfund.

- (9) Each Subfund must comply with paragraphs (3) to (8) as well as (10) and (14) within six months of the date of its admission.

- (10) (a) The Company may invest a maximum of 20% of the assets of a Subfund in a single UCITS and/or other UCI within the meaning of paragraph (1) (e).

For the purpose of implementing this investment threshold, each Subfund of a UCI, in accordance with article 181 of the 2010 Law, is regarded as an independent issuer, subject to the provision that the division of the liability of the Subfunds in relation to third parties is guaranteed.

If provided for in the relevant Appendix, the investments in shares of UCI other than UCITS may not exceed a total of 30% of the Subfund's assets.

If a Subfund has acquired shares of a UCITS and/or another UCI, the investment assets of the relevant UCITS or UCI will not be taken into account in relation to the maximum thresholds mentioned in paragraphs (3) to (7).

Generally, however, a Subfund may invest a maximum of 10% of its assets in shares of other UCITS or UCI, unless otherwise defined in the investment policy of the individual Subfund as set out in the relevant Appendix.

- (b) If a Subfund acquires shares in other UCITS and/or other UCI, which are managed directly or indirectly by the same management company or another company with which the Management Company is associated with through joint management, control or a material, direct or indirect, participation of more than 10% of the relevant capital or votes, the Management Company or other company may not charge any management fees or fees for the subscription or redemption of shares in the relevant UCITS and/or UCI by the Subfund.
- (c) Each Subfund may subscribe, acquire and/or hold shares issued or to be issued by one or more Subfunds of the Company (the "Target Subfund"), under the condition, however, that:
- a Subfund invests no more than 20% of its assets in one and the same Target Subfund; and
 - the Target Subfund does not, in turn, invest in the Subfund which invested in that particular Target Subfund; and
 - the Target Subfund, pursuant to its investment policy, does not invest more than 10% of its assets in any other Target Subfund; and
 - the voting rights, if any, attaching to the relevant shares of the Target Subfund are suspended for as long as such shares are held by the Subfund concerned, without prejudice to the appropriate processing in the accounts and the periodic reports; and

- in any event, for as long as shares of Target Subfunds are held by Subfunds, the value of such shares will not be taken into consideration for the calculation of the net assets of the Company for the purpose of verifying the minimum threshold of the net assets; and
 - there is no duplication of management, subscription or redemption fees between those at the level of the Subfund having invested in the Target Subfund, and this Target Subfund.
- (11) The Company must not acquire any Shares that carry voting rights enabling the Company to exert significant control over the management of an issuer.
- (12) The Company must not acquire more than:
- 10% of the non-voting shares of one and the same issuer,
 - 10% of the debt securities of one and the same issuer,
 - 25% of the shares of one and the same UCITS and/or UCI or
 - 10% of the money market instruments of one and the same issuer.

In the last three aforementioned cases, the acquisition restrictions need not be complied with if the gross amount of the debt securities or money market instruments or the net amount of the Shares issued cannot be determined at the time of acquisition.

- (13) The restrictions pursuant to paragraphs (11) and (12) do not apply to:
- transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
 - transferable securities or money market instruments issued or guaranteed by a third country;
 - transferable securities or money market instruments issued by international public institutions of which at least one EU Member State is a member to;
 - shares held by a Subfund in the capital of a company in a third country, which invests most of its assets in securities of issuers residing in that country, provided that the relevant participation represents the sole opportunity for that Subfund, based on the laws of the relevant country, to invest in securities of issuers of that country. However, the aforesaid exemption applies only subject to the provision that the company in the relevant third country does not exceed the thresholds mentioned in paragraphs (3) to (7) and (10) to (12) in relation to its investment policy. If the thresholds mentioned in paragraphs (3) to (7) and (10) are exceeded, the provisions set out in paragraphs (9) and (20) will apply *mutatis mutandis*;
 - shares held by Subfunds in the capital of subsidiaries, which are solely engaged in management, consultancy or distribution activities in the country where the

respective subsidiary is located, with regard to the redemption of shares at the request of investors.

- (14) With regard to one or several Subfunds, the Company may pursue the investment policy of mirroring the composition of a specific Index approved by the CSSF, provided that:

- the composition of the Index is sufficiently diversified;
- the Index represents an adequate benchmark for the underlying market;
- its publication takes place in an appropriate manner.

Subject to other applicable restrictions, the Company may invest up to 20% of its assets for the relevant Subfunds in shares and/or debt instruments of one and the same issuer. The aforesaid threshold is raised to 35% in the event of extraordinary market conditions. Exceptional market conditions may, for example, be market concentration on a specific company or industry, increased market volatility or market turbulence. This particularly applies to regulated markets in which mostly transferable securities or money market instruments are traded. An investment of up to that 35% cap is permissible for one single issuer only. Under exceptional market conditions, the Company will make use of this possibility.

Subfunds whose investment objective is the tracking of an Index may invest in Index components either directly by way of securities investments or indirectly by utilising derivative financial instruments.

Each Subfund may take out loans of up to 10% of its net assets, provided that such borrowing is of a temporary nature. However, each Subfund may acquire foreign currencies by way of "back-to-back" loans.

- (15) The Company may not extend loans or act as a guarantor for third parties. This restriction does not oppose the acquisition of not fully paid-up securities and the securities lending transactions. This restriction does not apply to margin payments in relation to options dealing or other similar transactions that are carried out in accordance with standard market practice.
- (16) No Subfund will purchase securities on a loan basis (unless the Subfund takes out short-term loans for the settlement of purchases or sales of securities), engage in uncovered sales of transferable securities or maintain short positions. Within the limits set out above, deposits in other accounts in connection with option, forward or futures contracts are allowed.
- (17) The Company may at any time set further investment restrictions in the interests of investors, provided that these are necessary in order to comply with the laws and regulations of those countries in which shares in the Company are offered and sold. In that case, the Prospectus will be amended.
- (18) The Company may purchase securities warrants for each Subfund.
- (19) The Company may not engage in uncovered sales of transferable securities.

(20) If the aforementioned thresholds are exceeded for reasons beyond the control of the Company and/or a Subfund or as a consequence of the exercise of subscription rights associated with transferable securities or money market instruments, the Company and/or the relevant Subfund, taking into account the interests of the investors concerned, must above all enter into sales transactions in order to remedy that situation.

(21) The Company must pay attention to the following risks/conditions, which are associated with an investment in shares of other open-ended and closed-ended UCI:

If the investment takes place in another open-ended or closed-ended UCI, which is not subject to permanent investor protection controls that are prescribed by law and performed by a regulatory authority based in its home country, there will be less protection from possible losses. Because of potential legal, contractual or judicial restrictions, there is a possibility that the investments in other open-ended and closed-ended UCI may be difficult to sell.

(22) None of the Subfunds invests more than 15% of its assets in debt claims, as defined in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments.

(23) The Company will ensure that the combined total exposure of each Subfund does not exceed 210% of its total net asset value.

The Company will implement a suitable risk management procedure, by way of which it can at all times monitor and measure the risk exposure of the positions in the respective portfolios of the Subfunds and their contribution to the overall risk profile of the relevant portfolio. The Company will implement a procedure aimed at the exact and independent valuation of OTC Derivatives. The Company will ensure that the total exposure of the Subfunds in relation to derivatives does not exceed the total net value of its portfolio. Even under extraordinary market conditions, the use of said derivatives may neither change the investment objectives or the investment profile of the Company and the Subfunds, nor result in a leverage effect in relation to a Subfund, nor lead to short selling.

(24) The amount of the holdings of a capital company by a Subfund must not exceed 10% of the capital of the capital company.

5. DETERMINATION OF THE GLOBAL EXPOSURE

The global exposure of the Subfunds is determined by using the commitment approach. The expected total exposure of each Subfund compared to its underlying Index or strategy is a maximum of 110%.

6. RISK FACTORS

6.1 Introduction

In the following, a general description of a number of risk factors can be found which may affect the value of the Shares. The particular risks associated with a specific Subfund are (where appropriate) set out in the relevant Appendix.

The following description of risks is not exhaustive. The risks listed do not necessarily apply to each issue of Shares, and other risks may have to be taken into account with regard to a particular issue of Shares. The specific factors that are relevant for a specific Subfund in each case will depend upon several interconnected criteria, such as the type of Shares and the investment policy of the relevant Subfund.

An investment in the Shares should be preceded by a thorough consideration of all associated risks.

The value of, and the proceeds from, the investment, and thus also the value of, and the proceeds from, Shares in a Subfund, may fall as well as increase, so that investors may lose some or all of their investment. Taking into account the various commissions and fees that may be incurred in connection with the Shares, an investment in the Shares should be made on a medium- to long-term basis. An investment in a Subfund should not represent a significant portion of an investment portfolio and may not be suitable for all investors. Any investment decision should be preceded by in-depth discussions with the relevant investor's legal, tax and financial advisors, auditors or other consultants. The legal, regulatory, fiscal and accounting treatment of the Shares may vary from jurisdiction to jurisdiction. Any descriptions of the Shares contained in this Prospectus and/or the Appendix pertaining to the relevant Subfund are for general information purposes only. Investors should note that the value of the Shares may fall; in addition, investors should be able to bear the loss of their entire investment. However, each investor's risk is limited to the sum invested. Investors are not obliged to make any payments in addition to their invested amounts. Several risk factors may apply at the same time and/or exacerbate each other's effect. This may have an unforeseeable effect on the value of the Shares.

Investors should note that the Subfunds are neither governed by any capital protection measures nor by any guarantees and that the invested capital and/or the amount corresponding thereto is neither protected nor guaranteed. The performance of the Subfunds is linked to the performance of an index, basket or structured product, which may be positive or negative. This means that the value of the Shares may go up or down. In particular, the net asset value of the Subfunds may fall below the respective purchase price at any time, which, in the event of a sale, may result in a loss of capital and, in the event of very unfavourable circumstances, e.g. a value loss of all index components triggered by the market, in a total loss of the invested capital. Investors in the Subfunds must be prepared and able to bear a partial or even total loss of the invested capital.

Any collateral provided to the Company by counterparties in connection with securities lending, repurchase and OTC transactions in order to minimise credit risk is subject to the statutory and regulatory provisions. It cannot be ruled out that individual items of collateral may be worthless at, and/or rendered completely worthless prior to, the time of their utilisation. Therefore, there is a risk that the sum that can be realised through the utilisation of the collateral may not be sufficient to meet all shareholder claims and/or that investors suffer a total loss in respect of their investment.

Currently, it is not intended to enter into securities financing transactions. Securities financing transactions means a repurchase transaction, securities or

commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction.

6.2 The following risk factors apply with regard to each Subfund

6.2.1 General Risks

Settlement Risk

In particular in the case of an investment in unlisted securities, there is a risk that the settlement via a transfer system may not take place as expected because a payment or delivery may be delayed or not take place as agreed.

Credit Risk

The default of a securities issuer or counterparty may cause losses to a Subfund. The issuer risk describes the effect of specific events and developments in relation to an issuer that, in addition to general developments in the capital markets, affect the price of a security issued by that issuer. Even if the securities are selected carefully, losses in connection with dwindling of assets of the issuer of the relevant securities cannot be ruled out.

Counterparty risk

If the Sub-Fund enters into an agreement with a counterparty where the Subfund receives an outstanding amount, there is a counterparty risk. This means a risk that the counterparty breaches the contract and cannot pay. The counterparty risk includes the risk of a default of a contracting party that may occur with regard to some or all of its receivables. This applies to all contracts concluded for the account of a Subfund.

Currently, it is not intended to enter into securities lending or borrowing transactions.

Investment Policy Changes

Changes in the investment policy within the investment spectrum that is possible for the relevant Subfund may affect the risk associated with that Subfund in terms of substance.

Dissolution or Merger

In accordance with the Articles of Association, it is possible to dissolve a Subfund in full or to merge it with another Subfund within the Company or another undertaking for collective investments in accordance with Part I of the 2010 Law or another Subfund within such undertaking for collective investments. Thus, the investor is exposed to the risk that the planned holding period cannot be realised.

Shares

The value of an investment in Shares depends on various factors, including the market and economic conditions in the geographic region in which the investments by the relevant Subfund are to be made as well as sector-specific and political events.

Share Valuation

The value of a Share may fluctuate as a consequence of value changes in relation to the assets of the Subfund and/or the Index and/or changes in relation to the derivative financial instruments and techniques used.

Valuation of the Index and the Assets of the Subfund

The assets of the Subfund, the Index or the derivative financial instruments and techniques may have complex structures. Valuations of these assets or derivative financial instruments and techniques are normally available only to a limited number of market participants, which often act as counterparties in connection with the relevant transactions. These valuations are often subjective, and there may be significant differences between the available valuations.

Listing on a Stock Exchange

It cannot be guaranteed that a listing applied for by the Company will be attained and/or maintained and/or that the listing conditions will remain unchanged. In addition, trading in the Shares on a stock exchange may be suspended in accordance with the rules of that stock exchange in the event of specific market conditions, and investors might not be able to sell their Shares before trading is resumed.

Use of Derivatives

Since a Subfund whose performance is linked to an Index will often invest in securities not contained in that Index, derivative financial instruments and techniques will be used in order to link the value of the Shares to the performance of the relevant Index. Although a prudent use of such derivative financial instruments and techniques can be advantageous, this also involves risks that, in some cases, can be greater than the risks associated with traditional forms of investment. In addition, losses may be incurred because of the fact that the counterparty to a transaction defaults through the use of derivatives, even if that counterparty is not represented in the Index, e.g. in the case of OTC swap transactions. The use of derivative financial instruments and techniques may be associated with transaction costs.

Companies with Low Capitalisation: Certain Subfunds will predominantly invest in small and medium-sized companies. Investments in securities of smaller, lesser known companies involve a greater risk and the possibility of greater price volatility than investments in larger and better known companies. The value of shares in smaller companies may fluctuate regardless of the share prices of major companies and the known stock exchange indices. This may be due to a high level of uncertain growth prospects of such smaller companies, the lower market liquidity for the shares in such companies and the greater risk that

such shares might suffer if market conditions change. For instance, small and limited product ranges, markets, distribution channels and financial and management resources are associated with a greater business risk.

Inflationary Risk

Inflation encompasses a devaluation risk with regard to all assets.

Concentration Risk

Subfunds tracking an Index that focuses on a specific industry or in which a specific industry is disproportionately represented will, subject to the diversification rules listed in the relevant investment restrictions, focus on an investment in Index components of issuers engaged in the relevant industry. Some of these companies may have a lower capitalisation than others, which is why they will be exposed to the particular risks of unfavourable developments in the areas of politics, industry, society, state supervision, technology, overall business activity as well as in relation to the specific industry sector. In addition, by focusing on a specific industry, a Subfund may become dependent upon the development of that particular industry, which may deviate from the development in the market overall. The number of companies in one particular industry, which is often small, and the resulting above-average weighting of individual companies in the Subfund is associated with the risk of a quick and significant decline in the value of the relevant Subfund.

Focus on Specific Countries

If a Subfund tracks an Index that focuses on companies in one country or region, may result in greater dependency on unfavourable social, political or economic events in the relevant country or region. The same applies if the Index relates to specific products, goods, commodities or other assets that are produced, mined or otherwise created in a specific country or region.

Concentration on Certain Assets or Markets

Additional risks may thus arise in the event that the investment is concentrated on certain assets or markets. In that case, the fund will be particularly dependent upon the development of those assets or markets.

Country or Transfer Risk

A country or transfer risk applies if a foreign debtor, despite being solvent, is unable to meet its obligations within due time or at all because of an inability or difficulties in its home country to perform the required transfers. This means that, for instance, payments to which the fund assets are entitled may to may not be executed or might be carried out in a currency that is not convertible because of foreign currency restrictions.

Liquidity Risk

Assets may also be acquired for each Subfund that are not admitted to the official trading on an exchange or included in an organised market. The acquisition of

such assets is associated with the particular risk that problems might arise in connection with the subsequent sale of such assets to third parties.

Political Factors and Investments in Emerging Markets and Non-OECD Member States

The performance of the Shares and/or the possibility to purchase, sell or repurchase them may be adversely affected by economic changes and uncertainty factors such as political developments, changes in government policy, the imposition of restrictions on capital transactions as well as regulatory changes. These risks may be reinforced in the case of investments in or in relation to Emerging Markets or non-OECD member states. Political changes, social instability and negative developments of diplomatic relations in non-OECD member states, such as the People's Republic of China, can lead to further governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of components of an Index or Basket. In addition, local depositary services continue to be underdeveloped in many non-OECD countries and the Emerging Markets, and trading in these markets is associated with transaction and custody risks. Under certain circumstances, a Subfund may not receive all of its assets back and/or the retrieval of parts of its assets may be delayed. In addition, the legal infrastructure as well as the financial reporting, auditing and publication standards in the Emerging Markets or non-OECD member states may not afford the same level of investor information and protection as those that generally apply for larger markets.

Regulatory Risk

The Company must comply with applicable regulatory restrictions and legal changes relating to the Company or the Shares, so that changes in the investment policy or objectives of a Subfund may become necessary. The assets of the Subfund, the Index and the derivative financial instruments and techniques used for attaining the investment objective may also be subject to changes in applicable laws and regulations and/or regulatory measures that may affect the value of the Shares in the relevant Subfund.

