

January 2018



Responses to investor questions on the shares combination of

Lyxor MSCI ACWI Gold UCITS ETF

Table of contents

Key information on the shares combination	3
USD share will be combined with EUR share on February 2 nd	3
This shares combination will enhance secondary market liquidity across European listing venues.	3
Part of your investments will be liquidated during the merger.	3
Absorbed share class trading will be suspended for one week.	3
Merger will not require shareholder action.	4
Merger does not create currency risk for investors.	4
The merger process	5
How will the merger take place?	5
What is the timetable for the merger?	6
Why merge this fund?	6
Will the cost of the merger affect the net asset value of the fund?	6
Will I bear currency risk due to the merger?	6
Will I have to pay anything because of the merger?	7
How will the merger affect the trading of the fund?	7
Will I be able to sell and purchase shares in the absorbed share before the merger?	7
How many shares in the new fund will I receive?	7
How will the merger affect my taxes?	7
Do I have to do anything?	8
What if I don't want to participate in this merger?	8

Responses to questions on shares combination of Lyxor ETF

KEY INFORMATION ON THE SHARES COMBINATION

USD share will be combined with EUR share on February 2nd

Lyxor International Asset Management (“Lyxor”) intends to combine the USD share class with its respective EUR share class of Lyxor MSCI ACWI Gold UCITS ETF. The operation is referred to as a merger:

The USD share class will be absorbed by the same fund’s EUR share class on 2 February. USD labelled share classes will cease to exist after the merger. The two classes will be merged at an exchange ratio of 9 C-USD units for 7 C-EUR units. Accordingly, each lot of 9 units of the absorbed class you hold will be automatically exchanged for 7 units of the absorbing class.

This shares combination will enhance secondary market liquidity across European listing venues.

After the operation, the EUR share will be traded across all listing venues in Europe. Secondary market volumes on EUR share classes will increase; secondary market conditions shall improve for all EUR shareholders and former USD shareholders.

Part of your investments will be liquidated during the merger.

The two classes will be merged at an exchange ratio of 9 C-USD units for 7 C-EUR units. If there is a difference between the net asset values calculated in USD, you will receive a cash payment for the balance that will be equal to the difference between the net asset value of the absorbed class in USD multiplied by the number of units absorbed and the net asset value of the Absorbing Class converted into USD multiplied by the number of absorbing units.

If you hold less than 9 units in the absorbed class, you will not be entitled to participate in the merger and all of your units will be liquidated. Furthermore, any absorbed class units that are insufficient to form an exchange lot of 193 units (an ‘odd lot’) will be liquidated and will be redeemed at the net asset value of 2 February 2018.

For example, if the merger transaction had been completed at the net asset values of 30 November 2017 and you held 30 Absorbed Class units:

• Number of units held:		30
• Absorbed Class net asset value:		50.5048 USD
• Absorbing Class net asset value:	54.2280 EUR =	64.1734 USD
• Number of lots exchanged:	whole number part of $(30 \div 9) =$	3
• Number of units exchanged:	$(3 \times 9) =$	27
• Number of units received:	$(3 \times 7) =$	21
• Number of units liquidated :	$(30 - 27) =$	3
• Cash payment:	$3 \times (9 \times 50.5048 - 7 \times 64.1734) =$	15.98 USD
• Odd lot:	$(3 \times 50.5048) =$	151.51 USD

Absorbed share class trading will be suspended for one week.

In order to complete the merging of the unit classes, subscriptions and redemptions of the C-USD absorbed class units will be suspended as of 25 January 2018 after 6:30 pm. The absorbed class units will also be delisted as of the above date.

Nevertheless, subscriptions and redemption of the C-EUR absorbing share class units will remain possible through the whole merger process.

Responses to questions on shares combination of Lyxor ETF

Merger will not require shareholder action.

Merger will be processed automatically by C-USD shareholders depository; cash payment and odd lots will automatically be paid on your account. Furthermore:

- No change will be recorded for other shareholders (eg. Monthly Hedged or USD shares when existing);
- No action is required from C-USD shareholders;
- Fund prospectus will not be amended.

C-USD shareholders can buy and sell their shares on the secondary market in the same currencies: Indeed, EUR share classes will be listed on London Stock Exchange the day after the merger to maintain same trading facilities for shareholders. You can refer to the table next page regarding listing venue changes.