Legal and Fiscal Risk

The legal and fiscal treatment of the Subfunds may change in an unforeseeable and uncontrollable manner. An amendment in respect of errors in the taxation basis of the Subfund for previous financial years (e.g. as a result of an external tax audit) may, in the event of an amendment that is disadvantageous for the investor, result in the investor having to bear the tax burden resulting from the correction regarding the previous financial years, although the investor may not have held an investment in the relevant Subfund at that time. Conversely, in the event of a favourable correction in respect of the current financial year and previous financial years, it is possible that an investor may not be able to profit from such changes for those financial years in which the investor participated in the fund assets because of a redemption or sale of the assets prior to the implementation of the relevant correction.

In addition, a correction of tax data may result in the fact that taxable proceeds and/or tax advantages may be applied in a tax period other than the period to which they actually relate, so that this may have a negative effect on the investor concerned.

Other Risks

The purchase and sale of options as well as the conclusion of swaps are associated with the following risks:

- Price changes in relation to the underlying may reduce the value of an option right or even render it worthless. Changes in the value of an asset underlying a swap may also result in losses for a Subfund.
- The conclusion of a counter-transaction (offsetting), which might be required, will incur costs.
- Because of the leverage effect of options, the value of the Subfund's assets may be affected to a greater extent than would be the case in the event of a direct purchase of the underlyings.
- The purchase of options is associated with the risk that options may not be exercised because the prices of their underlyings do not perform as expected, so that the option premium paid by the Subfund will lapse. The sale of options is associated with the risk that the Subfund will have to pay more than the market price for assets for receiving assets or pay less than the market price for delivering assets. In that case, the Subfund will suffer a loss corresponding to the amount by which the price difference exceeds the option premium received.

Risk of negative interest rate

The Company invests cash of the fund with the custodian or other banks for the account of the fund. An interest rate partially agreed for these bank deposits corresponds to European Interbank Offered Rate (EURIBOR) less a certain margin. If the EURIBOR declines below the agreed margin, negative interest rate may arise to the disadvantage of the fund. Therefore bank deposits may achieve negative interest rate depending on the development of the interest rate policy of the European Central Bank.

Voting Rights and Other Rights

The Company will inform the shareholders who are registered in the share register of any voting and other rights. If an investor invests in Shares through a Distributor or Subdistributor or holds rights in Shares through a clearing agent or an intermediary buyer, such shareholder normally will not be listed in the share register. In that case, information, on which the Company has no direct influence, will normally be provided by the shareholder's depository. Failure by the depository to forward such information may thus result in the shareholder being unable to exercise relevant voting or other rights.

Loss Risk

In the event of a negative performance of the underlying Index, the shareholder will be subject to an unlimited loss risk in relation to its Share(s). The Subfunds do not attempt to beat the reference market. The Company will not engage in any hedging activities regarding that potential loss in value (no active management). Therefore, losses in relation to the Index, basket or structured product will normally result in a corresponding loss in relation to the Subfund.

Custody Risk

The keeping of assets in safe custody, in particular if it takes place abroad, is associated with a loss risk resulting from the applicable insolvency risk and possible breaches of the duty of care or misconduct by the depositary or a sub-depositary.

Volatility

Volatility is the measurement of a security's relative margin of fluctuation and, thus, its price risk within a given period of time. It is measured with the help of statistical spread measurements such as variance or standard deviation on the basis of historical values. Historical volatility, however, offers no guarantee regarding future volatility. Any information in that regard is based solely on estimates that may subsequently turn out to be inaccurate. Investors bear the risk that actual volatility may exceed stated estimated volatility.

30% volatility within one year means that the price of the Share fluctuated, on average, between 70% and 130% of the current price. Higher volatility means higher fluctuations in relation to the Share in the Subfund in the past – thus increasing the level of risk associated with an investment.

Therefore, investors should note that the relevant Subfund may show increased volatility depending on the risk assessment based on its composition, meaning that Share prices may go significantly up or down within short periods of time.

Currency Risk

An investment in the Shares may be associated with direct or indirect currency risks. For once, a Subfund may be denominated in a different currency than the underlying Index. In addition, the components of an Index may be denominated in a different currency than the base currency of the Index. In that case, currency losses may have a negative effect on the result of the investment from the investor's point of view.

Risks associated with investments in reference assets where the value or return includes currency conversion using one or more exchange rates include the risk that exchange rates may change (in certain circumstances significantly, including due to devaluation or revaluation of a currency) and the risk that government or monetary authorities with jurisdiction over a currency may impose or modify exchange controls (as some have done in the past).

Notwithstanding any currency hedging techniques which may be utilized by any Subfund, changes in foreign currency exchange rates may affect the value of Shares, notably of those held in a Share Class denominated in a currency other than the reference currency of the relevant Subfund.

Shareholders investing in a Subfund in a currency other than in its reference currency should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which are influenced by macro economic factors (such as the economic development in the different currency areas, interest rates and international capital movements), speculation and central bank and government intervention.

The currency of each Subfund, as well as the different Share Class currencies, are specified in the relevant Appendix.

Subscription and Redemption of Shares

Rules regarding the subscription and redemption of Shares give the Company scope regarding the number of Shares that will be available for subscription and redemption on a Business Day. In addition, in accordance with such restrictions, the Company may delay or partially perform the relevant subscription or redemption process. If subscription or redemption applications are received late, there will also be a delay in relation to the receipt of the application and the actual subscription or redemption date. Such postponements or delays may result in orders being completed only partially or a reduction of the redemption amount.

6.2.2 Risks in Relation to the Index Components

(a) Special Risks in Relation to Shares

Index components relating to shares are associated with special risks, such as the risk that the relevant company may become insolvent, the risk that the share price will fluctuate or risks in connection with dividend payments by the company. The performance of shares depends to a very significant extent on developments on the capital markets, which in turn depend on the general global economic situation and more specific economic and political conditions. Shares in companies with a low to medium market capitalisation may be subject to even higher risks (e.g. in relation to volatility or insolvency) than it is the case for shares in larger companies. Moreover, shares in companies with a low capitalisation may be extremely illiquid as a result of low trading volumes.

Shares in companies which have their statutory seat or significant business operations in countries with limited certainty of law are subject to additional risks such as, for instance, government interventions or nationalisation. This may result in a total or partial loss in respect of the value of the share and, thus, in losses for the relevant Subfund.

If the Index component consists of securities in lieu of shares (e.g. American Depositary Receipts ("**ADRs**") or Global Depositary Receipts

("GDRs" and together "**Depository Receipts**"), additional risks might occur. ADRs are securities issued in the United States of America that take the form of participation certificates in relation to a portfolio of shares held in the home country of the issuer of the underlying shares outside the United States. GDRs are also securities that take the form of participation certificates in relation to a portfolio of shares held in the home country of the issuer of the underlying shares. They normally differ from the participation certificates referred to as ADRs in that they are publicly offered and/or issued outside the United States of America on a regular basis. Each Depository Receipt represents one or more shares or a fraction of a security in a foreign corporation. In the case of both types of Depository Receipts, the legal owner of the underlying share is the depository bank, which also acts as the issuing agent of the Depository Receipts.

Depending on the jurisdiction in which the Depository Receipts were issued and the laws by which the depository contract is governed, it cannot be ruled out that the holder of the Depository Receipts may not be recognised as the actual beneficial owner of the underlying shares in the relevant jurisdiction. Particularly in the case that the depository bank becomes insolvent and/or debt enforcement proceedings are initiated with regard to it, the relevant underlying shares may be subjected to disposal restrictions and/or utilised commercially in the context of debt enforcement measures undertaken against the depository bank. In that case, the relevant holder will forfeit the rights in the underlying shares represented by the relevant Depository Receipt. The Depository Receipt as an Index component will be rendered worthless thereby, resulting in losses for the relevant Subfund.

(b) Risks in Relation to Interest Rate Changes

In the case of an investment in fixed-rate securities, it is possible that the market interest rate level existing at the time of the securities' issuance may change. If market rates increase as compared to the rates at the time of issue, the prices of fixed-rate securities will normally go down. If, however, market rates go down, the prices of fixed-rate securities will normally increase. This price development means that the current yield on the fixed-rate security roughly corresponds to the current market rate. These price fluctuations, however, may differ depending on the maturity of the fixed-rate security. Fixed-rate securities with shorter maturities are associated with lower price risks than fixed-rate securities with longer maturities. On the other hand, fixed-rate securities with shorter maturities are normally associated with lower yields than fixed-rate securities with longer maturities.

Money market instruments, because of their short maturity of up to 12 months, are normally associated with lower price risks.

Securities with a low credit rating are associated with higher risks than securities with a high credit rating.

(c) Special Risks in Relation to Commodities

Commodities are normally divided into three categories: minerals (e.g. oil, gas or aluminium), agricultural products (e.g. wheat or maize) and precious metals (e.g. gold or silver). Most commodities are traded on specialised exchanges or through interbank trading in the form of over-the counter (OTC) transactions.

Index components relating to the price of commodities are subject to significant price risks because the prices of commodities are subject to significant fluctuations. The prices of commodities are influenced by a number of factors, including, inter alia, the following factors:

Cartels and regulatory changes

A number of producers or producing countries of commodities have formed organisations or cartels to regulate supply and therefore influence prices. However, the trading commodities is also subject to regulations imposed by supervisory authorities or market rules whose application may also affect the development of the prices of the relevant commodities.

Cyclical supply and demand behaviour

Agricultural commodities are produced at a particular time of the year but are in demand throughout the year. In contrast energy is produced without interruption, even though it is mainly required during cold or very hot times of the year. This cyclical supply and demand pattern may lead to strong price fluctuations.

Direct investment costs

Direct investments in commodities are associated with costs for storage, insurance and taxes. In addition, no interest or dividends are paid on commodities. The overall yield of an investment is influenced by these factors.

Inflation and deflation

The general development of prices may have a strong effect on the price development of commodities.

Liquidity

Many markets of commodities are not very liquid and may therefore not be able to react rapidly and sufficiently to changes in supply and demand. In case of low liquidity, speculative investments by individual market participants may lead to price distortions.

Political risks

Commodities are frequently produced in emerging markets and subject to the demand from industrialised countries. The political and economic situation of emerging markets, however, is often significantly more unstable than that of industrialised countries. They are exposed to a greater risk of rapid political changes and adverse economic developments. Political crises can damage investors' confidence, which can in turn influence commodity prices. Wars or conflicts may change the supply and demand in relation to certain commodities. It is also possible that industrialised countries impose embargoes regarding the export and import of goods and services. This may have a direct or indirect effect on the price of the commodities that serve as the securities' underlying.

Weather and natural disasters

Unfavourable weather conditions and natural disasters may have a long-term negative effect on the supply of specific commodities. A crisis of supply of this sort may lead to strong and incalculable price fluctuations.

Futures curve risk

The performance of an index that tracks the performance of various commodities futures contracts will be influenced to a significant extent by the shape of, and changes in, the futures curves of the individual commodities contained in the index. The shape of the futures curve is influenced to a significant extent by supply and demand.

Since futures contracts have a specific expiry date in each case, the Index Administrator will, at a specific date, substitute the futures contract for another futures contract, which - apart from a later expiry date - will be subject to the same contractual specifications as the original futures contract ("**roll-over**"). The roll-over - i.e. the substitution of a futures contract for another futures contract - normally does not affect the index level. This is because, in the context of each roll-over, the Index Administrator will adapt the number of futures contracts held in the relevant commodity so that the value of the Index following the roll-over will be the same as before. This applies regardless of whether the futures contracts are in contango or backwardation. Solely the performance of the futures contract after the roll-over is authoritative with regard to the further performance of the Index. However, in a contango situation, investors will participate in the further performance of the replacement futures contract with a smaller number of contracts. In contrast thereto, in a backwardation situation, investors will participate in the further performance of the replacement futures contract with a higher number of contracts. This applies to both rising and falling prices.

However, it cannot be ruled out that the roll-over may result in costs that might have a negative effect on the performance of the Index.

In addition, the value of the Index might also be adversely affected by other Index adjustments (weighting adjustment, exchange of components, etc.). For instance, its value may decline if the expiring futures contract must be taken into account in the calculation at the bid price, but the replacement futures contract at the offer price.

(d) Special Risks in Relation to Futures Contracts

Futures contracts are standardised forward transactions relating to financial instruments such as shares, indices, interest rates, foreign currencies (so-called financial futures) or commodities such as precious metals, industrial metals, agricultural commodities and energy (so-called commodities futures).

A futures contract represents the contractual obligation to purchase or sell a certain quantity of the relevant contractual object at a certain date and price. Futures contracts are traded on futures and options exchanges and are standardised for that purpose with regard to the size of contract, type and quality of the contractual object and potential delivery places and dates.

As a rule, there is a correlation between the price performance of an asset that underlies a futures contract and is traded on a spot market and the corresponding futures market. However, futures contracts are generally traded at a premium or discount in relation to the spot price of the underlying asset. This difference between the spot and futures price, which is referred to as "basis" in futures and options exchange jargon, on the one hand results from the inclusion of the costs that are normally incurred in spot transactions (storage, delivery, insurance, etc.) and/or the revenues that are normally associated with spot transactions (interest, dividends, etc.), and on the other hand from the differing valuation of general market factors in the spot and the futures market. In addition, depending on the value, there can be a significant gap in terms of the liquidity in the spot and the corresponding futures market.

6.2.3 Risks in relation to the Index

Index Calculation and Substitution

The Index and Index Administrator may be de-registered by ESMA when they do not comply with the requirements of the Benchmark Regulation. Under certain circumstances described in the section entitled "Changes to the Index", the calculation or publication of the Index may be suspended or even terminated. In addition, the Index components may be changed or the Index may even be substituted for another Index. In this case there is the risk that the investment objectives of a subfund may not be achieved. The regular adjustment of the Index components by the Index Administrator may result in costs that might have a negative effect on the performance of the Index. Under certain circumstances, such as the termination of the calculation or publication of the Index or the suspension of the trading in Index components, this may result in the suspension

of the trading in the Shares or the suspension of the obligation of the market makers to provide bid and offer prices on the relevant stock exchanges.

There is no guarantee that an Index will be calculated and published in the manner described for in this Prospectus for an unlimited period of time or that it will not be subjected to significant changes. The past performance of an Index is no indicator for its positive performance in the future.

An Index Administrator is not obliged to take into account the needs of the Company or the shareholders when determining, composing or calculating an Index. An Index Administrator is neither responsible for, nor involved in, the determination of the launch date of a Subfund or the prices and quantity of the Shares issued. Neither can an Index Administrator influence the relevant redemption terms.

No Investigations or Reviews in Relation to the Index or Indices

Neither the Company, the Investment Manager(s), the Sub-Investment Manager nor their respective affiliates have engaged, or will engage, in investigations or reviews on behalf of the shareholders in respect of the Index. Investigations or reviews by or for the Company, the Investment Manager(s), the Sub-Investment Manager or their respective affiliates will be performed for investment purposes only. The specific risks associated with an investment in particular indices and/or the relevant Index components are set out below.

Tracking Error Risk

A temporary non-availability of certain securities in the market, the compliance with legally binding issuer limits, the reinvestment of dividends at Index level, the transaction costs associated with the purchase of Index components or the use of derivatives (if any), taxes, Index adjustments or other extraordinary circumstances can result in a deviation from the performance of the Index (the "**Tracking Error**" for the purpose of this section). In addition, the Subfund incurs transaction costs and other costs, fees or taxes in duties in connection with the tracking of the underlying Index, which are not taken into account in the calculation of the Index. This means that, in such a case, the relevant Subfund will not be able to track the performance of the underlying Index in full. If the performance of the securities included in the Subfund deviates from the corresponding obligation of the Subfund under a relevant swap agreement, this poses an additional risk for the Subfund.

The expected Tracking Error under normal market conditions, as stated in the relevant Appendix, is a Management Company's assessment based on the standard deviation of the difference between the performance of the Subfund and the performance of the Index in the past few months. In the event of unexpected circumstances the actual Tracking Error may differ from the expected Tracking Error.

6.2.4 Other Risks

Potential Conflicts of Interest

Société Générale S.A. and/or affiliated companies may act as the Company's swap counterparty, securities lending counterparty, distributor, investment manager, market maker and/or sub-depositary. Société Générale S.A. or the affiliated company in one of the aforementioned capacities, the Board of Directors, the Depositary, the Administrator, the Investment Manager, the Shareholders, other investment managers, the Index Administrator, the Index calculation agent, the swap counterparty, the securities lending counterparty, distributors or a market maker may in each case engage in activities that might result in conflicts of interests, e.g. financial and banking transactions with the Company, or the investment and trading in Shares, other securities or assets held within the Subfund or as index components (including the sale to, and purchase from, the Company).

Index swaps entered into on behalf of the Subfunds are not traded on an exchange. Accordingly, potential conflicts of interest cannot be ruled out. The counterparty may have an obligation to assess the value of such derivative transactions or contracts. Such valuations may serve as the basis for calculation of the value of certain Company assets. The counterparty may also act as an Index calculation agent.

The Board of Directors is aware that, as a result of the functions performed by Société Générale Group employees in connection with the Company, conflicts of interest may arise. For such instances, all Société Générale Group employees are required to reasonably endeavour to arrive at an equitable solution to such conflicts of interest (with respect to the obligations and duties involved), as well as to ensure that the interests of the Company and shareholders are in no way impinged upon.

Société Générale Group shall, with respect to its various obligations and duties, undertake reasonable efforts to find equitable solutions to such conflicts of interest and to ensure the interests of the Subfund and shareholders are in no way impinged upon.

The Board of Directors believes that it has taken reasonable measures to deal with deviations or conflicts of interest. It assumes that each relevant counterparty is qualified and competent to provide these services and that all costs for the Company are typical of what would be incurred if these services were provided by a third party.

License Agreement regarding the Use of an Index

In order to be able to reproduce the Index, the respective Index Administrator granted a license for the use of the respective Index and for the use of certain trademarks and copyrights. Said license agreements may be terminated by the respective Index Administrator, so that the licensee Subfund may not attain its objective and the previous investment objective may not be achieved as a result of a substitution of the Index or dissolution of the Subfund. It is possible that the Index will no longer be composed or published by the relevant Index Administrator and that there may be no comparable substitute for the Index. This may result in a termination of the relevant Subfund, which may have adverse consequences for the investor.

Legal Qualification of an Index

The Management Company has qualified the indices as financial indices in accordance with the ESMA Guidelines on the basis of an internal review process. Revisions of this qualification in certain cases, as a result of regulatory practice, cannot be ruled out.

Allocation of Deficits under the Classes of a Subfund

The right of creditors to participate in the assets of the Company is restricted to the assets (if any) of the relevant Subfund. All assets of a Subfund are available for the fulfilment of the Subfund's obligations, notwithstanding the different amounts that are designated for payment in relation to the different Share Classes (as listed in the relevant Appendix relating to the Subfund). If, for instance, the amounts received by the Company from the assets of the relevant Subfund in connection with (i) a winding-up of the Company or (ii) the dissolution of a Subfund are (following the payment of all fees, expenses and other obligations to be borne by the relevant Subfund) insufficient as to cover the full payment of the redemption amount payable in relation to all Share Classes of the relevant Subfund, all Share Classes of the relevant Subfund shall rank *pari passu* with each other and the proceeds of the relevant Subfund shall be distributed to the shareholders of such Subfund on a pro rata basis, based on the amounts paid in by each shareholder. The relevant Shareholders shall have no further rights to payments in relation to their Shares or any claims towards other Subfunds or assets of the Company. In practice, the reciprocal liability between classes is likely to apply only if the total amounts payable in relation to a class exceed the Subfund assets fictitiously allocated to the relevant class, i.e. the amounts that may be received by the Company from the assets of the relevant Subfund (following the payment of all fees, expenses and other obligations to be borne by the relevant Subfund) and that are designated for the financing of payments in relation to the relevant class or are allocable to that class for other reasons. For instance, such a situation might occur in the event of the payment default of a swap-counterparty in relation to the assets of the relevant Subfund. Under those circumstances, the remaining assets that are fictitiously allocated to another class of the same Subfund might be used for the fulfilment of those payment obligations and thus will not be available for the payment of other amounts otherwise payable by that class.

Separate Liability of the Subfunds

Although the statutory provisions provide for a separate liability of the Subfunds, this is subject to a possible legal risk, in particular in relation to the satisfaction of claims of local creditors in a foreign court. Accordingly, it cannot be determined without doubt whether the assets of a Subfund of the Company might be liable for the obligations of other funds of the Company. At the time of the publication of this Prospectus, the Board of Directors is not aware of any such existing or potential obligations of the Subfunds of the Company.

The Risks Associated with Trading on a Stock Exchange:

It is planned to have the relevant Shares in the Subfunds admitted to trading on one or several stock exchanges. When the Shares are traded on the stock exchange (the "**Secondary Market**"), the Share's trading price not only depends on the performance of the investments contained in the fund's assets. Rather, the price of the Shares is also influenced by the supply and demand situation on the stock exchange. This means that the trading price of the Shares may undergo a negative or positive development merely as a result of market conditions, psychological or even irrational sentiments, opinions and rumours circulating on the stock exchange.

The market maker's obligation to maintain liquidity is limited to certain quantities (minimum quotation volumes) at maximum price ranges. The minimum inclusion period in relation to bid and offer prices normally does not span the entire effective trading times on the relevant exchange. This may result in brief temporary disruptions regarding price quotations. This can lead to orders being executed that do not correspond to the relevant exchange's stipulated quality criteria.

Consequences of Winding-Up Proceedings

If the Company (for whatever reason) is unable to meet its obligations or liabilities or to pay its debts, its creditors may apply for the winding-up of the Company. The institution of such proceedings may entitle its creditors (including swap counterparties) to terminate contracts with the Company (including in relation to the assets of the Subfunds) and to claim compensation for the losses suffered by them in connection with such early termination. The institution of such proceedings may result in (i) a winding-up of the Company and the sale of its assets (including the assets of all Subfunds), (ii) the payment of the fees and expenses of the appointed liquidator or other insolvency administrator, (iii) the satisfaction of claims that must be given priority by law and (iv) the payment of the Company's liabilities (in that order), before any excess amounts can be distributed to the shareholders of the Company.

THERE IS NO GUARANTEE THAT THE INVESTMENT OBJECTIVE OF A SUBFUND CAN BE REALISED.

THE SUCCESS OF AN INVESTMENT IN THE SUBFUNDS MAY DIFFER FROM THAT OF A DIRECT INVESTMENT IN THE SECURITIES UNDERLYING THE RELEVANT INDEX, BASKET OR STRUCTURED PRODUCT.

7. RISK PROFILE TYPOLOGY

Unless otherwise indicated in the relevant Appendix, the Subfunds are available as an investment to institutional and retail investors. Investors should generally be prepared to take risks in relation to the invested capital and returns. The risk associated with an investment in the various Subfunds may, as described in the following, be low, medium or high:

- The "low risk" category applies to Subfunds where the risk of capital losses ensues from the low volatility of the investment class(es) contained in the Subfunds and/or

the use of capital protection strategies (possibly including a bank guarantee that, as set out in the relevant Appendix, applies with regard to one or more dates). The Shares may be subject to value fluctuations, which may result in a lower value than their initial value, potentially causing investors to incur significant capital losses;

- The "medium risk" category applies to Subfunds where the risk of capital losses ensues from the medium volatility of the relevant investment class(es) and/or the partial capital protection of the Subfund. Investors must be prepared and able to accept value fluctuations regarding the Shares and possibly a substantial capital loss; and
- The "high risk" category applies to Subfunds that invest in investment class(es) that are characterised by high volatility and/or restricted liquidity and that do not pursue capital protection strategies. Investors must be prepared and able to accept very substantial value fluctuations regarding the Shares and possible a very substantial capital loss.

The above categorisation shows the risk level associated with each Subfund and does not represent a guarantee with respect to potential returns. It merely serves a comparison with other Subfunds publicly offered by the Company or third parties. In the event of doubts regarding the appropriate risk level, investors should consult their personal investment manager.

The investor profile outlines the risk level in connection with the Subfunds and does not mean a guarantee for a certain level of income. The description serves as a comparison with other funds which are publicly offered by the Management Company or by other management companies. In doubts in regard to the appropriate risk level investors should seek for advice by their personal financial advisor. Potential investors should inform themselves about assets and instruments which can be used within the framework of the intended investment policy. In addition investors should be aware of the risks in connection with an investment in the Shares before making an investment decision. Legal- tax- and financial advisor, external auditors or other advisors should advise in detail about i) the suitability and appropriateness of the investment in consideration of his personal financial and tax situation and further circumstances, ii) the information given in this Prospectus and iii) the investment policy of the respective subfund.

8. FORM OF THE SHARES

The Board of Directors may decide upon the issue of bearer shares to be represented by one or several global certificates. Said global certificates will be issued in the name of the Company and deposited with the clearing agent. The transferability of the bearer shares represented by a global certificate is subject to applicable laws and regulations and the procedures of the clearing agent handling the relevant transfers. Investors will receive the bearer shares represented by a global certificate by transfer to the custody accounts with their financial intermediary that are maintained directly or indirectly by the clearing agents. Such bearer shares represented by a global certificate are, pursuant to and in accordance with the provisions of this Prospectus, the rules of the relevant stock exchange and/or the rules of the relevant clearing agent, freely transferable. Shareholders that do not participate in such a system may only purchase and/or transfer bearer shares represented by a global certificate via a financial intermediary that is a member of the settlement system of the relevant clearing agent.

More detailed information regarding bearer shares represented by global certificates and the relevant handling procedures may be obtained from the Company's registered office.

9. ISSUE AND SUBSCRIPTION OF SHARES

Pursuant to this Prospectus, the Board of Directors is at any time entitled to issue Shares pertaining to any Subfund and any share class. In addition, the Board of Directors reserves the right to stop the issue and sale of Shares at any time and without prior notice. The Board of Directors also reserves the right to allow, at any time and without prior notice, the issue and sale of Shares pertaining to Subfunds that were previously closed with regard to further subscription applications. Said decision will be taken by the Board of Directors by giving due consideration to the interests of the current shareholders.

The launch date and possibly the offer period for each newly created and/or reactivated Subfund will be determined by the Board of Directors and is stated in the relevant Appendix. The Board of Directors may use its reasonable discretion in deciding, prior to the launch date, to cancel the offer of a Subfund. The Board of Directors may also decide to cancel the offer of a new class of Shares. In that case, those investors that already submitted a subscription application will be duly informed, and any subscription amounts already paid will be reimbursed. It is pointed out in this context that, until the reimbursement of the aforesaid amounts, investors will have no right to claim interest.

The Company will not issue any Shares for the duration of the period during which the calculation of the NAV per Share of the relevant Subfund is suspended.

The Board of Directors may use its reasonable discretion in deciding whether to refuse an application for subscription or redemption of Shares if it has reason to believe that the application was submitted improperly or in a manner that might harm the interests of the Company or those of the existing or potential Shareholders.

9.1 Subscriptions of Shares by Qualified Participants

As a general rule, only those investors that are to be regarded as Qualified Participants may subscribe for Shares directly from the Company. Qualified Participants must comply with the FATCA requirements and with the requirements for (i) Exempt Beneficial Owners, (ii) Active Non-Financial Foreign Institutions in accordance with Annex I of the Luxembourg IGA, (iii) U.S. Persons who are not classified as Specified U.S. Persons, or (iv) Financial Institutions that are not Non-participating Financial Institutions. These terms have the meaning ascribed to them in the Luxembourg IGA. Investors that are not Qualified Participants may, as described in the section below, acquire Shares from a Distributor or Subdistributor stated in the Prospectus or from the relevant stock exchange on which such Shares are listed. This means that the Company will accept subscription applications from Qualified Participants only. An exception applies insofar as that cash subscriptions are also accepted from other investors if this is mandatorily required under the relevant laws of a country in which the Company is licensed for public distribution. Such exceptions are described in the relevant country-specific section of this Prospectus.

The Company and certain financial institutions (the "**Qualified Participants**") have entered into agreements (the "**Participation Agreements**"), which set out the rules and conditions pursuant to and upon which the Qualified Participants may subscribe for

Shares. Pursuant to the provisions of the Participation Agreements, subscriptions of Shares by Qualified Participants may, in whole or in part, be carried out against securities (issue or receipt), so long as the relevant laws and regulations are complied with. Subscriptions of Shares by Qualified Participants normally take place in denominations that - for each Subfund and each share class - comprise a predetermined number of Shares. The Participation Agreements also contain detailed rules on the implementation of subscriptions of Shares by Qualified Participants. These rules set forth minimum subscription thresholds.

The issue price for Shares in all Subfunds and Share Classes is based on the net asset value on the relevant Valuation Date in relation to the Shares of the relevant Subfund/Share Class. That value is increased by the subscription fee set out in the Participation Agreement. This subscription fee is charged for the benefit of the relevant Subfund. This subscription fee is intended to compensate for brokerage, tax, foreign exchange, execution, market impact and other costs and expenses related to transactions in the investment portfolio of the relevant Subfund. The Management Company may decide on the amount of the subscription fee up to the maximum amount disclosed in the relevant Appendix.

Subscriptions and redemptions of Shares will be made exclusively in cash.

9.2 Purchases of Shares by non-Qualified Participants

Issuing Procedure

Investors that are not Qualified Participants may acquire Shares from a Distributor or Subdistributor stated in the Prospectus at the respective NAV on the relevant Valuation Date, plus a subscription fee where applicable (the "**Selling Price**"), as described in the relevant Appendix (the "**Issuing Procedure**"). The Board of Directors may use its reasonable discretion as to whether to waive a possible minimum and/or pro-rata subscription fee in full or in part. The applicable deadline for the receipt of subscription applications at the NAV on the relevant Valuation Date is set out in the Appendix pertaining to the relevant Subfunds. With regard to applications that are received by a Distributor or Subdistributor after the end of the relevant deadline, settlement and the calculation of the relevant Selling Price will be delayed until the next Valuation Date.

10. REDEMPTION OF SHARES

Qualified Participants and non-Qualified Participants can redeem their Shares with the Company. Investors that are not Qualified Participants can additionally sell their Shares at any time to the Redemption Company stated in the Prospectus.

10.1 Redemption of Shares by Qualified Participants with the Company

The Qualified Participants have entered into Participation Agreements, which set out the rules and conditions pursuant to and upon which the Qualified Participants may redeem Shares. Redemptions of Shares by Qualified Participants normally take place in denominations that - for each Subfund and each share class - comprise a number of Shares as stated in the Participation Agreement. The Participation Agreements also contain detailed rules on the implementation of the redemption of Shares by Qualified Participants. These rules include thresholds in relation to minimum redemptions as well as commitment size and provide for the possibility to delay redemptions that exceed a

certain percentage of the NAV of the relevant Subfund and/or in the relevant Participation Agreement.

The redemption price for Shares in all Subfunds and Share Classes is based on the NAV on the relevant Valuation Date in relation to the Shares of the relevant Subfund/share class. The redemption of Shares by Qualified Participants will generally not incur a redemption fee, unless otherwise indicated in the relevant Appendix.

10.2 Redemption of Shares by non-Qualified Participants with the Company

An investor who is not a Qualified Participant may instruct the financial intermediary holding his/her Shares to file an application with the Company for the redemption of all or some of its Shares for payment in cash.

The redemption amount is calculated on the basis of the NAV on the relevant Valuation Date less the redemption fee stated in the relevant Appendix. This redemption fee is charged for the benefit of the relevant Subfund. This redemption fee is intended to compensate for brokerage, tax, foreign exchange, execution, market impact and other costs and expenses related to transactions in the investment portfolio of the relevant Subfund. The Management Company may decide on the amount of redemption fee up to the maximum amount disclosed in the relevant Appendix.

The applicable deadline for the receipt of redemption applications at the NAV on the relevant Valuation Date is set out in the Appendix pertaining to the relevant Subfunds. With regard to applications that are received by the Company after the end of the relevant deadline, settlement and the calculation of the relevant selling proceeds will be delayed until the next Valuation Date.

Procedure for Redemptions by the Company

Applications for the redemption of Shares by the Company should contain the following information:

- (i) the investor's redemption request through a financial intermediary, the number of Shares to be redeemed, as well as the relevant share class and the relevant Subfund;
- (ii) arrangements for the delivery of the Shares to be redeemed (transfer to the Company's account with the Depositary); and
- (iii) the bank details of the shareholder relating to the account to which the redemption proceeds are to be transferred.

The details of the account to which the Shares to be redeemed are to be credited may be requested in writing from the Company.

Redemptions will not be processed before the Shares are credited to the Company's deposit account for settlement without delivery costs. Payment for the redeemed Shares will be effected within no more than 5 Business Days after the relevant Valuation Date.

10.3 Sale of Shares by non-Qualified Participants to the Redemption Company

Investors that are not Qualified Participants can sell their Shares at any time to the Redemption Company stated in the Prospectus ("**Redemption Procedure**"). The sales proceeds are calculated on the basis of the NAV on the relevant Valuation Date less any redemption fees, as stated in the relevant Appendix. The applicable deadline for the receipt of redemption applications at the NAV on the relevant Valuation Date is set out in the Appendix pertaining to the relevant Subfunds. With regard to applications that are received by the Redemption Company after the end of the relevant deadline, settlement and the calculation of the relevant selling proceeds will be delayed until the next Valuation Date.

Procedure for Redemptions by the Redemption Company

Applications for the redemption of Shares by the Redemption Company should contain the following information:

- (i) the investor's redemption request, the number of Shares to be redeemed, as well as the relevant share class and the relevant Subfund;
- (ii) arrangements for the delivery of the Shares to be redeemed (transfer to the Redemption Company's account); and
- (iii) the bank details of the shareholder relating to the account to which the sales proceeds are to be transferred.

The details of the account to which the Shares to be redeemed are to be credited may be requested in writing from the Redemption Company.

Redemptions will not be processed before the Shares are credited to the Redemption Company's deposit account for settlement without delivery costs. Payment for the redeemed Shares will be effected within no more than 5 Business Days after the relevant Valuation Date.

10.4 Procedure Regarding Redemptions Corresponding to 10% of a Subfund

If a redemption application is received with regard to a Subfund that, individually or collectively with other redemption applications received, corresponds to more than 10% of the NAV of the relevant Subfund, the Company, in its sole unrestricted discretion, reserves the right to spread the settlement of each application over several Valuation Dates. If the aforesaid procedure is applied, the applications received at the earliest time will take precedence over those received at a later time.