Lyxor MSCI ACWI Gold UCITS ETF

Share class	ISIN code	Listing venues before merger	Listing venues As from February 5 th opening
C-EUR	LU0854423687	Euronext Paris	Euronext Paris, Euronext Amsterdam, SIX Swiss Exchange
C-USD	LU0854423927	Euronext Paris, SIX Swiss Exchange	<i>de-listed</i>

Merger does not create currency risk for investors.

Trading and settlement currency will remain identical. Furthermore, Lyxor will continue to disseminate on Bloomberg USD equivalent NAV to serve as a reference for USD investors. The merger will not create additional currency risk to investments and no currency hedging is required on investment date.

For distributing share classes nevertheless, dividends are paid in the share class currency. Hence, dividends you will receive after the merger will be paid by Lyxor in EUR. Your custodian may, or may not, automatically convert this EUR amount in a USD amount. If you are in doubt with processing of EUR payments on your account, you should liaise with your bank.

The merger process

How will the merger take place?

Lyxor International Asset Management (“**Lyxor**”) intends to combine the USD labelled share classes (C-USD or D-USD) and EUR (C-EUR or D-EUR) labelled share classes within a Lyxor fund.

Each fund’s USD labelled share class will therefore be absorbed into EUR labelled share class of the same fund having the same distribution policy.

The classes will be merged at an exchange ratio of 9 C-USD units for 7 C-EUR units. If there is a difference between the net asset values calculated in USD, you will receive a cash payment for the balance that will be equal to the difference between the net asset value of the absorbed class in USD multiplied by the number of units absorbed and the net asset value of the Absorbing Class converted into USD multiplied by the number of absorbing units.

If you hold less than 9 units in the absorbed class, you will not be entitled to participate in the merger and all of your units will be liquidated. Furthermore, any absorbed class units that are insufficient to form an exchange lot of 9 units (an ‘odd lot’) will be liquidated and will be redeemed at the net asset value of 2 February 2018.

For example, if the merger transaction had been completed at the net asset values of 30 November 2017 and you held 30 Absorbed Class units:

• Number of units held:		30
• Absorbed Class net asset value:		50.5048 USD
• Absorbing Class net asset value:	54.2280 EUR =	64.1734 USD
• Number of lots exchanged:	whole number part of $(30 \div 9) =$	3
• Number of units exchanged:	$(3 \times 9) =$	27
• Number of units received:	$(3 \times 7) =$	21
• Number of units liquidated :	$(30 - 27) =$	3
• Cash payment:	$3 \times (9 \times 50.5048 - 7 \times 64.1734) =$	15.98 USD
• Odd lot:	$(3 \times 50.5048) =$	151.51 USD

On the merger date, this will entail:

- calculation of the cash payments and odd lots to be paid to your custodians;
- liquidation of the USD share class after calculation of its last net asset value and (i) payment of cash and odd lots to you and (ii) transfer of remaining assets and liabilities to the EUR share class (within the same fund);
- issuance of EUR shares and their distribution to you in exchange for the USD shares.

Lyxor MSCI ACWI Gold UCITS ETF

Shares before the merger		Shares after the merger	
Share class	ISIN code	Share class	ISIN code
C-EUR	LU0854423687	C-EUR	LU0854423687
C-USD	LU0854423927		

The cost of the merger will not be borne by you or by the fund, but by the management company (Lyxor International Asset Management).

Responses to questions on shares combination of Lyxor ETF

What is the timetable for the merger?

Key merger dates.

Event	Lyxor MSCI ACWI Gold UCITS ETF Date
Publication of merger notice	29/12/2017
Last tradable net asset value of USD labelled shares on the primary market	26/01/2018
Last trading day of USD labelled shares	25/01/2018 at market close
Merger date	02/02/2018
First day of trading of EUR labelled shares on London Stock Exchange	05/10/2018 at market open
First tradable net asset value on the primary market for former USD labelled shares' shareholders	05/02/2018

Why merge this fund?

The day after the merger, the EUR labelled shares will be traded across all listing venues in Europe. Secondary market volumes on EUR shares class will increase; secondary market conditions shall improve for all EUR shareholders and former USD shareholders.

Will the cost of the merger affect the net asset value of the fund?

The legal, administrative and advisory fees and expenses in relation to the fund merger will not be borne by you, nor by the fund, but by the management company (Lyxor International Asset Management).

Lyxor will also pay any transfer tax or duty that might be required to transfer the fund's assets.

So overall the merger will have no impact on the fund's net asset value, for either of C-EUR, C-USD, D-EUR, D-USD, USD, Monthly Hedged D-EUR or Montly Hedged D-USD shareholders.