10.5 Compulsory Redemptions

General

If, at any time, the Company learns that a person who or which, either on its own or together with another person, is a Qualified Holder, the Company, in its reasonable discretion, may enforce the compulsory redemption of the relevant Shares at the applicable NAV per Share in accordance with the provisions of this Prospectus, less the expenses incurred by the Administrator and the Depositary in connection with the processing of that redemption. The relevant Shares will be redeemed within no less than

10 calendar days after the Company's compulsory redemption notice, and the relevant investor will then cease to be the owner of the relevant Shares.

If the Company becomes aware, that according to the entry into the Company's shareholder register Shares are held by investors or through intermediaries, which cannot be assigned to one of the FATCA groups as described in section 9.1, first paragraph (Exempt Beneficial Owners, Active Non-Financial Foreign Institutions, in accordance with Annex I of the Luxembourg IGA, U.S. Persons who are not Specified U.S. Persons, or Financial Institutions that are not Non-participating Financial Institutions), the Company may at its sole discretion compulsorily redeem those shares. The compulsory redemption can be executed within 90 calendar days after having taken note of the before mentioned circumstances.

Liquidation of a Subfund

If the NAV of a Subfund, at a certain valuation time, is less than EUR 20 million and/or if the NAV of a share class of that Subfund is less than EUR 10 million or a corresponding value in the Subfund's relevant base currency, the Company may, in its reasonable discretion, redeem all outstanding Shares of the relevant Subfund or the relevant Share class at the daily NAV per Share, less the pro-rated subscription/redemption fee and any securities transfer fees and redemption dividends, calculated as of the cut-off date as well as by taking into account any liquidation costs that may have been incurred. The Company shall serve a notice to the holders of the relevant Share Class or Share Classes prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations: the Company shall inform shareholders to the extent required by Luxembourg laws and regulations or otherwise deemed appropriate by the Company, by publication of a notice, in a newspaper determined by the Company, and/or sent to the shareholders and/or communicated via other means prior to the effective date of the liquidation.

10.6 Exchange of Shares

Shares in a Subfund cannot be exchanged for Shares in another Subfund.

10.7 Prevention of Money Laundering

Subscribers for Shares will be required to provide to the Administrator or a Distributor the information set out in the Subscription Form, depending on their legal form (individual, corporate or other category of subscriber). The Distributors and Sub-Distributors are required to establish anti-money laundering controls and may require from subscribers for Shares all documentation deemed necessary to establish and verify this information. The Administrator or the Distributors have the right to request additional information until the Administrator or the Distributors are reasonably satisfied they understand the identity and economic purpose of the subscriber. Furthermore, any investor is required to notify the Administrator or the Distributors prior to the occurrence of any change in the identity of any beneficial owner of Shares. The Company may require from existing investor, at any time, additional information together with all supporting documentation deemed necessary for the Company to comply with anti-money laundering measures in force in the Grand Duchy of Luxembourg. Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of

terrorism, as amended), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circular 13/556 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector to prevent the use of UCIs for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg UCI must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Administrator may require subscribers to provide any document it deems necessary to effect such identification.

11. SECONDARY MARKET

The Shares may be purchased and sold in the Secondary Market. The Shares will be admitted to one or more stock exchanges in order to facilitate their trading in the Secondary Market. If Shares are purchased and sold in the Secondary Market, investors will have to employ the services of an intermediary (e.g. broker), which may add costs to the purchase or sale transaction. Moreover, investors may have to pay more than the current NAV for purchase of the Shares, and may receive less for the sale of the Shares than the current NAV.

The price of Shares traded in the secondary market in part depends on market supply and demand, value fluctuations in the underlying Index and other factors such as the prevailing conditions for the financial markets and companies, as well as the economic and political climate. In accordance with the terms and conditions of the relevant stock exchanges, it is expected that market makers will provide liquidity as well as bid and offer prices in order to facilitate the trading of the Shares in the Secondary Market.

Qualified Participants and non-Qualified Participants who purchased their Shares in the secondary market can redeem their Shares with the Company. Investors that are not Qualified Participants can additionally sell their Shares at any time to the Redemption Company stated in the Prospectus. In that regard, investors should note the provisions set out in the chapter entitled "Redemption of Shares".

12. PROHIBITION OF LATE TRADING AND MARKET TIMING

Late trading refers to the acceptance of a subscription (or redemption) order following the expiry of the relevant deadlines (as described above) on a Business Day as well as the execution of that order at the price applicable on that day on the basis of the NAV. Late trading is strictly prohibited.

Market timing refers to the arbitrage method where an investor systematically subscribes for and returns Shares of the Company, thereby exploiting time differences and/or inefficiencies or deficits in the method regarding the determination of the NAV of the relevant Subfund. Market timing practices may interfere with the investment management of the portfolios and may adversely affect the performance of the relevant Subfund. In order to avoid such practices, Shares are issued at an unknown price, and neither the Company nor the Administrator will accept orders that are received following the expiry of the relevant deadlines.

The Company reserves the right to refuse purchase and/or redemption orders in relation to a Subfund from persons who are suspected of having engaged in market timing practices.

13. INDICATIVE NAV PER SHARE

Solactive AG, Platz der Einheit 1, 60327 Frankfurt am Main, Germany acts as Calculation Agent (the "**Calculation Agents**") in relation to the indicative NAV.

It is planned that the indicative NAV per Share on each Valuation Date during the official trading hours on the Relevant Stock Exchange is calculated by the Calculation Agent for each Share Class within a Subfund and published on the website www.boerse-frankfurt.de/etf/ as well as by other providers of financial data (e.g. Bloomberg, Reuters, Telekurs) during the relevant trading period of the Shares in the relevant Subfund. The Calculation Agent will publish the indicative NAV per Share in each trading currency of the Shares in the Subfund and, if the base currency is not a trading currency, the base currency. The indicative NAV may also be published on other websites.

The Calculation Agent will apply a similar method to that applied by the Administrator of the Company in relation to the calculation of the daily NAV per Share. However, there is no guarantee that the calculation method employed by the Calculation Agent will be the same as that applied by the Administrator, and any difference in those calculation methods will result in a different indicative NAV per Share as compared to the actual daily NAV per Share. The Calculation Agent will obtain the prices required for the calculation of the indicative NAV from the organised market on which the securities are traded. This is contingent upon the prices being available, if required, from another organised market on which the securities are traded.

Important Information

All indicative NAVs per Share published on a Valuation Date merely represent an indicative estimate of the NAV per Share that is determined independently by the Company and the Administrator. An indicative estimate of the NAV per Share does not represent the value or price of the relevant Share and is not to be interpreted as the price at which the Shares may be subscribed or redeemed or purchased or sold in a Secondary Market.

14. NAV, ISSUE AND REDEMPTION PRICE

14.1 NAV Determination

The Administrator will determine the NAV per Share under the Management Company's responsibility. The NAV per Share for the relevant share class of each Subfund is calculated on each Valuation Date in the base currency and will be published on each Valuation Date on the website www.lyxorfunds.com. The base currency of each Subfund is stated in the relevant Appendix.

The NAV per Share for a Valuation Date is calculated on the relevant Calculation and Publication Day for each share class. The securities contained in the fund assets are evaluated on the basis of the last available closing prices in the relevant principal markets on the Reference Date. The NAV per Share for a share class pertaining to a Subfund is determined by dividing the value of the total assets of the relevant share class of the

Subfund, less the liabilities of the Subfund, by the total number of Shares pertaining to that class that are issued and outstanding at a certain valuation time. When calculating the NAV per Share, revenues and expenses are treated as accruing on a daily basis.

The Company's and the Subfunds' NAV is determined in accordance with Article 10 of the Company's Articles of Association, which sets out, *inter alia*, the following provisions that are applicable to the determination of said value:

- a) the value of cash balances or deposits, bills of exchange and payment requests as well as trade accounts receivables, prepaid expenses and deferred charges, cash dividends and interest income decided upon or accrued as aforesaid but not yet received will be fully taken into account, unless it is unlikely that such amounts will be paid or received, in which case their value will be determined subject to a discount that is deemed appropriate in order to reflect their actual value;
- b) securities that are listed on a recognised stock exchange or traded on any other regulated market will be valued at their last available official closing prices or, in the case of several such markets, based on their last available closing prices on the most important market for the relevant security, so long as these prices are normally the same as the prices used by the index offeror in the calculation of the index of the relevant Subfund; if the last available price does not accurately reflect the fair market value of the relevant securities, the value of such securities shall be determined by the Board of Directors on the basis of their reasonable foreseeable realisation prices determined subject to due deliberations and in good faith;
- c) securities that are not traded on a regulated market will be valued on the basis of their likely realisation price, as determined by the Board of Directors subject to due deliberations and in good faith;
- d) the liquidation value of futures, forward or option contracts that are not traded on regulated markets is the net liquidation value determined in accordance with the principles set forth by the Board of Directors on a uniform basis in relation to each of the different types of contracts. The liquidation value of futures, forward or options contracts that are traded on stock exchanges or other regulated markets is based on the last available settlement prices for those contracts on stock exchanges and regulated markets on which the relevant futures, forward or options contracts are traded by the Company; in the event that one of said futures, forward or options contracts cannot be liquidated on the day on which the net assets are determined, a value deemed appropriate and reasonable by the Board of Directors shall be used as the basis for the determination of the liquidation value of the relevant contract;
- e) interest rate swaps will be valued at their market value, which is determined by reference to the relevant interest rate curves. Swaps relating to indices and financial instruments will be valued at their market value that is determined by reference to the relevant index or financial instrument. The valuation of a swap agreement relating to an index or financial instrument is based on the market value of that swap transaction, which will be determined in good faith in accordance with the procedure determined by the Board of Directors; and
- f) all other securities and assets will be valued at their market value, which will be determined in good faith in accordance with the procedure determined by the Board of Directors.

Investments held in a particular Subfund that are not denominated in the base currency will be converted into the base currency at the exchange rate that is applicable within the principal regulated market for the relevant value on the valuation day preceding the valuation time. The Board of Directors may, in its absolute discretion, allow the use of other valuation methods if it is of the opinion that such a valuation better reflects the fair realisation value of an investment in the Company.

The Company's net assets will at all times correspond to the sum of the NAVs of the various Subfunds.

The Board of Directors may launch one or several Subfunds and may set up a Subfund with two or more Share Classes as follows:

- (a) if two or more share classes are issued in relation to a specific Subfund, the assets allocable to such share classes shall be invested in accordance with the specific investment policy relating to that Subfund. Within one Subfund, different share classes may be issued by the Board of Directors, each of which (i) pursues a specific distribution policy, e.g. one that entitles to distributions or one that does not entitle to distributions ("**Distributing Shares**") or ("**Accumulating Shares**") and/or (ii) have a specific subscription and redemption fee structure and/or (iii) have a specific investment management or consultancy fee structure and/or are subject to other fixed criteria determined by the Board of Directors;
- (b) the proceeds to be received from the issue of shares pertaining to each share class will be allocated to the Subfund relating to that share class in the Company's books; if several share classes within the relevant Subfund are outstanding, the relevant amount will increase the net assets relating to the relevant Subfund as allocable to the shareholders of the relevant share class;
- (c) any assets, receivables, liabilities, proceeds and expenses allocable to the relevant share class will be allocated to the relevant Subfund in accordance with the provisions of Article 10 of the Company's Articles of Association;
- (d) in the Company's books, derivative assets will be allocated to the same Subfund as those assets from which they have been derived, and in connection with each new valuation of an asset, the relevant increase or reduction in value will be allocated to the relevant Subfund;
- (e) liabilities arising in connection with an asset pertaining to a specific Subfund or an act pertaining to that Subfund will be allocated to that Subfund;
- (f) if a receivable or liability of the Company cannot be allocated to a specific Subfund, that receivable or liability will be allocated to all Subfunds in proportion to the number of Subfunds or on the basis of the proportional value of the share classes, in accordance with the Board of Directors's due considerations; and
- (g) distributions to the shareholders in relation to a share class will reduce the value of the shares pertaining to that share class by the distribution amount.

Within the individual Subfunds, the NAV per Share of the different Share Classes may not be consistent because the distribution/payment of dividends and the fee and cost structures of the individual Share Classes will be different.

The Company's distribution policy provides that distributions will take place in relation to Distributing Shares only.

14.2 Suspension of NAV Calculation and Suspension of Share Issuance and Redemption

In accordance with Article 11 of its Articles of Association, the Company may suspend the calculation of the NAV of one or several Subfunds and the subscription and redemption of Shares:

- a) during a period in which one of the most important stock exchanges or one of the other markets on which a significant part of the Company's investments allocable to the relevant Subfund are listed or traded is closed, or the foreign exchange markets for the currencies in which the NAV or a significant part of the investments of the relevant Subfund are denominated is closed (other than on regular holidays), or on which trading of a significant part of the investments of the relevant Subfund in those markets is restricted or suspended or halted, provided that the closure of such stock exchange or the mentioned restriction or suspension affects the valuation of the listed investments of the relevant Subfund; or
- b) while circumstances apply that represent an emergency because of which the sale or valuation of investments held by the Company would be impossible or if such sale or valuation would be detrimental to the interests of the shareholders; or
- c) while the means of communication that are normally used for the determination of the price or value of an investment of the relevant Subfund or the current price or value of the assets allocable to that Subfund on an exchange are not available; or
- d) if the prices of investments held by the Company cannot be determined immediately or accurately for any other reason beyond the Board of Director's control; or
- e) during a period of time in which the Company is unable to return funds for making redemption payments or in which a transfer of funds for the realisation or acquisition of investments or payments cannot be carried out at regular foreign exchange rates in the opinion of the Board of Directors because of redemptions of Shares; or
- f) following the publication of a convocation notice regarding a general meeting of shareholders for the purpose of deciding upon the winding-up of the Company or a Subfund. A notice regarding such suspension shall, if appropriate, be published by the Company and may be transmitted to those shareholders who submitted a request for subscription, redemption or conversion of shares whose NAV calculation was suspended.

Such a suspension with respect to a Subfund will have no effect on the calculation of the daily NAV per Share and the subscription and redemption of Shares in other Subfunds.

The start and the end of a suspension period will be communicated to the CSSF and, where required, to the stock exchanges on which the Shares are listed. Furthermore, all foreign supervisory authorities where the relevant Subfund(s) are registered will be informed about the start and the end of a suspension period. Every such suspension will be published accordingly, if deemed necessary by the Board of Directors. Each applicant and/or shareholder who applies for the subscription or redemption of Shares in the relevant Subfund(s) directly at the Company or the Redemption Company will be notified about the suspension. While NAV calculation is suspended shareholders may withdraw their applications for subscription or redemption. Applications for subscription or redemption which are not withdrawn will be calculated with the issue and redemption prices at the resumption of the NAV calculation.

15. DISTRIBUTION OF PROCEEDS

The general meeting of the shareholders of the distributing share class(es) of each Subfund, if issued, will decide, within the limits of Luxembourg law, upon the Board of Directors' proposal regarding the utilisation of the proceeds and may decide upon distributions of profits.

For each class or classes of Shares that carry profit distribution rights, the Board of Directors may decide upon the payment of interim dividends in accordance with Luxembourg law.

The aim of that distribution performed by the Company is to track the relevant Index as precisely as possible. By reference to the daily NAV per Share, the accrued net gain (or loss) will be calculated as of that time at which subscription or redemption takes place, so that the net claim as to proceeds in the form of the dividend will always correspond to the current net proceeds of the Index.

It is planned that the Company will distribute dividends and/or interim dividends for the Shares pertaining to each share class of each Subfund, as provided for in the relevant Appendix, on that day or those days in the ex-dividend months determined by the general meeting of shareholders. Such a dividend payment is to take place no more than two months following the date of the dividend resolution.

Distributions of dividends will be paid in the base currency of the relevant Subfund. The Board of Directors will determine the method, time and place of the performance of the relevant payment.

A distribution of dividends that is not taken up within five years as of the relevant resolution shall lapse and be re-included in the relevant Share class of the Subfund. If the relevant Subfund has already been liquidated, any dividends and other payments will be allocated to the remaining Subfunds in proportion to their relevant net assets. A dividend that has been decided upon by the Company and is held by it for the relevant beneficiary shall not bear interest.

The payment of dividends may not result in the Company's net assets falling below the minimum threshold pursuant to Luxembourg law. All dividends are to be paid from the proceeds less all costs incurred by the relevant share class in the relevant period.

16. TAXES AND COSTS

16.1 Taxation Rules

16.1.1 General

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. Investors should inform themselves of, and when appropriate, consult their professional advisors with regards to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation. It is expected that the Company's shareholders will be resident for

tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with a shareholder's personal circumstances. Investors should be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in this Section 16 to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, to the solidarity surcharge and to a temporary tax (*impôt d'équilibrage budgétaire*). Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply in addition.

16.1.2 Taxation of the Company in Luxembourg

Under current law and practice, the Company is not liable to any Luxembourg income or net wealth tax, nor are dividends paid by the Company subject to any Luxembourg withholding tax. However, the Company is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the respective Subfund at the end of the relevant quarter. A reduced tax rate of 0.01% per annum of the net assets will be applicable to (i) undertakings whose sole object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions, (ii) undertakings whose sole object is the collective investment in deposits with credit institution and (iii) individual compartments of UCIs with multiple compartments referred to in the 2010 Law as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

An exemption from subscription tax applies in the following cases: (a) for the value of the assets represented by shares or units held in other UCIs to the extent such shares or units have already been subject to the subscription tax provided by the amended law of 13 February 2007 on specialised investment funds, the 2010 Law or by the law of 23 July 2016 on reserved alternative investment funds; (b) for UCIs, as well as individual subfunds of UCIs with multiple subfunds:

- i. the securities of which are reserved for institutional investors; and

- ii. the exclusive object of which is the collective investment in Money Market Instruments and the placing of deposits with credit institutions; and iii. the weighted residual portfolio maturity of which does not exceed 90 days; and iv. that have obtained the highest possible rating from a recognised rating agency;

(c) for UCIs, the securities of which are reserved for

- (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employers' initiative for the benefit of their employees and
- (ii) companies of one or several employers investing the funds they hold, in order to provide their employees with retirement benefits;

(d) UCIs as well as individual Subfunds of umbrella UCIs with multiple sub-funds whose main objective is the investment in microfinance institutions; or (e) for UCIs as well as individual compartments of UCIs with multiple compartments

(i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and

(ii) whose exclusive object is to replicate the performance of one or more indices.

No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the Company. Any amendments to the Articles of Association are as a rule subject to a fixed registration duty of 75 EUR.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Company. Although the Company's realised capital gains, whether short term or long term, are not expected to become taxable in another country, shareholders must be aware and recognise that such a possibility is not totally excluded. The regular income of the Company from some of its securities as well as interest earned on cash deposits and capital gains in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered. Withholding and other taxes levied at source, if any, are not recoverable. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

16.1.3 Withholding tax

Under current Luxembourg tax law, the Company is not liable to withholding taxes on dividends or distribution of liquidation proceeds to the shareholders under the Shares.

16.1.4 Value added tax

The Company is considered in Luxembourg as a taxable person for value added tax (VAT) purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services.

Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad. No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its investors, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

16.1.5 Taxation of the Shareholders

Luxembourg tax residency A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance or enforcement of its rights thereunder.

Income tax - Luxembourg residents

Luxembourg resident shareholders are not liable to any Luxembourg income tax on reimbursement of the share capital contributed to the Company.

Luxembourg Resident Individuals

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rates.

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the share capital of the Company or (ii) the shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period).

Capital gains realised on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding. Capital gains realised upon the disposal of the Shares by a resident individual shareholder, who acts in the course of the management of his

professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

Luxembourg resident corporations

Luxembourg resident corporate Shareholders (*sociétés de capitaux*) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Luxembourg residents benefiting from a special tax regime

Luxembourg resident shareholders which benefit from a special tax regime, such as (i) UCI subject to the 2010 Law, (ii) specialised investment funds governed by amended the law of 13 February 2007, (iii) reserved alternative investment fund vehicle (opting for the treatment as a specialised investment fund) governed by the law of 23 July 2016 and (iv) family wealth management companies governed by the amended law of 11 May 2007, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

Income tax - Luxembourg non-residents

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which the Shares are attributable are generally not subject to any income capital gains in Luxembourg. Corporate shareholders which are non-residents of Luxembourg but which have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed. Investors should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Shares under the laws of their countries of citizenship, residence or domicile.

Net Wealth Tax

Luxembourg resident shareholders, and non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the Law of 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a reserved

alternative investment fund vehicle governed by the law of 23 July 2016, (v) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (vi) a specialised investment fund governed by the amended law of 13 February 2007, or (vii) a family wealth management company governed by the amended law of 11 May 2007. 88 However, (i) a Luxembourg resident securitization company governed by the amended law of 22 March 2004 on securitization, (ii) a professional pension institution governed by the amended law of 13 July 2005, (iii) a reserved alternative investment fund vehicle (opting for the treatment as a venture capital vehicle) governed by the law of 23 July 2016 (iv) and a Luxembourg resident company governed by the amended law of 15 June 2004 on venture capital vehicles shall be subject to the minimum net wealth tax charge according to the amended law of 16 October 1934 on net wealth tax.

Other Taxes

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for tax purposes at the time of his death, the Shares are included in his taxable basis for inheritance tax purposes. On the contrary, no estate or inheritance tax is levied on the transfer of Shares upon death of an individual shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his death. Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

16.1.6 Information for Investors in Germany

Investors are recommended to contact a tax advisor prior to their investment in the Shares of a Subfund to individually clarify the tax consequences of this acquisition in Germany.

16.2 Costs Charged to the Company

16.2.1 All-In Fee

Each Subfund will pay an All-In Fee as described in the relevant Appendix (the "**All-in Fee**"), which may differ for the different Share Classes of a Subfund. This charge includes in particular the fees for the Management Company, the Investment Manager of the Subfunds, the Sub-Investment Manager of the Subfunds, the Depositary and Paying Agent, as well as the fees for the Registrar and Transfer Agent of the Company and the Administrator. The All-In Fee is distributed by the Management Company and paid directly to the Depositary and/or the relevant service providers. The All-In Fee is calculated on the basis of the average daily NAV of the share class of the relevant Subfund and is payable in arrears on a monthly or quarterly basis.

In addition, the All-In Fee covers miscellaneous other costs, fees and expenses (but not the costs listed in "Other costs and expenses not included in the All-In Fee" and excluded from the All-In Fee) that are incurred in the course of the ordinary business activity of the relevant Subfund (the "**regular costs of a Subfund**"). For instance, the regular costs of a Subfund included in the All-In Fee will include the following: Expenses for regular legal and audit services in

relation to day-to-day matters; the preparation and printing of the reports for the Shareholders, the key investor information document and the Prospectus (including all adjustments and supplements), the annual reports and information brochures, all fees and reasonable costs of the members of the Board of Directors; the ongoing registration fees and other costs charged by supervisory authorities in various jurisdictions; insurance and the costs of the publication of the indicative NAV per Share within an exchange day and the daily NAV per Share; as well as the costs and cash expenses incurred by the individual service providers.

The following additional costs and expenses are also included in the All-In Fee: all taxes and other tax-related expenses that may be imposed on the Company, e.g., if applicable, the annual Luxembourg tax (*taxe d'abonnement*) and/or the costs and commissions required for maintaining the listing of the Shares in a Subfund on the relevant stock exchange or any other listing ("**Ongoing Listing Costs**").

16.2.2 Other costs and expenses not included in the All-In Fee

The Company will incur other costs that are not included in the All-In Fee and that may have to be paid by the Company out of the assets of the relevant share class or Subfund ("**Other Costs**"). For instance, the following costs and expenses are not included in the All-In Fee:

- any value added tax or similar sales or service duties payable by the Company ("**VAT**") ("**Other Taxes and Duties**"),
- any ongoing index license fees ("**Ongoing Index License Fees**") payable by the Company to the Management Company,
- any translation fees,
- all costs and expenses incurred in connection with the purchase and sale of securities or other assets of a Subfund, e.g. brokerage commissions and commissions by correspondents in relation to the transfer of securities or other investments ("**Transaction Costs**"),
- all costs and commissions incurred outside the regular business activity of a Subfund (e.g. costs for legal advice in the event that a Subfund enforces or defends a claim).

The Company shall bear the establishment expenses of setting up, including legal and other costs for drafting and printing of the prospectus, expenses for notarial deeds, costs relating to the initial filing of the Company with administrative and stock exchange authorities and any other cost relating to the incorporation and launching of the Company.

The expenses related to the setting up of the Company will be amortised, in accordance with applicable accounting rules, over a period of three (3) years.

The costs and expenses will be distributed by the Company to the various Share Classes and/or Subfunds in accordance with Article 10 of its Articles of Association. If VAT is payable in relation to the All-In Fee or other fees payable

by the Company, such VAT shall be borne by the relevant Subfund in addition to the Other Costs.

16.2.3 Payments out of the All-In Fee

A Distributor may enter into a contractual obligation to reimburse a Qualified Participant, a different Distributor or, where applicable, a sales agent for payments out of their Share in the All-In Fee or to pay part of those payments to them. The selection of the persons with whom such contracts may be concluded as well as the underlying terms and conditions is at the parties' discretion, except that all such contracts are subject to the provision that the Company may not incur any obligation or liability of any type in that regard.

16.2.4 Repayments, Soft Commissions

The Company does not receive any repayments in relation to the All-in Fees of the Subfunds that are allocated by the Management Company and paid to the Depositary and/or the relevant service providers. Costs of analytical services ("Research") are not charged to the Company. Neither does the Company receive any commissions in kind (so-called soft commissions).

16.2.5 Total Expense Ratio

The annual report discloses the costs incurred by the Company at the Subfund level (All-In Fee and Other Costs) and reports them as the ratio of the average Subfund volume (so-called total expense ratio "**TER**"). The TER is determined in each case for the respective preceding financial year. The TER does not take into account any Transaction Costs.

If the investor will be advised by third parties (for example credit institutions or other distributors) when investing in the Shares or an intermediary conveys the investment in the Shares he might inform him about costs and cost quotes which are not identical with the cost-information in this Prospectus or the key investor information document and which might exceed the TER. Regulatory requirements of the directive 2014/65/EU (Mifid-Directive) for the calculation, determination and disclosure of the costs can be the reason for this discrepancy. Discrepancies may arise because the third party includes the costs of their own services (for example subscription fees, trailer fees, advisory or custody fees) into the calculation.

In addition there can be different requirements for the calculation of the costs on fund level for financial intermediaries, so that the transaction costs of the subfunds are covered by their cost reporting although this is no requirement for the Company when calculating the TER. Deviations can be observed not only in the information before investing but also in case of regular cost reportings within a permanent business relationship.

17. INFORMATION TO THE SHARE HOLDERS

17.1 Regular Reports and Publications

The reports to the shareholders for the previous financial year, as audited in accordance with the accounting principles applicable in Luxembourg, will be available at the

Management Company's registered office and from the Administrator within no more than four months following the end of the respective financial year and will be accessible by shareholders within no more than eight days before the relevant general meeting. In addition, unaudited interim reports will be available at the aforesaid registered office within two months following the end of the respective financial half-year. The Management Company may also provide shareholders and prospective investors with a short version of the above reports that do not contain an extensive list of the securities held by the individual Subfunds. The aforesaid short annual reports and unaudited interim reports contain an offer to send a free copy of the complete versions of these documents to the relevant person upon request. Information on the current portfolio composition of the respective Subfund may be requested at any time at the registered office of the Management Company and is available on the website www.lyxorfunds.com.

17.2 Documents available for Inspection

Copies of the following documents will be available for inspection on Business Days free of charge at the Company's registered office, where copies of this Prospectus, all key investor information documents and the financial reports will also be available free of charge:

- (i) the Articles of Association of the Company,
- (ii) the contract with the Depositary,
- (iii) the contract with the Administrator and
- (iv) the contract(s) entered into by and between the Company, the Management Company and the Investment Manager.

18. DISSOLUTION OF THE COMPANY, ITS SUBFUNDS OR SHARE CLASSES, CONSOLIDATION OF SUBFUNDS OR SHARE CLASSES

18.1 Dissolution of the Company, its Subfunds or Share Classes

The Company is established for an unlimited term. However, the Company may be liquidated at any time by virtue of a resolution of an extraordinary general meeting of shareholders, subject to compliance with the provision of the Company's Articles of Association.

Upon its dissolution, the liquidator(s) appointed by the Company's shareholders in accordance with Luxembourg law will realise the Company's assets taking into account the best interest of the shareholders. At the liquidator's or liquidators' request, the Depositary will distribute the net liquidation proceeds among the shareholders of each Share class in proportion to their respective rights. As provided under Luxembourg law and following liquidation, the liquidation proceeds allocable to shares that have not been presented for redemption will be deposited until the end of the limitation period in the "*Caisse de Consignations*". In the event of the occurrence of circumstances resulting in the liquidation of the Company, the further issue of Shares is prohibited. Any Shares issued despite the aforesaid prohibition may be void. The Board of Directors may decide that a redemption of Shares will continue to be possible. This, however, is contingent upon the equal treatment of all shareholders being guaranteed.

The Board of Directors may decide upon the compulsory redemption of all Shares pertaining to the Share Classes of a Subfund if the value of the net assets within a Subfund falls below EUR 20 million and/or the value of the net assets within a share class falls below EUR 10 million for any reason. The aforesaid amount is the minimum amount for the relevant Subfund and/or share class that is required for its operation in a commercially efficient manner; cf. the chapter titled "Compulsory Redemptions". A compulsory redemption is also possible if a change in the economic or political climate would have materially adverse consequences for the assets held by the relevant Subfund.

The compulsory redemption will take place at the NAV per Share (taking into account the current realisation prices of the investments and the realisation costs), calculated at the valuation time at which the resolution of the Board of Directors enters into effect. Prior to the effective date of the compulsory redemption, the Company will publish a written notice for the shareholders of the relevant Share Classes and/or Subfunds in the Mémorial (replaced on the 1 June 2016 by the RESA) and a Luxembourg daily newspaper detailing the reasons for the compulsory redemption as well as the compulsory redemption procedure. If required, the aforesaid notice will also be included in the official journals that are intended as publication media in those countries where the shares are distributed.

In addition, the general meeting of the holders of a share class issued within a Subfund will, at the Board of Directors' request, decide to redeem all Shares of the relevant class and to repay to the shareholders the NAV of their Shares (taking into account the current realisation prices of the investments and the costs of realisation). The NAV will be calculated as at the valuation time at which said resolution takes effect. Such a general meeting of shareholders will not be subject to any quorum requirements, and the decision will be made by simple majority resolution of the persons present or represented.

The shareholders of the relevant Subfund and/or share class will be informed about the decision by the Board of Directors or the resolution by the general meeting of shareholders in the relevant Subfund concerning the compulsory redemption of all shares by publication of a notice in the RESA, that is in the electronic collection of the Luxembourg companies and associations which replaced by 1 June 2016 the Mémorial and a Luxembourg daily newspaper. If required, the aforesaid notice will also be included in the official journals that are intended as publication media in those countries where the shares are distributed.

Assets that, following the implementation of the compulsory redemption, cannot be distributed to the beneficiaries will be deposited with the *Caisse de Consignations* in the name of the relevant beneficiaries. All redeemed Shares will be cancelled.

18.2 Consolidation of Subfunds or Share Classes

Merging of multiple Subfunds of the Company, merging of Subfunds of the Company with subfunds of another UCITS and merging of the Company with another UCITS are subject to the relevant provisions of the 2010 Law and all implementing regulations. Accordingly, the Board of Directors shall have authority to decide with respect to any merger of Subfunds of the Company and merger of Subfunds of the Company with subfunds of another UCITS, unless the Board of Directors resolves to subject the decision with respect to such mergers to a vote by a meeting of shareholders. Such meeting shall not be subject to quorum requirements and shall adopt resolutions with a

simple majority of votes cast. In the event of a merger of the Company with another UCITS or if the Company is wound up as a result of the merger of a Subfund into another UCITS, the meeting of shareholders must approve such an action, subject to quorum and majority requirements identical to those applicable for amendment of the Articles of Association.

The Board of Directors may decide at any time to merge the Share Classes of a Subfund. The shareholders will be informed about the merger decision in the same manner as set out above in the penultimate paragraph of section 18.1.

19. GENERAL MEETINGS

The general meeting of the shareholders of the Company will take place on 1 April of each year at 1:00 p.m. at the Company's registered office. If that day is not a Business Day, the general meeting will take place on the next following Business Day at 1:00 p.m.

In accordance with the Articles of Association, the shareholders of a Subfund or Share Class may be invited to general meetings at any time in order to decide upon matters exclusively relating to the relevant Subfund or Share Class. Each Share in a Subfund and Share Class will entitle to one vote, regardless of its asset value, in accordance with the applicable statutory provisions.

The convocation notices regarding all general meetings of shareholders will be published in the RESA, that is in the electronic collection of the Luxembourg companies and associations which replaced by 1 June 2016 the Mémorial, in a Luxembourg daily newspaper and, if so required by law, in the official journals of the relevant countries where the Shares are distributed. The convocation notice will state the time and place of the meeting, as well as the attendance conditions; it will also contain the agenda and a note regarding the provisions under Luxembourg law in relation to the required quorum and majorities.

20. APPLICABLE LAW, PLACE OF JURISDICTION AND APPLICABLE LANGUAGE

The district court of Luxembourg shall be the place of jurisdiction with regard to all legal disputes between shareholders, the Company, the Management Company and the Depositary. Luxembourg law shall apply. In relation to matters relating to claims of investors from other countries, the Company, the Management Company and/or the Depositary may decide to recognise the jurisdiction of the countries in which the relevant Shares were purchased and sold.

21. DEFINITIONS

Accumulating Shares	As defined in section 14.1.
Banking Day	Any day on which the commercial banks, relevant stock exchanges, foreign currency markets and clearing systems in the Relevant Jurisdiction are open for general business.
Base Currency	Base currency for each Subfund in which its NAV is calculated, as set out in the relevant Appendix.
Board of Directors	Means the board of directors of the Company.
BOC International	"BOC International" - BOC International represents a group of companies with subsidiaries in New York, London, Hong Kong and Singapore, and a sales network covering most major Chinese cities such as Beijing, Shanghai, Guangzhou and Chongqing. The group is held by a holding company in Hong Kong and is wholly-owned by Bank of China Limited. The group is managed by a team of seasoned financial professionals with a broad institutional and retail sales network offering a wide range of investment banking services, including securities underwriting, mergers & acquisitions, financial advisory, equity sales & trading, equity derivatives, fixed income, asset management, private equity investments and global commodities.
Business Day	Any day that is a Banking Day in Frankfurt am Main, Luxembourg, Hong Kong and a day on which (a) (i) the relevant securities markets on which the A Shares invested in by the Subfund -including the Shanghai-Hong Kong Stock Connect- are traded, are open for normal trading; or (ii) if there are more than one (1) such securities market, the securities market designated by the Investment Manager is open for normal trading, and (b) the SSE 50 is compiled and published, or such other day or days as the Investment Manager and the Sub-Investment Manager may agree from time to time and the Relevant Jurisdiction.
Calculation and Publication Day	Any day that is a Valuation Date.
CSSF	The <i>Commission de Surveillance du Secteur Financier</i> , the financial supervisory authority in Luxembourg.