Will I bear currency risk due to the merger?

If you hold USD labelled share class that will be merged into a EUR labelled share class, the merger will not create additional currency risk to your investment. Indeed:

- your holdings in the fund will remain identical (your shares will represent the same underlying assets);
- no FX conversion is required when placing orders in the trading currency as trading currency as well as settlement currency will remain the same;
- Lyxor will continue to disseminate on Bloomberg a USD equivalent NAV, calculated using WM Reuters rates at 4.00 pm London Time;

Hence, no currency hedging is required on merger date.

For distributing share classes nevertheless, dividends are paid in the share class currency.

Hence, dividends you will receive after the merger will be paid by Lyxor in EUR. Your custodian may, or may not, automatically convert this EUR amount in a USD amount. If you are in doubt with processing of EUR payments on your account, you should liaise with your bank.

Responses to questions on shares combination of Lyxor ETF

Will I have to pay anything because of the merger?

The merger could have tax consequences.

The tax treatment of your investments and of the fund merger will depend on your individual tax situation. If you are not sure about your tax situation, you should seek advice from a competent, professional tax advisor.

How will the merger affect the trading of the fund?

Lyxor will temporarily suspend transactions on the primary and secondary market of USD labelled share classes. However, other shares will continue to be tradable in the primary market.

More specifically, it should be noted that:

- Transactions on the primary market of USD labelled shares will be suspended for five business days (the last net asset value will be tradable on Friday 26 January, as soon as the exchange of shares is processed, former USD shareholders can trade on Monday 5 February net asset value)
- Trading on the secondary market on the London Stock Exchange will be suspended for six days, from Thursday 25 January (at close) until Monday 5 February (at open).

The net asset value will continue to be calculated for all shares as explained in each fund's prospectus and, when possible, the indicative net asset value will be indicated. Furthermore, an indicative net asset value in USD will be published by Lyxor on each day to serve as reference for former USD shares investors.

Will I be able to sell and purchase shares in the absorbed share before the merger?

The USD labelled shares will continue to be traded normally after the announcement date (see above). You may continue to buy and sell shares.

However, you should note that primary and secondary market transactions will be suspended for respectively five and six days and that this could disrupt the execution of large orders on the secondary market.

How many shares in the new fund will I receive?

Each lot of 9 units of the absorbed class you hold will be automatically exchanged for 7 units of the absorbing class.

If you hold less than 9 units in the absorbed class, you will not be entitled to participate in the merger and all of your units will be liquidated.

Furthermore, any absorbed class units that are insufficient to form an exchange lot of 9 units (an 'odd lot') will be liquidated and will be redeemed at the net asset value of 2 February 2018.

How will the merger affect my taxes?

The change in fund share class may have consequences on tax and accounting treatment in some countries.

Generally speaking, you may have to pay the following taxes:

- on fund capital gains that are considered to be realised at the merger date;
- on fund income that is considered to be capitalised at the merger date and will become taxable;
- on the registration of the absorbing share class in your account, which will be subject to a stamp tax.

Depending on your tax status and country of residence, you may have to pay one or more of the above taxes or may not have to pay any.

Responses to questions on shares combination of Lyxor ETF

The tax treatment of your investments depends on your particular situation. If you are not sure about your tax situation, you should seek advice from a competent, professional tax advisor.

Do I have to do anything?

The merger will be managed by your service providers (i.e. your depositary) and you therefore won't have to do anything. You should note however that some of the ISIN will change and you will need to be aware of this when placing an order after the merger.

Depending on the investor's country, specific tax forms may have to be filed.

The tax treatment of investments will depend on each investor's particular situation. Investors who are uncertain about their tax situation or tax filing obligations in respect of the fund merger should seek advice from a competent, professional tax advisor.

What if I don't want to participate in this merger?

If you don't want to participate in the merger you should sell your shares on the secondary market before the merger date. This may entail broker or other intermediary fees.