Distributing Shares	As defined in section 14.1.
Distribution Policy	Distributions take place with regard to Distributing Shares only.
ESMA Guidelines	European Securities and Markets Authority ("ESMA") Guidelines ESMA/2014/937 for competent authorities and UCITS management companies dated 1 August 2014 (as amended from time to time).
Exchange Traded Fund ("ETF")	ETFs are exchange traded investment funds or investment companies whose investment objective is to track the performance of an Index. In this case, ETFs are passively managed funds which should track the respective Benchmark or the investment strategy or rather their performance as precisely as possible.
FATCA	The Foreign Account Tax Compliance Act ("FATCA"), which is part of the Hiring Incentives to Restore Employment Act 2010 and entered into force in the United States of America.
First Valuation Date	The first Valuation Date with regard to a Subfund and/or share class, as stated for that Subfund and/or share class in the relevant Appendix; if no subscriptions are accepted on that day, the next following Valuation Date shall be the First Valuation Date on which the Company's Administrator accepts the first subscription for the relevant Subfund and/or share class.
GR	The suffix "GR" in the name of the Subfund means that the Index of the Subfund is a "Gross Return" Index.
Index Components	With regard to the relevant Index, this term refers to the transferable securities selected by the Index Administrator as part of the Index. Details on the relevant Index Components may, where available and published, be taken from the website indicated in the relevant Appendix.
Index Administrator	Refers to the company named in the Appendix pertaining to the relevant Subfund that calculates and publishes the Index.

2010 Law	The Luxembourg law of 17 December 2010 regarding undertakings for collective investments, as amended.
License Holder	The Management Company and/or Company (as the case may be) to which the China Securities Index Co., Ltd. has granted by way of license and subject to the terms of an index license agreement between them, the right to use the SSE 50 in connection with the operation, marketing and promotion of the Subfund.
Market Maker	The market maker ensures that there is sufficient liquidity both on the supply as well as on the demand side. A market maker (or designated sponsor) provides a buying price (bid price) and a selling price (ask price) at which investors may purchase or sell shares.
Net Asset Value ("NAV")	The NAV of the Company, a Subfund and/or a share class, which is calculated as set out in this Prospectus.
NR	The suffix "NR" in the name of the Subfund means that the Index of the Subfund is a "Net Return" Index.
OECD	The Organization for Economic Cooperation and Development.
OECD Member State	A member state of the OECD.
Qualified Holder	<p>Any natural or legal person fulfilling the following criteria:</p> <ul style="list-style-type: none"> (i) U.S. Persons (including persons deemed U.S. Persons pursuant to the Act of 1940 and the US Commodity Exchange Act as amended (CEA); (ii) pension funds within the meaning of Title I of the US Employee Retirement Income Security Act of 1974 (as amended), or private pension accounts or schemes within the meaning of Section 4975 of the United States Internal Revenue Code of 1986 (as amended); (iii) other natural persons or legal entities that may not purchase or hold Shares without breaching applicable laws or rules, regardless of whether these apply to themselves or the Company or otherwise, or whose holding of Shares (either

individually or together with other investors in the Shares to which the same circumstances apply) might result in a tax liability or financial disadvantage of the Company that the Company would not otherwise incur, or that might result in the Company's obligation to register itself or a class of its Shares in accordance with the laws of any jurisdiction (including but not limited to the US Securities Act of 1933, the Act of 1940 or the CEA); or

(iv) a depositary, agent or trustee for a natural person or legal entity named in paragraphs (i) to (iii) above.

Qualified Participant

Each first-rate financial institution or each financial services provider that is admitted and regulated by a recognised authority in a member state of the Financial Action Task Force on Money Laundering ("**FATF**") to render financial services and that

- may act as market maker on a relevant stock exchange and
- has entered into a Participation Agreement with the Company regarding the subscription and redemption of Shares.

Qualified Participants must comply with the FATCA requirements and with the requirements for (i) Exempt Beneficial Owners, (ii) Active Non-Financial Foreign Institutions in accordance with Annex I of the Luxembourg Intergovernmental Agreement, (iii) U.S. Persons who are not classified as Specified U.S. Persons, or (iv) Financial Institutions that are not Non-participating Financial Institutions. These terms have the meaning ascribed to them in the Luxembourg IGA.

Redemption Company

Société Générale S.A. is currently the only redemption company.

Redemption Fee

The fee to be paid by the investor and/or the Qualified Participants upon the redemption of Shares in a Subfund by the Redemption Company or the Company; the amount of the maximum redemption fee is stated for each Subfund in the relevant Appendix. In the event of a sale of Shares

in the Secondary Market via the relevant stock exchange, no redemption fee applies.

Reference Day

Any Banking Day in Frankfurt am Main and Luxembourg that precedes the Calculation and Publication Day and that corresponds to or precedes the Valuation Date.

Regulated Market

A regulated market for the purposes hereof is a market within the meaning of the definition contained in article 4 paragraph 1(14) of Directive 2004/39/EC on markets in financial instruments.

Relevant Jurisdiction

The country in which the investor submitted its subscription, repurchase and redemption application.

Relevant Stock Exchanges

Stock exchanges on which the Shares in the Subfunds are admitted to trading and listed, such as the Frankfurt Stock Exchange or other exchanges.

Rules

The Rules include (i) Part 1 of the 2010 Law; (ii) the UCITS Directive; (iii) all applicable statutory provisions by virtue of which the aforesaid Rules may be amended or supplemented or which may replace them; and (iv) all ordinances and directives issued in accordance with the Rules by the Luxembourg supervisory authority.

Share Classes

Refers to the class(es) of Shares in a Subfund, which may differ from one another with regard to their fee structure, the rules on the minimum investment amount upon initial subscription and upon subsequent subscriptions, the required minimum holding, the rules on the minimum redemption amount and the dividend policy or other characteristics. The Share Classes are stated in the relevant Appendix.

Subscription Fee

The maximum subscription fee that may be charged to investors and/or Qualified Participants for the subscription or purchase of Shares in the Subfunds, as set out in detail in the relevant Appendix. In the event of a purchase of Shares in the secondary market via the relevant stock exchange, there is no subscription fee.

**Subscription/
Redemption Deadline**

In accordance with the information regarding each Subfund in the relevant Appendix, this is the time of day on a Valuation Date until which applications for subscription in tangible assets or by way of the cash / DvP subscription procedure, for redemption in tangible assets and cash redemptions and conversions must have been received by the Company's Administrator so that they can be processed on the respective Valuation Date.

Tracking Error ("TE")

Standard deviation of the difference between the performance of a Subfund and the performance of the underlying Index (the "**Benchmark**").

A low Tracking Error represents a very similar performance. The Tracking Error will increase with the average deviation of the fund's performance from the performance of the Benchmark.

TR

The suffix "TR" in the name of the Subfund means that the Index of the Subfund is a Performance Index, or "Total Return" Index.

TRN

The suffix "TRN" means that the Index of the Subfund is a "Total Return Net" Index.

UCI

An undertaking for collective investments.

UCITS

An undertaking for collective investments in transferable securities.

UCITS Directive

Directive 2009/65/EC of the European parliament and of the council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities, as amended from time to time.

UCITS ETF

A UCITS ETF is a UCITS of which at least one Share or Share Class of which is traded throughout the day on at least one regulated market or multilateral trading facility with at least one market maker which takes action to ensure that the stock exchange value of its shares does not significantly vary from its net asset value and where applicable its indicative Net Asset Value.

Valuation Date

Any Business Day on which the stock exchanges in all the financial marketplaces listed in the Appendix pertaining to the relevant Subfunds are open and on which the relevant Index Closing Price used for NAV calculation purposes is determined.

24 and 31 December will not be considered as Valuation Dates.

Valuation Time

As subscriptions and redemptions are carried out on the basis of forward pricing, this term refers to the date of, or the time on, a Business Day on or at which the daily NAV per Share in each Share class of the Subfunds is calculated; the Valuation Time must be prior to the time of publication on the relevant Business Day.

APPENDIX 1: Bank of China International (BOCI) Commerzbank – Shanghai Stock Exchange 50 A Share Index UCITS ETF

Investors are requested once more to read this Prospectus in full and to consider the risks listed in the section entitled "Risk Factors" of the main part of the Prospectus as well as "Special Risk Factors" of this Appendix 1. In cases of doubt, please consult your independent financial advisor.

The information contained in this Appendix relates to the Bank of China International (BOCI) Commerzbank – Shanghai Stock Exchange 50 A Share Index UCITS ETF and forms an integral part of the Prospectus.

Investment Objective

The investment objective of the Bank of China International (BOCI) Commerzbank – Shanghai Stock Exchange 50 A Share Index UCITS ETF (the "**Subfund**" for the purpose of this appendix) is to provide investors with a return that tracks the performance of the Shanghai Stock Exchange 50 A Share Index Index (ISIN CNM0000001P8) (the "**Index**" or "**SSE 50**" of this Subfund).

Currently, the Investment Manager and/or Sub-Investment Manager intend(s) to achieve the investment objective of the Subfund by investing in A Shares directly via the Shanghai-Hong Kong Stock Connect.

There is no assurance that the Subfund will achieve its investment objective.

The risk profile of the Subfund is generally regarded as high.

The expected NAV Tracking Error is 1.2%.

Distributions

The Subfund is a distributing fund, i.e. any dividends and other income can be distributed. It is planned to determine annual profit distributions in accordance with the rules set out in the general part of this Prospectus.

Description of the Subfund's Index

The SSE 50 is an index consisting of 50 constituent stocks which are the 50 largest stocks of good liquidity listed on the Shanghai Stock Exchange. The objective of the SSE 50 is to reflect the performance of the good quality large enterprises, which are influential in the Shanghai Stock Exchange. The SSE 50 is a free-float market capitalisation weighted index. The Shanghai Stock Exchange has appointed China Securities Index Co., Ltd., a joint venture between the Shenzhen Stock Exchange and Shanghai Stock Exchange, to manage the SSE 50. China Securities Index Co., Ltd. is independent of the Investment Manager. The SSE 50 was formally launched on 2 January 2004.

The Subfund is not in any way endorsed, sold, sponsored or promoted by the Shanghai Stock Exchange, China Securities Index Co., Ltd. or the SEHK. The Shanghai Stock Exchange, the SEHK and China Securities Index Co., Ltd. make no warranty or

representation whatsoever, expressly or impliedly, either as to the results of the use of the SSE 50. The SSE 50 is calculated by or on behalf of China Securities Index Co., Ltd. which will adopt all necessary measures to ensure the accuracy of the SSE 50. However, the Shanghai Stock Exchange, China Securities Index Co., Ltd. and the SEHK shall not be liable (whether in negligence or otherwise) to any person for any error in the SSE 50 and shall not be under any obligation to advise any person or any error therein. The SSE 50 is owned by the Shanghai Stock Exchange.

Further information on the SSE 50 and *inter alia* its selection criteria, its selection methodology and maintenance of the SSE 50 can be found on the websites of the Shanghai Stock Exchange (www.sse.com.cn/) and the China Securities Index Co., Ltd. (www.csindex.com.cn).

Index Administrator / License Agreement

The Subfund refers to an third country benchmarks in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (Benchmark Regulation).

The Index Administrator is registered in the “third country benchmarks”. maintained by the European Securities and Markets Authority (ESMA).

The China Securities Index Co., Ltd. has granted by way of license and subject to the terms of an index license agreement the right to use the SSE 50 in connection with the operation, marketing and promotion of the Subfund.

Investment Policy

Indexing investment strategies are used by an index-tracking fund to fulfil the index-tracking investment objective. Replication strategy and representative sampling strategy are the two most common strategies.

Replication Strategy

An index-tracking fund which uses a replication strategy invests in substantially all the constituent stocks of the underlying index in substantially the same weightings (i.e. proportions) as these stocks have in the underlying index. When a stock ceases to be a constituent stock of the underlying index, rebalancing occurs which involves selling the outgoing stock and using the proceeds to acquire the incoming stock.

Representative Sampling Strategy

An index-tracking fund which uses a representative sampling strategy invests in a representative sample of constituent stocks of the underlying index selected by the investment manager using quantitative analytical models in a technique known as "portfolio optimisation", under which each stock is considered for inclusion in the index-tracking fund based on its capitalisation, industry and fundamental investment characteristics. The Investment Manager and/or Sub-Investment Manager seek(s) to construct the portfolio of the index-tracking fund so that, its overall capitalisation,

industry and fundamental investment characteristics are like those of the underlying index.

Investment Strategy Used by the Subfund

The Investment Manager and/or Sub-Investment Manager intend(s) to pursue a representative sampling strategy for the Subfund through directly investing in A Shares via the Shanghai-Hong Kong Stock Connect. In addition, the Subfund may hold non-constituent stocks from time to time. Investors should note that the representative sampling strategy is associated with certain additional risks, in particular a possible increased tracking error at the time of the switch as well as possible increased tracking error in general, and investors should read the "Special Risk Factors" section carefully.

The Subfund may invest a maximum of 10% of its total assets in shares of other UCITS or UCI.

The performance of the Index may be positive or negative. As the value of the Shares in the Subfund tracks the performance of the Index, investors should note that the value of their investment may rise as well as fall and that there is no guarantee that they will receive back their invested capital.

Specific Definitions

A Share	Domestic shares listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange in the PRC.
CCASS	The Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.
CSDCC	China Securities Depository and Clearing Corporation.
CSRC	China Securities Regulatory Commission.
HKSCC	Hong Kong Securities Clearing Company Limited or its successors.
Index Administrator	In respect of the SSE 50, the Index Administrator means the China Securities Index Co., Ltd. or any other person responsible for managing and compiling the SSE 50 and who has the right to grant the license to use the SSE 50.
PRC	People's Republic of China.
QFII	A qualified foreign institutional investor approved under the "Regulations on Domestic Securities Investments by Qualified Foreign Institutional Investors" issued by the

RQFII	CSRC, the People's Bank of China and the State Administration of Foreign Exchange and effective from 1 September 2006. A Renminbi qualified foreign institutional investor approved pursuant to the relevant PRC regulations (as amended from time to time).
SEHK	The Stock Exchange of Hong Kong Limited or its successors.
SFC	Hong Kong Securities and Futures Commission.
Shanghai-Hong Kong Stock Connect	The securities trading and clearing linked program developed by the SEHK, Shanghai Stock Exchange and CSDCC, pursuant to the relevant Hong Kong and PRC regulations (as amended from time to time).
SSE 50	The SSE 50 Index
<p>Special Risk Factors</p> <p>Investments involve risks. The Subfund is subject to market fluctuations and to the risks inherent in all investments. The price of Shares of the Subfund and the income from them may go down as well as up. Investment in the Subfund is not the same as investment in the constituent stocks of the SSE 50.</p> <p>The performance of the Subfund will be affected by a number of risk factors, including those set out below. Some or all of the risk factors may adversely affect the Subfund's Net Asset Value, yield, total return and/or its ability to achieve its investment objective. There is no assurance that the Subfund will achieve its investment objective. Investors should note that the following list does not purport to be an exhaustive list of the risk factors relating to an investment in the Subfund. Investors should carefully consider the risks of investing in the Subfund in light of their financial circumstances, knowledge, experience and other circumstances, and should seek independent professional advice as appropriate.</p> <p>(a) Single country / PRC emerging market risk</p> <p>In tracking the SSE 50, the Subfund will invest in A Shares directly via the Shanghai-Hong Kong Stock Connect. However, investors should be aware that the PRC is still a developing country and the legal and regulatory framework of the PRC is still undergoing development and there is a degree of legal uncertainty both for local and overseas market participants. Investment in an emerging market, such as the PRC involves special risks and considerations. The Subfund may be subject to risks in relation to economic, political, social and regulatory development in the PRC.</p> <p>These risks include the possibility of more volatile financial markets, price volatility, smaller capital markets, less developed economic, political and social</p>	

conditions and policies, less developed clearance and settlement systems and procedures, greater risks in relation to foreign exchange and liquidity, nationalization, expropriation, government control and intervention and different accounting standards, etc. All of these may have an adverse impact on performance on the Subfund. The Subfund invests in a single country market (i.e. PRC market) and is likely to be more volatile than a more widely invested fund.

The value of the Subfund's assets may be affected by uncertainties or changes in government policies, promulgation of foreign currency and monetary policies and tax regulations. Many economic reforms of the PRC are unprecedented or experimental and are subject to modification and adjustment. Such modification and adjustment may have associated impact on the economy or financial markets of the PRC and may not always have a positive effect on investment in the A Shares of PRC companies. Furthermore, the PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may have an adverse impact on the performance or value of the Subfund.

(b) Market risk

Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectations, etc. which may have significant impact on the value of the investments. Usually, emerging markets tend to be more volatile than developed markets and may experience substantial price volatility. Any options, warrants and derivatives in the Subfund may also expose the Subfund significantly to the fluctuations in the market. Market movements may therefore result in substantial fluctuations in the Net Asset Value per Share of the Subfund.

(c) Accounting standards, disclosure and regulatory standards

The accounting, auditing and financial reporting standards and regulatory standards relating to corporate governance and protection of minority shareholder rights in the PRC may be different from international requirements, and investors should take this in account when making investment decisions.

(d) Risks associated with the RMB

The reference currency of the Subfund is the RMB. From 2005, the exchange rate of the RMB ceased to be pegged to the US dollar. The RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Bank of China. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies are susceptible to movements based on external factors. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies of the PRC government. The PRC government's imposition of restrictions on the repatriation of RMB out of the PRC may limit the depth of the Offshore Market and reduce the liquidity of the Subfund.

The possibility that the appreciation of RMB will be accelerated cannot be excluded. On the other hand, there can be no assurance that the RMB will not be subject to devaluation, which could adversely affect the value of investors' investments in the Subfund. Investors whose base currency is not the RMB may be adversely affected by changes in the exchange rates of the RMB.

The PRC government's policies on exchange control and repatriation restrictions are subject to change, and the Subfund's or the investors' position may be adversely affected.

(i) Risks associated with the Offshore Market

RMB which is traded within the Onshore Market (i.e. the CNY) may trade at a different rate compared to RMB which is traded within the Offshore Market (i.e. the CNH). The Subfund's investments may be exposed to both the CNY and the CNH, and the Subfund may consequently be exposed to greater exchange risks and/or higher costs of investment (for example, when converting other currencies to the RMB at the rate of exchange prevailing in relation to the CNH).

(ii) The Onshore Market and the Offshore Market

RMB as a currency is traded both onshore in the PRC (the "Onshore Market") and (relative to the PRC) offshore, primarily in Hong Kong (the "Offshore Market"). As a result of the controls on cross border transfers of RMB between Hong Kong and the PRC, the Onshore Market and the Offshore Market are, to an extent, segregated, and each such market may have different demand and supply conditions that are applicable to the RMB.

RMB that is traded within the Onshore Market (referred to by its currency code "CNY") may therefore trade at a different foreign exchange rate compared to RMB which is traded within the Offshore Market (as distinguished from CNY by its currency code "CNH"). The Subfund's investments may be exposed to the prevailing values (and the difference in prevailing values) between the CNY and the CNH. Consequently, the Subfund may be exposed to greater foreign exchange risks and/or higher costs of investment (for example, when converting other currencies to the RMB at the rate of exchange for the CNH).

The Subfund may at any time use any additional and/or alternative methods, channels, formats or instruments deemed appropriate by the Investment Manager and/or Sub-Investment Manager to access the Onshore and Offshore Markets (directly or indirectly) so as to take advantage of any opportunities that arise and/or to comply with any changes to the applicable laws and regulations.

(e) Concentration risk

- (i) Sector concentration risk: To the extent that the SSE 50 concentrates in A Shares of a particular industry or group of industries, the Investment

Manager and/or Sub-Investment Manager may similarly concentrate the Subfund's investments in a particular industry or group of industries. The performance of the Subfund could then depend heavily on the performance of that industry or group of industries. In addition, the Investment Manager and/or Sub-Investment Manager may invest a significant percentage or all of the assets of the Subfund in a single issuer, and the performance of the Subfund could be closely tied to that issuer and could be more volatile than the performance of other more diversified funds.

- (ii) Market concentration risk: The Subfund invests primarily in securities related to the China market and may be subject to additional concentration risk.

(f) Passive management risk

The Subfund is not actively managed. The Investment Manager and/or Sub-Investment Manager may not take an active role in defending the position of the Subfund in declining markets. Hence, any fall in the SSE 50 will result in a corresponding fall in the value of the Subfund.

(g) Tracking error risk

The Subfund's returns may deviate from the SSE 50 due to a number of factors. For example, the fees and expenses of the Subfund, the concentration limits described in the investment restrictions, other legal or regulatory restrictions, the need for the Investment Manager and/or Sub-Investment Manager to adopt a representative sampling strategy rounding of share prices, changes to the SSE 50 and regulatory policies may affect the Investment Manager's and/or Sub-Investment Manager's ability to achieve close correlation with the SSE 50 and, in certain instances, certain securities being illiquid, it may not be possible or practicable to purchase certain of them at all. Further, the Subfund may receive income (such as interests and dividends) from its assets while the SSE 50 does not have such sources of income.

(h) Management risk

Since the Subfund will not fully replicate the SSE 50, there is a risk that as the implementation of the Investment Manager's and/or Sub-Investment Manager's investment strategy is subject to a number of constraints, the investment strategy may not produce the intended results.

(i) Risks relating to the SSE 50

The Subfund may be subject to the following risks in relation to the SSE 50 :

- (i) If the SSE 50 is discontinued or the License Holder's license in relation to the SSE 50 under the relevant license agreement is terminated, the Investment Manager may seek to replace the SSE 50 with an index that is tradable and has similar objectives to the SSE 50 and notice will be given to Shareholders as soon as possible. For the avoidance of doubt, index-tracking will remain the Subfund's investment objective. The License

Holder's license in relation to the SSE 50 Index may be terminated if the Index Administrator ceases to calculate and publish the SSE 50 and the Index Administrator should give written notice to the License Holder (i) not less than ninety (90) days before such cessation or the notice period stipulated by the rules of dealing in funds of the relevant stock exchange (if any), whichever is longer, or (ii) such shorter notice period as agreed between the License Holder and the Index Administrator. Unless otherwise agreed between the License Holder and the Index Administrator, the Index Administrator may terminate the License Holder's license by written notice under the following circumstances:

- the listing of the Subfund is terminated;
- if the CSRC or the Shanghai Stock Exchange requests the License Holder to cease developing and managing the fund product which tracks the SSE 50 or requests the termination of the license;
- if a securities exchange ceases to provide data to the License Holder necessary for providing the Index;
- if there is any significant litigation or administrative supervisory investigation in respect of the fund product which tracks the SSE 50;
- if the License Holder commits a serious breach of the applicable national laws or violates the rules of the stock exchanges; or
- other circumstances specified by laws or specified in the license agreement between the License Holder and the Index Administrator.

Either the License Holder or the Index Administrator may terminate the license agreement by written notice under the following circumstances:

- if the License Holder ceases to develop and manage fund products which track the SSE 50 and the License Holder should give written notice to the Index Administrator of not less than ninety (90) days before such cessation or such shorter notice period as agreed between the License Holder and the Index Administrator;
- if the License Holder or the Index Administrator breaches the license agreement for the SSE 50 and fails to rectify the breach within thirty (30) days after the License Holder or Index Administrator –as the case may be- has notified the other Party in writing of the breach;
- if the license agreement cannot be performed due to force majeure events;
- if the Index Administrator loses the relevant rights in the SSE 50; or
- if the License Holder or the Index Administrator ceases business operations, is revoked or liquidated, or declares bankruptcy.

- if either the License Holder or the Index Administrator does any act which would in the reasonable opinion of the other party cause material damage or harm to its reputation or good will.
- (ii) There may be changes in the constituent securities of the SSE 50 from time to time. For example, the shares of a constituent company may be delisted or a new eligible company may be added to the SSE 50. In such circumstances, in order to achieve the investment objective of the Subfund, the Investment Manager may rebalance the weighting of the constituent stocks in the SSE 50. The price of the Shares may rise or fall as a result of these changes.
- (iii) The process and the basis of computing and compiling the SSE 50 and any of its related formulae, constituent companies and factors may also be changed or altered by the Index Administrator at any time without notice. There is also no warranty, representation or guarantee given to the investors as to the accuracy or completeness of the SSE 50, its computation or any information related thereto.
- (j) Risks associated with the Shanghai-Hong Kong Stock Connect – The Subfund may invest through the Shanghai-Hong Kong Stock Connect. In addition to the risks associated with the China market and risks relating to RMB, it is also subject to the following additional risks:
 - (i) **Ownership**

Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local CCASS, HKSCC and CSDCC. A Shares acquired by Hong Kong and overseas investors (including the Subfund) through the Shanghai-Hong Kong Stock Connect will be held by the depositaries/sub-depositaries/exchange participant of the Subfund in accounts in CCASS maintained by HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the A Shares, as the "nominee holder" through an omnibus securities account in its name registered with CSDCC. Applicable PRC rules, regulations and other administration measures and provisions (the "Stock Connect Rules") generally provide for the concept of a "nominee holder" and recognise the concept of a "beneficial owner" of securities. In this respect, a nominee holder (being HKSCC in relation to the relevant A Shares) is the person who holds securities on behalf of others (being Hong Kong and overseas investors (including the Subfund) in relation to the relevant A Shares). HKSCC holds the relevant A Shares on behalf of Hong Kong and overseas investors (including the Subfund) who are the beneficial owners of the relevant A Shares. The relevant Stock Connect Rules provide that investors enjoy the rights and benefits of the A Shares acquired through the Shanghai-Hong Kong Stock Connect in accordance with applicable laws. Based on the provisions of the Stock Connect Rules, it is the Hong Kong and overseas investors (including the Subfund) who should be recognised under the laws and regulations of the PRC as having beneficial ownership in the relevant A Shares. Separately, under applicable CCASS

rules all proprietary interests in respect of the relevant A Shares held by HKSCC as nominee holder belong to the relevant CCASS participants or their clients (as the case may be). However HKSCC, as nominee holder, does not guarantee the title to the A Shares held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. The precise nature and rights of an investor as the beneficial owner of the relevant A Shares through HKSCC as nominee is less well defined under PRC law and the exact nature and methods of enforcement of rights and interests of beneficial owners under PRC law is not free from doubt. For example, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not entirely clear if the SSE shares will be regarded as held for the beneficial ownership of the Subfund or as part of the general assets of HKSCC available for general distribution to its creditors.

(ii) Quota limitations

Shanghai-Hong Kong Stock Connect is subject to a Daily Quota, which does not belong to the Sub-Fund and can only be utilized on a first-come-first serve basis. The Daily Quota is monitored by SEHK and SSE. The Daily Quota limits the maximum net buy value of cross-boundary trades under Shanghai-Hong Kong Stock Connect each day. The Daily Quota will be reset every day. Unused Daily Quota will not be carried over to next day's Daily Quota.

The Northbound Daily Quota balance is disseminated on the Hong Kong Exchanges and Clearing Limited ("**HKE**x") website.

If the Northbound Daily Quota Balance drops to zero or Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected.

Once the Northbound Daily Quota Balance drops to zero or the Daily Quota is exceeded during a continuous auction session, no further buy orders will be accepted for the remainder of the day.

It should be noted that quota limitations may restrict the Sub-Fund's ability to invest in SSE Securities through Shanghai-Hong Kong Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.

Investors in the Subfund should note that this could also lead to suspension of NAV calculation and suspension of share issuance and redemption as outlined in section 14.2 of the general part of this Prospectus.

(iii) Suspension risk

It is contemplated that both SEHK and Shanghai Stock Exchange would reserve the right to suspend Northbound and/or Southbound trading (information relating to Northbound and Southbound trading is described in the section "Shanghai-Hong Kong Stock Connect" in Annex I), if

necessary, for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Shanghai-Hong Kong Stock Connect is effected, the Subfund's ability to access the PRC market will be adversely affected. Investors in the Subfund should note that this could also lead to suspension of NAV calculation and suspension of share issuance and redemption as outlined in section 14.2 of the general part of this Prospectus.

Securities exchanges in China have the right to suspend or limit trading in any security traded on the relevant exchange, especially when a security increases or decreases by a certain percentage. Listed companies may initiate a suspension or halting of trading due to corporate actions or other reasons. In either cases, a suspension or halting of a significant portion of the investments of the Subfund might render it impossible for the Investment Manager to liquidate positions and can thereby expose the relevant Subfund to losses. Under such circumstances, while subscription / redemption of the Subfund's Shares may be suspended, subject to the Investment Manager's discretion, the trading of the Subfund on a relevant stock exchange may or may not be suspended. If some of the securities in which the Subfund invests are suspended, it may be difficult for the Investment Manager to determine the NAV of the Subfund. Where a significant number of the securities in which the Subfund invests are suspended, the Investment Manager may determine to suspend the subscription and redemption of Shares of the Subfund, and/or delay the payment of any monies in respect of any redemption application. If the trading of the Subfund on a Relevant Stock Exchange continues when the securities market is suspended, the trading price of the Subfund may deviate away from the NAV.

(iv) Differences in trading day

The Shanghai-Hong Kong Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as the Subfund) cannot carry out any A Shares trading. The Subfund may be subject to a risk of price fluctuations in A Shares during the time when Shanghai-Hong Kong Stock Connect is not trading as a result.

(v) Operation risk:

- The Shanghai-Hong Kong Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly.
- The Shanghai-Hong Kong Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in the Shanghai-Hong Kong Stock Connect subject to meeting certain

information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Besides, securities regimes and legal systems of the two markets differ significantly and in order for the program to operate smoothly, market participants may need to address issues arising from the differences on an on-going basis.

- The "connectivity" in the Shanghai-Hong Kong Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system) to be set up by SEHK to which exchange participants need to connect. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the Shanghai-Hong Kong Stock Connect could be disrupted. The Subfund's ability to access the A Share market (and hence to pursue its investment strategy) will be adversely affected.

(vi) Restrictions on selling imposed by front-end monitoring:

- PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise Shanghai Stock Exchange will reject the sell order concerned. SEHK will carry out pre-trade checking on A Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.
- If the Subfund desires to sell certain A Shares it holds, to the extent those A Shares are not kept in the Special Segregated Accounts (the "SPSA") maintained with CCASS through its depository, it must transfer those A Shares to the respective accounts of its brokers before the market opens on the day of selling or deposit such certain A Shares in a special segregated account of its broker. If it fails to meet this deadline, it will not be able to sell those shares on such day. Because of this requirement, the Subfund may not be able to dispose of holdings of A Shares in a timely manner.

(vii) Recalling of eligible stocks: If a stock is recalled from the scope of eligible stocks for trading via the Shanghai-Hong Kong Stock Connect, the stock can only be sold and cannot be bought. This may affect the Subfund's tracking of the SSE 50 if, for example, a constituent of the SSE 50 is recalled from the scope of eligible stocks. Investors should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by both the SSE and SEHK.

(viii) Short swing profit rule and disclosure of interests: Under PRC securities law, a shareholder holding 5% or more, aggregating its positions with other group companies, of the total issued shares of a PRC incorporated company listed on a stock exchange in the PRC has to return any profits

obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the event that the Subfund becomes such shareholder of a PRC listed company by investing in A Shares via Shanghai-Hong Kong Stock Connect, the profits that the Subfund may derive from such investments may be limited, and thus the performance of the Subfund may be adversely affected.

Under the PRC disclosure of interest requirements, in the event the Subfund becomes a shareholder holding 5% or more, aggregating its positions with other group companies, of the total issued shares of a PRC incorporated company listed on a stock exchange in the PRC, the Subfund may be subject to the risk that its holdings may have to be reported in aggregate with the holdings of such other persons mentioned above. This may expose the Subfund's holdings to the public, with an adverse impact on its performance.

- (ix) Foreign ownership limits: Since there are limits on the total shares held by all underlying foreign investors and/or a single foreign investor in a PRC listed company based on thresholds as set out under PRC regulations (as amended from time to time), the capacity of the Subfund (being a foreign investor) to make investments in A Shares will be affected by the relevant threshold limits and the activities of all underlying foreign investors. It will be difficult in practice to monitor the investments of the underlying foreign investors, since an investor may make investment through different permitted channels under PRC laws.
- (x) Clearing and settlement risk:
 - The HKSCC and CSDCC will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.
 - Should the remote event of CSDCC default occur and CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against CSDCC. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from CSDCC through available legal channels or through CSDCC's liquidation. HKSCC will in turn distribute the A Shares and/or monies recovered to clearing participants on a pro-rata basis as prescribed by relevant authorities. In that event, the Subfund may suffer delay in the recovery process or may not be able to fully recover its losses from CSDCC.

(xi) Counterparty risk relating to brokers

Investment through Shanghai-Hong Kong Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations and may have only a general unsecured claim against the broker for those assets. The Shanghai-Hong Kong Stock Connect follows the A Share settlement cycle where the A Shares are settled on the same trade day and cash on a T+1 basis. Although the Subfund has settlement arrangements in place (delivery versus payment) with BNP Paribas Securities Services, Hong Kong branch as sub-depositary and clearing agent and with BNP Paribas Securities (Asia) Ltd. as broker with the aim to exclude the settlement risk in connection with Shanghai-Hong Kong Stock Connect and which differ from the A Share settlement cycle, the deliveries of SSE Securities and payments may not be simultaneous. There is also no guarantee that brokers will observe client order priority as applicable under relevant laws and regulations. In addition, brokers may also aggregate investment orders with its and its affiliates' own orders and those of its other clients, including the Subfund. In some cases, aggregation may operate to the Subfund's disadvantage and in other cases aggregation may operate to the Subfund's advantage.

(xii) Best execution risk

A Shares trading through the Shanghai-Hong Kong Stock Connect may be executed through one or multiple brokers that may be appointed in relation to the Subfund. In order to satisfy the pre-trade checking requirements as discussed under "Restrictions on selling imposed by front-end monitoring" above, the Subfund may determine that it can only execute relevant A Shares trades through certain specific broker(s) and accordingly best execution of such trades will be subject to this position.