Responses to questions on shares combination of Lyxor ETF

DISCLAIMER

This material has been provided to you at your demand on a strictly confidential basis, has been prepared solely for informational purposes and does not constitute an offer, or a solicitation of an offer, to buy or sell any security or financial instrument, or to participate in any investment strategy. This material does not purport to summarize or contain all of the provisions that would be set forth in the prospectus of the Fund. Any purchase or sale of any securities may be made only pursuant to the prospectus of the Fund. There is no assurance that a transaction will be entered into on any indicative terms. The information contained in this material should not be construed as a recommendation or solicitation to buy or sell any security or financial instrument, or to participate in any investment strategy. It does not have regard to specific investment objectives, financial situations, or the particular needs of any specific entity or person. Investors should make their own appraisal of the risks and should seek their own financial, legal and tax advice regarding the appropriateness of investing in any securities or financial instrument or participating in any investment strategy. Potential investors should be aware that any direct or indirect investment in any investment vehicle described herein is subject to significant risks, including total loss of capital, such investments may be highly volatile, and there are significant restrictions on transferability and redemption of an interest in such investment vehicle. Liquidity of the Fund described herein is not guaranteed and there are circumstances under which such liquidity may be restricted or may not be possible. Investors should be able to bear the financial risks and limited liquidity of this investment. No assurance can be given that the investment objectives of the investment Fund presented herein will be achieved or that an investor will not lose all or substantially all of his or her investment. Hedge fund investment managers may use investment strategies and financial instruments that, while affording the opportunity to generate positive returns, also provide the opportunity for increased volatility and significant risk of loss. The Fund described herein is also subject to the risk of counterparty or issuer default. This brief statement does not disclose all the risks and other significant aspects in connection with transactions of the type described in the materials. Potential investors should refer to the prospectus of the Fund which includes important information, including related risk factors. Historical data relating to the assets described herein is provided for information only. All performance information set forth herein is based on historical data and, in some cases, hypothetical data, and may reflect certain assumptions with respect to fees, expenses, taxes, capital charges, allocations and other factors that affect the computation of the returns. An individual investor may have experienced different results for the period in question had it been an investor during such period. These figures may also be unaudited and subject to material change. Past performance is not indicative of future results, and it is impossible to predict whether the value of any fund or index will rise or fall over time.

Under normal market conditions, Lyxor intends to offer weekly or monthly liquidity for its funds. However, weekly or monthly liquidity is not guaranteed and there are circumstances under which such liquidity may not be possible, including, but not limited to: 1. Periods during which there are a large number of redemption requests, or where there are one or more large redemption requests; 2. Where Lyxor's risk management guidelines would prohibit additional liquidity; 3. Where the underlying investments impose additional restrictions on liquidity.

While the information (including any historical or hypothetical returns) in this material has been obtained from sources deemed reliable, neither Société Générale ("SG"), Lyxor International Asset Management, S.A.S. ("LIAM"), nor their affiliates guarantees its accuracy, timeliness or completeness.

Neither SG, Lyxor AM nor any of their affiliates is under any obligation to update, modify or amend this communication or otherwise notify you that any matter contained herein has changed or subsequently become inaccurate.

Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice. SG, Lyxor AM and their affiliates assume no fiduciary responsibility or liability for any consequences, financial or otherwise, arising from an investment in any security or financial instrument described herein or in any other security, or from the implementation of any investment strategy. This material should not be construed as legal, business or tax advice. SG, Lyxor AM and each of their affiliates expressly disclaims all responsibility for any use of or reliance upon this document. Lyxor AM and its affiliates may from time to time deal in, profit from the trading of, hold, have positions in, or act as market-makers, advisers, brokers or otherwise in relation to the securities and financial instruments described herein. Service marks appearing herein are the exclusive property of SG and its affiliates, as the case may be. This document is exclusively for your use and may not be reproduced, distributed or published by any person for any person without the prior written consent of SG or Lyxor AM.

The Investment Manager will operate in accordance with the policy he has put in place to manage potential conflict of interest.

Notice to European investors: Any potential investment in any securities or financial instruments described herein may not be suitable for all investors. Any prospective investment will require you to represent that you are a "professional client," as defined in the Markets in Financial Instruments Directive (MiFID). The securities and financial instruments described herein may not be available in all jurisdictions. Investments in or linked to hedge funds are highly speculative and may be adversely affected by the unregulated nature of hedge funds and the use of trading strategies and techniques. Also, hedge funds are typically less transparent in terms of information and pricing and have much higher fees than registered funds. Investors in hedge funds may not be afforded the same protections as "retail investors" as defined in the MiFID.



Lyxor International Asset Management – Tours Société Générale
17 Cours Valmy – 92987 La Défense Cedex – France
www.lyxoretf.com - client-services-etf@lyxor.com

Lyxor International Asset Management (LIAM) is a French société par actions simplifiée (simplified private limited company).
LIAM is an investment management company authorized
by the Autorité des marchés financiers under the UCITS Directive (2009/65/EC) and the AIFMDirective (2011/31/EU).
Copyright February 2016 – LIAM. All rights reserved.