(xiii) Participation in corporate actions and shareholders' meetings:

- HKSCC will keep CCASS participants informed of corporate actions of SSE Securities. Hong Kong and overseas investors (including the Subfund) will need to comply with the arrangement and deadline specified by their respective brokers or depositaries (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities may be as short as one Business Day only. Therefore, the Subfund may not be able to participate in some corporate actions in a timely manner. While any corporate action in respect of A Shares will be announced by the relevant PRC listed company through the SSE website and certain officially appointed newspapers, such PRC listed companies may publish corporate documents in Chinese only, and English translations may not be available.
- Hong Kong and overseas investors (including the Subfund) are holding SSE Securities traded via the Shanghai-Hong Kong Stock Connect through their brokers or depositaries. According to existing mainland practice, multiple proxies are not available.

Therefore, the Subfund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities.

(xiv) No Protection by Investor Compensation Fund:

- As disclosed in Annex I "Shanghai-Hong Kong Stock Connect", the Subfund's investments through Northbound trading under the Shanghai-Hong Kong Stock Connect is currently not covered by the Hong Kong's Investor Compensation Fund. Therefore the Subfund is exposed to the risks of default of the broker(s) it engages in its trading in A Shares through the Shanghai-Hong Kong Stock Connect.

(xv) Regulatory risk:

- The Shanghai-Hong Kong Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Shanghai-Hong Kong Stock Connect.
- It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Shanghai-Hong Kong Stock Connect will not be abolished. The Subfund, which may invest in the PRC markets through the Shanghai-Hong Kong Stock Connect, may be adversely affected as a result of such changes.

(k) Risk related to equity securities like A Shares:

- (i) The Subfund invests directly in A Shares via the Shanghai-Hong Kong Stock Connect. The risks associated with investments in equity securities are high, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value.
- (ii) The stock exchanges in the PRC on which A Shares are traded are relatively at a developing stage and the choice of investments in the A Shares is limited as compared with other developed securities markets. The prices of the A Shares held by the Subfund and the Net Asset Value of the Subfund may be adversely affected if markets for the A Shares are illiquid. Further, market volatility in the A Share markets may result in

significant fluctuations in the prices of the A Shares held by the Subfund and hence in the value of the Subfund.

- (l) Risk related to divergence between the market price of the Shares and the Net Asset Value of the Subfund:

Investors should note that unlike a typical retail investment fund (the market price of the shares of which is determined by the net asset value of the investment fund), the market price of the Shares traded on the relevant stock exchange is determined not only by the Net Asset Value of the Subfund but also by other factors such as the supply of and demand for the Shares in the relevant stock exchange. Therefore, there is a risk that the market price of the Shares traded on the relevant stock exchange may diverge significantly from the Net Asset Value of the Subfund.

- (m) PRC tax risk

According to the relevant PRC Enterprise Income Tax Law, a non-resident enterprise shall be liable for withholding tax on its income sourced from the PRC. Starting from 1 January 2008, a tax of 10% on dividends and interest income sourced from the PRC should be withheld at source. However, no withholding tax has so far been levied on capital gains realized from dealing in A Shares. On 14 November 2014, the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC issued "Caishui 2014 No. 81 – The Circular on Issues Relating to the Tax Policy of the Pilot Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets", effective from 17 November 2014, pursuant to which Hong Kong market investors, both enterprises and individuals, investing in A Shares via Shanghai-Hong Kong Stock Connect are exempt from income tax on capital gains derived from the sales of A Shares traded in the Shanghai Stock Exchange.

However, there is no guarantee on how long the exemption will last and there can be no certainty that the trading of A Shares will not attract a liability to such tax in the future. The PRC tax authorities may in the future issue further guidance in this regard and with potential retrospective effect.

In light of the uncertainty as to how gains or income that may be derived from the Subfund's investments in the PRC will be taxed, the Subfund reserves the right to provide for withholding tax on such gains or income and withhold tax for the account of the Subfund. Withholding tax may already be withheld at broker/depositary level. Any tax provision, if made, will be reflected in the Net Asset Value of the Subfund at the time of debit or release of such provision and thus will impact the Shares at the time of debit or release of such provision.

Profile of a Typical Investor

An investment in the Subfund is ideal for those investors who are able and prepared to invest in a high-risk Subfund, as described in greater detail under "Risk Profile Typology" in the main part of the Prospectus.

Disclaimer by the Index Administrator

<p>The Index is calculated by China Securities Index Company (the "CSI"). CSI does not make any warranties, express or implied, to any of their customers or anyone else regarding the accuracy or completeness of any data related to the Index. All information is provided for information purposes only. CSI accepts no liability for any errors or any loss arising from the use of information.</p>	
Base Currency	Offshore RMB
Minimum Subscription Size for Qualified Participants	70,000 shares (and its multiples)
Website of the Index Administrator	www.csindex.com.cn
Investment Manager	Lyxor International Asset Management S.A.S. Deutschland, Neue Mainzer Strasse 46-50, 60311 Frankfurt am Main, Germany
Sub-Investment Manager	BOCI-Prudential Asset Management Limited, 27/F, Bank of China Tower, 1 Garden Road, Hong Kong
Calculation and Publication Day	Any day that is a Valuation Date.
Subscription/Redemption Deadline	<p>Any subscription, repurchase and redemption applications that are received by 11:00 a.m. on a day that is also a Banking Day in the Relevant Jurisdiction as well as a Valuation Date will be considered on the next following Valuation Date.</p> <p>Any applications received by the relevant office after the aforesaid deadline will be processed on the basis of the NAV per Share on the second following Valuation Date.</p>
Financial Centre	Frankfurt am Main, Luxembourg, Hong Kong, Shanghai
Subscription Fee and Redemption Fee applicable to Qualified Participants for the benefit of the Subfund	Up to 2%
Redemption Fee applicable to non-Qualified Participants for the benefit of the Subfund	Up to 2%, or EUR 20,000 per application whichever is higher.

<p>In the event of a purchase of Shares in the Issuing Procedure, or in the event of a sale of Shares in the Redemption Procedure, a subscription and/or redemption fee may be charged. Investors should note that no subscription and/or redemption fees will be charged to investors purchasing Shares on the secondary market (i.e. on the stock exchange).</p>	
Share Classes	<p>A (RMB) D</p> <p>The A (RMB) D share class is denominated in RMB. The Company intends to perform distributions in relation to this share class.</p> <p>A (EUR) D</p> <p>The A (EUR) D share class is denominated in EUR. The Company intends to perform distributions in relation to this share class.</p>
ISIN Code / WKN	<p>A (RMB) D</p> <p>LU1306625283 / CDF1BC</p> <p>A (EUR) D</p> <p>LU1377632572 / CDF2BC</p>
<p>Additional trading currencies will be published on the website www.lyxorfunds.com.</p>	
All-In Fee	0,80%
Other fees which are excluded in All-in Fee	<p>Certain fees will not be included in the above mentioned All-in-Fee. These are described in further detail in Section 16.2.2 of the general part of this Prospectus.</p> <p>The All-in-Fee does not include:</p> <ul style="list-style-type: none"> - any value added tax or similar sales or service duties payable by the Company - any ongoing index license fees - translation fees - Transaction Costs - all costs and commissions incurred outside of the regular business activity of the Subfund - establishment costs

ANNEX I: SHANGHAI-HONG KONG STOCK CONNECT

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("**HKE**x"), Shanghai Stock Exchange and CSDCC, with an aim to achieve mutual stock market access between mainland China and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Subfund), through their Hong Kong brokers and a securities trading service company to be established by the SEHK, may be able to trade eligible shares listed on Shanghai Stock Exchange by routing orders to Shanghai Stock Exchange.

Eligible securities

Hong Kong and overseas investors are able to trade certain stocks listed on the SSE market (i.e. "**SSE Securities**"). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on SEHK, except the following:

- (a) SSE-listed shares which are not traded in RMB; and
- (b) SSE-listed shares which are included in the "risk alert board".

It is expected that the list of eligible securities will be subject to review.

Trading day and trading hours

Until special banking arrangements are established, investors (including the Subfund) will only be allowed to trade on the other market on days where Hong Kong and Mainland markets are both open for trading, and banking services are available in both Hong Kong and Mainland markets on the corresponding settlement days. This arrangement is essential in ensuring that investors and brokers will have the necessary banking support on the relevant settlement days when they will be required to make payments.

The following table illustrates the holiday arrangement of Northbound trading of SSE Securities:

	Mainland	Hong Kong	Open for Northbound Trading?	
Day-1	Business Day	Business Day	Yes	
Day-2	Business Day	Business Day	No	HK market closes on money settlement day
Day-3	Business Day	Public Holiday	No	HK market closes on trading day
Day-4	Public Holiday	Business Day	No	Mainland market closes

If a Northbound trading day is a half trading day in Hong Kong market, Northbound Trading will continue until the market for Shanghai-Hong Kong Stock Connect Northbound Trading is

closed. The Northbound trading calendar for Shanghai-Hong Kong Stock Connect is available on HKEx website.

Northbound trading follows Shanghai Stock Exchange's trading hours. However, SEHK will accept Northbound orders from SEHK Participants five minutes before the Mainland market sessions open in the morning and in the afternoon.

Information relating to trading day and trading hours for trading SSE Securities through Shanghai-Hong Kong Stock Connect can be found on the HKEx website.

Trading quota

Trading under Shanghai-Hong Kong Stock Connect is currently subject to a Daily Quota which is monitored by SEHK and Shanghai Stock Exchange respectively. The Daily Quota limits the maximum net buy value of cross-boundary trades under Shanghai-Hong Kong Stock Connect each day. The quotas do not belong to the Subfund and are utilised on a first-come-first-serve basis. The Northbound Daily Quota is set at RMB52 billion for Shanghai-Hong Kong Stock Connect.

SEHK will monitor the quota and publish the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx's website at www.hkex.com.hk. The Daily Quota may change in future. The Investment Manager and/or Sub-Investment Manager will not notify investors in case of a change of quota.

Settlement and Custody

The HKSCC, a wholly-owned subsidiary of HKEx, will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The A Shares traded through Shanghai-Hong Kong Stock Connect are issued in scripless form, so investors will not hold any physical A Shares. Hong Kong and overseas investors who have acquired SSE Securities through Northbound trading should maintain the SSE Securities with their brokers' or depository's stock accounts with CCASS.

Corporate actions and shareholders' meetings

Same as for SEHK-listed securities, corporate action information of SSE Securities will be available through CCASS, via the existing nominee related enquiry functions and reports.

Hong Kong and overseas investors may cast their votes by providing instructions to HKSCC through their China Connect Clearing Participants (CCCPs).

Companies listed on the Shanghai Stock Exchange usually announce information regarding annual general meetings and extraordinary general meetings two to three weeks before the meeting date. HKSCC will inform CCASS Participants of the details of general meetings such as the meeting date, time and the number of proposed resolutions. CCASS Participants who have the relevant holdings in their stock accounts (for themselves or as agents for the underlying investors) as at the record date may provide HKSCC with instructions on how to cast their votes via CCASS's existing voting functions.

Foreign shareholding restrictions

Under current PRC rules, a single foreign investor's shareholding in a listed company is not allowed to exceed 10% of the company's total issued shares, while all foreign investors' shareholding in the A Shares of a listed company is not allowed to exceed 30% of its total issued shares.

SSE Securities purchased through Shanghai-Hong Kong Stock Connect will be considered in totality with those purchased by QFII and RQFII, and subject to the same foreign shareholding restriction. Should the shareholding of a single investor in an A Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. If the 30% threshold is exceeded due to Shanghai-Hong Kong Stock Connect, HKEx will identify the relevant SEHK Participant and require it to follow the forced-sale requirements.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities in RMB only. Hence, the Subfund will need to use RMB to trade and settle SSE Securities.

Trading fees and taxes

In addition to paying trading fees and stamp duties in connection with A Share trading, the Subfund may be subject to new fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

Investor compensation

The Subfund's investments through Northbound trading under Shanghai-Hong Kong Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in Northbound trading via Shanghai-Hong Kong Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund.

On the other hand, since the Subfund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection Fund in the PRC.

Further information about the Shanghai-Stock Connect is available online at the website www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en.

34 Additional Information for investors in the Federal Republic of Germany

The distribution of the Shares in the Federal Republic of Germany has been notified to the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).

As Information Agent in the Federal Republic of Germany is appointed:

Société Générale Niederlassung Frankfurt

Address: Neue Mainzer Strasse 46-50
D-60311 Frankfurt am Main

(the „**Information Agent**“)

Investors may redeem their Shares for cash through their financial intermediary to the Management Company.

In addition, Qualified Participants may submit applications for the repurchase or conversion of their Shares through the Redemption Company mentioned in this Prospectus.

The Prospectus, the key investor information document, the Articles of Incorporation, the current annual and semi-annual reports, as well as the issue and redemptions prices are available free of charge and on request in paper form from the Information Agent. The aforementioned documents as well as the issue and redemption prices will also be published on the Company's website at www.lyxorfunds.com and can be obtained free of charge. Furthermore, investors may also consult the following documents free of charge on business days at the registered office of the Information Agent:

- (i) the Articles of Association of the Company,
- (ii) the Articles of Association of the Management Company,
- (iii) the contract with the Custodian,
- (iv) the contract with the Administrator and
- (v) the contract(s) entered into by and between the Company, the Management Company and the Investment Manager(s).

Other information and documents to be published in Luxembourg are published on the Company's website at www.lyxor.com/de/fondsloesungen-von-lyxor. Pursuant to Section 298 (2) of the Investment Management Act (KAGB), the Share holders are also informed in the following cases by means of a notice to Share holders:

- suspension of the redemption of the Shares of a Subfund,
- termination of the management of a Subfund or its settlement,
- changes in the investment conditions which are not compatible with the previous investment principles of the Subfunds, which affect material investor rights or which relate to remunerations and reimbursements which can be deducted from the Subfund,
- the merger of a Subfund in the form of merger information to be prepared in accordance with Article 43 of Directive 2009/65/EC, and
- conversion of a Subfund into a feeder fund or modification of a master fund in the form of information to be prepared in accordance with Article 64 of Directive 2009/65/EC.

35 Additional information for investors in Austria

General information

The Company intends to sell publicly in Austria Shares in the Company's Subfunds described in the Prospectus and has notified the Austrian Financial Market Authority in accordance with Section 140 of the Austrian Investment Fund Act (Investmentfondsgesetz, "**InvFG 2011**").

Austrian paying agent

Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, 1100 Vienna, Telephone 0043 (0) 50100 12139, Fax 0043 (0) 50100 9 12139, is appointed by the Company as its paying and information agent in Austria (the "**Austrian paying agent**") pursuant to Section 141 InvFG 2011.

The aforementioned financial institution has confirmed that it meets the requirements of Section 41 (1) InvFG 2011.

Requests for subscription, redemption or conversion of Shares can be submitted to the Austrian paying agent and payments to Share holders and redemption of Shares can be processed via the Austrian paying agent.

The Prospectus, the key investor information, the Articles of Incorporation, the latest annual report and, if subsequently published, half-year report can be obtained free of charge from the Austrian paying agent at the above address during normal business hours or can be consulted there.

The issue and redemption prices of Shares in the Subfunds of the Company and the aforementioned documents are published on the Company's website: www.lyxorfunds.com.

Announcements to investors are also published on the website www.lyxorfunds.com and, if necessary, in other publication media.

Tax representative

The domestic tax representative pursuant to Section 186 (2) 2 InvFG 2011 in conjunction with Section 188 InvFG 2011 is Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, A-1100, Vienna, Telephone 0043 (0) 50100 12139, Fax 0043 (0) 50100 9 12139.

Further information

Subscriptions are only accepted on the basis of the valid Prospectus in conjunction with (i) the latest published audited annual report of the Company or (ii) the last published half-year report, if this was published after the annual report.

This Prospectus does not constitute an offer or promotion in legal systems where such an offer or promotion is unlawful, persons are not authorised to submit such an offer or promotion or it contravenes the law for persons to receive such an offer or promotion.

The information in this Prospectus follows the current law and practice of the Grand Duchy of Luxembourg and may therefore be subject to change.

Potential buyers of Shares are required to seek information themselves about the relevant currency provisions for them and applicable legal and tax provisions.

Note pursuant to Section 3 of the Austrian Consumer Protection Act (Konsumentenschutzgesetz, KSchG)

If a consumer did not submit a contractual declaration for Shares in this investment fund either at the premises permanently used by the entrepreneur for the purposes of their business, or at a stand used by the entrepreneur for such purposes at a fair or market, the consumer may rescind their order or contract.

Notice of rescission may be given before the contract is concluded or within one week thereafter. This period begins upon delivery of this Prospectus.

In order to be legally effective, the rescission must be made in writing. It shall be sufficient for the consumer to return to the entrepreneur or their agent who took part in the contract negotiations a document containing their contractual declaration or that of the entrepreneur, with an comment to the effect that the consumer refuses to conclude or maintain the contract. Timely dispatch of the withdrawal is sufficient to meet the deadline.

Pursuant to Section 63 of the Austrian Securities Supervision Act (Wertpapieraufsichtsgesetz, WAG 2007), the right of rescission under Section 3 KSchG also applies to the purchase of shares in investment funds if the consumer themselves initiated the commercial relationship with the entrepreneur or their agent for the purposes of concluding the contract.